



December 21, 2020

COVID-19 Relief and Government Funding Deal Reached

Congress is expected to pass a \$900 billion fiscal stimulus package and a \$1.4 trillion government funding bill tonight that will provide critical aid to Americans and fully fund the government through September 2021. Most in Congress would agree it is far from a perfect bill, leaving each side wanting more, such as state and local funding championed by Democrats and liability protection pursued on the Republican side (as well as a priority issue for ASHA).

As for seniors housing, there is much to disappoint. In addition to the package not including liability protection the industry desperately needs, the Provider Relief Fund (PRF) grew by only \$3 billion, a shocking decline from earlier reports of an expected \$35 billion addition. While HHS is currently disbursing Phase 3 funds to providers in the amount of \$24 billion, these funds are intended to apply to lost revenue and increased expenses from the 1st and 2nd quarter. With the 3rd and 4th quarters expecting to reflect significant financial stress in the industry, appreciably more relief is needed. The Provider Relief Fund is one of the few sources of financial relief available to the industry and to not replenish these badly needed funds fails to recognize the significant work of the senior living industry to keep seniors and staff safe the last 11 months.

The bill importantly does include language directing recipients of PRF to calculate lost revenues using the Frequently Asked Questions guidance released by the Department of Health and Human Services in June 2020. This preferred guidance allows the use of budgeted revenue for comparison to actual as long as the budget had been established and approved prior to March 27, 2020.

Other Key Provisions:

Paycheck Protection Program: Provides \$284 billion for this popular loan forgiveness program for small businesses with provisions to allow second loans for entities with 300 or fewer employees and a quarterly revenue loss of more than 25%. This program has been extended to 501(c)(6) organizations if they meet the 15% lobbying activity threshold. Provisions were also included to allow the deductibility of COVID-19 related expenses. ASHA members who meet the size standard for the PPP have had access to this critical program but for most the affiliation rules have made this program largely out of reach.

Vaccine, Tests, Contract Tracing Costs: \$22.4 billion is included to support coronavirus vaccine distribution, testing and contract tracing efforts and will be available to long term care facilities as well as schools, childcare, employers, and others. The money will be sent directly to the states, but it is not yet clear how these funds will be employed.

Medical Expense Deductibility: This legislation also permanently extends the 7.5% income threshold for medical expense deductibility. This is an issue ASHA has championed for several years. It was at risk of increasing to 10%, which would essentially be a tax increase for seniors who can use this deduction to help defray the costs of senior living and long-term care insurance

premiums among other eligible expenses. ASHA recently joined AARP and 51 industry groups in a letter to congressional leaders seeking this permanent fix.

Alzheimer's Research: NIH funding includes an additional \$354 million to FY 2020 levels for research to find treatments for Alzheimer's disease and related dementias.

Assistance for Families and the Unemployed:

- Direct Payment Checks: \$600 for every adult and child earning up to \$75,000.
- Unemployment Benefits: Extends benefits for jobless workers, who will receive up to \$300 per week through mid-March.
- Rental Assistance: Includes \$25 billion to help families pay their rent, and it extends the eviction moratorium now in effect until Jan. 31.

While we are disappointed that this bill did not include additional Provider Relief Funds, expand the PPP to allow senior living companies access based on employees per location, or include limited liability protections, there is much support in Congress for additional relief next year. ASHA will continue to push for much needed financial relief in coming months and seek the support and engagement of members.

Quote of day: "If there is another coronavirus relief bill after the first of the year, I'm going to insist that liability protection for these universities and health care providers is a part of it,"
Senator Mitch McConnell