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## **HUSCH BLACKWELL STRATEGIES**

### **Legislative Alerts: Congress Responds to COVID-19**

Families First Coronavirus Response Act, HR 6201

Coronavirus Preparedness and Response Supplemental Appropriations Act, H.R. 6074

March 18, 2020

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## LEGISLATIVE OUTLOOK AND SUMMARY

**PLEASE NOTE - ACTION IS STILL PENDING ON HR 6201 IN THE U.S. SENATE.** While we expect the Senate to pass this legislation by the end of the week, several Senators have express concern over several provisions in the proposal and the final version of the legislation may be modified before signed into law.

On March 6, 2020, lawmakers passed an \$8.3 billion emergency supplemental appropriations measure (PL 116-123) to support federal efforts to contain and address the coronavirus, including supporting research into treatments, and helping state and local health agencies respond to the virus. This legislation was H.R. 6074 (see summary of funding provisions at the end of this document). H.R. 6074 was the first legislative supplemental to address the COVID-19 Pandemic.

On March 14, 2020, the U.S. House of Representatives passed H.R. 6201, the Families First Coronavirus Response Act, by a vote of 363 -40. On March 16, 2020, the House of Representatives passed a corrections amendment to this legislation by a voice vote. The Senate began debate on this bill on March 17, 2020 and is expected to pass the legislation before March 20, 2020. The Families First Coronavirus Response Act will then be sent to the President for his signature into law. The President has indicated that he will sign the legislation into law.

This bill authorizes and provides additional funding for various assistance programs to support the federal response to the coronavirus pandemic and assist workers facing economic hardship as a result of the virus.

Specifically, it establishes a program to provide sick and quarantined workers with two weeks of emergency paid leave, includes tax incentives to employers to provide additional sick days to their employees, and provides \$1 billion in grant funding to help states manage and expand their unemployment insurance programs during the COVID-19 pandemic.

It appropriates \$1.2 billion to the Agriculture and Health and Human Services Departments to provide additional nutrition assistance to affected areas and populations, including low-income seniors and their caregivers, local food banks, pregnant and postpartum women, and students who lose access to school lunch programs as a result of COVID-19-related school closures. It also grants states additional flexibility in providing nutrition aid under the Supplemental Nutrition Assistance Program (SNAP) and the Child Nutrition Program.

Additionally, the measure requires private health plans to cover diagnostic testing for COVID-19 at no cost to consumers and increases federal funding for state and territorial Medicaid costs. It provides \$206 million to the Defense Department, the Veterans Affairs Department, and the Indian Health Service to cover COVID-19 testing by their health program.

The final version passed by the House clarifies that reimbursements for uninsured COVID-19 testing at diagnostic laboratories can't cover individuals receiving other testing assistance in the bill, and that Medicaid coverage only applies to COVID-19 tests. It also tightens exemptions from work search and other state unemployment assistance rules. The bill does not contain a payroll tax cut proposed by President Trump.

The Senate continues to weigh additional potential changes that would expand protections for workers and small businesses hit hard by COVID-19, which the coronavirus causes, and provide \$1 billion to speed up testing for the disease. Some GOP senators have questioned whether the House plan would force unfunded mandates on small businesses already struggling in the economic downturn.

All funding under this proposal are designated as emergency spending and are therefore not subject to regular discretionary budget caps.

After the House and Senate finish consideration of this initiative, Leaders of both Chambers will begin work on a third measure to address the crisis.

## A CLOSER LOOK AT THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

### Employer-Provided Sick Leave

Although various states and municipalities have mandated paid sick leave, the coverage is generally uneven. The Centers for Disease Control and Prevention (CDC) recommends that anyone who is sick should stay home from work so as to contain the spread of disease, including COVID-19. Individuals who have been exposed to someone who tests positive for COVID-19, or who test positive themselves are asked to self-quarantine at home for 14 days, even if they are not experiencing any symptoms. Low-wage workers are the least likely to have paid sick leave even though they often are often in positions that interact significantly with the public. As a result, when these workers get sick, they simply cannot afford to take unpaid time off and fear losing their jobs if they do so.

The measure requires all employers to grant full time employees 80 hours (14 days) of paid sick leave during the current COVID-19 crisis. Part-time employees are entitled to the typical number of hours that they work in a typical two-week period.

Employees would be eligible if they need to self-isolate because of a coronavirus diagnosis, to obtain a medical diagnosis if they are experiencing Corona virus symptoms, to obtain preventative care for the virus, or to comply with a recommendation or order by a public official if the physical presence of the employee on the job would jeopardize the health of others.

The measure also requires employees to be paid at two-thirds of the employee's regular rate to care for a family member for such purposes or to care for a child whose school has closed, or if child care is unavailable, due to the coronavirus.

The bill ensures employees who work under a multiemployer collective agreement and whose employers pay into a multiemployer plan are provided with leave. The provisions expire on Dec. 31, 2020.

Division E of the Families First Coronavirus Response Act (the Emergency Paid Sick Leave Act) includes the following provisions:

- Requires employers with fewer than 500 employees to provide two weeks of paid emergency leave immediately to all employees because of a qualifying need related to a coronavirus public health emergency. This provision is effective not later than 15 days after the bill's enactment. These provisions expire on December 31, 2020.
- *Paid Sick Leave Requirement.* The employer shall immediately provide each employee two weeks of paid sick leave to the extent that the employee is unable to work (or telework) because of the following reasons related to COVID-19:
  1. The employee is subject to a federal, state, or local quarantine or isolation order;
  2. The employee has been advised by a health care provider to self-quarantine;

3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
  4. The employee is caring for an individual to which points 1 or 2 apply;
  5. The employee is caring for a child if the child's school or place of care has been closed due to COVID-19 precautions; or,
  6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of Labor and the Treasury.
- *Compensation for Care of Family Members.* With respect to any paid sick time used by an employee for the care of a family member described in points 4-6 above, required compensation is two-thirds of the employee's regular rate of pay.
  - *Pay Calculations.* An employee is entitled to the equivalent of two weeks of paid sick leave. For part-time and hourly employees, this equals the number of hours such employee works on average over a two-week period. For full-time employees, this equals 80 hours. Paid leave under Division E shall not exceed \$511 per day and \$5,110 in the aggregate for uses described in points 1-3, and \$200 per day and \$2,000 in the aggregate for uses described in points 4-6.
  - *Employer.* The requirement applies to all employers with fewer than 500 employees.
  - *Employer Exemptions.* The Secretary of Labor is given the authority to: (1) issue regulations for good cause to exempt businesses with fewer than 50 employees from the requirements of the above point 5 when the imposition of such requirements would jeopardize the viability of the businesses as a going concern; (2) exclude certain health care providers and emergency responders from these requirements, including by allowing such employers to opt out; and, (3) carry out the purposes of the Division E, including to ensure consistency between Divisions C, E, and G
  - *Carryover.* Paid sick leave shall not carry over from one year to the next.
  - *Leave Sequencing.* An employer may not require an employee to use existing paid leave provided by the employer before the employee uses paid leave provided under Division E.
  - *Enforcement.* An employer who does not provide paid leave as required by Division E is considered to have failed to pay minimum wage in violation of the Fair Labor Standards Act (FLSA) and is subject to FLSA penalties and remedies.
  - *Compliance Guidelines.* The Secretary of Labor is directed to issue guidelines to assist employers in calculating the amount of paid sick leave within 15 days.
  - *Rule of Construction.* Nothing in Division E shall be construed to require an employer to reimburse an employee for unused sick leave following an employee's termination, resignation, retirement, or other separation from employment.

## Family and Medical Leave Act

Passed in 1993, the Family and Medical Leave Act (FMLA) requires covered employers to provide employees with job-protected and unpaid leave for qualified medical and family reasons. The law permits employees to take up to 12 work weeks of unpaid leave during any 12-month period to care for a new child, care for a seriously ill family member, or recover from a serious illness.

Division C of the Families First Coronavirus Response Act (the Emergency Family and Medical Leave Expansion Act) includes the following provisions:

- Amends the *Family and Medical Leave Act* (FMLA) to require employers with fewer than 500 employees to provide all employees paid leave because of a qualifying need related to a public health emergency. Division C includes new definitions of covered employee and covered employer applicable only to the new entitlement to leave. Division C is effective not later than 15 days after the bill's enactment. These requirements expire on December 31, 2020.
- *Paid Leave Mandate.* The first 10 days for which an employee takes the "emergency" FMLA leave may consist of unpaid leave. However, an employee may elect to substitute any accrued vacation leave, personal leave, or medical or sick leave provided by the employer in lieu of this unpaid leave, including utilizing the two weeks of mandated emergency paid sick leave under Division E of H.R. 6201. The remainder of emergency FMLA leave taken by an employee must be **paid leave** provided by the employer. Therefore, a covered employer must provide at least 10 weeks of qualifying paid emergency FMLA leave to a covered employee.
- *Employer Pay Calculation.* Paid leave must be at least two-thirds of an employee's regular rate of pay and reflect the number of hours an employee would otherwise be normally scheduled to work. The paid leave shall not exceed \$200 per day and \$10,000 in the aggregate.
- *Covered Employee.* An employee who has been employed for at least 30 days by the employer is eligible for the new leave entitlement. Under current law, the FMLA requires that an employee be employed for at least 12 months and for at least 1,250 hours with the covered employer during the previous 12-month period to be eligible for leave.
- *Employer Threshold.* Employers with fewer than 500 employees. Under current law, the FMLA applies to employers with 50 or more employees.
- *Special Rules for Certain Employers.* An employer with fewer than 50 employees is not subject to a private right of action brought by an employee under the FMLA's civil enforcement provisions, including for damages and attorney's fees. Under the FMLA, absent this special rule, an employee may bring a private civil action against an employer for violations of the terms of the FMLA.
- Employers of a health care provider or an emergency responder may elect to exclude such employees from Division C's requirements.
- *Regulatory Relief for Certain Employers.* The Secretary of Labor is given the authority to issue regulations for good cause to: (1) exclude certain health care providers and emergency responders from the definition of eligible employee; and, (2) exempt employers with fewer than 50 employees from the requirements of Division C if such requirements would jeopardize the viability of the business as a going concern.
- *Qualifying Need Related to Public Health Emergency.* An employee may only take the "emergency" FMLA leave if the employee is unable to work (or telework) due to a need to care for the employee's child if the child's school or place of care has been closed due to a public health emergency.
- Employers with fewer than 25 employees are not required to restore the employee to their position upon completion of emergency FMLA leave if: (1) the position does not exist due to economic conditions caused by the public health emergency; (2) the employer makes reasonable efforts to restore the employee to an equivalent position; and, (3) an equivalent position does not become available in the following year. Under the FMLA, an employee taking FMLA leave is entitled to be restored to their position or an equivalent position with equivalent pay and benefits.

- *Definition of Public Health Emergency.* “Public health emergency” is defined as an emergency with respect to COVID-19 declared by a federal, state, or local authority.

## Tax Provisions

Under current law, employers pay an old-age, survivors and disability insurance excise tax of 6.2% of the wages paid by the employer to its employees. The collected tax revenues are deposited into the Federal Old-Age and Survivors Trust Fund and into the Federal Disability Trust Fund for distribution to beneficiaries of these funds.

- The bill establishes optional tax credits for employers for qualified sick leave wages and family medical leave wages and extends similar tax credits for these lost wages to individuals who are self-employed.
- The tax credits are available for wages paid during the period that begins within 15 days of enactment and ends Dec. 31, 2020.
- To make up for the loss of tax revenue to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Trust Fund, the measure mandates transfers from the general fund of the Treasury to these funds in amounts equal to what they would have received.
- Finally, the bill clarifies that wages paid by employers because of the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act in the measure (see above) are not considered wages for the purposes of the old-age, survivors and disability insurance excise tax.

### Employer Tax Credit for Sick Leave and Family Medical Leave

The bill allows employers to receive a tax credit for wages they are required to pay under the Emergency Paid Sick Leave Act and the Emergency Family and Medical Leave Expansion Act, as enacted by the bill. ***The tax credit is optional; employers can choose to receive it and must follow the process necessary to do so.***

Employers choosing to do so would receive a 100% tax credit against the old-age, survivors and disability insurance excise tax they pay, up to a certain maximum amount. The tax credit cannot exceed the excise tax the employer would pay.

For sick leave wages for an employee who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to coronavirus, the credit cannot exceed \$511 per day per employee. For sick leave wages for an employee caring for a family member or a child whose school or daycare has been closed, the credit cannot exceed \$200 per day per employee. The aggregate number of days taken into account per employee may not exceed the excess of 10 over the aggregate number of days taken into account for all preceding calendar quarters.

For family medical leave wages, the credit cannot exceed \$200 per day per employee and is capped at an aggregate of \$10,000 per employee.

### Self-Employed Tax Credit for Sick Leave and Family Medical Leave

Self-employed individuals would also receive a tax credit for sick leave and family medical leave, to be credited against their income tax.

For self-employed individuals who self-employed individuals who must self-isolate, obtain a diagnosis, or comply with a self-isolation recommendation with respect to coronavirus, ***they would receive 100% of qualified sick leave wages***, up to the lesser of \$511 or their average daily income per day. For self-employed individuals caring for a family member or a child whose school or daycare has been closed, they would receive 67% of qualified sick leave wages, up to the lesser of \$200 or their average daily income per day. The bill defines how to calculate average daily income.

For family medical leave, they would receive 100% of family medical leave wages, defined as the number of days an individual cannot work multiplied by the lesser of \$200 or their daily average income.

Individuals who both have an employer or are self-employed cannot receive both the self-employed tax credit and mandatory employer emergency wages.

The bill provides for payments to United States territories to compensate the territories for this tax credit on self-employed individuals' income tax and \$15 million for the IRS to administer the tax provisions.

## **Testing Costs and FMAP Increase**

The tests for COVID-19 are new and may not be covered by all health insurance plans. Low-income individuals, especially if they are not experiencing any symptoms, may be unwilling to seek testing if they think they will be charged for the procedure, according to health care experts.

The Trump administration announced on March 4 that COVID-19 testing would be fully covered for all patients under the Affordable Care Act, but some members of Congress have noted that the administration does not have the authority to enforce this requirement for most health insurance plans.

On March 5 the Centers for Medicare and Medicaid Services issued guidance on COVID-19 coverage and benefits for Medicaid, CHIP, and health insurance plans purchased on the government exchanges. The guidance noted that these plans vary by state and recommends that individuals look up the coverage in their state. Medicare Part B will cover testing for COVID-19.

### **Diagnostic Testing Costs**

The bill requires government and private health plans to cover COVID-19 diagnostic testing. Specifically, it requires private health plans, Medicare Advantage Plans, TRICARE, veterans plans, federal workers' health plans, and the Indian Health Service to cover, at no cost to the patient, the COVID-19 diagnostic test, and a provider, urgent care center, or emergency room visit in order to receive testing.

For Medicare Part B beneficiaries, the bill requires patient's provider visits when a COVID-19 diagnostic test is administered or ordered to be covered by the program free of charge to the individual. (COVID-19 diagnostic testing is already covered by Part B.)

The measure also waives all costs for COVID-19 testing, including the cost of a provider visit to receive a test, for Medicaid and Children's Health Insurance Plan (CHIP) beneficiaries.

The bill appropriates \$1 billion for HHS' Public Health and Social Services Emergency Fund for diagnostic testing to be administered to the uninsured. It also appropriates \$82 million for COVID-19 costs under TRICARE, \$64 million for Indian health plans and \$60 million for veterans health plans.

It also permits states to extend Medicaid eligibility to their uninsured populations for the purpose of COVID-19 diagnostic testing. State costs for medical and administrative costs would be matched by the federal government under the bill.

### **Federal Medical Assistance Percentages (FMAPs)**

The Federal Medical Assistance Percentages (FMAPs) are used in determining the amount of federal matching funds for state expenditures for assistance payments for certain social services, as well as state medical and medical insurance expenditures.



The measure increases by 6.2% during the COVID-19 emergency the FMAP matching assistance the federal government provides to states during the emergency. To be eligible, states must maintain program eligibility standards that are no less restrictive than at the date of enactment.

## **Respirators**

The Public Readiness and Emergency Preparedness (PREP) Act permits HHS to issue a declaration that provides immunity from tort liability for claims of loss caused by countermeasures (i.e., vaccines, drugs and products) against diseases or other threats of public health emergencies.

The measure also requires personal respiratory protective devices to be covered under the PREP act during the COVID-19 emergency. The emergency declaration for respirators will expire on Oct. 1, 2024.

## **Nutrition Assistance**

### **Child Nutrition Programs**

The National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, and the Summer Food Services Program provide nutritious foods to preschool children and children in elementary and secondary schools. These programs are able to provide meals to children who are not in school during unanticipated school closures. Normally these meals would be offered at school cafeterias and non-school sites in a communal setting where everyone sits down to eat together, although the coronavirus may force program operators to avoid such congregations.

The bill authorizes the Agriculture Department to provide additional nutrition assistance to families with children who are eligible but unable to receive free or reduced-priced meals because their schools are closed for more than five days due to the COVID-19 emergency. Under the measure, the department must approve state plans for temporary eligibility standards for affected households. The state agency administering the emergency nutrition assistance may provide the additional funds through the EBT card system, a part of the Supplemental Nutrition Assistance Program (SNAP, commonly referred to as food stamps).

If social distancing is recommended to avoid the spread of COVID-19, the measure allows states to request a waiver that allows meals to be provided in a non-congregate setting. The bill allows the Agriculture Department to grant a waiver that increases the federal cost share of a state's school lunch program.

The measure authorizes USDA to grant waivers allowing child and adult care centers to provide meals and snacks under the National School Lunch in a non-congregate or non-group setting. It also authorizes USDA to waive nutrition requirements if the COVID-19 emergency begins to cause supply chain disruptions that affect the food supply. States issued these waivers are required to submit to the department a report on how the waiver impacted services. These waivers may not be issued after Sept. 30, 2020.

### **SNAP Benefits**

The Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) currently helps feed over 34 million people. To help increase access to the program, the measure authorizes USDA to provide additional funds to state agencies to make emergency allotments to households participating in SNAP. These emergency allotments may not exceed a household's maximum monthly allotment.

The measure authorizes the department to issue flexible requirements for state programs to be consistent with conditions in areas affected by COVID-19 and suspends work and work training requirements for SNAP recipients.

The bill also provides \$100 million for nutrition assistance grants to Puerto Rico, the Northern Mariana Islands, and American Samoa for their territorial nutrition assistance programs to help respond to COVID-19 outbreaks.

### **Other Nutrition Assistance Programs**

The bill appropriates \$500 million to the Supplemental Nutrition Program for Women, Infants, and Children (WIC). The program provides assistance to children up to five years of age and to pregnant, postpartum, and breast-feeding mothers who are at risk from inadequate nutrition. Appropriators say this additional funding will help pregnant women and new mothers who are laid off or are unable to work during the COVID-19 emergency. It additionally allows the department to waive administrative requirements, including physical presence requirements blood tests to determine WIC recipients' nutritional needs, if the state agency providing WIC assistance is unable to meet them due to the affects of COVID-19.

The bill also provides \$400 million to the USDA Commodity Assistance Program for emergency food assistance, which helps USDA purchase and provide foods to elderly and low-income individuals. Of the amount appropriated, \$100 million is to support the storage and distribution of foods to food banks and other programs. The measure also authorizes the department to purchase commodities for emergency distribution in any area of the United States during a public health emergency. These funds would remain available through the end of FY 2021.

In addition, the bill provides \$250 million to the Health and Human Services Department for the Senior Nutrition Program. This program provides grants to states and territories to deliver pre-packaged meals to low-income seniors who are home-bound, have disabilities, or have chronic illness. The program helps caregivers of homebound seniors and currently provides funding to organizations that serve more than 2.4 million people each year.

According to appropriators, the additional funding will help provide an additional 25 million meals to seniors relying on the program, the number of which may increase due to COVID-19-related social distancing.

### **Unemployment Insurance**

The bill provides \$1.0 billion in 2020 for emergency grants to states for activities related to processing and paying unemployment insurance (UI) benefits.

The total includes \$500 million to provide immediate additional funding to all states for staffing, technology, systems, and other administrative costs, so long as they met basic requirements about ensuring access to earned benefits for eligible workers. The measure requires states to report on the share of eligible individuals who received UI benefits and the state's efforts to ensure access.

The measure also provides \$500 million for emergency grants to states which experienced at least a 10% increase in unemployment. Those states would be eligible to receive an additional grant, in the same amount as the initial grant, to assist with costs related to the unemployment spike.

The measure also does the following:

#### **Extended Unemployment Compensation**

For states that experience an increase of 10% percent or more in their unemployment rate over the previous year, the bill provides 100% federal funding for Extended Benefits. Extended Benefits, which normally require 50% of funding to come from states, are triggered when unemployment is high in a state and provide up to an additional 26 weeks after regular UI benefits (usually 26 weeks) are exhausted.

### Subsidized UI

Provides states with access to interest-free loans to help pay regular UI benefits through Dec. 31, 2020.

### Ease Eligibility Requirements

Requires states to take steps to temporarily ease eligibility requirements that might be limiting access to UI during the COVID-19 outbreak, including work search requirements, required waiting periods, and requirements to increase employer UI taxes if they have high layoff rates.

### Work Sharing

Requires the Labor Department to provide technical assistance to states that want to set up work-sharing programs in which employers reduce hours instead of laying employees off. Employees would also receive partial unemployment benefits to offset the wage loss.

## SMALL BUSINESS ADMINISTRATION DISASTER RELIEF LENDING

The following outlines the process for accessing SBA's Coronavirus (COVID-19) Disaster Relief Lending:

- The U.S. Small Business Administration is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).
- Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provided by the Coronavirus Preparedness and Response Supplemental Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.
- Any such Economic Injury Disaster Loan assistance declaration issued by the SBA makes loans available to small businesses and private, non-profit organizations in designated areas of a state or territory to help alleviate economic injury caused by the Coronavirus (COVID-19).
- SBA's Office of Disaster Assistance will coordinate with the state's or territory's Governor to submit the request for Economic Injury Disaster Loan assistance.
- Once a declaration is made for designated areas within a state, the information on the application process for Economic Injury Disaster Loan assistance will be made available to all affected communities.

***Note: since the President has declared this a "national disaster" a business like a travelling carnival, for example, might be able to claim damage due to cancelled events in its various areas of performance.***

- These loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The interest rate is 3.75% for small businesses without credit available elsewhere; businesses with credit available elsewhere are not eligible. The interest rate for non-profits is 2.75%.

***Substantial Economic injury - Substantial economic injury means that the business is unable to meet its financial obligations and pay its ordinary and necessary operating expenses. To that extent, EIDLs provide working capital to help businesses survive until normal operations resume after a disaster. The cap on such low interest loans is currently up to \$2 million.***

- SBA offers loans with long-term repayments in order to keep payments affordable, up to a maximum of 30 years. Terms are determined on a case-by-case basis, based upon each borrower’s ability to repay.

## CORONAVIRUS PREPAREDNESS AND RESPONSE SUPPLEMENTAL APPROPRIATIONS ACT, H.R. 6074

President Donald Trump signed a \$7.8 billion emergency coronavirus spending bill on March 6, 2020. The amount of money provided in the legislation far exceeds Trump’s original request -- \$1.25 billion in new funds and another \$1.25 billion from other government social and health programs.

The measure would provide \$6.5 billion for the Health and Human Services Department and \$1.25 billion for the State Department and U.S. Agency for International Development.

### Funding Under the Supplemental

Agency	Emergency Appropriations
Health and Human Services	\$ 6,497,000,000.00
<ul style="list-style-type: none"> <li>• Public Health and Social Services Emergency Fund</li> <li>• Centers for Disease Control and Prevention</li> <li>• National Institutes of Health</li> <li>• Food and Drug Administration</li> </ul>	<ul style="list-style-type: none"> <li>\$ 3,400,000,000.00</li> <li>\$ 2,200,000,000.00</li> <li>\$ 836,000,000.00</li> <li>\$ 61,000,000.00</li> </ul>
State Department & USAID	\$ 1,250,000,000.00
Small Business Administration	\$ 20,000,000.00

The measure also would waive Medicare telehealth restrictions during the coronavirus emergency, which the Congressional Budget Office estimates would increase mandatory spending by \$490 million. It would allow telehealth services to be covered regardless of where the beneficiary is located, which typically needs to be in a rural area or doctor’s office.

All funds would be designated as emergency requirements and wouldn’t be subject to budget caps or included in pay-as-you-go budget scorecards. The measure would stipulate that funding could only be used to deal with coronavirus.

### HHS Highlights

The HHS funding would include:

- \$3.1 billion for the Public Health and Social Services Emergency Fund to develop and purchase vaccines and medical supplies, plus an additional \$300 million in contingency funds to buy vaccines if HHS certifies it’s necessary. The initial funding would also include \$100 million for community health centers.
- \$2.2 billion for the CDC, including \$950 million for state and local preparedness grants, \$300 million for global disease detection and response, and \$300 million for the Infectious Diseases Rapid Response Reserve Fund.

- \$836 million for the National Institutes of Health, most of which would go to the National Institute of Allergy and Infectious Diseases. The measure would set aside \$10 million for worker-based training to prevent and reduce exposure to health workers.
- \$61 million for the Food and Drug Administration to respond to coronavirus, including developing medical products.

Funding for purchasing vaccines would have to follow federal guidance on “fair and reasonable pricing.” The measure also would give HHS authority to ensure that vaccines developed with the bill’s funds “will be affordable in the commercial market.”

Money also could be used to reimburse agencies and states for amounts used for coronavirus activities before the measure’s enactment.

## **State & USAID**

The State Department and USAID funding would include:

- \$435 million for global health programs, including \$200 million for the Emergency Reserve Fund.
- \$300 million for humanitarian and health assistance in affected areas.
- \$264 million for the State Department’s diplomatic operations, evacuation costs, and emergency preparedness.
- \$250 million for the Economic Support Fund.

The measure also would increase the transfer threshold for emergency evacuations to \$100 million, from \$10 million. Amounts couldn’t be transferred from Overseas Contingency Operations funding.

## **SBA Loans**

The Small Business Administration would receive \$20 million for administrative expenses to provide an estimated \$7 billion in low-interest disaster loans to small businesses.

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