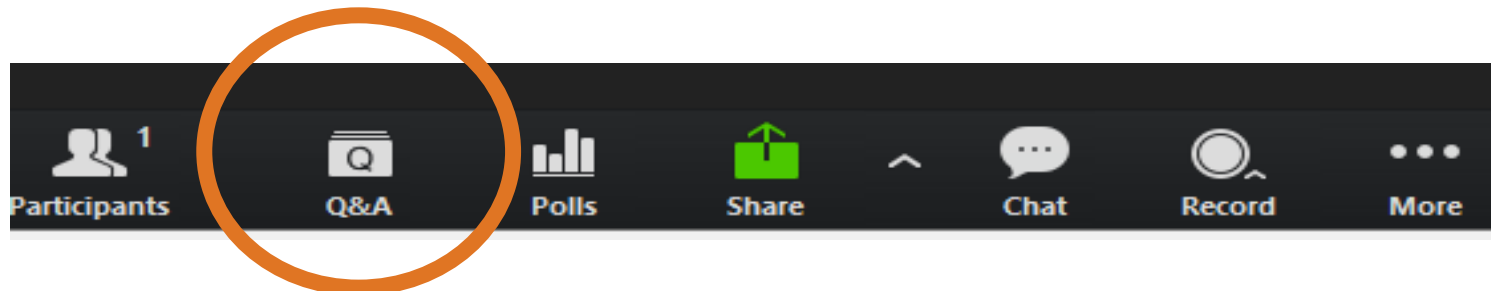


## COVID-19 Federal Funding Opportunities: Behavioral Health, Substance Abuse, and Related Non-Profit Providers

Presentation for the **Montana Healthcare Foundation**  
**April 10, 2020**

# Technical Notes

- If you are having trouble with the audio, try:
  - ✓ Muting your computer speakers
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- Cameras are turned off and mics are muted. Use the chat feature if you need technical support.
- Use the Q & A feature to ask questions. We will have question and answer time at the end.



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# Survey Questions

# How to Think About Federal Assistance Funding

## **Federal assistance funding is a puzzle:**

- What pieces can I put into my puzzle (what funding am I eligible for)?
- What shapes are my puzzle pieces (what costs are eligible under each funding program)?
- How do I put my pieces together into a completed puzzle, and in what order (unique cost eligibility, non-duplication, etc.)?
- Who checks my puzzle (what entities will audit my application for and use of funding, and how do I prepare for that now)?



# The Puzzle—A Checklist (with sample programs)

- Keep your doors open
  - SBA Paycheck Protection Program Loan
- Get paid the maximum amount for your treatments
  - CMS expanded reimbursement rules
  - Insurance coverage (insurer agreements to pay COVID-19 treatment costs)
- Get grants assistance to keep serving your clients and communities/cover your losses for missed services
  - HHS Substance Abuse and Mental Health Services Administration
  - Telehealth grants and expanded reimbursement
  - HHS CARES Act Hospitals and Healthcare Providers Fund (“\$100B Fund”)
- Fill in your COVID-19 related costs (e.g. telehealth, PPE, decontamination, uncompensated crisis counseling)
  - HUD Community Development Block Grants
  - FEMA Stafford Act Public Assistance Program

# The Puzzle—Steps to Take Now

- Catalogue all of your costs going back to January 27, 2020 (HHS Sec’y Azar Public Health Emergency declaration)
  - Cost of care provided
  - Missed treatments/revenue
  - Emergency procurements (PPE, decontamination, triage, telehealth)
  - Overtime/Backfill/Extra Coverage
  - Use SBA Paycheck Protection Program to hire staff for administration?
- Catalogue available federal (state, local, other) assistance
  - What grants have you gotten in the past? Applied for but not gotten? Seen other similar entities/facilities receive?
  - Grants described in these slides/other materials you have received
- Identify and track grant submission deadlines/applications
  - Contact relevant primary grantees for submission information (state agencies, associations, etc)
  - Identify direct grant programs and obtain applications

# BENEFITS OF PAYCHECK PROTECTION LOANS

AVAILABLE APRIL 3 FOR SMALL BUSINESSES AND SOLE PROPRIETORS & APRIL 10 FOR INDEPENDENT CONTRACTORS AND SELF-EMPLOYED INDIVIDUALS

## 100% GUARANTEED

The loans are 100% federally guaranteed. No collateral, personal guarantees, or fees.

## \$10 MILLION LOAN CAP

Loan amounts up to \$10 million per eligible entity.

## 2-YEAR MATURITY

No penalty for prepayment.

## MAXIMUM LOAN AMOUNT

250% of average monthly “payroll costs” during the last 12 months or 2019 (plus any outstanding EIDL amounts to be refinanced, less any advances taken under a COVID-19 EIDL)

## DEFERMENT RELIEF

Loan payments are automatically deferred for 6 months, but interest will accrue during the deferral period.

## 1% INTEREST RATE

The interest rate will be fixed at 1%.

## LOAN FORGIVENESS

Full loan forgiveness for employers that maintain or restore pre-crisis payroll.

## NO RECOURSE

No recourse against individuals, shareholders, members, or partners of loan recipients for non-payment, unless loan dollars are used for impermissible purposes.



# ALLOWABLE USES FOR LOAN DOLLARS

## GROUP HEALTH CARE BENEFITS

Group health care benefits during periods of paid sick, medical, or family leave.

## MORTGAGE INTEREST

Payments of interest on mortgage obligations.

## INSURANCE PREMIUMS

Any insurance premiums.

## PAYROLL COSTS

**Includes** employee compensation (e.g., salary, wages, commissions, cash tips, etc.) **up to** annualized compensation of \$100,000; paid leave; severance payments; payment for group health benefits, including insurance premiums; retirement benefits; and state and local payroll taxes.

**\*\*Independent contractors and sole proprietors do not count as employees for payroll cost calculation because they may apply for their own loans under the program.**

**Excludes** excess employee compensation above the \$100,000 threshold; taxes paid by the employer that are not state/local payroll taxes; compensation to non-U.S. employees; and sick/family leave wages for which credit is allowed under the Families First Coronavirus Relief Act.

**SAME “PAYROLL COST” DEFINITION APPLIES FOR LOAN AMOUNT, ALLOWABLE USES, & FORGIVENESS DETERMINATION.**

## EXISTING SBA USES

Any uses already permitted for SBA Business Loans (e.g., inventory, supplies, building or land purchases, construction, site improvements, etc.).

## INTEREST ON OTHER DEBT OBLIGATIONS

Interest on any other debt obligations incurred before February 15, 2020.

## RENT & UTILITIES

Rent (any rent under a lease agreement) and utilities.

## ECONOMIC INJURY DISASTER LOAN (EIDL) REFINANCING

Refinancing of an SBA Economic Injury Disaster Loan (EIDL) made between January 1, 2020 and April 3, 2020.

# LOAN FORGIVENESS

THE MAXIMUM AVAILABLE FORGIVENESS AMOUNT (UP TO PRINCIPAL AMOUNT OF THE LOAN) IS THE SUM OF THE FOLLOWING INCURRED AND PAID WITHIN 8 WEEKS OF YOUR LOAN ORIGINATION —

- Payroll costs;
- Interest on mortgage obligations in place before February 15, 2020;
- Rent obligations under leases in place before February 15, 2020; and
- Utility payments for certain services that began before February 15, 2020.

THE FORGIVENESS PROVISIONS INCENTIVIZE QUICK DEPLOYMENT OF LOAN DOLLARS TO THESE PRIORITY BUCKETS OF EXPENSES, PARTICULARLY PAYROLL.

FORGIVENESS AMOUNTS MAY WILL BE REDUCED IN CERTAIN INSTANCES BASED ON—

- Reductions in average full-time equivalent employees (FTEEs);
- Certain wage reductions; and
- For any advances taken on SBA EIDLs.

THERE ARE, HOWEVER, OPPORTUNITIES FOR RELIEF FROM SUCH REDUCTIONS FOR PAYROLL ADJUSTMENTS MADE BY JUNE 30.

**LONGER-TERM PAYROLL OBLIGATIONS FOR PPL FORGIVENESS?**

There are no longer-term payroll maintenance requirements in the CARES Act to receive forgiveness amounts, but we are awaiting further guidance from SBA.

# CARES Act Expanded Medicare and Medicaid Reimbursement

- The CARES Act makes several Medicare and Medicaid rate and reimbursement adjustments for providers during the COVID-19 crisis. The CARES Act:
  - Eliminates the 2% sequester for Medicare reimbursements, immediately increasing payments for **all** services provided under Medicare, providing a boost for providers
  - Increases the Inpatient Prospective Payment System payment by 20% for COVID-19 patients for the duration of the crisis.
  - Delays reductions in disproportionate share hospital payments under Medicaid.

# CMS Administrative Expansion of Benefits

- Medicare will now cover respiratory-related devices and equipment for any medical reason determined by clinicians.
- CMS has instituted a significant expansion of telehealth benefits to encourage healthcare practices consistent with social distancing. This benefits expansion includes mental health services and rural health services.
  - The changes allows all doctors, nurses, psychologists, and other clinical social workers to provide telehealth services, including mental health counseling services, to any Medicare beneficiary at any facility, including rural health clinics and their homes.
  - Healthcare providers will be reimbursed for telehealth services at the same Medicare rates as in-person visits.

# Accelerated and Advance Payment Program for Medicare

- Offers Medicare payments to providers in advance of billing. CMS has expanded the emergency program to include more Part A and Part B providers. As of April 7, \$51 billion has been distributed.
- Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals can request 100% of the Medicare payment amount for a 6-month period. Critical Access Hospitals can request 125% of the payment for a 6-month period.
  - All have a year from the date the payment was made to re-pay.
- All other Part A and Part B can request up to 100% of payments for a 3-month period.
  - These providers have 210 days from the date the payment was made to re-pay.
- To be eligible providers must: **1)** Have billed Medicare for claims within 180 days immediately prior **2)** Not be in bankruptcy, **3)** Not be under review or investigation, and **4)** Not have any outstanding overpayments.

# Substance Abuse and Mental Health Services Administration

- Certified Community Behavioral Health Clinic (“CCBHC”) Expansion Grant
  - \$250M+ increase from CARES Act
  - Certified clinics or community-based clinics who may not yet be certified but meet certification criteria and can be certified within 4 months of award.
  - Can have “designated collaborating organizations”
- Eligible Activities include:
  - Crisis mental health services
  - Screening, assessment, and diagnosis
  - Comprehensive outpatient mental health and substance abuse services
  - Outpatient primary care screening and monitoring
  - Case management
  - Psychiatric rehabilitation
  - Social support services

# Substance Abuse and Mental Health Services Administration

- Emergency Grants to Address Mental and Substance Use Disorders During COVID-19
  - \$110M emergency grant program
  - State of Montana, tribal organizations are primary grantees/applicants
  - Award ceiling is \$2M per applicant
- Eligible Activities include crisis intervention services, mental and substance use disorder treatment, and other related recovery support for children and parents impacted by the COVID-19 pandemic
- Target populations are those with serious mental illnesses, individuals with substance abuse disorders, and/or individuals with co-occurring serious mental illness and substance abuse disorders
- Grant applications due today (April 10, 2020); will remain open until funds expended
- Example of Public Health Service Section 501(o) Activities (\$100M+)
  - Non-competitive grants, contracts, and cooperative agreements to public entities to enable those entities to address emergency substance abuse or mental health needs in local communities

# Substance Abuse and Mental Health Services Administration

- Other CARES Act Appropriations:
  - Suicide Prevention Programs (\$50M+)
  - Public Health Service Section 501(o) Activities (\$100M+)
    - Non-competitive grants, contracts, and cooperative agreements to public entities to enable those entities to address emergency substance abuse or mental health needs in local communities
    - State of Montana would be primary grantee
  - Health or Behavioral Health Service Providers to Tribes (\$15M+)



# Specific Telehealth Funding

- Federally Qualified Health Centers and Medicare Reimbursement
  - FQHC furnishing telehealth service to an eligible individual will now qualify as a “distant site,” allowing for Medicare reimbursement
  - Payment based on payment rates similar to the national average payment rates for comparable telehealth services under the physician fee schedule under Section 1848 of the Social Security Act
  - Payments for telehealth services will not be used to determine the amount of payment for FQHC services under the prospective payment system
- Other Telehealth Grants
  - HHS
  - Federal Communications Commission
  - USDA Rural Development

# CARES Act Program

- HHS CARES Act \$100B Hospitals and Healthcare Providers Reimbursement Fund
  - New program, guidance still being developed
  - First \$30B being distributed today (April 10, 2020) by HHS
    - Allocated to providers based on proportional share of 2019 Medicare reimbursements
    - Automatic deposit into accounts for all providers who accepted Medicare fee-for-service reimbursements in 2019
    - Cannot send balance bills to those treated relating to COVID-19; must accept Medicare rates for uninsured patients if using money to cover costs relating to those patients
    - Must sign attestation and agree to terms within 30 days via online portal
  - Additional tranches of funding may have a more formal application process
    - Additional tranches likely based on Medicaid reimbursements, uninsured/uncompensated care
  - Congress may appropriate additional funding in subsequent COVID-19 legislation

# HUD Community Development Block Grants

- Community Development Block Grants
  - US Department of Housing and Urban Development, administered in Montana by the Montana Department of Commerce
  - \$5B increase in funding
  - Substance abuse services and mental health services are allocable costs
  - Under CARES Act, no cap on funds for public services, no requirement to hold in-person public hearings, and reimbursement eligible for COVID-19 response activities regardless of the date on which the costs were incurred

# Stafford Act Assistance

- Major Disaster Declaration HQ-20-056 (April 1, 2020), for costs beginning on January 20, 2020
- Funds available for Emergency Protective Measures (Public Assistance program Category B) to save lives, protect public health and safety, protect improved property, or eliminate or lessen an immediate threat of additional damage
- Applicant, facility, work, and cost eligibility components
  - Governmental entities and private non-profit entities providing critical or essential public services (defined list)
  - Assistance for behavioral health may include:
    - Emergency medical care (diagnosis or treatment of mental or physical injury or disease)
    - Emergency medical care (including mental-health care) for sheltered survivors
    - Disinfection of facilities providing public services or temporary location of facilities (including those providing alcohol and drug rehabilitation, medical care, custodial care, and other public health and safety services)
    - Crisis counseling and related training to relieve mental health problems caused or aggravated by disaster
- Must not duplicate aid provided by other federal agencies/insurance proceeds

# Q&A



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