

# Paycheck Protection Program and Health Care Enhancement Act

## *Senate Enacts Another Phase of COVID-19 Relief Legislation*

On Tuesday, April 21, 2020, the Senate passed by voice vote the [Paycheck Protection Program and Health Care Enhancement Act \(H.R.266\)](#), the next phase of legislation to address the coronavirus (COVID-19) pandemic. The House voted on Thursday, April 23, 2020 to pass H.R. 266 sending it to the President who signed it on Friday, April 24, 2020..

The \$383.4 billion bipartisan measure recapitalizes several programs that help small businesses and workers financially harmed by the coronavirus pandemic, including by providing for an additional \$310 billion in forgivable loans to small businesses and nonprofits under the Paycheck Protection Program. It provides \$50 billion for SBA Economic Injury Disaster Loans, which is expected to support \$350 billion in emergency loans, as well as another \$10 billion for associated disaster grants.

It also provides an additional \$75 billion to reimburse hospitals and other health care providers for costs associated with the pandemic, as well as \$25 billion to support national testing to help identify the extent of infections in order to better contain the virus and mitigate its spread until a vaccine is developed.

Of the \$25 billion for testing, \$11 billion would go directly to states. The remaining \$14 billion would go toward federal agencies including the Centers for Disease Control and Prevention, the Biomedical Advanced Research and Development Authority and the National Institutes of Health to support research, development and deployment of tests.

Some of the funding distributed to states would be allocated based on the Public Health Emergency Preparedness grant formula, while \$4.25 billion would be distributed based on the relative number of COVID-19 cases in a given area. Another \$750 million would be distributed through the Indian Health Service.

Up to \$1 billion could be used to cover the cost of testing uninsured patients for the virus.

## ***Congress Begins Discussions and Plans for Next Phase of Relief***

President Donald Trump called this week for a new bill providing aid to state and local governments, infrastructure spending, a payroll tax cut and tax breaks for restaurants, sports and entertainment interests.

Senate Minority Leader Charles E. Schumer, D-N.Y., is calling for a package that would include money for infrastructure, housing, election security, a “heroes fund” for frontline workers and first responders, a postal service rescue and “robust” state and local aid.

Speaker Nancy Pelosi (D-CA) is calling for extending enhanced unemployment insurance benefits past their current July 31 expiration, and another round of tax rebate checks. She also wants more money to protect the integrity of elections and let people vote by mail.

But Senate Majority Leader Mitch McConnell (R-KY) plans to slow the progress of any new major spending initiative

Funding for state and local governments suffering revenue losses from the economic shutdown and extension of unemployment benefits maybe two of the trickiest areas. A package last month provided \$150 billion to states and localities for coronavirus relief. Some in Congress feel states should seek bankruptcy protection.

Lawmakers are also likely to clash over proposals to extend unemployment insurance benefits. The third relief package increased those benefits by \$600 a week through the end of July, at a cost of about \$268 billion over a decade. Speaker Pelosi has suggested extending those payments into the fall. But several Republican senators opposed that provision last month. Several legislators feel the enhanced benefit would allow many low-wage workers to earn more on unemployment than they did at work, a disparity that would make it harder for employers to hire back needed workers when they reopen.

The next phase of legislation is expected in early to mid-May.