

New Law Provides \$100 Billion of Additional Healthcare Funding for COVID-19 Response

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Today, the federal government enacted the Paycheck Protection Program and Health Care Enhancement Act (the “**PPP/HCE Act**”) to provide additional funding for loan and grant programs in response to the COVID-19 pandemic. The PPP/HCE Act modifies and increases funding for the Paycheck Protection Program and the Small Business Administration Economic Injury Disaster Loan program, as discussed in greater detail [here](#).

The Act also includes additional funding for hospitals and COVID-19 testing. Specifically, the Act adds \$100 billion to the Public Health and Social Service Emergency Fund. This is on top of the \$100 billion originally allocated to the Fund by the Coronavirus Aid, Relief, and Economic Security Act (the “**CARES Act**”), as discussed [here](#). The additional \$100 billion is divided into two allotments:

1. **\$75 billion** to reimburse eligible healthcare providers for healthcare-related expenses or lost revenues attributable to COVID-19. “Eligible health care providers” means public entities, Medicare or Medicaid enrolled suppliers and providers, and certain other entities that provide diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. The \$75 billion may be used to fund:
 - Building or construction of temporary structures;
 - Leasing of properties;
 - Medical supplies and equipment, including personal protective equipment and testing supplies;
 - Increased workforce and trainings;
 - Emergency operation centers;
 - Retrofitting facilities; and
 - Surge capacity.
2. **\$25 billion** to reimburse necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 testing. This includes:
 - Tests for active infection and prior exposure;
 - Molecular, antigen, and serological tests;
 - Manufacture, procurement, and distribution of tests;
 - Testing equipment and supplies, including personal protective equipment needed to administer tests;
 - Development and validation of rapid, molecular point-of-care tests;
 - Funding to support relevant workforce and epidemiology;
 - Funding to scale up academic, commercial, public health, and hospital laboratories;
 - Surveillance and contact tracing; and
 - Funding support for development of testing plans.



If you have questions about how the PPP/HCE Act will affect you and/or how COVID-19 is affecting the healthcare industry, please contact a member of our Healthcare and Life Sciences Practice Group below. You can also review our [COVID-19 Resources page](#) or the resources below for more information:

- [What Healthcare Providers Need to Know About Receiving Payments Under the CARES Act Provider Relief Fund](#) (April 20, 2020)
- [Legislative and Regulatory Expansion of Telehealth Services for COVID-19 Response](#) (updated April 9, 2020)
- [HIPAA Guidance During COVID-19](#) (updated April 9, 2020)
- [CMS's Regulatory Changes to Facilitate COVID-19 Response](#) (April 2, 2020)
- [FDA Issues "Immediately in Effect" Guidance to Accelerate Availability of COVID-19 Diagnostic Tests](#) (March 24, 2020)
- [FDA Issues Guidance for Conducting Clinical Trials During COVID-19](#) (March 24, 2020)
- [HHS Extends PREP Act Immunity to COVID-19 Countermeasures](#) (March 24, 2020)
- [CMS Guidance for Healthcare Providers Grappling with COVID-19](#) (March 23, 2020)
- [Section 1135 Waivers Provide Regulatory Flexibility for Healthcare Providers During COVID-19](#) (March 23, 2020)

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