On April 21, 2020, the U.S. Senate adopted billions in additional funding for physicians in response to the COVID-19 pandemic. The bipartisan agreement between House and Senate leaders and the Administration includes $485 billion in additional COVID-19 pandemic funding assistance for physicians, small businesses, and testing. CMA aggressively advocated for Congress to provide more direct funding to physician practices, as well as replenish the depleted SBA Paycheck Protection Program that provides forgiveable loans to physician practices to cover operating expenses. The additional resources for testing is also key to the nation’s health and economic recovery. The U.S. House of Representatives will take up the legislation on Thursday.

**Brief Summary**

- $75 billion for direct payments to physicians and hospitals
- $310 billion for Small Business Loans: Paycheck Protection Program and Economic Injury Disaster Loans
- $25 billion for COVID-19 Testing; $11 billion to States

**1. Health Care Funding**

Additional $75 billion to the HHS PUBLIC HEALTH AND EMERGENCY FUND FOR PHYSICIANS

In March, Congress enacted the CARES Act which included $100 billion for an HHS Public Health and Emergency Fund to provide funding to Medicare and Medicaid-enrolled physicians and hospitals to cover unreimbursed expenses related to Covid-19, as well as lost revenue. The payments are distributed directly to physicians in lump sums and do not need to be repaid. On Friday, April 10, 2020, HHS started to directly deposit $30 billion of the $100 billion in Medicare-enrolled physician TIN bank accounts. The next wave of payments for Medicaid providers, and non-heavy Medicare providers, such as pediatricians, OBGYNs, allergists, and psychiatrists, is expected soon. Physicians must attest to certain terms and conditions within 30 days of receiving the payments. For more information on these programs, see CMA’s [COVID-19 Financial Toolkit for Medical Practices](https://www.aama-ep.org/COVID-19/financial toolkit/).

The new “Interim Economic Relief” legislation provides an additional $75 billion for the HHS Emergency fund for physicians and hospitals. HHS will issue additional guidance on the rules related to the funding. However, the legislation will now require physicians to apply for the funding and to submit documentation to ensure compliance with the intent of the program.
2. Small Business Loans for Physician Practices

Additional $310 billion in Small Business Administration (SBA) Loans (employers with less than 500 employees): In March, Congress enacted the CARES Act which provided $350 billion in funding for a new SBA loan program called the Paycheck Protection Program (PPP). Because of the high demand for such loans, the program’s funding was depleted within two weeks.

The new “Interim Economic Relief” legislation provides an additional $310 billion to the program to replenish depleted funds. PPP loans are intended to cover up to two months of payroll and operating expenses. The loans can be obtained through private lenders and are forgiveable if physicians spend 75% of the loan on payroll. The interest rate is 1% over a 2 year term.

Additional Small Business Loan details:

- $310 billion total for Paycheck Protection Program
  - $250 billion for unrestricted Paycheck Protection Program
  - $60 billion set aside for smaller lenders to provide loans. These lenders include Insured Depository Institutions, Credit Unions, and Community Financial Institutions (defined as minority depository institutions, certified development companies, microloan intermediaries, and state or federal credit unions.
    - $30 billion for such lenders with assets less than $10 billion
    - $30 billion for such lenders with assets between $10 to $50 billion
- $50 billion for existing Economic Disaster Injury Loan (EIDL) Program
- $10 billion for existing Economic Disaster Injury Loan (EIDL) Advance Grant Program.
  - EIDL grants do not need to be repaid, even if a physician does not receive a full EIDL Loan.

For more information on these programs, see CMA’s COVID-19 Financial Toolkit for Medical Practices.

3. COVID-19 Testing

- $25 billion in funding for Covid-19 testing related activities
  - Overall, the funding is specifically intended for research, development, validation, manufacture, purchase, and expanded capacity for COVID-19 tests.

The “Interim Economic Relief” legislation requires a national strategic plan to provide assistance to states to increase testing capacity, including testing supplies. It also requires states and tribal organizations to submit plans to the federal government as to how their $11 billion share of the new $25 billion will be used for testing and easing COVID-19 community mitigation policies. State funding ...
is to be used to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts, and support employer testing. There is funding for employers to cover testing. A portion of the state funding will be distributed to areas based on the relative number of COVID-19 cases.

- $825 million for community health center and rural health center testing.
- $1 billion to cover testing costs for uninsured individuals.

The balance of the funding will be distributed to the Centers for Disease Control (CDC), the National Institutes of Health (NIH), the Biomedical Advanced Research and Developent Authority (BARDA) for research and public health activities.