

Paycheck Protection Program and Health Care Enhancement Act (H.R. 266)

Paycheck Protection Program

The legislation provides \$310 billion to restart the Small Business Administration's Paycheck Protection Program (PPP), which ran out of money late last week. An extra \$11.335 billion is included for administrative costs, such as fees paid to lenders participating in the program.

A total of \$60 billion of the PPP funding is set aside for smaller lenders including state and federal credit unions and those serving communities where relationships with more established financial institutions that dominate the SBA program are scarce.

This portion of funding is divided in half between lenders with less than \$10 billion in assets, including minority depository institutions (MDIs), with more than \$10 billion in assets but less than \$50 billion in assets that are PPP lenders.

The remaining funding is allocated to lenders with between \$10 and \$50 billion in assets, as well as all Community Development Financial Institutions (CDFIs), MDIs, certified development companies (CDCs), and microlenders that are PPP lenders.

Unfortunately, the legislation does not expand PPP eligibility to include 501(c)(6) organizations (*Note: such organizations are eligible for EIDL*).

Emergency Injury Disaster Loan (EIDL) Program

The bill provides \$50 billion more for the EIDL program. This will support more than \$350 billion in loans. Small farming operations with no more than 500 employees will now explicitly be eligible to participate in the loan program.

Also included is \$10 billion for grants of up to \$10,000 each that disaster loan recipients can obtain, and \$2.1 billion for the administrative costs of running that program.

Of note, 501(c)(6) organizations are eligible for the EIDL program.

Hospital and Health Care Facility Funding

Hospitals and other health care facilities will receive \$75 billion to help treat patients with the virus and address revenue shortfalls they are facing as a result of the pandemic.

The number represents a compromise between Democrats, who pushed for \$100 billion, and Republicans, who wanted to wait until a later package to provide any funding on top of the \$100 billion in the roughly \$2 trillion package (PL 116-136) Congress approved last month. The money will go into the Department of Health and Human Services' Public Health Social Services Emergency Fund.

National Testing Strategy

The package includes \$25 billion for COVID-19 testing as well as a nationwide testing approach. This funding is divided between states and the federal government as follows:

- **\$11 billion for states, local government, territories and tribes to develop tests for COVID-19**, ramp up laboratory capacity, trace the spread of the disease and support employer testing, as well as provide funds for employers to test.
 - **\$4.25 billion** for areas based on the **number of COVID-19 cases**;
 - **\$2 billion** distributed to **states according to a grant formula** in which every state will receive some money; and
 - **\$750 million to tribes**, tribal organizations and urban Indian health organizations in coordination with the Indian Health Service.
- **\$1 billion for the Centers for Disease Control and Prevention** for surveillance, expanding laboratory capacity and “contact tracing” or tracking the spread.
- **\$1.8 billion for National Institutes of Health** to develop and implement testing, accelerate research into rapid testing, and establish partnerships with government and non-government entities to fight the pandemic.
- **\$1 billion for the Biomedical Advanced Research and Development Authority** for research, development and production of COVID-19 tests and supplies.
- **Up to \$1 billion to cover costs of testing the uninsured.**
- **\$825 million to support community health centers and rural health clinics.**
- **\$22 million for the Food and Drug Administration to support testing.**