

## **State & Federal COVID-19 Financial Relief Guide for Physician Practices**

This **COVID-19 Financial Relief Guide** for physician practices summarizes both New Hampshire COVID-19 relief grants, loans and tax credits, as well as the various federal small business tax provisions, loan programs, and accelerated Medicare payments through the federal CARES Act approved last week.

Should you have questions, need further information or have suggestions for other information to be included in this guide, please contact Mike Padmore at [michael.padmore@nhms.org](mailto:michael.padmore@nhms.org) or 603-858-4744.

### **New Hampshire Resources**

#### **New Hampshire COVID-19 Emergency Healthcare System Relief Fund**

- On March 19th, Governor Chris Sununu issued [Emergency Order #9](#) which established the COVID-19 Emergency Healthcare System Relief Fund. The order creates a \$50 million fund to provide emergency relief to hospitals and other health care providers that are serving as an essential component of the State's healthcare system during the COVID-19 state of emergency.
- A team consisting of officials with the Attorney General's Office, the Department of Revenue Administration and DHHS will review applications and make recommendations to Governor Sununu. Completed applications emailed to [healthcarerelieffund@dhhs.nh.gov](mailto:healthcarerelieffund@dhhs.nh.gov).
- **Please note that the first deadline for applications will be close of business Monday, March 30, 2020 with over 250 applications reportedly received.** It is not known at this time whether a second round of applications will be solicited.

#### **New Hampshire Community Development Finance Authority**

- Grants, Loans and Tax Credits to assist municipalities, nonprofits and businesses to meet their current and ongoing needs, up to \$500,000.

#### **NH Business Finance Authority (NHBFA)**

- **The Capital Access Program**

As a simple and flexible credit enhancement for small businesses utilized by New Hampshire banks, the CAP program provides support on term loans and lines of credit up to \$200,000.00. The program can be used for temporary loans, working capital, equipment purchases and many long term uses.

- **NHBFA Temporary Loans**

Direct loans from the Business Finance Authority for any business purpose with a maximum of \$200,000.00 and a maximum loan term of three years. Loans have flexible amortization schedules and are contingent on satisfactory underwriting. Loans require approval by the NH Executive Council.

## Federal Resources

The CARES Act includes changes to taxes and tax policies that could benefit physician practices.

### [Employee Retention Tax Credit](#)

These changes include an employee retention tax credit if the practice's business operations were fully or partially suspended due to a COVID-19 shut-down order, or gross receipts declined by more than 50 percent compared to the same quarter in the prior year.

Eligible businesses can get a refundable 50 percent tax credit on wages up to \$10,000 per employee. The credit can be obtained on wages paid or incurred from March 13, 2020, through Dec. 31, 2020. Please see the IRS [FAQ on Employee Retention Tax Credit during COVID-19](#).

Another provision allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021 and the other at the end of 2022.

The employee retention credit and the tax deferral are not available to employers whose Paycheck Protection Program (PPP, see below) loans are forgiven. Physicians should consult with their tax professional to determine if these benefits or others apply to their practice.

### [Accelerated Medicare Payments for Providers](#)

The Centers for Medicare & Medicaid Services (CMS) will accelerate advanced Medicare payments available to physicians and other health care providers due to the effects of the COVID-19 pandemic. Typically, practices receive Medicare payments after delivering services to patients. However, CMS offers advance payments in emergencies, such as natural disasters, to address cash flow issues. This may be helpful to physician practices with cash flow issues that have forced them to furlough or layoff staff. Physicians, hospitals, durable medical equipment suppliers and other Medicare Part A and Part B providers and suppliers are eligible.

Practices can apply now to their Medicare Administrative Contractors (MAC) to receive 100 percent of their Medicare payment amount for a three-month period based on historical payments. MACs will issue the payments within seven days, according to the [CMS fact sheet accompanying its announcement](#) for the COVID-19 expansion program.

To apply, please visit the [Accelerated or Advance Payments](#) site of [National Government Services, Inc. \(NGS\)](#) which is the MAC for New Hampshire and New England states, including home health and hospice claims, and complete an [accelerated advance payment request form](#). The NGS COVID-19 hotline is 888-802-3898 to help with the requests. The DME MAC for New Hampshire is New England states is Noridian Healthcare Solutions.

Recoupment of advance payments will begin 120 days after the accelerated payment is made. Practices will then have another 90 days to repay the balance. The balance would be the amount of the payment less anything that would be credited to the practice based on new claims submitted after that time.

According to CMS, to qualify for the payments, the 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, under active medical review or program integrity investigation, or have any outstanding delinquent Medicare overpayments.

## Small Business Administration

### Paycheck Protection Program (PPP)

- Lenders may begin processing [PPP Loan Application Forms](#) as soon as April 3, 2020.
- Prioritizes millions of Americans employed by small businesses by authorizing up to \$349 billion toward job retention and certain other expenses.
- This program is for any small business with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons), private non-profit organization or 501(c)(19) veterans organizations affected by coronavirus/COVID-19.
- Businesses in certain industries may have more than 500 employees if they meet the [SBA's size standards](#) for those industries.

Under this program:

- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.

### Economic Injury Disaster Loans and Loan Advance

- To apply, complete the SBA [COVID-19 Economic Injury Disaster Loan Application](#).
- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.

### SBA Debt Relief

The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis.

Under this program:

- The SBA will also pay the principal and interest of **new 7(a) loans** issued prior to Sept. 27, 2020.
- The SBA will pay the principal and interest of **current 7(a) loans** for a period of six months.

### SBA Express Bridge Loans

[Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.

These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct [SBA Economic Injury Disaster loan](#).

If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an **SBA Express Disaster Bridge Loan**.

#### **Terms:**

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan
- **Find an Express Bridge Loan Lender** through the [New Hampshire SBA Lender Listing](#) developed by the [New Hampshire SBA District Office](#).

### SBA Products and Resources

SBA provides a number of loan resources for small businesses to utilize when operating their business. For more information on loans or how to connect with a lender, visit:

<https://www.sba.gov/funding-programs/loans>.

- **7(a) program** offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories.

The uses of proceeds include: working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; lease-hold improvements; refinancing debt for compelling reasons; seasonal line of credit; inventory; or starting a business.

- **Express** loan program provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.
- **Community Advantage** loan pilot program allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.
- **504** loan program is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.
- **Microloan** program involves making loans through nonprofit lending organizations to underserved markets.

Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate).

The maximum loan amount is \$50,000 with the average loan size of \$14,000.

## Frequently Asked Questions and Helpful Resources

- [New Hampshire COVID-19 Business Resources](#)
- **Can a small business get an Economic Injury Disaster Loan (EIDL) and a Paycheck Protection Program (PPP) loan?**  
Yes, small businesses can get both an EIDL and a PPP loan as long as they do not cover the same expenses. Physicians should consult with their lender before applying for both types of loans.
- [What state and federal grants and loan programs are available to help my business during this difficult time?](#)
- [I am having issues with the U.S. SBA Emergency Loan App \(ie: already submitted, but confirmation email shows it was sent as frost loss not COVID-19\). How can I fix/who do I call?](#)
- [How long will it take for the U.S. SBA loan to be processed?](#)
- [We are not in the position to take on additional debt. Are there financial resources other than loans?](#)
- [I have questions about unemployment for my employees.](#)

### Families First Coronavirus Response Act (FFCRA)

- [Families First Coronavirus Response Act: Employer Paid Leave Requirements](#)
- [Families First Coronavirus Response Act: Employee Paid Leave Rights](#)
- [COVID-19 and the Family and Medical Leave Act Questions and Answers](#)
- [Employment Rights Poster](#)
- [Families First Coronavirus Response Act Notice – Frequently Asked Questions](#)