Providers have 90 days from the date they received the original payment from the Provider Relief Fund to attest and accept the terms and conditions or return the funds received. If a provider does not accept the terms and conditions after 90 days of receipt the provider will be deemed to have accepted the terms and conditions.

<table>
<thead>
<tr>
<th>Allocation Title</th>
<th>Amount &amp; Method</th>
<th>Distribution Timeline</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Allocation</td>
<td>$50 Billion</td>
<td>$26 Billion on 4/10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$4 Billion on 4/17</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$20 Billion on 4/24</td>
<td>Hospitals and Nursing Homes</td>
</tr>
<tr>
<td>Target Allocation (i.e COVID Hotspots)</td>
<td>$10 Billion</td>
<td>Week of May 4/ Mid</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>July</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Low Income and Uninsured Fund</td>
<td>$2 Billion</td>
<td>Week of May 4</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Rural Allocation</td>
<td>$10 Billion</td>
<td>Week of May 4</td>
<td>Hospitals</td>
</tr>
<tr>
<td>Indian Health Services Allocation</td>
<td>$400 Million</td>
<td>27-Apr</td>
<td>Indian Health Network</td>
</tr>
<tr>
<td>Additional Allocations including Medicaid</td>
<td>Unspecified</td>
<td></td>
<td>Hospitals, SNF</td>
</tr>
<tr>
<td>only Providers</td>
<td>Likely to include existing funds and funds added by developing Congressional Legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HHS Distribution to Nursing Homes</td>
<td>$4.9 Billion</td>
<td>Week of May 22</td>
<td>Skilled Nursing Facilities</td>
</tr>
<tr>
<td>Total</td>
<td>$77.3 Billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated</td>
<td>$29.6 Billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated, including new funds in proposed Congressional Legislation</td>
<td>$100 Billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Resources and Services Administration Allocation to Rural Health Clinics</td>
<td>$225 Million</td>
<td>Late May</td>
<td>Rural Health Clinics</td>
</tr>
<tr>
<td>Assistant Secretary for Preparedness and Response (ASPR) Grants</td>
<td>$350 Million</td>
<td>May and Late June/Early July</td>
<td>Hospitals</td>
</tr>
</tbody>
</table>
FEDERAL FUNDING OPPORTUNITIES FOR HOSPITALS

This document provides an overview of direct funding opportunities available to hospitals and health systems through the recently-enacted CARES Act. Hospitals must apply for the funding opportunities listed in this document. Please see SDAHO’s dedicated COVID-19 webpage for the latest information.

Hospitals may apply for or receive funds from multiple sources. However, statute, guidance, and regulations state that organizations may not apply for funding for the same costs from multiple sources. Be sure to carefully consider which funding you are applying for and/or accessing and that you are not receiving funding for the same costs from multiple governmental sources. SDAHO recommends hospitals closely track their COVID-19 expenses, and the finance stream used to pay for those expenses.

Further, information provided in this document is based on multiple sources and widely-available information, subject to interpretation as well as guidance issued to date, and such guidance is subject to change.

Public Health and Social Services Emergency Fund (PHSSEF)

- **Description**: $100 billion in total funds available to hospitals, health systems, and other providers. Hospitals may apply for PHSSEF funding to “prevent, prepare for, and respond to coronavirus.” Providers will be reimbursed through grants and other payment mechanisms. (Established in the CARES Act.)
- **Eligible providers**: Public entities, Medicare- or Medicaid-enrolled suppliers and providers, and other non-profit and for-profit entities specified by the Secretary of the Department of Health and Human Services (HHS).
- **Eligible expenses**:
  - Healthcare-related expenses or lost revenues not otherwise reimbursed and directly attributable to COVID-19.
  - Examples include forgone revenue from cancelled procedures; building or construction of structures (including retrofitting); medical supplies and equipment, personal protective equipment (PPE); testing; and increased staffing or training. These examples are based on plain reading of legislative text, however final determination is subject to forthcoming HHS guidance.
  - PHSSEF funds may not be used for expenses or losses that have been reimbursed from other sources, or that other sources are obligated to reimburse. Even if qualified expenses are eligible for reimbursement from another mechanism, an entity may still apply for funding from the PHSSEF fund while simultaneously applying for funding from other sources. However, should the entity subsequently receive reimbursement for expenses from any other source after receiving funding for the same expenses from the PHSSEF fund, the entity will be required to repay the funding it received from the PHSSEF funding.

- **Application process**: 
The bill instructs the Secretary of HHS to release guidance on the application process and required documentation, as well as a reconciliation process under which payments must be returned to the fund should other sources provide reimbursement.

Providers will be required to submit reports and maintain documents (as determined by the Secretary).

Providers must have a valid tax identification number and justifying their need for the payment.

Applications will be reviewed on a rolling basis.

- **Payment process:**
  - The bill directs payments be made on a rolling basis using the most efficient payment systems practicable to provide emergency payment, as determined by the Secretary. Payments may include pre-payment, prospective payment, and retrospective payment.

- **SDAHO recommends:** Hospitals are urged to closely track their COVID-19 expenses, and the finance stream used to pay for those expenses. For example, hospitals should consider:
  - Creating a specific pay code for employees, identifying hours spent to support the command center, COVID screening, and additional COVID-19-related shifts;
  - Using sheets to track high-risk or back-ordered supplies;
  - Tracking overtime for permanent employees associated with COVID-19;
  - Tracking both regular and overtime hours spent associated with COVID-19 for unbudgeted employees;
  - Tracking management costs and keeping detailed timesheets of employees performing grant management and other duties related to COVID-19; and
  - Tracking any donated resources from volunteer organizations, which may be used to offset the non-federal share for your hospital or health system.

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### Accelerated Medicare Payments

- **Description:** Under an expanded option through the Medicare Hospital Accelerated Payment Program, eligible providers are able to request accelerated payments that cover a time period of up to six months. Inpatient, outpatient and pass through payments are included in determining the Medicare payment amount. (Established in the CARES Act, enacted 3.27.2020.)
  - An informational fact sheet from CMS is available here.
  - An April 3 update from AHA is available here.

- **Eligibility:**
  - All Medicare providers and suppliers, including acute-care hospitals, critical access hospitals (CAHs), children’s hospitals and inpatient prospective payment system (IPPS) exempt cancer hospitals.
  - On April 3, CMS clarified program eligibility, including that a provider or supplier must:
- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider’s/supplier’s request form;
- Not be in bankruptcy;
- Not be under active medical review or program integrity investigation; and
- Not have any outstanding delinquent Medicare overpayments.

- An AHA March 28 overview of the program is available here.
- During a call on April 2, CMS said that it instructed MACs to allow one application for physicians that are part of a group. The instruction is as follows:
  - A provider group (Part B) may submit one application on behalf of all providers if (1) the group receives Part B payments for all group providers at the same office, or (2) if one person is the official responsible and may sign for or commit the other providers to the advance payment terms. The billing provider must submit the application. A list of NPIs and provider names for whom payment is requested should be attached to the application.

**Payment details:**
- Up to 100% (125% for Critical Access Hospitals) of what the hospital would otherwise have expected to receive.
- Medicare will work with hospitals to estimate upcoming payments and provide funds in advance. Hospitals may request a lump sum payment or periodic payments.

**Repayment:**
- All providers and suppliers will have up to 120 days before recoupment through claims offset begins.
  - At the end of the 120-day period, every claim submitted by the provider/supplier will offset the accelerated payment.
- Repayment in full is required after 12 months for IPPS hospitals, CAHs, children’s and cancer hospitals.
  - All other providers, including LTCHs, IRFs, and suppliers, are required to submit payment in full after 7 months.
- Hospitals will be charged interest on any outstanding balance beyond 12 months from the date of the accelerated payment. Similarly, all other providers will be charged interest on any outstanding balance beyond 7 months from the date of the advance payment.
  - The interest rate is set at the prevailing rate set by the Treasury, which is currently 10.25%. (CMS has stated it does not have authority to waive interest or change the rate.)
- At the end of the repayment period, MACs will send providers a demand letter if there is a remaining balance.
  - Providers may submit direct payment. On the 31st day after the demand letter is sent, interest will begin to accrue.
  - If providers are unable to pay the balance when due, the MAC should be contacted about an extended payment plan, which may include a reduced
withhold (interest would be applied).

- Please note, for CAHs and PIP hospitals: the accelerated payment reconciliation process will happen at the final cost report process for the first cost report occurring after the repayment period. Repayment is still required at the end of the repayment period, even if the cost report settlement would occur beyond that period. Interest will accrue between the end of the repayment period and when there is a cost report reconciliation.

- **Application Information**:
  - Hospitals should request a specific amount when using an Accelerated Payment Request form available on each Medicare Administrative Contractor’s (MAC) website. MACs have been instructed to update their request forms within the next several days to be specific to the COVID-19 Medicare Accelerated/Advance Payment Program.
    - The National Government Services application is [here](#).
  - All providers should have the PECOS AO sign the application. However, if the PECOS AO is not available, please call your MAC for additional instruction. MACs indicated they are able to help providers with alternative solutions should the PECOS AO be unavailable.
  - Each MAC will review and issue payments within seven calendar days of receiving the request.
  - CMS created an FAQ memo, available [here](#).

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**Small Business Administration Loans**

- Lenders started to approve loans through the second round of the Paycheck Protection Program, which Congress appropriated an additional $310 billion for after the initial $349 was utilized.

- As of May 1, 2020, 2.2 million Paycheck Protection Program loans were approved through this second round, totaling $175.7 billion. 1.5 million of these loans were for under $50,000 and the average loan size through this second round is $79,000.

- 7,835 Paycheck Protection Program loans were approved in South Dakota alone, totaling more than $279 million. More [here](#).

- Treasury and the SBA issued an interim final rule that provides additional guidance for seasonal businesses and how they can calculate their average monthly payroll for purposes of determining their loan amount through the Paycheck Protection Program. Seasonal businesses can now calculate their average monthly payroll using “any consecutive 12-week period between May 1, 2019, and September 15, 2019” to determine their loan amount. More [here](#).

- Senator Thune led the delegation in urging Treasury and the SBA to provide additional guidance to ensure seasonal businesses that have already applied for or received a Paycheck Protection Program loan can recalculate their loan award to maximize the assistance they can receive through the program. More [here](#).
• Treasury and the SBA updated its FAQ for the Paycheck Protection Program. To note, the FAQ clarifies that a small businesses loan forgiveness amount will not be affected should the employer attempt to rehire an employee, but the employee declines the offer, so long as there is documentation. More here.

• Description:
  o Loan opportunities up to $10 million are available through the Small Business Administration’s (SBA) Paycheck Protection Program, and are intended to help businesses keep their workforce employed during the pandemic. (Included in the CARES Act.)
  o On April 2, Treasury released an interim final rule (IFR), which makes several material changes to previously published information as well as other guidance. Among other changes, the IFR:
    ▪ Increases the interest rate from 0.5% to 1%;
    ▪ Limits the maximum loan term to two years;
    ▪ Requires 75% of the loan be used for payroll costs; and
    ▪ Defers payment of principle for 6 months.
  o Additional overview information from the Treasury is available here and here. Loans may be used to pay for, among other things, salaries and benefits, rent, utilities, interest on mortgages, and interest on existing debt.
    ▪ Borrowers may be eligible for at least partial loan forgiveness if they either retain all of their employees on payroll, or if by June 1, 2020, they rehire employees to restore full time employees and salary levels for any changes made between February 1 and April 26, 2020.
  o An overview of PPP from Hall Render is available here.
  o An April 6 Frequently Asked Questions document from Treasury is available here.

• Eligibility:
  o Small businesses and 501(c)(3) non-profit organizations—including hospitals, health systems and healthcare providers—with fewer than 500 total employees, among others.
  o Affiliation rules apply and are intended to determine, using the “totality of circumstances,” whether an organization is operating as part of a larger organization and therefore not considered a small business.
    ▪ On April 3, SBA provided guidance on affiliation rules.
    ▪ On April 2, AHA sent a letter to the SBA requesting guidance or regulation be issued to ensure small and mid-size hospitals are not subject to affiliation requirements. (e.g., small or rural hospitals that are part of a larger system, joint venture, joint operating agreement or other management arrangement). Rather, AHA requested these hospitals be considered individually for eligibility under PPP.

• Application information:
  o SBA began accepting applications on April 3. SDAHO recommends eligible hospitals apply quickly, as PPP loans are available until allocated funds are exhausted, or June 30, whichever comes first.
  o Applicants must submit SBA Form 2483. A list of participating lenders and
additional information is available [here](#).

- Hospitals must be able to demonstrate they were harmed by COVID-19 between February 15 and June 30.

- **Other:**
  - SDAHO hosted an SBA Loan webinar the recording is available [here](#).
  - SDAHO SBA CARE’s ACT Guide is available [here](#).

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**Federal Reserve Emergency Lending Program**

- **Description:**
  - The CARES Act authorizes $454 billion in emergency loans for businesses, states and municipalities, subject to certain conditions. The bill encourages Treasury to establish a lending program for organizations with between 500 and 10,000 employees.
  - AHA sent a [letter](#) on April 3 to the Secretary of the Treasury and Chairman of the Federal Reserve urging implementation of this loan program quickly and in a manner that ensures such access will be attainable for hospitals.
  - SDAHO will share additional information when it is available.

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**FEMA Public Assistance Funds**

- **Description:**
  - Pursuant to the declaration of COVID-19 as a national emergency, public assistance (PA) funding is available from the Federal Emergency Management Agency (FEMA) to eligible state, territorial, tribal, local government entities and certain private, non-profit organizations—including hospitals, clinics, long-term care facilities and outpatient facilities.
  - Hospitals seeking a PA grant will be applying through the [South Dakota Emergency Management Agency](#) (EMA). See more information below.
  - Assistance is provided at a 75% federal cost share and 25% is covered by PA applicants. At this time, it is unknown whether hospitals can use money from the Public Health and Social Services Emergency Fund to cover their share.
  - Only hospitals that are part of a government organization (hospital district) or are a federal or state private non-profit (PNP) organization are eligible for PA funding. For profit hospitals are not eligible at this time.
  - At this time SD EMA has no timeline for when funds will be made available to hospitals or even if funding will ever be made available since this program is considered a last resort by the federal government should expenses not be covered by the lead agency responding to the emergency. A best case scenario suggests that it will be at least 45-60 days before a hospital receives funds.
• Hospitals or other entities that do receive funds from the PA program are subject to rigorous audits so it is imperative that appropriate tracking and documentation is completed and maintained.

• Eligible Costs:
  o Eligible costs include emergency work (e.g. overtime labor for budgeted employees and straight-time and overtime labor for unbudgeted employees), necessary equipment, and necessary supplies and materials.
  o While some activities listed may be eligible for funding through the Department of Health and Human Services (HHS) or the Centers for Disease Control and Prevention (CDC), final reimbursement determinations will be coordinated by HHS and FEMA. FEMA will not duplicate any assistance provided by HHS or CDC.
  o Statute, guidance and regulations state that organizations may not apply for funding for the same costs from multiple sources. Be sure to carefully consider which funding you are applying for and/or accessing and that you are not receiving funding for the same costs from multiple governmental sources, without an accounting mechanism to reimburse as necessary.
  o Costs submitted under the PA program cannot be duplicated when seeking assistance under the $100 billion appropriated to hospitals under the CARES Act.

• Application Information:
  o SD EMA’s PA application process includes the following steps:
    ▪ If an eligible organization has or may have at least $3,300 in eligible uninsured Category B – Emergency Protective Measure costs, the organization should submit a FEMA Request for Public Assistance (RPA) form to IEMA.
    ▪ A copy of the RPA application is available here.
    ▪ Please include both primary and alternate contact information. Each contact must have a separate email address. FEMA and SD EMA will use email to communicate with each organization, so the email address provided is very important.
    ▪ There was no Federal/State Preliminary Damage Assessment, so please check “NO” to this question.
    ▪ As a Private Non-Profit (PNP) entity, hospitals must also provide:
      • A completed FEMA PNP Facility Questionnaire – This form must only be completed by PNP Organizations as part of their application.
      • PNP must also submit: (1) a copy of their charter or by-laws, and (2) an effective ruling letter from the US Internal Revenue Service granting tax exemption under Section 501(c), (d), or (e) of the Internal Revenue Code of 1954 (as amended), or state certification that the organization is a non-revenue producing non-profit entity organized or doing business under state law.
    ▪ Please write your Federal Employer Identification Number (FEIN) at the top left margin of the RPA form.
    ▪ Please write the Data Universal Numbering System (DUNS) number at the
Submit the completed RPA form to SD EMA Contact: Tyler Steen
Recovery and Mitigation Manager Office of Emergency Management
South Dakota Department of Public Safety 605-773-3231 or Tyler.
Steen @state.sd.us

The deadline to submit an RPA to IEMA has been extended to 30 days
after the end of the emergency declaration, however, the sooner an
application is filed the better.

Once SD EMA enters an organization’s RPA information into the PA
Grants Portal, a basic applicant profile will be established, their RPA will
officially be submitted to FEMA and the organization will receive an email
message from the PA Grants Portal about completing their profile.

SD EMA will conduct PA applicant’s briefings via webinars in the coming
weeks to review the remaining application and programmatic
requirements. The other PA application forms that must be completed
and submitted to SD EMA are state forms. They do not have a specific
submission deadline, however, they must be completed and accepted by
SD EMA before SD EMA can make a payment. SD EMA only accepts
originally signed copies of these state forms. No faxes, scanned images,
or photocopies are permitted. These forms are as follows:

The following items are typically problem areas when completing the
PA Grant Agreement:

- Federal Employer Identification Number (FEIN).
- Data Universal Numbering System (DUNS) number.
- System for Award Management (SAM) registration expiration date.
  The SAM registration expiration date may be obtained at www.SAM.gov. Please make sure your organization’s SAM
  registration is active. If your organization needs assistance with registering or updating your SAM registration, please contact the
  Federal Service Desk at www.FSD.gov or 866-606-8220.
- Fiscal year start date. This is the month and day that the
  organization’s fiscal year starts.

Resources, Tools & Tips:

- Questions or issues with applications and the PA Program may be relayed to: SD
  EMA Contact: Tyler Steen Recovery and Mitigation Manager Office of Emergency
  Management South Dakota Department of Public Safety 605-773-3231 or Tyler.
  Steen @state.sd.us

- Procurement of services (contracting) is very important under PA, even under this
type of emergency declaration. Non-compliance with federal and state
procurement requirements can result in organizations losing their grant
funding. Hospitals should review the FEMA policy on Procurement Under Grants
Conducted Under Exigent or Emergency Circumstances

- Organizations should compile documentation for any work and/or costs that may
be eligible under Category B – Emergency Protective Measures.

- The PA Grants Portal (https://grantee.fema.gov) will be used to submit documentation to support an organization’s costs. Please remember that all costs must be supported with documentation (e.g. bills, invoices, receipts, labor records, equipment records, material records, procurement records).

- Best practices for documenting applicable expenses for the FEMA PA program include:
  - Establishing a separate cost center for accounting purposes to capture all COVID-19 related emergency preparedness expenses.
  - Establishing a formal practice for electronically capturing & cataloguing; retain all COVID-19 related expense documentation.
  - Taking photos of any temporary facilities established to test, treat and isolate COVID-19 patients.
  - Having formal written & executed mutual aid agreements in place with the Red Cross and area shelters.

Other:
- SDAHO hosted a FEMA webinar, the recording is available here.
- SDAHO FEMA Region VIII FAQ is available here.

Contact:
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(605) 789-7527 | gilbert.johnson@sdaho.org

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(605) 789-4995 | connor.hickman@sdaho.org

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