To: Interested Parties  
From: Forbes Tate Partners (FTP)  
Subject: Phase 3.5 – Paycheck Protection Program and Health Care Enhancement Act - Summary

Amid continued demand for small business assistance and funding shortfalls for health care providers, Congress has taken up legislation which builds on the recently enacted Coronavirus Aid, Relief, and Economic Security (CARES) Act. Rather than adding new support mechanisms or making structural changes to existing programs, this bill primarily adds new funding to support struggling entities.

Key provisions within this package include:
- An additional $310 billion in funding for the Small Business Administration (SBA) Paycheck Protection Program (PPP), $60 billion of which is set aside for lending by smaller institutions;
- An additional $60 billion in funding for the SBA’s emergency economic injury disaster (EIDL) loans and grants; and
- $100 billion in emergency supplemental appropriations, $75 billion of which is designated for hospitals and health care providers and $25 billion of which is designated for COVID-19 testing.

Small Business Administration (SBA) Programs

Paycheck Protection Program (PPP)
Adds an additional $310 billion to the SBA’s PPP, which provides forgivable loans to certain eligible small businesses and other entities to cover payroll costs. The program was initially provided $349 billion in funding, which has already been exhausted.

Of this $310 billion in new funding:
- $30 billion is set aside for loans made by Insured Depository Institutions and Credit Unions with assets between $10 and $50 billion, and
- $30 billion is set aside for loans made by Community Financial Institutions (defined to include community development financial institutions, minority depository institutions, certified development companies, and microloan intermediaries), Insured Depository Institutions with assets less than $10 billion, and Credit Unions with assets less than $10 billion.

Emergency Economic Injury Disaster (EIDL) Loans and Grants
Adds an additional $60 billion for SBA’s emergency economic injury disaster (EIDL) loans and grants. Of this total:
- $50 billion is for loans, and
- $10 billion is for grants which do not have to be repaid.

Expands eligibility for EIDL grants and loans to agricultural enterprises (15 U.S.C. 647(b)) with 500 or fewer employees.
SBA Salaries and Expenses
Adds $2.1 billion for the SBA’s Salaries and Expenses account to administer the above programs.

Emergency Appropriations for Coronavirus Response
($100 Billion)

Hospitals and Health Care Providers ($75 Billion)
Provides $75 billion to reimburse eligible health care providers for health care expenses or lost revenues attributable to COVID-19. This funding is in addition to $100 billion provided to hospitals and health care providers under the CARES Act.

Eligible providers remain the same as under the CARES Act and include public entities, Medicare or Medicaid enrolled suppliers and providers, and for-profit entities and not-for-profit entities specified by the Secretary of the Department of Health and Human Services (HHS) which provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19.

Testing ($25 Billion)
Provides $25 billion for expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests. Testing is widely defined to include funding for tests for both active infection and prior exposure, the manufacturing, procurement and distribution of tests, testing equipment and testing supplies, and the development and validation of rapid, molecular point-of-care tests. The funds can also be used to support workforces, epidemiology, to scale up academic, commercial, public health, and hospital laboratories, to conduct surveillance and contact tracing, and to support development of COVID-19 testing plans, among other things.

These funds are divided as follows:

States, Localities, Territories, and Tribes ($11 billion)
- $2 billion allocated according to the Public Health Emergency Preparedness grant formula;
- $4.25 billion allocated via formula based on relative number of cases of COVID-19; and
- $750 million allocated to tribes, tribal organizations, urban Indian health organizations, or health service providers to tribes.

National Institutes of Health (NIH) ($1.8 billion)
- $306 million for the National Cancer Institute;
- $500 million for the National Institute of Biomedical Imaging and Bioengineering; and
- $1 billion for the Office of the Director.

Centers for Disease Control and Prevention (CDC) ($1 billion)

Biomedical Advanced Research and Development Authority (BARDA) ($1 billion)
Community Health Centers ($600 million)

Rural Health Clinics ($225 million)

Food and Drug Administration (FDA) ($22 million)

HHS Office of Inspector General ($6 million)

$1 billion to cover the cost of testing for the uninsured.