



## The CARES Act 3.5

### Senate Passes \$484 Billion Interim Funding Bill

Yesterday, The Senate passed a \$484 billion bill by voice vote, sending it to the House for expected approval as early as Thursday, April 23. The bill provides additional funding for The CARES Act Relief Fund grants and additional funds for the Paycheck Protection Program (PPP), see details below. Please note, that this a very fluid situation with regulatory agency updates coming out almost daily on the three federal statutes signed in the past four-plus weeks related to the coronavirus.

#### Details

The CARES Act 3.5 Congressional leadership agreement includes total funding of approximately \$475 billion (B), broken down as follows:

- \$310 billion in additional funding for Paycheck Protection Program (PPP)—the total authorization is now \$659 billion.
  - \$250 billion unrestricted for PPP; and
  - \$60 billion in PPP set aside for smaller banking institutions.
- \$30 billion for assets less than \$10 billion.
- \$30 billion for assets between \$10 billion and \$50 billion:
  - \$50 billion for Emergency Economic Injury Disaster (EIDL) loans;
  - \$10 billion for EIDL Advance grants; and
  - \$2.1 billion for SBA administrative expenses

The CARES Act Relief Fund grants have been increased as detailed below for COVID-19 expenses and lost revenues. Despite initial concerns that the additional CARES Act funds would include only hospitals, physicians were expressly included in the new funding—the “language remains the same as the CARES Act,” according the Senate’s official document. The original CARES Act Relief Fund grants were applicable to any physician enrolled in Medicare or Medicaid.

- \$75 billion additional funding for hospitals and physicians (same language as PHSSEF from CARES)—taking the total Relief Fund Grant program to \$175 billion;
- \$25 billion for testing (\$11 billion of this will be distributed to states, rest will go to CDC, BARDA, FQHC, NIH, NCI (they are doing the serology work) and others for research, development, and deployment of testing)
- The bill makes no changes to the Coronavirus Relief Fund for state and local governments, so that will be an ongoing issue for Phase 4.

For questions contact Ed Gaines [egaines@zotecpartners.com](mailto:egaines@zotecpartners.com) .