

CLIENT ALERT

April 27, 2020

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\$484 BILLION SMALL BUSINESS CORONAVIRUS RELIEF BILL SUMMARY

by Kevin W. DeHart

On April 24, 2020, President Trump signed "Phase 3.5" of the emergency interim coronavirus relief package into law a day after Congress had passed the legislation, known as the Paycheck Protection Program and Health Care Enhancement Act, which expands upon the Coronavirus Aid, Relief, and Economic Security Act signed into law on March 27, 2020. The \$484 billion in additional funding will replenish the Paycheck Protection Program and provide additional support of Health and Human Services and Emergency Disaster Loans as summarized below:

AMENDMENTS TO THE PAYCHECK PROTECTION PROGRAM (PPP):

- Expand the authorization level in Section 1102(b)(1) of the CARES Act for the Paycheck Protection Program from \$349 billion to \$659 billion.
- Increase the direct appropriation level set forth in Section 1107(a)(1) of the CARES Act for the Paycheck Protection Program from \$349 billion to \$670.335 billion.
- Create a set-aside for Insured Depository Institutions, Credit Unions, and Community Financial Institutions for the PPP. Community Financial Institutions are defined as minority depository institutions, certified development companies, microloan intermediaries, and state or federal credit unions.
- The section provides additional funding for the PPP through:
 - \$30 billion for loans made by insured depository institutions and credit unions that have assets between \$10 billion and \$50 billion.
 - \$30 billion for loans made by community financial institutions, small insured depository institutions, and credit unions with assets less than \$10 billion.

HEALTH AND HUMAN SERVICES (HHS) FUNDING:

- \$75 billion for reimbursement to hospitals and health care providers to support the need for COVID-19 related expenses and lost revenue. Language remains the same as CARES Act. This funding is in addition to the \$100 billion provided in the CARES Act.
- \$25 billion for necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests. Specific funding is provided for: \$11 billion for states, localities, territories, and tribes to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts, and support employer testing. Funds are also made available to employers for testing. \$2 billion provided to states consistent with the Public Health Emergency Preparedness grant formula, ensuring every state receives funding \$4.25 billion provided to areas based on the relative number of COVID-19 cases \$750 million provided to tribes, tribal organizations and urban Indian health organizations in coordination with Indian Health Service.
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- \$4.25 billion provided to areas based on the relative number of COVID-19 cases.
- \$750 million provided to tribes, tribal organizations, and urban Indian health organizations in coordination with Indian Health Service.
- \$1 billion provided to Centers for Disease Control and Prevention (CDC) for surveillance, epidemiology, laboratory capacity expansion, contact tracing, public health data surveillance, and analytics infrastructure modernization.
- \$1.8 billion provided to the National Institutes of Health to develop, validate, improve, and implement testing and associated technologies; to accelerate research, development, and implementation of point-of-care and other rapid testing; and for partnerships with governmental and non-governmental entities to research, develop, and implement the activities.
- \$1 billion for the Biomedical Advanced Research and Development Authority for advanced research, development, manufacturing, production, and purchase of diagnostic, serologic, or other COVID-19 tests or related supplies.
- \$22 million for the Food and Drug Administration to support activities associated with diagnostic, serological, antigen, and other tests, and related administrative activities.
- \$825 million for Community Health Centers and rural health clinics.
- Up to \$1 billion may be used to cover costs of testing for the uninsured.
- Includes \$6 million for HHS Office of Inspector General for oversight activities.
- Requires plan from states, localities, territories, and tribes on how resources will be used for testing and easing COVID-19 community mitigation policies.
- Requires strategic plan related to providing assistance to states for testing and increasing testing capacity

AMENDMENTS TO DISASTER LOANS:

- Allow agricultural enterprises as defined by section 18(b) of the Small Business Act (15 U.S.C.647(b)) with not more than 500 employees to receive EIDL grants and loans.
- Appropriates an additional \$10 billion for Emergency EIDL Grants to remain available until expended.

Dickinson Wright attorneys can assist small businesses and health care providers in applying for and taking advantage of the additional funds provided by this new relief package. Do not hesitate to reach out to your Dickinson Wright attorneys with any questions you may have regarding this legislation. We are here to help you navigate through these changes.

ABOUT THE AUTHOR



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