

BUSINESS PROGRAMS APPLICABLE TO ALL ELIGIBLE EMPLOYERS

Note: This document provides an overview of funding opportunities available to eligible employers through the recently-enacted CARES Act. However, statute, guidance and regulations indicate that in some instances organizations may not apply for funding for the same costs from multiple sources. Be sure to carefully consider this as you further investigate these options. Further, information provided in this document is based on multiple sources and widely available information, subject to interpretation as well as guidance issued to date, and such guidance is subject to change. Be sure to consult with your CPA firms for guidance and direction.

Program/ Provision	Description	Eligibility	Amount Available	Requirements	More information
Payroll Tax Delay	Employers may delay payment of the employer share of FICA between the date of enactment (March 27, 2020) and December 31, 2020. Of the amount delayed, 50% would have to be repaid by 12/31/21, and the remaining amount by 12/31/22	All employers are eligible but any employer that has received and had forgiven a loan under the Paycheck Protection Program is not eligible.	Employers can defer payment of the 6.2% FICA tax, which is applied to wages below \$137,700.	There is no requirement related to how employers may use the money saved through this program	Not available
Paycheck Protection Program – Small Business Loans	Small business loans. Will be fully forgiven when used for payroll costs, interest on mortgages, rent, and utilities (at least 75% of the forgiven amount must have been used for payroll). Loan payments will be deferred for six months.	Small businesses with 500 or fewer employees—including nonprofits, veteran organizations, tribal concerns, self-employed, sole proprietorships, and independent contractors—are eligible. Businesses with more than 500 employees are eligible in certain industries.	\$349 billion total. Loans can be for up to two months of your average monthly payroll costs from the last year plus an additional 25% of that amount, subject to a \$10 million cap. Loans are subject to a fixed rate interest of 1%.	Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Loans can be used for: Payroll costs, including benefits; Interest on mortgage obligations, rent, under lease agreements and utilities.	https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses
Economic Injury Disaster Loan (EIDL) and Emergency Economic Injury Grants	The EIDL is an existing loan program through the SBA. The grants were included in the CARES Act as advance payments for an entity applying for an EIDL.	Any small business with less than 500 employees including private non-profit organizations affected by COVID-19. Businesses in certain industries may have more than 500 employees if they meet the SBA's size standards for those industries.	EIDLs loans - up to \$2 million; interest rates up to 2.75% percent for nonprofits, as well as principal and interest deferment for up to 4 years. Grant - \$10,000 advance does not have to be repaid.	The loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.	https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance

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Employee Retention Program	To encourage businesses to keep employees on their payroll. The refundable tax credit is 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially impacted by COVID-19.	<p>The credit is available to all employers regardless of size, including tax-exempt organizations. There are only two exceptions: State and local governments and small businesses who take small business loans. Qualifying employers must fall into one of two categories:</p> <ol style="list-style-type: none"> 1. The employer's business is fully or partially suspended by government order due to COVID-19 during the calendar quarter. 2. The employer's gross receipts are below 50% of the comparable quarter in 2019. Once the employer's gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter. <p>These measures are calculated each calendar quarter.</p>	The credit equals 50 percent of the qualified wages (including qualified health plan expenses) that an Eligible Employer pays in a calendar quarter. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for qualified wages paid to any employee is \$5,000. Wages paid after March 12, 2020, and before Jan. 1, 2021, are eligible for the credit.	<p>An eligible employer's ability to claim the Employee Retention Credit is impacted by other credit and relief provisions as follows:</p> <ul style="list-style-type: none"> ○ If an employer receives a loan under the Paycheck Protection Program, then the employer is not eligible for the Employee Retention Credit. ○ Wages for the credit do not include wages for which the employer received a tax credit for paid sick & family leave under the Families First Coronavirus Response Act. ○ Wages counted for this credit can't be counted for the credit for paid family and medical leave under section 45S of the Internal Revenue Code. ○ Employees are not counted for this credit if the employer is allowed a Work Opportunity Tax Credit under section 51 of the Internal Revenue Code for the employee. 	https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act
Other Business Loans through the Federal Reserve	For emergency loans. The bill encourages the Dept. of Treasury to target organizations between 500 and 10,000 employees, including nonprofits.	<p>Loans are for businesses, states and municipalities.</p> <p>Eligible borrowers will have to certify in good faith to a number of requirements, including the funds will be used to retain at least 90% of the workforce at full compensation and benefits through 9/30/2020.</p>	<p>\$600 billion</p> <p>No maximum loan amount per business included in statute. Loans will have an interest rate not higher than 2% per year; no principle or interest may be due for at least the first six months.</p>	There are several conditions for receiving the funds including restrictions on stock buybacks, dividends and capital contributions; compensation increases and severance pay for officers and employees who received more than \$425,000 in total compensation in 2019 may be limited.	https://www.federalreserve.gov/monetarypolicy/main.htm

PROGRAMS APPLICABLE TO HEALTH CARE PROVIDERS

Note: This document provides an overview of funding opportunities available to eligible health care providers through the recently-enacted CARES Act. However, statute, guidance and regulations indicate that in some instances organizations may not apply for funding for the same costs from multiple sources. Be sure to carefully consider this as you further investigate these options. Further, information provided in this document is based on multiple sources and widely available information, subject to interpretation as well as guidance issued to date, and such guidance is subject to change. Be sure to consult with your CPA firms for guidance and direction.

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Accelerated Medicare Payment Program	Expands the existing Medicare Hospital Accelerated Payment program for purposes of the national emergency, during the period of the public health emergency.	Any Medicare provider/supplier who submits a request to the appropriate Medicare Administrative Contractor (MAC) and meets the required qualifications that the provider/supplier must: 1. Have billed Medicare for claims within 180 days immediately prior to the date of signature on their request form, 2. Not be in bankruptcy, 3. Not be under active medical review or program integrity investigation, and 4. Not have any outstanding delinquent Medicare overpayments.	Inpatient acute care hospitals, children’s hospitals, and certain cancer hospitals are able to request up to 100% of the Medicare payment amount for a six-month period. Critical access hospitals (CAH) can request up to 125% of their payment amount for a six-month period. Other providers/supplies can request up to 100% of the Medicare payment amount for a three-month period.	Any advances will be recouped starting in 120 days. Hospitals will have up to one year to pay the balance. Money will be recouped from claims payments automatically. At the end of the repayment period, the MAC will send the provider a demand letter if there is a remaining balance: <ul style="list-style-type: none"> ○ The demand letter will indicate the remaining balance to be paid. ○ The provider can then submit a direct payment to pay off the balance in full. ○ There is a 30-day grace period before interest on the remaining balance begins; that is, on the 31st day after the demand letter is sent, interest will begin to accrue. ○ The interest rate is the prevailing rate set by the Treasury, which is currently 10.25%; CMS has previously stated it does not have authority to waive interest or change this rate. 	https://www.cms.gov/files/document/accelerated-and-advanced-payments-fact-sheet.pdf <i>Many hospitals expressed concern about the timing of the repayments, and the 10.25% interest rate. CMS has indicated it may not waive these requirements at this time.</i>

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The \$100 billion Fund” - Public Health and Social Services Emergency Fund	To prevent, prepare for, and respond to coronavirus, and to reimburse health care providers for health care related to expenses or lost revenues that are attributable to coronavirus.	Public entities, Medicare or Medicaid enrolled providers, and other non-profit and for-profit entities specified by the Secretary of HHS.	<p>\$100 billion in total nationwide.</p> <p>On April 10, CMS began distributing \$30 billion of this fund as payments to hospitals based on Medicare Fee for Service Part A and Part B claims.</p> <p>CMS has further announced it is seeking to use a portion of these funds as reimbursement for the uninsured. Reimbursement would equal the Medicare payment rate.</p>	<p>CMS is requiring that any provider that received payment from the first \$30 billion sign an attestation form and agree to certain terms and conditions. These terms and conditions including restrictions on out of network billing, and reporting requirements. The terms and conditions as released on April 10 can be found here: Terms and Conditions - PDF, CMS indicates that the attestation must be signed within 30 days of receiving the payment, and a portal for signing the attestation will be open the week of April 13, 2020.</p> <p>Additional information about the distribution of the remaining funds is not yet known.</p>	<p>For information on the distribution of the first \$30 billion: https://www.hhs.gov/provider-relief/index.html</p> <p><i>It is unclear how much of the total funding will eventually be allocated to hospitals in Wisconsin.</i></p>
DRG Add-On for Inpatient Medicare Services	Increases the weighting factor for discharges of Medicare FFS patients with a COVID-19 diagnosis by 20%	Rural and urban PPS Hospitals	No limit	For period of the emergency only.	No additional information has been provided by CMS at this time.
Medicare Sequester Extension	Eliminates the Medicare sequester from May 1 through December 31, 2020. This provision then adds one year to the sequester extending it from 2029 to 2030.	Medicare providers	Absent this provision, Medicare payments would have been reduced Medicare by 2% for May 1 through December 31.		<i>WHA estimates this provision will increase hospital payments in Wisconsin by \$40-\$50 million. The actual amount will depend upon actual claims submissions.</i>
Extension of the Work Geographic Floor Index	Extends the index floor through December 2020, allowing HHS to provide larger payments to physicians in areas that have labor costs lower than the national average.	Physicians working in areas eligible for the Work Geographic Index Floor			

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HRSA Grants	Federal Office of Rural Health Policy funding to support COVID-19 related activities for to support rural hospitals that are seeing increased demands for clinical services and equipment, as well as experiencing short-term financial and workforce challenges related to responding to meeting the needs of patients with the COVID-19 seeking care at their facilities.	“Eligible small rural hospital” is defined as a non-Federal, short-term general acute care hospital that: (i) is located in a rural area as defined in 42 U.S.C. 1395ww(d) and (ii) has 49 available beds or less, as reported on the hospital’s most recently filed Medicare Cost Report.	\$180 million total; \$150 million for hospitals nationwide	This funding will be awarded to states through the Small Rural Hospital Improvement Program (SHIP) grant mechanism.	<p>https://www.hrsa.gov/rural-health/coronavirus-frequently-asked-questions</p> <p><i>The allocation method is not yet available. WHA estimates that Wisconsin’s rural hospitals might receive a total of \$3 million from this fund.</i></p>
State Hospital Association Emergency Preparedness Grants	Grants to state hospital associations	State hospital associations	<p>\$50 million nationwide.</p> <p>WHA estimates the amount available for Wisconsin is approximately \$1 million.</p>	<p>Funds must be distributed to hospitals in the state and hospitals may use funds for expenses or lost revenues not otherwise reimbursed and directly attributable to COVID-19</p> <p>WHA intends to distribute this small amount of funding to Critical Access Hospitals to assist them with COVID-19 costs related to PPE and other equipment.</p>	<i>WHA has submitted a grant application and has been notified of fund availability. More information will be released soon.</i>
Telehealth Network Grant Program	Generally, the grant is designed to demonstrate how telehealth networks are used to expand access, training, and quality of information.	More details, tbd			

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Distance Learning and Telemedicine Grant Program	This program was expanded under the CARES Act with additional funding.	Applicants eligible for DLT grants include most state and local governmental entities, federally recognized tribes, nonprofits, and for-profit businesses.	\$25 million nationwide Generally there is a 15% match on the grants. It is unclear if this 15% match also applies to the new funding provided in the CARES Act.	Grant funds may be used for acquiring eligible capital assets, such as: Broadband transmission facilities; Audio, video and interactive video equipment; Terminal and data terminal equipment; Computer hardware, network components and software; Inside wiring and similar infrastructure that further DLT services Funds can also be used to acquire instructional programming that is a capital asset or to acquire technical assistance and instruction for using eligible equipment	<i>Electronic applications may be submitted through grants.gov beginning April 14, 2020, and are by July 13. Additional information on how to apply will be available on April 14 on grants.gov</i> https://www.usda.gov/media/press-releases/2020/04/03/usda-announces-second-application-window-distance-learning-and
The COVID Telehealth Program	The FCC will help healthcare providers purchase telecommunications, broadband connectivity, and devices necessary for providing telehealth services. Funding applications from healthcare providers will be processed on a rolling basis.	Nonprofit and public eligible health care providers including: (1) post-secondary educational institutions offering health care instruction, teaching hospitals, and medical schools; (2) community health centers; (3) local health departments; (4) community mental health centers; (5) not-for-profit hospitals; (6) rural health clinics; (7) skilled nursing facilities; or (8) consortia of health care providers consisting of one or more of such entities.	\$200 million nationwide provided to the FCC	The grant application requires some specific descriptions of how COVID19 has impacted your area, patient population, and how services will be used during the pandemic. If treating patients without COVID-19, the application should describe how this frees up resources to treat COVID-19 or otherwise respond to the disease by, for example, facilitating social distancing. •	https://docs.fcc.gov/public/attachments/FCC-20-44A1.pdf
Medicaid DSH Reduction Delay	Eliminates the \$4 billion in Medicaid DSH cuts in FY 2020 and reduces the cut from \$8 billion to \$4 billion in FY2021.	Medicaid DSH Hospitals	\$4 billion nationwide.		<i>Wisconsin would not have been impacted by the DSH cuts, and therefore is not impacted by the cut delay.</i>

OTHER FUNDING POSSIBILITIES

Note: This document provides an overview of potential funding opportunities during the pandemic. However, statute, guidance and regulations indicate that in some instances organizations may not apply for funding for the same costs from multiple sources. Be sure to carefully consider this as you further investigate these options. Further, information provided in this document is based on multiple sources and widely available information, subject to interpretation as well as guidance issued to date, and such guidance is subject to change. Be sure to consult with your CPA firms for guidance and direction.

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CDC Funding	Grants for the coronavirus response	More info tbd	\$4.3 billion to the CDC for coronavirus response, including \$1.5 billion to support states, local governments, territories, and tribes; \$500 million for public health data surveillance and analytics infrastructure modernization; and \$1.5 billion for efforts to contain and combat the virus, among other uses.		Additional information has not yet been released on how these funds would be distributed.
FEMA Grant Funding	On March 13, 2020 the President declared a national emergency. EMA announced that federal emergency aid has been made available for the state of Wisconsin to supplement state, tribal and local recovery efforts in the areas affected by the Coronavirus Disease 2019 (COVID-19) pandemic beginning on January 20, 2020 and continuing.				WHA hosted a webinar on FEMA funding. The webinar was recorded, and WHA members interested in accessing the webinar may contact Leigh Ann Larson at llarson@wha.org .