



Budget Brief 20-15, April 23, 2020

Latest COVID-19 Relief Package Focuses on Businesses, Hospitals, and Testing

By FFIS staff • Contact Trinity Tomsic • 202-624-8577 • ttomsic@ffis.org

Summary

The Senate passed a fourth COVID-19 supplemental appropriations bill—the Paycheck Protection Program and Health Care Enhancement Act ([H.R. 266](#))—that focuses on small businesses, hospitals, and testing. The House is expected to vote on the measure today, and the president indicated he will sign it. Major provisions include:

- \$321 billion for the Paycheck Protection Program
- \$60 billion in loans and grants for economic disaster assistance
- \$75 billion for health care providers
- \$25 billion to increase testing capacity

The bill does not provide direct assistance to state and local governments, except for \$11 billion for testing and contact tracing.

Health Provisions

Provider Relief Fund. The agreement appropriates \$75 billion to reimburse hospitals and health care providers for COVID-19-related expenses and lost revenue. These funds supplement \$100 billion appropriated in the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Like the CARES Act, the bill does not specify a formula for allocating funds and includes the same legislative provisions:

- Eligible providers include public entities, Medicare or Medicaid enrolled suppliers and providers, and certain for-profit and non-profit entities as determined by the secretary of the Department of Health and Human Services (HHS).
- To receive a payment, a provider must submit an application justifying the need for funding and a valid tax identification number.
- Applications must be reviewed and payments made on a rolling basis.
- Funds may be used for temporary structures, leasing, medical supplies and equipment, increased workforce and training, emergency operation centers, retrofitting facilities, and surge capacity.
- Reporting and documentation requirements are included.

Guidance on the Provider Relief Fund is available [here](#).

Testing. The bill includes \$25 billion to increase COVID-19 testing. At least \$11 billion of that total is for state and local governments, territories, and tribes to develop, purchase, administer, process, and analyze COVID-19 tests. Funds may also be used to conduct contact tracing and for employers to test workers. It includes the following provisions related to this \$11 billion:

- At least \$2 billion must be allocated according to the fiscal year (FY) 2019 Public Health Emergency Preparedness (PHEP) formula, and at least \$4.25 billion must be allocated by an unspecified formula that is based on the relative number of COVID-19 cases. These funds must be allocated within 30 days of enactment.
- Tribes must receive at least \$750 million.
- Within 30 days of enactment, grantees must submit testing plans and goals for the remainder of calendar year 2020, to include:
 - monthly number of tests needed
 - monthly estimates of laboratory and testing capacity
 - description of how resources will be used for testing, including easing community mitigation policies

Other set-asides of the overall \$25 billion include:

- At least \$1 billion to the Centers for Disease Control and Prevention (CDC) for surveillance, epidemiology, contact tracing, and other activities
- At least \$1.8 billion for the National Institutes of Health
- At least \$1 billion to cover costs of testing for the uninsured
- \$22 million for the Food and Drug Administration
- Up to \$1 billion for the Biomedical Advanced Research and Development Authority
- \$600 million for community health centers and \$225 million for rural health clinics. The bill requires that funding for rural health clinics be distributed using procedures developed for the Provider Relief Fund (described above). For both programs, the bill allows the secretary to specify a minimum amount for eligible entities.

The bill allows funds to be used for the rent, lease, purchase, acquisition, construction, alteration, renovation, or equipping of nonfederal facilities to improve state and local preparedness and response related to testing. Funds may also be used for purchase of medical supplies and equipment, including personal protective equipment and testing supplies.

HHS reporting requirements. The bill includes several reporting requirements for the secretary of HHS, all of which must be updated on an on-going basis:

- Within 30 days of enactment, report to Congress on a COVID-19 strategic testing plan that includes the following:
 - assistance to states, localities, territories, and tribes to test for active infections and prior exposure, and federal resources to support testing plans of these entities
 - estimate of testing production
 - guidelines for testing

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- plan to increase testing capacity and address disparities in testing
 - Within 21 days of enactment, issue a report on testing—including data disaggregated by race, ethnicity, age, sex, and geographic region—and the number of cases, hospitalizations, and deaths as a result of COVID-19.
 - Within 180 days of enactment, issue a report with the number of positive diagnoses, hospitalizations, and deaths related to COVID-19—including data disaggregated by race, ethnicity, age, sex, and geographic region—and an epidemiologic analysis of such data.
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Small Business Provisions

Paycheck Protection Program (PPP). The bill increases the appropriation for PPP from \$349 billion (provided in the CARES Act) to more than \$670 billion. It sets aside:

- \$30 billion for insured depository institutions and credit unions with between \$10 billion and \$50 billion in assets
- \$30 billion for community financial institutions, insured depository institutions with less than \$10 billion in assets, and credit unions with less than \$10 billion in assets

Funds are available through FY 2021.

Economic Injury Disaster Loans (EIDLs). EIDLs are low-interest, fixed-rate loans to help small businesses and private nonprofits pay immediate expenses during an emergency. The measure amends the CARES Act to increase the authorization for making EIDLs from \$10 billion to \$20 billion and expands eligible recipients to include certain agricultural enterprises with fewer than 500 employees. Funds are available until expended.

Disaster Loans Program Account. The bill appropriates \$50 billion to carry out the Disaster Loan program, which covers costs other than those eligible through EIDL. Funds are available until expended.

Next Steps

This package was focused on addressing gaps in immediate needs. Attention now turns to a larger package that could include additional assistance to state and local governments.

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