



COVID-19 EMERGENCY FUNDING SOURCES FOR HOSPITALS

Name	How to Apply	Key Dates	Description	Forms & Resources
Federal Supplemental Payments & Other Financial Relief				
<p>Hospital Preparedness Program (the Department of Health and Human Services [HHS] and the Office of the Assistant Secretary for Preparedness and Response)</p>	<p>\$50 million to be distributed by state/regional hospital associations</p>	<p>Initial amount to be distributed to hospitals by early May</p>	<p>At least \$550 million will be appropriated nationwide—\$50 million of which will be made available to hospitals in the next 30 days—to reimburse providers for health care-related expenses related to COVID-19, including training staff to implement pandemic or emergency preparedness plans, procuring supplies and equipment, ramping up infection control and triage training, retrofitting separate areas to screen/treat persons with suspected COVID-19 infections, including isolation areas in or around hospital emergency departments to assess persons under investigation, implement expanded telemedicine/telehealth capabilities, and increase beds to provide surge capacity using alternate care sites.</p> <p>The remainder will help hospitals prepare for other, future novel disease outbreaks. Amounts were appropriated by the Coronavirus Preparedness and Response Supplemental Appropriations Act and the Coronavirus Aid, Relief, and Economic Security (CARES) Act.</p> <p>Of the \$50 million—which will be allocated through state/regional hospital associations—\$996,986 will be distributed to New York City hospitals, and the Healthcare Association of New York State will distribute \$1,375,936 to hospitals in the rest of New York State. Connecticut will receive \$557,396, and New Jersey will receive \$1,232,698.</p>	<p>GNYHA Member Letter (ML) on first COVID-19 Supplemental</p> <p>GNYHA ML on CARES Act</p>

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Public Health and Social Services Emergency Fund (HHS)	TBD	Providers must sign an attestation confirming receipt of the funds within 30 days of receiving the funds and agree to the terms and conditions of payment.	<p>The CARES Act appropriated \$100 billion for hospitals and other providers nationwide to prevent, prepare for, and respond to COVID-19 to be distributed through grants and other payment mechanisms; eligible expenses include lost revenues from cancelled procedures, building new structures or retrofitting existing buildings, purchasing supplies, training staff, and other COVID-19-related costs.</p> <p>HHS has released an initial \$30B distribution. Every Medicare provider will receive a distribution based on its proportionate share of 2019 Medicare FFS payments nationally. Payments will be released within two weeks (by late April) via an Automated Clearing House (ACH) to providers based on their TIN. Providers must sign an attestation confirming receipt of the funds within 30 days of receiving the funds and agree to the terms and conditions of payment.</p> <p>The Administration announced that a portion of the funds will be used to reimburse providers treating uninsured patients at Medicare rates. In order to receive this funding, providers are obligated to not “balance bill” any patient for COVID-19 related treatment services. The Administration announced that it has secured commitments from several health plans to waive cost-sharing payments for treatment related to COVID-19.</p> <p>HHS states that it is working on additional distributions to target providers in “hot spot” areas, rural providers, and those serving primarily a Medicaid population, and those serving uninsured COVID-19 patients. GNYHA has advocated that funding be targeted to providers located in COVID-19 “hot spots.”</p>	<p>GNYHA ML on CARES Act</p> <p>Relief Fund Payment Terms and Conditions</p>
Suspension of Medicare Sequester (the Centers for Medicare & Medicaid Services [CMS])	N/A; will apply automatically to claims	May-December 2020	The CARES Act suspended the Medicare sequester (2% of all Medicare fee-for-service payments) from May 1-December 2020; the Medicare sequester was extended from 2029 to 2030. Applicability to Medicare Advantage will depend on a hospital’s contract terms.	<p>GNYHA ML on CARES Act</p>

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20% Medicare Add-On Payment for COVID-19 Cases (CMS)	N/A; will apply automatically to claims	During public health emergency declared by HHS on 1/31/2020	The CARES Act provided a 20% add-on to the otherwise applicable diagnosis-related group payment rate for patients with a COVID-19 diagnosis. Applies to patients treated at inpatient prospective payment system (IPPS) hospitals. Details on implementation are forthcoming.	GNYHA ML on CARES Act
Cooperative Agreement for Emergency Response: Public Health Crisis Response (the Centers for Disease Control and Prevention [CDC])	HHS allocated funds to eligible states. States may fund providers directly for allowable expenses.	Funding was awarded to localities on 3/16. Funding to be distributed 10 days after President's signature.	CDC is awarding \$569,822,380 to eligible jurisdictions to prevent, prepare for, and respond to COVID-19. This funding is intended for state, local, territorial, and tribal health departments to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. States can fund hospitals and other health care providers directly if funds are used for certain allowable activities (e.g., quarantine without treatment in a hospital facility) and are identified in revised budgets and work plans.	CDC COVID-19 Supplemental Funding Webpage COVID-19 Cooperative Agreement: Supplemental Funding Interim Guidance
Capital Payments for Extraordinary Circumstances (CMS)	IPPS hospitals must apply in writing with an explanation of the circumstances that led to the unanticipated capital expense (with supporting documentation), estimated expenditure, and any expected reimbursement directly related to the expenditure (e.g., insurance payments)	Hospitals must apply to the CMS Regional Office within 180 days of the extraordinary circumstance for an eligibility determination	Hospitals may request additional payment for unanticipated capital expenditures in excess of \$5 million (net of proceeds from other payment sources, such as insurance and other government programs) due to extraordinary circumstances (e.g., an earthquake). The payment varies by hospital type: Sole Community Hospitals are reimbursed 100% of Medicare's share of allowable capital-related costs attributable to the extraordinary circumstances, but all other hospitals are reimbursed based on a minimum amount of 85% for Medicare's share of allowable capital-related costs attributable to the extraordinary circumstances. Total exception payments are capped at 10% of total capital prospective payments. Note: Total exception payments include exception payments outside of those for extraordinary circumstance (i.e., payments made if capital payments would have been less than their minimum payment limit, or through the special exceptions process).	42 CFR 412.348: Regulation Pertaining to Capital Exception Payments CMS FAQ on Emergency-related Policies and Procedures that Do not Require 1135 Waivers

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Loan Opportunities				
Accelerated and Advance Medicare Payments (CMS)	Providers must submit a form to their Medicare Administrative Contractor	Available immediately; payments expected to be issued within seven days	The CARES Act expanded the existing program to allow acute, cancer, and children's hospitals to request an advance payment of up to 100% of their Medicare payments for a six-month period, while critical access hospitals may request up to 125%. Other Medicare providers and suppliers (including physicians) may request up to three months advance payment. Repayment will not begin for 120 days and will be interest-free for 12 months, after which time interest will accrue at 10.25% (tied to Treasury rates and can change quarterly). Providers that currently receive periodic interim payments will be required to reconcile payments at cost report settlement. All other providers will have amounts withheld from claims payments after 120 days and will owe the balance after 12 months (+ a 30-day grace period).	CMS Fact Sheet Information from National Government Services (NGS) NGS hotline: (888) 802-3898 GNYHA ML on Accelerated and Advance Medicare Payments
Employer Payroll Tax Delay (the Internal Revenue Service [IRS])	No need to notify the IRS	March 27-December 21, 2020	Under the CARES Act, employers can defer payment of the 6.2% FICA tax on wages paid between March 27 and December 21, 2020. Fifty percent of the deferred payment is due by December 31, 2021, and the remaining 50% is due by December 31, 2022. All employers are eligible unless they have had a loan forgiven through the Paycheck Protection Program.	IRS Notice GNYHA ML on CARES Act
Paycheck Protection Program (the Small Business Administration [SBA])	Small businesses with <500 employees	February 15, 2020-June 30, 2020	The CARES Act expands eligibility for and provides \$349 billion to fund special new loans, loan forgiveness, and other relief to small businesses affected by COVID-19. While hospitals with over 500 employees are not eligible currently, the American Hospital Association is advocating to include larger hospitals in the program. SBA can provide a maximum loan of 250% of the last 12 months' average monthly payroll costs over the February 15-June 30, 2020 period, capped at \$10 million. The amounts by which individual employee salaries exceed \$100,000 annually will be excluded from the loan calculation. Forgivable amounts are prorated based on a reduction in employees or wages in excess of 25%, unless required by June 30. While some hospitals may not qualify due to size restrictions, this program may benefit physician practices.	SBA Interim Final Rule National Law Review Summary Tax Foundation Summary

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Economic Injury Disaster Loan (EIDL) (SBA)	Small businesses with <500 employees and non-profits of all sizes	N/A; CARES Act moves requirement for being operational for one year to as of January 31. Applications are available now.	The CARES Act waives certain requirements and expands eligibility for an EIDL. An EIDL is a working capital loan of up to \$2 million (12-month deferral and then 2.75% interest for most private non-profits) that can be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. There is no loan forgiveness associated with this program, but EIDL applicants may receive a \$10k emergency grant that does not have to be repaid and is available within three days of application. Emergency grants are available from January 31, 2020, to December 31, 2020. Layoffs and salary reductions do not impact eligibility.	SBA EIDL Information EIDL Application
Main Street Lending Program (Assistance for Mid-sized Businesses) (Treasury/ Federal Reserve)	Midsized businesses with less than 10,000 employees	N/A; awaiting details from Treasury Secretary soon	<p>The CARES Act provides \$454 billion for financial assistance to eligible businesses. The Secretary of Treasury has authority to implement a program for assistance to midsized businesses. Under the CARES Act, loans to midsized businesses will have annualized interest rates $\leq 2\%$.</p> <p>The Federal Reserve released details of the Main Street Lending Program which will provide 4-year loans for small and mid-size businesses with up to 10,000 employees or with 2019 revenues under \$2.5 billion. The program announcement does not specify a minimum number of employees, despite the CARES Act originally targeting companies with a minimum of 500 employees. Loan payments will be deferred for one year. The term sheet did not specify if these businesses include non-profits, although the CARES Act referenced that non-profits would be eligible for assistance under a program that targets mid-size businesses.</p> <p>According to the Federal Reserve, businesses applying for loans must make efforts to maintain workforce and payroll, and follow compensation, stock repurchase, and dividend restrictions that apply to direct loan programs under the Coronavirus Aid, Relief, and Economic Security (CARES)</p>	Senate Banking CARES Act Title IV Summary Federal Reserve: Main Street Lending Program New Loan Facility Term Sheet Expanded Loan Facility Term Sheet

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Main Street Lending Program (continued)			<p>Act. However, the CARES Act specifies that applicants must certify that they will retain 90% of the workforce at full compensation until September 30, 2020, or that they intend to restore 90% of the workforce as of February 1, 2020, at full compensation within four months of the end of the public health emergency. During the period of the loan through one-year post-repayment, no employee whose compensation exceeds \$425K in 2019 may receive a pay raise over the 2019 amount or severance that exceeds twice the 2019 amount. Additionally, an employee whose total annual compensation exceeds \$3 million will be capped at \$3 million plus 50% of any compensation in excess of \$3 million during this period.</p> <p>Businesses that have received loans through the Paycheck Protection Program are also eligible for Main Street loans, although the term sheet does not specify whether the same affiliation rules apply.</p>	
Federal Emergency Management Administration (FEMA) Assistance				
Public Assistance (PA) Program (FEMA)	<p>Hospitals, outpatient facilities, rehabilitation facilities, and long-term care facilities should attend a New York Division of Homeland Security and Emergency Services (DHSES) virtual briefing and must submit a request for public assistance (RPA) form through the FEMA grants portal or directly through DHSES</p>	Recommended to apply ASAP, but deadline is waived	<p>President Trump's March 13, 2020, national emergency declaration and subsequent March 20 major disaster declaration for New York unlocked FEMA PA funds for "Category B" reimbursement for emergency protective measures. This includes management, control, and reduction of immediate threats to public safety, emergency medical care, and medical sheltering. It does not include additional categories such as infrastructure repair and replacement.</p> <p>Eligible hospital costs include but are not limited to administrative costs such as overtime pay and purchases such as personal protective equipment used directly for medical care. Business-related costs such as revenue loss are not eligible. The PA program includes a 75% Federal cost share; the remaining 25% cannot be covered with other Federal grants/loans. Although FEMA grant programs are subject</p>	<p>GNYHA ML on FEMA Grants for Hospitals</p> <p>GNYHA/Witt O'Briens webinar (4/2/20)</p> <p>DHSES information on FEMA PA program for COVID-19</p> <p>DHSES briefing schedule</p>

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<p>PA Program (FEMA) (continued)</p>			<p>to Federal procurement standards, "exigent or emergency circumstances" permit the use of non-competitive procurements.</p> <p>FEMA is involved in other COVID-19 response projects in the New York City area including the construction of temporary hospital sites at the Javits Center and the USS Comfort as part of a "mission assignment." These costs are covered by the Federal government.</p> <p>The CARES Act provided \$45 billion for the FEMA Disaster Relief Fund (DRF) to fund the PA program on top of \$42 billion in existing DRF funds. Otherwise, there are no caps on the funding an applicant may receive for eligible expenses.</p>	<p>RPA form</p> <p>DHSES procurement standards guidance for the COVID-19 crisis</p>