



Friday, June 5, 2020

# Hospital Funding Opportunity Brief

- MONTANA DEPARTMENT OF COMMERCE
  - US SMALL BUSINESS ADMINISTRATION (SBA)
  - MONTANA FACILITY FINANCE AUTHORITY (MFFA)
  - MONTANA DEPARTMENT OF REVENUE / IRS
  - US DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)
  - CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)
  - FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)
  - TELEHEALTH
  - Questions?
- 

## MONTANA DEPARTMENT OF COMMERCE: Coronavirus Relief Fund Grants

Families, small businesses, non-profits, health services centers and individuals across Montana hardest-hit by impacts of COVID-19 are eligible to apply for grants through 11 new programs created in response to the emergency.

The following programs join the state's suite of existing support services and direct federal appropriations:

- Emergency Housing Assistance Program
- Food Bank and Food Pantry Assistance
- Local Government Reimbursement Program
- **Montana Business Adaptation Program**
- **Montana Business Stabilization Program**
- Montana Food and Agriculture Adaptability Program
- **Montana Innovation Grant Program**
- Montana Meat Processing Infrastructure Grant
- **Public Health Grants**
- **Social Services Nonprofit Grants**
- **Stay Connected Grants**
- Telework Assistance Grants

See a complete list of new grant programs, eligibility requirements and apply at <https://commerce.mt.gov/Coronavirus-Relief>



## US SMALL BUSINESS ADMINISTRATION (SBA)

Congress Passes Bill Easing Paycheck Protection Program Restrictions. The Senate approved on June 3rd by unanimous consent the AHA-supported Paycheck Protection Program Flexibility Act of 2020 ([H.R. 7010](#)) to allow more leeway for small business loans during the COVID-19 crisis. The House passed the bill last week, and President Trump is expected to sign it.

The Paycheck Protection Program was established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act to provide loans to small businesses primarily to help keep their workers on the payroll. The legislation approved by the Senate yesterday extends the loan period to up to 24 weeks through Dec. 31, 2020, as well as the timeframe for repayment, if required. It also changes the parameters for potential loan forgiveness.

In addition, the legislation allows borrowers to use up to 40% of the loan on non-payroll expenses, and it provides different scenarios under which borrowers may be eligible for forgiveness, even if they are unable to retain or reinstate the same number of full-time equivalent employees. It also allows PPP loan borrowers who seek forgiveness of the loan to qualify for deferred payment of the employer's portion of certain payroll taxes.

- **\$484 Billion Second Stimulus**

Additional funding is anticipated soon for SBA programs in response to COVID-19 impacts. An additional [Interim Final Rule](#) (IFR) was published on the Treasury website addressing additional topics related to the Payroll Protection Program. The document contains important eligibility information for certain businesses and other items. More information is available here: <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

**Hospitals are eligible to receive a PPP loan if the hospital receives less than 50% of its funding from state or local government sources, exclusive of Medicaid.**

Health care organizations with less than 500 employees can apply for an SBA loan up to 2.5 times the average monthly payroll costs. Payroll costs can include group health premiums and retirement benefits among other costs. Payroll and income taxes are excluded from this calculation as well as any individual employee's salary in excess of \$100,000.

The loan can be forgiven if the organization, over an 8-week period, uses the funds to cover:

- Payroll costs
- Interest on mortgage obligations
- Rent on a lease agreement
- Payments for utilities

This PPP continuation is also on a **first come first serve basis** so it is important to prepare documentation in advance and let your local commercial bank know you want to apply. **Application is available here:** <https://www.sba.gov/document/sba-form--paycheck-protection-program-borrower-application-form>



If your local commercial bank is in the SBA loan network, contact them for more details and how to obtain an application when it becomes available and what information is required.

<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>

- **Loans to Employers with 500+ employees**

The **SBA Economic Injury Disaster Loan (EIDL)** program was recently extended by congress to provide up to \$2 million to help meet financial obligations and operating expenses that could have been met had the disaster not occurred. For more info contact your bank or the SBA disaster loan landing

page: <https://disasterloan.sba.gov/>

Montana SBA Contact:

**Brent E. Donnelly**

District Director – Montana

U.S. Small Business Administration

10 West 15<sup>th</sup> Street - 1100

Helena, MT 59626

Desk: 406-441-1083

#### **MONTANA FACILITY FINANCE AUTHORITY (MFFA)**

- **NEW PROGRAM 4/3/2020: short term operating loans**

**Purpose:** Provides bridge financing to hospitals and other health care facilities until funds are obtained through other state and federal COVID response programs.

With the Governor’s April 1<sup>st</sup> Directive, the MFFA is able to provide short-term loans of up to \$500,000 to **assist health care facilities with their operating costs** until federal stimulus funds are available. The loans carry a 12-month term with no interest for the first 3 months and deferred payment for 6 months. Facilities must have less than 50 days cash on hand, have exhausted their other lines of credit and have applied or be in process of applying for the support funds available through the Small Business Administration or under the CARES Act. Program information and applications can be found here: <https://mtfacilityfinance.com/Programs/Emergency-Loan-Program>

The MFFA is also providing forbearance for its current borrowers. Current Direct or Trust Fund loan clients may apply for **up to 3 months of loan forbearance** with the option to extend. There is no fee or penalty for the forbearance. Program information and applications can be found here: <https://mtfacilityfinance.com/Programs/Emergency-Forbearance-Program>

The **Montana Facility Finance Authority (MFFA)** has two main programs that are *currently* being delivered.



- The **Direct Loan program** can provide up to \$300,000 and terms of up to 7 years and rates as low as 2.00% dependent on term. These are approved by staff and can go from application to closing in one week, if necessary. <https://mtfacilityfinance.com/Programs/DirectLoanProgram>
- The **Trust Fund program** can provide up to \$1.5 million and terms of up to 20 years with fixed rates as low as 2.33%, depending on term. These require Board approval and approval by the Montana Board of Investments (BOI) staff so it may be 2-3 months from application to closing, at this time. <https://mtfacilityfinance.com/Programs/TrustFundLoan>

For more information contact:

**Adam Gill**, Executive Director  
Montana Facility Finance Authority  
Ph: 406-444-0259, E-mail: [AdamGill@mt.gov](mailto:AdamGill@mt.gov)

#### MONTANA DEPARTMENT OF REVENUE / IRS

- **Delay in Payment of Employer Payroll Taxes.** Allow employers to defer paying the employer portion of certain payroll taxes through the end of 2020. Deferred payroll taxes would then be paid back in two equal installments due:
  - December 31, 2021
  - December 31, 2022
- **Employee Retention Credit.** This program offers a refundable payroll tax credit for 50% percent of qualified wages paid by employers whose operations have been fully or partially suspended as a result of a government order or has experienced a greater than 50% reduction in quarterly receipts, measured on a year-over-year basis. Qualified wages (include health benefits) are those of employees who are furloughed or face reduced hours as a result of their employer's closure or significant reduction in business. The credit is provided for the first \$10,000 in wages and compensation paid to eligible employees.

If employer has 100 or fewer full-time employees, all employee wages are eligible, regardless of whether an employee is furloughed. More guidance is expected on this program and should be reviewed by the employer's attorney for interpretation to its specific circumstances. <https://www.irs.gov/newsroom/irs-employee-retention-credit-available-for-many-businesses-financially-impacted-by-covid-19>



## US DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS)

- **Public Health and Social Services Emergency Fund**

**Purpose:** This fund of \$100 billion was approved as part of the CARES Act and will be made available to hospitals in the most immediate expedient manner. There are no strings attached to this funding. AHA has petitioned for payments to go to hospitals based on licensed acute beds equal to \$25,000 per licensed bed and if the hospital is in a “hot” zone, the per bed rate would be \$30,000. No decision has been made as of March 31, 2020.

**If the AHA request is denied,** hospitals will be required to apply for funding from this Fund for healthcare-related expenses or lost revenues not otherwise reimbursed and directly attributable to COVID-19. **It is imperative that hospitals maintain a record of COVID-19 related expenses and lost revenue.**

## CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

- **Accelerated payment program clarifications.** Last week, Congress and CMS made important legislative and regulatory changes to expand the Medicare [accelerated/advanced payment programs](#), which are intended to provide necessary funds to providers/suppliers when there is a disruption in claims submission and/or claims processing. CMS provided additional details on the accelerated/advanced payment program in an April 2 call. Updates and clarifications are outlined in this [AHA advisory](#), and will be addressed in a FAQ document to be released in the coming days. Please see [CMS’ fact sheet](#) for information on accelerated/advanced payments.
- **Medicare nearly doubles payment for high-throughput diagnostic tests.** Medicare will increase payment for certain "high-throughput" COVID-19 diagnostic tests to \$100 to expand testing capacity and speed results during the public health emergency, CMS [announced](#) April 14, 2020. The tests can process more than 200 specimens a day but require specially trained technicians and more time-intensive processes to assure quality. CMS expects the payment increase to allow laboratories to expand testing, particularly to vulnerable nursing home patients. Medicare administrative contractors previously paid about \$51 for these clinical laboratory diagnostic tests under Medicare Part B.
- **Other Financial Assistance to Hospitals:**
  - **Temporary elimination of Medicare Sequestration.** CAH’s will receive 101% of costs
  - **Expanded Option for Accelerated Payments.** CMS announcement for accelerated Medicare payments and the link to the forms necessary for making such a request. <https://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>
  - **PPS Add-on payments.** 20% add-on to the DRG rate for patients with COVID-19. Hospitals must identify COVID-19 discharges by using appropriate diagnosis or condition codes.
  - **The CARES Act permanently authorizes PAs (physician assistants) and nurse practitioners (NPs) to order [home healthcare services for Medicare patients](#) (in a manner consistent with state law).** Congress included the Home Health Care Planning Improvement Act in this legislation.



## FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

- Montana Disaster and Emergency Services (MT DES) has closed the [Request for Public Assistance](#) (RPA) application process. This is a reimbursement program for emergency protective measures in support of public health for COVID-19. If you did not submit the [Designation of Applicant Agent form](#) by the April 30 deadline contact Tim Thennis at [tthennis@mt.gov](mailto:tthennis@mt.gov) and Sheri Medow at [sheris@mt.gov](mailto:sheris@mt.gov) with questions. If you have any difficulty with the forms, process or requirements, please let MHA know so we can advocate for your essential work on the front lines of the COVID-19 epidemic.
- Here is a link to the [COVID-19 Eligible Emergency Protective Measures Fact Sheet](#).
- MHA has engaged the [Tidal Basin Group](#) to assist the MHA membership in navigating the FEMA and other Federal program tracking reimbursement process. Tidal Basin can serve as a finance agent for FEMA funding. They will charge an at-risk fee of 5% net revenue. Thanks to MHA's relationship with Texas, Tidal Basin agreed to extend the same benefits and pricing Montana Facilities.

Here is MHA's contact at Tidal Basin:

**Kristopher J. Prickett, MS, PMP, Director of Healthcare Services**

**Tidal Basin | [www.tidalbasingroup.com](http://www.tidalbasingroup.com), (706) 767-2340 | [kprickett@tidalbasin.rphc.com](mailto:kprickett@tidalbasin.rphc.com)**

## TELEHEALTH

- **Rural Health Clinics (RHCs) telehealth benefit.** As part of the CARES Act, Congress has authorized Rural Health Clinics to be the "distant site" for telehealth visits. Until now, RHCs could only be the originating site for these visits. CMS is working on the guidance necessary to allow you to begin submitting claims for these visits but you can begin doing these visits as of March 27th. You will have to hold these claims until the billing guidance is issued.
  - **New Vs. Established Patient?**  
Under a separate provision of the CARES Act, you can engage with any Medicare eligible patient (new or established) for a medically necessary visit. Originally, telehealth visits were limited to "established" patients however, this restriction has been lifted.
  - **Telehealth Technology**  
The technology you can use for this telehealth visit has been expanded. Previously, you could only engage with a patient via a HIPAA compliant technology (privacy and security). The HHS Office of Civil Rights, which oversees and enforces the HIPAA privacy and security standards has said that providers can use a "smart" telephone or computer to engage with the patient. The device must have both audio AND video connection with the patient – at this time. There is some discussion about expanding this to telephone only but that has not yet been approved. Also, several state Medicaid programs are



allowing use of a traditional (audio only) phone for telehealth so check with your Medicaid program to see if you can use a regular phone or you must use a smart phone.

▪ **Medicare Co-insurance for telehealth**

The Office of Inspector General has said that if a provider wishes to waive collection of the 20% coinsurance, they can and the OIG will not consider this a violation of the anti-kickback rules. This is voluntary. If you choose to collect, you can.

▪ **RHC billing for telehealth**

We are still awaiting guidance from CMS on how RHCs should bill for telehealth visits and also information on how a telehealth visit will be paid and how much you will be paid. We are also awaiting guidance on what – if any – impact this will have on the RHC cost report.

▪ **More on TELEHEALTH**

- [Medicare Telehealth FAQ \(CMS\)](#)
- [Montana Medicaid Coverage & Reimbursement Policy for Telehealth Services \(DPHHS\)](#)
- [Telehealth Toolkit for General Practitioners \(CMS\)](#)
- [Telehealth Toolkit for Providers of End-Stage Renal Disease Patients \(CMS\)](#)
- Watch: [“COVID-19 Telehealth Waiver Made Simple” \(PYA\)](#)
- [Telehealth Toolkit for Long-Term Care Nursing Home Facilities \(CMS\)](#)
- NEW: [Informational Bulletin: Utilization of Telehealth for Treatment of SUDs \(CMS\)](#)

Questions about these funding opportunities? Contact Sean Becker at (406) 457-8019 or [sean@mtha.org](mailto:sean@mtha.org)

###