The Senate unanimously passed the Paycheck Protection Program and Healthcare Enhancement Act (H.R. 266) on Tuesday, April 21st. Just two days later, the House of Representatives passed the legislation by a vote of 388-5, with Representatives Andy Biggs (R-AZ), Ken Buck (R-CO), Jody Hice (R-GA), Thomas Massie (R-KY), and Alexandria Ocasio-Cortez (D-NY) voting against the bill. The legislation will be quickly signed into law by President Trump at noon on Friday, April 24th. Overall, the bill provides:

- $310 billion for the Paycheck Protection Program ($321 billion including administrative fees)
- $60 billion for grants and loans made through the Economic Injury Disaster Loan (EIDL) program
- $75 billion for hospitals and healthcare providers to assist with expenses and costs associated with COVID-19
- $25 billion for nationwide testing efforts

Please see the below summaries for more comprehensive details of the funding measures included in the legislation.

**Division A: Small Business Programs**

**Section 101: Funding Enhancements**

The legislation increases funding for the Paycheck Protection Program, by authorizing an additional $310 billion in loans to be disbursed to small businesses. The bill also includes an additional $11.335 billion to cover administrative costs associated with the loan program.

A new PPP-related measure introduced in the legislation is a set-aside created within the Paycheck Protection Program for insured depository institutions, credit unions, and community financial institutions. The bill text states that the Small Business Administration (SBA)’s Administrator has to guarantee that at least $30 billion of loans are made by insured depository institutions and state/federal credit unions, and these entities must have between $10 billion – $50 billion in consolidated assets. Furthermore, at least another $30 billion of loans must be made by community financial institutions, and also by smaller insured depository institutions and state/federal credit unions (assets worth less than $10 billion). “Community financial institutions” include any community development financial institutions, minority depository institutions, certified development companies, and certain microloan intermediaries.

This section also authorizes an additional $10 billion in increased funding for emergency grants made through the Economic Injury Disaster Loan (EIDL) program. The legislation also expands the eligibility for EIDL funds to be distributed to agricultural enterprises with a maximum of 500 employees.
Section 102: Emergency Designations

Establishes the amounts and authorizations under this section as emergency requirements – established under the Pay-As-You-Go Act of 2010.

Division B: Additional Emergency Appropriations for Coronavirus Response

Title I: Department of Health and Human Services

Hospitals and Healthcare Providers Costs

The legislation creates a $75 billion Public Health and Social Services Emergency Fund, which will be used to reimburse certain eligible healthcare providers for coronavirus-related expenses. These eligible entities include: public entities, suppliers/providers enrolled in Medicare or Medicaid, and entities determined by the HHS Secretary who are providing coronavirus testing and care (these can be for-profit or not-for-profit). This portion of the legislation mandates that the HHS Secretary is required to accept and review rolling applications, which must include a summary explaining the grounds for enhanced funding and also a valid tax identification number. The payments made with this funding will be made through grants, or through whichever method that the HHS Secretary deems “the most efficient payment system practicable to provide emergency payment.”

The funds distributed from this emergency fund can be used for any of the following purposes: construction of temporary healthcare structures, property leasing, necessary medical equipment (including PPE and testing kits), workforce and training needs, operation of emergency centers, overhaul of facilities to make them more amenable to mass treatment, and necessary changes for surge capacities.

In terms of reporting to Congress, the HHS Secretary is required to submit a report on the obligated funds within 60 days of the legislation being enacted to the House and Senate Appropriations Committees. This report has to be updated every 60 days until the funds run out. This section also requires that within three years after the last payments are made, the HHS Inspector General is required to submit a comprehensive audit to the House and Senate Appropriations Committees.

Increased Testing

The legislation also authorizes an additional $25 billion specifically for increased testing capabilities, which includes tests for active infections and exposure. These funds will be used for all costs associated with manufacturing, procuring, distributing, administering, and developing such tests. The legislation also specifically states that it is necessary for laboratories to be able to increase their surveillance and contract tracing efforts to mitigate the spread of the virus.

Within this amount, it is required that $11 billion of the funds be allocated towards states, localities, tribal entities, and Native American health organizations for the necessary procedures required to develop, purchase, administer, and process the tests. The legislation also states that up to $1 billion of the funds can be allocated towards testing for uninsured individuals. Furthermore, the $11 billion must be distributed with the following minimum amounts:
- At least $2 billion for states, localities, and territories based on the FY 2019 Public Health Emergency Preparedness cooperative agreement’s formula;
- At least $4.25 billion for states, localities, and territories based on a formula calculated through the relative number of coronavirus cases in an area;
- At least $1 billion for the CDC’s CDC-Wide Activities and Program Support account;
- At least $1 billion for the Biomedical Advanced Research and Development Authority;
- At least $750 million for tribes and tribal organizations (in coordination with the Director of the Indian Health Service);
- At least $500 million for the NIH’s National Institute of Biomedical Imaging and Bioengineering, to increase research and development efforts for rapid coronavirus testing;
- At least $306 million for the NIH’s National Cancer Institute for serological testing purposes.

These funds can be distributed through either grants or cooperative agreements within 30 days. Also within 30 days, the governor or relevant leader of each state, locality, territory, or tribal entity that is awarded funding is required to submit a plan to the HHS Secretary on how they plan to use the funds – with data on how many tests they need, estimates of their testing capacity, and how their resources will be allocated towards testing. In addition to costs related directly to the tests, the funds can also be used for construction, rent, renovation, etc. to improve facility preparedness for testing. The funds can also be used for purchasing the PPE and supplies required to administer tests, enhancing workforce trainings and personnel numbers, and surge capacity needs as related to testing.

Within 21 days of the legislation being enacted, the HHS Secretary is required to issue a comprehensive report on the status of COVID-19 testing efforts, with tangible data on the numbers/rates of cases, hospitalizations and deaths, demographic characteristics, and more. This report should be submitted to the House and Senate Appropriations Committees, as well as the House Energy & Commerce Committee and the Senate HELP Committee. The report needs to be updated every 30 days until the COVID-19 health emergency is over.

The HHS Secretary also must submit a COVID-19 strategic testing plan within 30 days to the same committees. This plan must be updated every 90 days.

**Title II: Independent Agencies**

**Small Business Administration**

The legislation provides an additional $2.1 billion to the SBA for their salaries and expenses account – which will be available until September 30\(^{th}\), 2021.

In addition to the aforementioned $10 billion increase for emergency EIDL grants, the legislation also appropriates an additional $50 billion for disaster loans to be made through the EIDL program – which will be allocated in the “Disaster Loans Program Account.”