

Second Emergency Stimulus Bill Provides \$100 Billion in Additional Funding to Further Support COVID-19 Treatment and Testing

Client Alert

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The Paycheck Protection Program and Health Care Enhancement Act (the Act), a second round of emergency economic stimulus funding that was signed into law on April 24, 2020, allocates \$484 billion to replenish and supplement financial support for critical programs under the CARES Act.

Of this amount, \$100 billion in funding has been earmarked for healthcare providers to further assist with the treatment of and testing for COVID-19, outlined as follows:

\$75 billion in additional funds have been allocated to the Public Health and Social Services Emergency Fund to assist eligible healthcare providers with healthcare related expenses or lost revenues that are attributable to COVID-19.

- Eligible healthcare providers include public entities, Medicare or Medicaid enrolled suppliers and providers, and additional for-profit and not-for-profit entities not otherwise identified in the Act that the Secretary of Health and Human Services (the Secretary) may specify, that provide diagnoses, testing, or care for individuals with possible or confirmed cases of COVID-19 within the U.S. and its territories.
- These funds are also available for the building or construction of temporary structures, leasing of properties, medical supplies and equipment including personal protective equipment (PPE) and testing supplies, increased work force and trainings, emergency operation centers, retrofitting facilities, and surge capacity for healthcare providers.
- To be eligible for a payment from these funds, an eligible healthcare provider must have a valid tax identification number and is required to submit to the Secretary an application that includes a statement justifying the need of the provider for the payment.

- Providers in receipt of these funds are required to submit reports and maintain documentation as determined necessary by the Secretary to ensure compliance with the conditions imposed for these payments.

\$25 billion in additional funds have been allocated to the Public Health and Social Services Emergency Fund to research, develop, validate, manufacture, purchase, administer, and expand the capacity for testing to effectively monitor and suppress COVID-19.

- This will include tests for both active infection and prior exposure, along with the manufacturing, procurement and distribution of tests, testing equipment and testing supplies, including personal protective equipment (PPE) needed for administering tests, the development and validation of rapid, molecular point-of-care tests, and other tests, support for workforce, epidemiology, to scale up academic, commercial, public health, and hospital laboratories, to conduct surveillance and contact tracing, to support development of COVID-19 testing plans, and other activities related to COVID-19 testing.
- Of this \$25 billion, not less than \$11 billion will be utilized for states and localities for necessary expenses to develop, purchase, administer, process, and analyze COVID-19 tests, including support for workforce, epidemiology, use by employers or in other settings, scale up of testing by public health, academic, commercial, and hospital laboratories, and community-based testing sites, health care facilities, and other entities engaged in COVID-19 testing, conduct surveillance, trace contacts, and other related activities related to COVID-19 testing.
- Not later than 30 days after the date of enactment of this Act, the Governor or designee of each state and locality receiving any of these funds shall submit to the Secretary its plan for COVID-19 testing.

The Secretary has also been tasked with reporting to Congress on the efforts of HHS. This includes a report within 21 days of enactment regarding the number and rate of cases, hospitalizations and deaths as a result of COVID-19, and a report within 30 days of enactment regarding efforts to develop a national strategic testing plan for COVID-19.

Healthcare providers and others on the front lines of the COVID-19 fight who wish to avail themselves of these newly appropriated funds should act promptly, given how quickly the first round of CARES Act funding was exhausted and with the expectation that this additional funding will follow suit in short order.

Please contact the authors of this Alert with questions or for assistance in evaluating your specific needs.

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