



Summary of the Paycheck Protection Program and Health Care Enhancement Act (COVID 3.5)

The U.S. Senate and House of Representatives approved the latest COVID-19 relief bill on April 21 and April 23, respectively. Known as the “Paycheck Protection Program and Health Care Enhancement Act” (COVID 3.5), President Trump has indicated he will sign the bill into law. The bill provides \$484 billion in additional funding to replenish and supplement key programs under the CARES Act, including the Paycheck Protection Program (PPP), small business disaster loans and grants, hospitals and health care providers, and testing. The small business loan programs authorized under the CARES Act had been quickly depleted after only two weeks of operation. More details are below.

Paycheck Protection Program (PPP): Appropriates an additional \$321 billion in funding, with \$60 billion set aside for small, midsize, and community lenders (including minority lenders).

Disaster Loans: Appropriates an additional \$50 billion for the Disaster Loans Program and an additional \$10 billion for Emergency EIDL Grants.

HHS Hospital and Provider Grants under the Public Health and Social Services Emergency Fund: Provides an additional \$75 billion to support the need for COVID-19 related expenses and lost revenue due to coronavirus.

Testing: Provides \$25 billion for the HHS Public Health and Social Services Emergency Fund for necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests. Requires the Administration to create a national strategy to provide assistance to states for testing and increasing testing capacity. Also requires states, localities, territories, and tribes to outline their own testing plans, as well as plans to ease COVID-19 community mitigation strategies. Requires the Secretary to issue reports on testing, which must include de-identified and disaggregated data on demographic characteristics, including, race, ethnicity, age, sex, geographic region and other relevant factors of individuals tested for or diagnosed with COVID-19, as well as information on the number and rates of cases, hospitalizations, and deaths as a result of COVID-19. Specific funding is provided for:

- \$11 billion for states, localities, territories, and tribes to develop, purchase, administer, process, and analyze COVID-19 tests, scale-up laboratory capacity, trace contacts, and support employer testing. Funds are also made available to employers for testing.
 - \$2 billion provided to States consistent with the Public Health Emergency Preparedness grant formula, ensuring every state receives funding;
 - \$4.25 billion provided to areas based on relative number of COVID-19 cases; and
 - \$750 million provided to tribes, tribal organizations, and urban Indian health organizations in coordination with the Indian Health Service.
- \$1.8 billion provided to the NIH to develop, validate, improve, and implement testing and associated technologies; to accelerate research, development, and implementation of point-of-care and other rapid testing; and for partnerships with governmental and non-governmental entities to research, develop, and implement the activities.

- \$1 billion provided to CDC for surveillance, epidemiology, laboratory capacity expansion, contact tracing, public health data surveillance and analytics infrastructure modernization.
- \$1 billion for the Biomedical Advanced Research and Development Authority for advanced research, development, manufacturing, production, and purchase of diagnostic, serologic, or other COVID-19 tests or related supplies.
- \$22 million for the FDA to support activities associated with diagnostic, serological, antigen, and other tests, and related administrative activities.
- \$825 million for Community Health Centers and rural health clinics.
- Up to \$1 billion may be used to cover costs of testing for the uninsured.