

# PYA COVID-19 Provider Payments Breakdown

There are several available sources for COVID-19 relief funding and loan proceeds, each with unique terms and restrictions. PYA's COVID-19 Provider Payments Breakdown gives providers a summary of the types of funding and means of accessing them, an overview of key provisions, and an outline of actionable items. Once funds are received, it is imperative that providers track and manage related terms and conditions

## Provider Relief Fund Phase 1 General Distribution (Round 1)

<p><b>Type</b> Grant with no repayment, provided specific terms &amp; conditions are satisfied</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>Between April 10 and April 24, HHS distributed \$30 billion to providers that received Medicare fee-for-service reimbursements in 2019</li> <li>Each provider TIN received approximately 6.2% of its 2019 Medicare fee-for-service payments</li> </ul>
<p><b>Access Route</b> None – The Department of Health and Human Services (HHS) automatically initiated direct deposits or mailed checks to all TINs that billed Medicare Part A or Part B in 2019 (with some minor exclusions)</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a></li> <li>Recipient must maintain documentation and eventually submit written reports demonstrating funds were used solely for COVID-related expenses and lost revenue (as defined in HHS <a href="#">FAQs</a>)</li> <li>Funds cannot be used to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse</li> </ul>	
<p><b>Resources</b>   See PYA's <a href="#">Latest Updates – \$100 Billion COVID-19 Provider Relief Fund</a> and <a href="#">COVID-19 Provider Relief Fund Payments – Filling in the Gaps</a></p>	

## Provider Relief Fund Phase 1 General Distribution (Round 2)

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b> HHS is now distributing an additional \$20 billion so that each Medicare provider receives from the \$50 billion general distribution an amount equal to approximately 2% of its 2018 net patient revenue</p>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>HHS automatically initiated direct deposits to those Medicare providers filing cost reports (unless HHS determined a provider's cost report did not include necessary information)</li> <li>A provider that received a Round 1 payment, but did not receive an automatic Round 2 payment, had an opportunity to apply for Round 2, by June 3 deadline</li> </ul>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to Round 1 attestation)</li> <li>In addition to attestation, recipients of automatic Round 2 payments must submit required financial information via the <a href="#">Provider Relief Fund Payment Portal</a>; HHS has published detailed <a href="#">FAQs</a> regarding these required submissions</li> <li>All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See PYA's <a href="#">Latest Updates – \$100 Billion COVID-19 Provider Relief Fund</a> and <a href="#">COVID-19 Provider Relief Fund Payments – Filling in the Gaps</a></p>	

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## Provider Relief Fund Phase 2 General Distribution

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>On June 9, 2020, HHS announced that Medicaid/CHIP/dental providers that did not receive a Phase 1 General Distribution would be eligible for the \$15 billion Phase 2 General Distribution</li> </ul>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>Application – A provider that meets the Phase 2 General Distribution eligibility requirements may apply for a Phase 2 payment by September 13, 2020</li> <li>Applicants must provide required financial information including tax returns, estimates of lost revenue and increased costs, staffing information, and payer mix, along with the application, via the <a href="#">Enhanced Provider Relief Fund Portal</a>; HHS has published detailed <a href="#">FAQs</a> regarding the application process</li> </ul>	<ul style="list-style-type: none"> <li>On August 11, HHS expanded eligibility for the Phase 2 General Distribution to also include: (1) Medicare Part A providers that did not receive Phase 1 General Distribution because they underwent a change in ownership in calendar year 2019 or 2020 and did not have Medicare fee-for-service revenue in 2019; and (2) Medicare providers that, for any reason, received a Phase 1 General Distribution payment that was less than 2% of that provider's reported revenue from patient care</li> <li>On September 1, HHS expanded eligibility for the Phase 2 General Distribution to include assisted living facilities (ALFs) that may have been previously ineligible to apply for same</li> <li>Successful applicants will receive approximately 2% of reported revenue from patient care</li> </ul>
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Within 90 days of receipt, recipient must complete attestation via the <a href="#">Enhanced Provider Relief Fund Portal</a> confirming receipt and agreement to specific <a href="#">Terms and Conditions</a></li> <li>All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See <a href="#">HHS Announces Enhanced Provider Portal, Relief Fund Payments for Safety Net Hospitals, Medicaid &amp; CHIP Providers</a>; <a href="#">Trump Administration Announces Provider Relief Fund Application for Assisted Living Facilities</a></p>	

## Provider Relief Fund Phase 3 General Distribution

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>On October 1, 2020, HHS announced any provider that has not yet received payments of 2% of reported revenue from patient care may apply for funding (including, but not limited to behavioral health providers, providers that commenced operations between 01/01/20 and 03/31/20, and Medicare Part A providers that experienced a CMS-approved change in ownership prior to 08/10/20)</li> </ul>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>Application – A provider that meets the Phase 3 General Distribution eligibility requirements may apply for a Phase 3 payment by November 6, 2020, via the <a href="#">Application and Attestation Portal</a></li> <li>Applicants must provide required financial information, including tax returns and estimates of expenses and lost revenue</li> </ul>	<ul style="list-style-type: none"> <li>Providers that have received payments of 2% of patient revenue, but have experienced losses and expenses in excess of those amounts, also are eligible for Phase 3 funds; any remaining monies will be used to fund an equitable add-on payment for providers with significant lost revenues and expenses</li> </ul>
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Within 90 days of receipt, recipient must complete attestation via the <a href="#">Enhanced Provider Relief Fund Portal</a> confirming receipt and agreement to specific <a href="#">Terms and Conditions</a></li> <li>All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See <a href="#">Trump Administration Announces \$20 Billion in New Phase III Provider Relief Funding</a></p>	

## Provider Relief Fund Targeted Distribution for Rural Providers

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b></p> <p>On May 6, HHS distributed \$10.2 billion to approximately 4,000 rural providers, as follows:</p> <ul style="list-style-type: none"> <li>• Rural Prospective Payment System (PPS) Hospitals and Critical Access Hospitals – graduated base payment + 1.97% of hospital’s operating expenses</li> <li>• Provider-Based Rural Health Clinics – no separate payment; included in hospital operating expenses</li> <li>• Independent Rural Health Clinics – \$100,000 per clinic site + 3.6% of RHC’s operating expenses</li> <li>• Rural Federally Qualified Health Centers – \$100,000 per rural clinic site</li> </ul> <p>On July 17, HHS distributed ~\$1.1 billion to approximately 500 specialty rural hospitals, urban hospitals with certain rural Medicare designations, and hospitals in small metropolitan areas</p>
<p><b>Access Route</b> None – Automatic direct deposit to eligible recipients</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to other attestation[s])</li> <li>• All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See PYA’s <a href="#">Latest Updates – \$100 Billion COVID-19 Provider Relief Fund</a> and <a href="#">COVID-19 Provider Relief Fund Payments – Filling in the Gaps; HHS Announces Over \$4 Billion in Additional Relief Payments to Healthcare Providers Impacted by the Coronavirus Pandemic</a></p>	

## Provider Relief Fund Targeted Distribution for COVID-19 High-Impact Hospitals

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• On May 7, HHS allocated \$12 billion to 395 hospitals that provided inpatient care for 100 or more COVID-19 patients through April 10, 2020; of this amount, \$2 billion was distributed to these hospitals based on their Medicare and Medicaid disproportionate share and uncompensated care payments; the remainder was distributed based on a fixed amount per COVID-19 inpatient admission</li> <li>• On July 17, HHS allocated \$10 billion to 695 hospitals with a COVID-19 admission count over 160 between January 1 and June 10, 2020, or an above average intensity of COVID admission per bed (at least 0.54864); each hospital received \$50,000 per eligible admission; HHS also took into account hospitals that received initial payments from this Targeted Distribution</li> </ul>
<p><b>Access Route</b> None – Automatic direct deposit to eligible recipients</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to other attestation[s])</li> <li>• All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See PYA’s <a href="#">Latest Updates – \$100 Billion COVID-19 Provider Relief Fund</a>; <a href="#">HHS to Begin Distributing \$10 Billion in Additional Funding to Hospitals in High Impact COVID-19 Areas</a></p>	

## Provider Relief Fund Targeted Distribution for Skilled Nursing Facilities (SNFs)

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b> On May 22, HHS allocated \$4.9 billion to approximately 13,000 certified SNFs with six or more certified beds; each received a fixed distribution of \$50,000, plus a distribution of \$2,500 per bed</p>
<p><b>Access Route</b> None – Automatic direct deposit for eligible recipients</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to other attestation[s])</li> <li>• All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See <a href="#">HHS Announces Nearly \$4.9 Billion Distribution to Nursing Facilities Impacted by COVID-19</a></p>	

## Provider Relief Fund Targeted Distribution for Safety Net Hospitals

<p><b>Type</b> Same as Phase 1 General Distribution (Round 1)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• On June 9, 2020, HHS distributed \$10 billion to 744 facilities including (1) acute care hospitals that (a) have a Medicare Disproportionate Payment Percentage (DPP) of <math>\geq 20.2\%</math>, (b) average uncompensated care per bed of <math>\geq \\$25,000</math>, (c) profitability of <math>\leq 3\%</math> based on its most recently filed cost report; and (2) children’s hospitals that (a) have a DPP <math>\geq 20.2\%</math>, (b) profitability of <math>\leq 3\%</math></li> <li>• On July 10, HHS distributed another \$3 billion to an additional 215 facilities under a revised profitability threshold</li> <li>• On August 14, HHS allocated \$1.4 billion to approximately 80 freestanding children’s hospitals not affiliated with larger health systems; each hospital will receive 2.5% of net revenue from patient care</li> </ul>
<p><b>Access Route</b> None – Automatic direct deposit for eligible hospitals</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Within 90 days of receipt, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to other attestation[s])</li> <li>• All other Phase 1 General Distribution (Round 1) requirements apply</li> </ul>	
<p><b>Resources</b>   See <a href="#">HHS Announces Enhanced Provider Portal, Relief Fund Payments for Safety Net Hospitals, Medicaid &amp; CHIP Providers</a>; <a href="#">HHS Announces Over \$4 Billion in Additional Relief Payments to Healthcare Providers Impacted by the Coronavirus Pandemic</a>; <a href="#">Trump Administration to Begin Distributing \$1.4 Billion in Relief Funds to Certain Children’s Hospitals</a></p>	

## Provider Relief Fund Nursing Home Infection Control Distribution

<p><b>Type</b></p> <p>Initial distribution will be the same as Phase 1 General Distribution (Round 1); second distribution will be based on to-be-announced performance standards</p>	<p><b>Overview/Key Terms</b></p> <p>On August 7, HHS announced a \$5 billion allocation to nursing homes; HHS will provide approximately \$2.5 billion in upfront funding to nursing homes to support increased testing, staffing, and personal protective equipment (PPE) needs; HHS distributed another \$2 billion to nursing homes in fall 2020 based on certain performance indicators that will be shared in the future; HHS has not stated how the remaining \$0.5 billion will be distributed</p>
<p><b>Access Route</b></p> <p>For the initial distribution, eligible nursing homes and skilled nursing facilities (i.e., those with an active CMS certification and at least 6 certified beds) will receive a per-facility payment of \$10,000 plus a per-bed payment of \$1,450; no details are available regarding the subsequent distribution</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Within 90 days of receipt of the initial distribution, recipient must complete attestation via the <a href="#">Provider Relief Fund Attestation Portal</a>, confirming receipt and agreement to specific <a href="#">Terms and Conditions</a> (in addition to other attestation[s]); use of these funds is limited to infection control expenses (i.e., costs associated with: administering COVID-19 testing; reporting COVID-19 test results to local, state, or federal governments; hiring staff to provide patient care or administrative support; improving infection control; and providing additional services to residents [e.g., technology that permits residents to connect with their families if families cannot visit in person]); details regarding the subsequent distribution are yet to be announced</li> </ul>	
<p><b>Resources</b>   See <a href="#">HHS Announces Allocations of CARES Act Provider Relief Fund for Nursing Homes</a>; <a href="#">HHS FAQs on Nursing Home Infection Control Distribution</a></p>	

## HRSA COVID-19 Claims Reimbursement to Healthcare Providers and Facilities for Testing and Treatment of the Uninsured

<p><b>Type</b></p> <p>Reimbursement for COVID-19 testing and treatment claims submitted for uninsured patients</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• HHS will provide claims reimbursement to healthcare providers, generally at Medicare rates, for COVID-19 testing or provision of treatment for uninsured individuals with a COVID-19 diagnosis on or after February 4, 2020</li> <li>• Claims will be reimbursed at Medicare rates, subject to available funding</li> </ul>
<p><b>Access Route</b></p> <p>All claims must be submitted electronically using an 837 EDI transaction set; payments will be received electronically once claim is processed and approved for payment</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• To participate in the program, providers will need an Optum ID that enables entry into the <a href="#">HRSA COVID-19 Uninsured Program Portal</a></li> <li>• Program participants will need to validate their TIN, set up Optum Pay Automated Clearing House (ACH), add their provider roster, attest to their patient roster, and submit claims for reimbursement</li> </ul>	
<p><b>Resources</b>   See <a href="#">HRSA COVID-19 Claims Reimbursement website</a></p>	

## Paycheck Protection Program (PPP) Loan (First Draw)

<p><b>Type</b></p> <p>Loan with forgiveness potential, administered by the Small Business Administration (SBA)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>The loan amount is determined by the calculation as described in the application (maximum \$10 million)</li> <li>Recipients will be eligible for loan forgiveness for the following costs incurred and paid, or incurred and paid by the next due date, during the 24-week period following the loan origination date, or December 31, 2020, whichever comes first (note: borrowers may elect to use the shorter original eight-week period):             <ul style="list-style-type: none"> <li>Certain defined payroll obligations, and</li> <li>Certain operating expenses (rent, utilities, certain interest expenses)</li> </ul> </li> <li>A borrower that does not use at least 60% of PPP loan proceeds for payroll obligations is not eligible for any forgiveness</li> <li>Amount of loan forgiveness will be reduced if the number of employees is reduced or wages paid to employees whose pay rate is less than \$100,000 are reduced greater than 25%             <ul style="list-style-type: none"> <li>The loan forgiveness amount must be determined without regard to a reduction in the number of employees if the recipient is: (1) unable to rehire individuals who were employed as of February 15, 2020, and unable to hire similarly qualified employees on or before December 31, 2020, or (2) unable to return to the same level of business activity due to compliance with government requirements or COVID-19-related guidance</li> </ul> </li> <li>Any unforgiven portion of PPP loans will be repaid over a maximum five-year period from the loan commencement date, with an interest rate of 1% and no prepayment penalty</li> <li>Loans in excess of \$2M will be reviewed by the SBA</li> <li>Employer payroll tax deferrals are available to all PPP borrowers through December 31, 2020, without regard to whether, or when, PPP loan forgiveness is granted</li> </ul>
<p><b>Access Route</b></p> <p>Apply with an authorized SBA lender that has opted into the program</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>To obtain forgiveness, borrowers must submit a certified <a href="#">PPP Loan Forgiveness Application</a> to their lenders with any other documentation the lender may require             <ul style="list-style-type: none"> <li>The application contains four key components:                 <ol style="list-style-type: none"> <li>The PPP Loan Forgiveness Calculation Form</li> <li>The PPP Schedule A</li> <li>The PPP Schedule A Worksheet</li> <li>The PPP Borrower Demographic Information Form</li> </ol> </li> </ul> </li> <li>Details on reductions in loan forgiveness can be found in PYA's "<a href="#">The Nuts and Bolts of Paycheck Protection Program Loans</a>" and "<a href="#">PPP Flexibility Act of 2020 Signed Into Law</a>;" borrowers should monitor current U.S. Department of the Treasury, Internal Revenue Service, and SBA guidance for appropriate uses and requirements related to the PPP</li> <li>Recipients may defer PPP loan payments until the date on which the amount of forgiveness determined under Section 1106 of the CARES Act is remitted to the lender; those recipients who do not apply for forgiveness must begin making payments 10 months from the PPP's expiration</li> <li>PPP loan proceeds may not be used for the same expenses or lost revenues as CARES Act Provider Relief Fund payments or Economic Injury Disaster Loan funds; as a result, organizations will need to track expenditures, and ensure funds are segmented appropriately</li> <li>Ensure payroll tax payments are remitted by extended deadlines (see "Payroll Tax Deferral" section)</li> </ul>	
<p><b>Resources</b>   See PYA's <a href="#">The Nuts and Bolts of Paycheck Protection Program Loans</a>, <a href="#">PPP Forgiveness: SBA Issues Loan Forgiveness Application</a>, and <a href="#">PPP Flexibility Act of 2020 Signed Into Law</a></p>	

## PPP Loan (Second Draw)

<p><b>Type</b></p> <p>Loan with forgiveness potential, administered by the Small Business Administration (SBA)</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• Entities that previously received a First Draw PPP loan are eligible for a Second Draw PPP loan of up to \$2 million, provided certain requirements are satisfied</li> <li>• Publicly traded companies (PTC) are ineligible under the renewed PPP</li> <li>• The applicant should demonstrate the entirety of its First Draw PPP loan was used on qualifying expenses, and used or will use those funds on or before the expected Second Draw PPP loan is to be disbursed to the borrower</li> <li>• A borrower must employ fewer than 300 employees unless it satisfies the alternative criteria for businesses with a NAICS code beginning with 72 and eligible news organizations with more than one physical location</li> <li>• A borrower must have experienced a reduction in revenue of 25% or more in all or part of 2020 compared with all or part of 2019 in accordance with the following criteria:             <ul style="list-style-type: none"> <li>• The applicant must demonstrate that gross receipts in any calendar quarter of 2020 were at least 25% lower than the same quarter of 2019</li> </ul> <p>Alternatively, applicants may compare annual gross receipts in 2020 with annual gross receipts in 2019 if they were in business during every quarter of 2019; if the borrower elects to compare annual gross receipts from 2020 to 2019, as-filed tax returns for each year will be required to support the reduction</p> <li>• For entities not in business during the first and second quarters of 2019, but in operation during the third and fourth quarters of 2019, borrowers must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than during either the third or fourth quarters of 2019</li> <li>• For entities not in business during the first, second, and third quarters of 2019, but in operation during the fourth quarter of 2019, borrowers must demonstrate that gross receipts in any quarter of 2020 were at least 25% lower than the fourth quarter of 2019</li> <li>• For entities not in business during 2019, but in operation on February 15, 2020, borrowers must demonstrate that gross receipts in the second, third, or fourth quarter of 2020 were at least 25% lower than the first quarter of 2020</li> </li></ul> <li>• Under the first round of PPP, qualifying expenses included payroll, rent, covered mortgage interest, and utilities. Second Draw PPP funds include those same expenses, but the following have been added:             <ul style="list-style-type: none"> <li>• Covered worker protection and facility modification expenditures, including personal protective equipment, to comply with COVID-19 federal health and safety guidelines</li> <li>• Covered property damage costs related to property damage and vandalism or looting due to public disturbances in 2020 that were not covered by insurance or other compensation</li> <li>• Expenditures that are essential to the recipient's current operations at the time of purchase from suppliers</li> <li>• Covered operating expenditures, which refer to payments for any business software or cloud computing service that facilitates business operations; product or service delivery; the processing, payment, or tracking of payroll expenses; human resources; sales and billing functions; or accounting or tracking of supplies, inventory, records, and expenses</li> </ul> </li> <p><b>Important Note</b> — if the First Draw PPP loan was not forgiven prior to 12/27/2020, these previously distributed First Draw PPP loan proceeds can be used to offset these additional costs</p> <ul style="list-style-type: none"> <li>• Borrowers must spend no less than 60% of loan proceeds from the Second Draw PPP loan on qualified payroll costs over the selected 8- or 24-week covered period</li> <li>• Same general loan terms as First Draw PPP loans</li> </ul>
<p><b>Access Route</b></p> <p>Apply with an authorized SBA lender that has opted into the program</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Borrowers eligible for, and interested in, applying for a Second Draw PPP loan may access the SBA's <i>Second Draw Borrower Application Form</i> <a href="#">here</a></li> <li>• As with the First Draw PPP loans, borrowers can receive forgiveness for amounts received, provided the funds are used on qualified expenses</li> <li>• A general definition of gross receipts was not provided for purposes of the statute, but the interim final rules (IFRs) released by the SBA and Treasury are consistent with the definition of receipts in 13 C.F.R. Section 121.104, which defines gross receipts to include as all revenue in whatever form received or accrued (in accordance with the entity's accounting method) from whatever source, including from the sales of products or services, interest, dividends, rents, royalties, fees, or commissions, reduced by returns and allowances</li> <li>• Borrowers should monitor current U.S. Department of the Treasury, Internal Revenue Service, and SBA guidance for appropriate uses and requirements related to the PPP</li> </ul>	

## Physician Financial Arrangements Relying on Stark Law Waiver

<p><b>Type</b> Blanket waiver of specific Stark Law restrictions on financial arrangements with referring physicians</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• The Stark Law blanket waivers, effective March 1, 2020, allow providers to “address...medical practices or business interruption due to the COVID-19 outbreak...in order to maintain the availability of medical care and related services for patients and the community”</li> <li>• Organizations can modify existing arrangements that would not typically comply with Stark Law to address these impacts of the COVID-19 pandemic</li> </ul>
<p><b>Access Route</b> Providers of designated health services (as defined in the Stark Law) may elect to enter into otherwise prohibited financial arrangements with physicians; no application or submission to any federal agency is required</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Maintain appropriate documentation of the justification for any terms of any financial arrangement based on the Stark Law blanket waiver</li> <li>• Put in place processes to unwind any such arrangement following the end of the declared public health emergency</li> </ul>	
<p><b>Resources</b>   See PYA’s <a href="#">Stark Law Blanket Waiver Documentation Checklist</a> and <a href="#">COVID-19 Compensation Documentation for Transitioned Physicians</a></p>	

## Health Resources & Services Administration (HRSA) Small Rural Hospital Improvement Grant Program – Supplemental COVID-19 Grants

<p><b>Type</b> Distribution of \$150 million in CARES Act funding for HRSA’s Small Rural Hospital Improvement Program (SHIP)</p>	<p><b>Overview/Key Terms</b> Historically, SHIP has funded State Offices of Rural Health, which in turn accept grant applications from rural hospitals to fund specified initiatives (value-based purchasing, accountable care organizations, episodic payments)</p>
<p><b>Access Route</b> HRSA distributed funds to State Offices of Rural Health, which in turn distributed those funds to rural hospitals with fewer than 50 beds; average award per hospital was \$85,000</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Recipient hospitals cannot use Provider Relief Funds for expenses and losses covered by SHIP funds</li> </ul>	
<p><b>Resources</b>   See <a href="#">COVID-19 Frequently Asked Questions – Federal Office of Rural Health Policy</a></p>	

## Economic Injury Disaster Loan (EIDL)

<p><b>Type</b></p> <p>Loan with forgiveness potential; emergency advance/grant with no repayment regardless of loan qualification decision</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• These are working capital loans of up to \$2 million</li> <li>• Applicants may request up to a \$10,000 emergency advance/grant (no repayment) as part of the loan application process</li> <li>• Repayment terms for these funds are determined by the borrower's ability to repay the loan</li> </ul>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>• Previously applied for via SBA lender; however, due to limitations in funding availability and the volume of applications already received, only agricultural business applications are currently accepted</li> <li>• Applications already submitted will continue to be processed on a first-come, first-served basis</li> </ul>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• These loans may be refinanced as part of a Section 7(a) PPP loan, but loan proceeds may not be used for the same purposes as the allowable uses of a PPP loan</li> <li>• If received, the emergency advance/grant must be used for payroll, sick leave, increased supply costs, rent/mortgage payments, and certain other items</li> </ul>	
<p><b>Resources</b>   See PYA's <a href="#">Physician Practices Survival Tactics</a> webinar</p>	

## Payroll Tax Deferral

<p><b>Type</b></p> <p>Deferment of portions of employer payroll tax payments to future years</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>• This program allows employers to defer the employer's share of Social Security taxes (<b>6.2% of compensation</b>) for payments required to be made between March 27, 2020, and December 31, 2020</li> <li>• Any payroll taxes deferred must be paid back in two equal installments – one no later than December 31, 2021, and the other no later than December 31, 2022</li> </ul>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>• Employers will not be required to make any special election for these deferrals, and no failure to deposit or pay penalties will apply to amounts deferred</li> <li>• IRS Form 941, <i>Employer's Quarterly Federal Tax Return</i>, will be revised for the second calendar quarter of 2020 (April – June 2020) to facilitate making these deferrals</li> </ul>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>• Under the PPP Flexibility Act, PPP loan participants are now eligible to defer these payroll tax payments with no requirement to resume payroll tax payments as normal, immediately following the date their loans are <b>fully or partially</b> forgiven</li> </ul>	
<p><b>Resources</b>   See PYA's <a href="#">Payroll Tax Deferral Opportunities for Employers Participating in Paycheck Protection Program (PPP) and Cash Flow Help for Employers Through Deferral of Payroll Taxes</a></p>	

## Medicare Advance/Accelerated Payment Program

<p><b>Type</b> Advance with future repayment</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>Part A providers may request up to 100% of their Medicare payments for a three-month period</li> <li>Inpatient acute care hospitals, children’s hospitals, and cancer hospitals may request up to 100% of their Medicare payments for a six-month period</li> <li>Critical access hospitals may request up to 125% of their Medicare payments for a six-month period</li> </ul>
<p><b>Access Route</b> Discontinued April 26, 2020, for Part B providers, but applications still accepted for hospitals; accessed via application to an entity’s Medicare Administrative Contractor (MAC)</p>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Medicare does not require recipients to report any information related to these advance payments</li> <li>The <a href="#">Continuing Appropriations Act, 2021 and Other Extensions Act</a> signed into law by the President on October 1, 2020, changed the rules regarding repayment as follows:             <ul style="list-style-type: none"> <li>CMS will withhold Medicare payments for a total of 29 months from the date of the first payment under the program before requiring providers to repay the outstanding balance in full</li> <li>CMS can only offset a provider’s payment by 25% for the first 11 months of repayment, then 50% for the succeeding six months</li> <li>The interest rate on any outstanding balance at the end of 29 months will be 4%</li> </ul> </li> </ul>	
<p><b>Resources</b>   See PYA’s <a href="#">Ensuring Provider Cash Flow During the COVID-19 Pandemic – Medicare Advance Payments</a></p>	

## Employee Retention Credit

<p><b>Type</b> Fully refundable employer tax credit applied toward qualified employee wages</p>	<p><b>Overview/Key Terms</b></p> <ul style="list-style-type: none"> <li>This credit is taken against the employer portion of the Social Security taxes under Section 3111(a) of the Internal Revenue Code</li> <li>The credit is equal to 50% of qualified wages (including allocable qualified health plan expenses); wages paid after March 12, 2020, and before January 1, 2021, qualify under the terms of the Act</li> <li>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 an eligible employer for qualified wages paid to any employee is \$5,000</li> </ul>
<p><b>Access Route</b></p> <ul style="list-style-type: none"> <li>Eligible employers must report their total qualified wages and any related credits on a quarterly basis, typically through completion of IRS Form 941, <i>Employer’s Quarterly Federal Tax Return</i></li> <li>Because quarterly returns are not filed until after qualified wages are paid, some eligible employers may not have sufficient federal employment taxes set aside for deposit to the IRS to fund their qualified wages; as a result, the IRS has established a procedure for obtaining an advance of the refundable credits</li> </ul>	
<p><b>Action Items/Monitoring</b></p> <ul style="list-style-type: none"> <li>Eligible employers may receive both the tax credits for the qualified leave wages under the <a href="#">Families First Coronavirus Relief Act</a> (FFCRA), and the Employee Retention Credit under the CARES Act, but not for the same wages; the amount of qualified wages for which an eligible employer may claim the Employee Retention Credit does not include the amount of qualified sick and family leave wages for which the employer received tax credits under the FFCRA</li> <li><i>An eligible employer that received a PPP loan is eligible to take the Employee Retention Credit as long as the same wages are not used for both; this change is retroactive to wages paid after March 12, 2020</i></li> </ul>	
<p><b>Resources</b>   See PYA’s <a href="#">Credits Available to Help Retain Employees</a></p>	