

Legislative Summary: Paycheck Protection Program and Health Care Enhancement Act

On April 24th the 4th emergency supplemental plan became law to provide additional aid for the COVID-19 pandemic. Commonly known as CARES 3.5, the Paycheck Protection Program and Health Care Enhancement Act is dramatically shorter bill (HR 266).

The two sections of the bill are focused on the following:

1. Increases authority for commitments and appropriations for Paycheck Protection Program

- a. The legislation increases the Paycheck Protection Program (PPP) by \$321 billion.
 - i. of which \$60 billion is reserved for smaller lending institutions;
 - ii. \$50 billion for the Disaster Loans Program Account;
 - iii. and an additional \$10 billion for the Economic Injury Disaster Loan (EIDL) program. To learn more about EIDL grants see the link reference.¹

2. The health provisions in the bill provide \$100 billion in new health care funding, in addition to new requirements for a national testing strategy.

- a. \$75 billion is provided for the purpose of reimbursing hospitals and health care providers for additional expenses related to COVID-19 care, treatment and prevention, as well as foregone revenue due to the pandemic.
- b. \$25 billion is provided for COVID-19 testing
 - i. \$11 billion for states, localities, territories, tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes for necessary expenses to develop, purchase, administer, process, and analyze COVID-19 tests.
 - ii. More than \$8 billion remains undesignated, and HHS has discretion to spend it on various Covid-19 testing needs.
 - iii. The roughly \$6 billion remaining is then broken into seven pots of funding focused on National Institutes for Health, Centers for Disease Control, Federal Drug Administration, Health Resources Services Administration, rural health clinics, and Research & Development.

The bill requires a number of testing and data collection requirements. First being a national strategic testing plan that details how the Administration will increase domestic testing capacity, address disparities, and provide assistance and resources to states, localities, territories, and tribes.

There are also requirements to do regular reporting of demographic data, including on race, ethnicity, age, sex, geographic region, and other factors for COVID-19 cases, hospitalizations, and deaths, and epidemiological analysis of such data.

Finally the bill requires states, localities, territories, and tribes to submit to the Secretary information on tests needed, laboratory and testing capacity, and how it will use provided resources.²

¹ <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

² <https://www.manatt.com/insights/newsletters/covid-19-update/congress-passes-cares-act-3-5-to-replenish-certain>