

## State of the Industry Webinar with VGM Government Relations Team

### *Focusing on COVID-19 and the HME Industry*



Top L to R: John Gallagher, Tom Powers and Craig Douglas  
Bottom: Emily Harken, Mark Higley and Ronda Buhrmester

April 7, 2020



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**Human Resources**  
**Paycheck Protection Program**  
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## CARES Act – Paycheck Protection Program (PPP)



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## Payroll Protection – what and why

- <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>
- Part of the \$2.2 trillion dollar CARES Act signed 3/27
- Designed to help small businesses cope during COVID-19 pandemic
- Allows businesses to continue to pay employees
- \$349B designated for small businesses
- Administered by the SBA



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### Who is eligible?

- Businesses impacted adversely by COVID-19
- Small businesses
- Nonprofit entities
- Sole proprietorships
- Tribal businesses
- Veteran's organizations
- Independent contractors

\*In general you need to employ 500 or fewer employees (exceptions)



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### Key features and provisions

- Max loan = 2.5 times employer's avg. monthly payroll
- Will cover 8 weeks of payroll plus other expenses
- Loan for a single business cannot exceed \$10M
- Payroll costs are capped at \$100K/yr per employee
- No collateral or personal guarantee required
- Cash available quickly – same day as loan approved?



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## Features and Provisions Cont'd

- No loan fees
- 2 year maturity
- 1% fixed interest rate
- Fully insured and backed by federal government
- Loan payments deferred for at least 6 months, up to 1 year
- Potentially forgivable if used properly



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## Proper use of loans

Loan dollars can be used by employers to cover:

- Payroll (wages/salaries, retirement contributions, health benefits, sick/medical leave\*)
- Rent
- Utilities
- Mortgage interest (not for paying down principal)

\*not if FFCRA credit was obtained



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## Forgivable?

The PPP loans can be forgiven, if:

- At least 75% of the money is used for payroll costs
- Pre-crisis level of full time employees is retained
  - Retained employees and re-hired employees
  - Maintain salary levels (no cuts to salaries/wages)



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## Loan Forgiveness

- Contact lending institution
- Document expenses paid (payroll, mortgage, utilities)
- Document # of full time employees
- Bank as 60 days to decide on loan forgiveness



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## Application details

- Applications accepted starting April 3 (retro to 2/15)
- Available through June 30
- Can likely be done online
- First come/first served basis
- Any of the 1800+ SBA approved lending institutions
- Locate a lender: <https://www.sba.gov/funding-programs/loans>



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## Application form sources

- <https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>
- <https://www.sba.gov/document/sba-form--paycheck-protection-program-ppp-sample-application-form>



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**Federal Assistance Programs**  
**SBA loans and Tax Credits**

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President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, Public Law No. 116-136) into law on Friday, March 27, 2020.

This expansive 880-page bill is intended to be another round of federal government support to individuals, businesses, hospitals and specific industries including DMEPOS suppliers in dealing with the COVID-19 pandemic and its associated economic consequences.

This section provides many small business resources!

April 7, 2020



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To begin...please start at this web page, and review all that is practicable!



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<https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources#section-header-2>

▲ Coronavirus (COVID-19): Apply for an Economic Injury Disaster Loan [CLICK HERE](#)



U.S. Small Business Administration

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[Business Guide](#) [Funding Programs](#) [Federal Contracting](#) [Learning Center](#) [Local Assistance](#) [About SBA](#)

## Coronavirus (COVID-19): Small Business Guidance & Loan Resources

*Health and government officials are working together to maintain the safety, security, and health of the American people. Small businesses are encouraged to do their part to keep their employees, customers, and themselves healthy.*



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## Content

[Paycheck Protection Program](#)

[Economic Injury Disaster Loans and Loan Advance](#)

[SBA Debt Relief](#)

[SBA Express Bridge Loans](#)

[Guidance for Businesses and Employers](#)

[SBA Products and Resources](#)

[Government Contracting](#)

[Local Assistance](#)



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## Craig covered this important feature....

### Paycheck Protection Program

The [Paycheck Protection Program](#) prioritizes millions of Americans employed by small businesses by authorizing up to \$349 billion toward job retention and certain other expenses.

Small businesses and eligible nonprofit organizations, Veterans organizations, and Tribal businesses described in the Small Business Act, as well as individuals who are self-employed or are independent contractors, are eligible if they also meet program size standards.

Under this program:

- Eligible recipients may qualify for a loan up to \$10 million determined by 8 weeks of prior average payroll plus an additional 25% of that amount.
- Loan payments will be deferred for six months.
- If you maintain your workforce, SBA will forgive the portion of the loan proceeds that are used to cover the first 8 weeks of payroll and certain other expenses following loan origination.

[Click here](#) to learn more.



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## Economic Injury Disaster Loans and Loan Advance

- In response to the Coronavirus (COVID-19) pandemic, small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an Economic Injury Disaster Loan advance of up to \$10,000.
- The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. The loan advance will provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Funds will be made available within three days of a successful application, and this loan advance will not have to be repaid.



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## SBA's Disaster Declaration Makes Loans Available Due to the Coronavirus (COVID-19)

The U.S. Small Business Administration (SBA) is offering designated states and territories low-interest federal disaster loans for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19).


Upon a request received from a state's or territory's Governor, SBA will issue under its own authority, as provide by the Coronavirus Preparedness and Response Supplement Appropriations Act that was recently signed by the President, an Economic Injury Disaster Loan declaration.



Administrator Jovita Carranza



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**Administrative Declarations of Economic Injury Disasters for the Entire United States and U.S. Territories**

A Notice by the Small Business Administration on 04/03/2020

**AGENCY:**  
U.S. Small Business Administration.

**ACTION:**  
Notice.

**SUMMARY:**  
This is a notice that Economic Injury Disaster Loan (EIDL) declarations have been issued for each State and Territory of the U.S.  
  
*Incident:* Coronavirus (COVID-19).  
  
*Incident Period:* 01/31/2020 and continuing.

**DATES:**  
Issued between 03/16/2020 to 03/21/2020.  
  
*Economic Injury (EIDL) Loan Application Deadline Date:* 12/16/2020 to 12/21/2020.

**Printed version:**  
PDF

**Publication Date:**  
04/03/2020

**Agency:**  
Small Business Administration

**Dates:**  
Issued between 03/16/2020 to 03/21/2020.

**Document Type:**  
Notice

**Document Citation:**  
85 FR 19052

**Page:**  
19052-19053 (2 pages)

**Agency/Docket Number:**  
Disaster Declarations of Economic Injury for the Coronavirus (COVID-19)

**Document Number:**  
2020-06934

• Which states or territories are included as of today?

• Answer: As of last Friday, all of them (!)

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## SBA's Economic Injury Disaster Loan Basics

### What businesses are eligible to apply?

SBA's Economic Injury Disaster Loans (or working capital loans) are available to small businesses, small agricultural cooperatives, small aquaculture businesses and most private non-profit organizations

### This includes:

- Businesses directly affected by the disaster
- Businesses that offer services directly related to the businesses in the declaration
- Other businesses indirectly related to the industry that are likely to be harmed by losses in their community  
(Example: Manufacturer of widgets may be eligible as well as the wholesaler and retailer of the product.)



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## SBA's Economic Injury Disaster Loan Basics

### What is the criteria for a loan approval?

Credit History-Applicants must have a credit history acceptable to SBA.

Repayment -SBA must determine that the applicant business has the ability to repay the SBA loan.

Eligibility- The applicant business must be physically located in a declared county and suffered working capital losses due to the declared disaster, not due to a downturn in the economy or other reasons.



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## SBA's Economic Injury Disaster Loan Terms

### **How much can I borrow?**

Eligible entities may qualify for loans up to \$2 million.

The interest rates for this disaster are 3.75 percent for small businesses and 2.75 percent for nonprofit organizations with terms up to 30 years.

Eligibility for these working capital loans are based on the size (must be a small business) and type of business and its financial resources.

### **How can I use the loan funds?**

These working capital loans may be used to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the disaster not occurred. The loans are not intended to replace lost sales or profits or for expansion.



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## Economic Injury Disaster Loan Terms



### What are the collateral requirements?

- Economic Injury Disaster Loans over \$25,000 require collateral.
- SBA takes real estate as collateral when it is available.
- SBA will not decline a loan for lack of collateral, but requires borrowers to pledge what is available.



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## Important!!

- The applicant business must have a physical presence in the declared disaster area. An applicant's economic presence alone in a declared area does not meet this requirement.
- The physical presence must be tangible and significant. Merely having a P.O. Box in the disaster area would not qualify as a physical presence.



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## SBA's Working Capital Loans are Different from Other SBA Loans

SBA's Economic Injury Disaster Loan (EIDLs) funds come directly from the U.S. Treasury.

Applicants do not go through a bank to apply. Instead apply directly to SBA's Disaster Assistance Program at: [DisasterLoan.sba.gov](https://DisasterLoan.sba.gov)

There is no cost to apply.

There is no obligation to take the loan if offered.

The maximum unsecured loan amount is \$25,000.

Applicants can have an existing SBA Disaster Loan and still qualify for an EIDL for this disaster, but the loans cannot be consolidated.



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## Basic Filing Requirements

- Completed SBA loan application (SBA Form 5 or SBA Form 5C for sole proprietorships.)
- Tax Information Authorization (IRS Form 4506T) for the applicant, principals and affiliates.
- Complete copies of the most recent Federal Income Tax Return.
- Schedule of Liabilities (SBA Form 2202).
- Personal Financial Statement (SBA Form 413).

Other Information may also be requested.


*\*Although a paper application and forms are acceptable, filing electronically is easier, faster and more accurate.*



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## How do I apply now??

•Go here: <https://covid19relief.sba.gov/#/>



OMB Control #3247-0406

Expiration Date: 09/30/2020

### Disaster Loan Assistance

Federal Disaster Loans for Businesses, Private Non-profits, Homeowners and Renters

#### COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION



#### STREAMLINED PROCESS REQUIREMENTS

SBA is collecting the requested information in order to make a loan under SBA's Economic Injury Disaster Loan Program to the qualified entities listed in this application that are impacted by the Coronavirus (COVID-19). The information will be used in determining whether the applicant is eligible for an economic injury loan. If you do not submit all the information requested, your loan cannot be fully processed.


The Applicant understands that the SBA is relying upon the self-certifications contained in this application to verify that the Applicant is an eligible entity to receive the advance, and that the Applicant is providing this self-certification under penalty of perjury pursuant to 28 U.S.C. 1746 for verification purposes.

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### ELIGIBLE ENTITY VERIFICATION

**Choose One:**

- ☐ Applicant is a business with not more than 500 employees.
- ☐ Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- ☐ Applicant is a cooperative with not more than 500 employees.
- ☐ Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- ☐ Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2)(C), with not more than 500 employees.
- ☐ Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a business with more than 500 employees that is small under SBA Size Standards found at <https://www.sba.gov/size-standards>.
- ☐ Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c)(3), (d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.




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**Review and Check All of the Following:**  
Applicant must review and check all the following (If Applicant is unable to check all of the following, Applicant is not an Eligible Entity):

- ☐ Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- ☐ No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- ☐ Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- ☐ Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- ☐ Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- ☐ Applicant is not in the business of lobbying.
- ☐ Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

If you have questions about this application or problems providing the required information, please contact our Customer Service Center at 1-800-659-2955 or (TTY: 1-800-877-8339) DisasterCustomerService@sba.gov.

[Continue >](#)




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Step 1 of 3

**Business Information**

<p><b>Business Legal Name *</b></p> <input type="text"/>	<p><b>Cost of Goods Sold for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *</b></p> <input type="text"/>
<p><b>Trade Name *</b></p> <input type="text"/>	<p><b>Rental Properties (Residential and Commercial) Only - Lost Rents Due to the Disaster</b></p> <input type="text"/>
<p><b>EIN/SSN for Sole Proprietorship *</b></p> <input type="text"/>	<p><b>Non-Profit Cost of Operation for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020)</b></p> <input type="text"/>
<p><b>Organization Type *</b></p> <input type="text"/>	<p><b>Combined Annual Operating Expenses for the Twelve(12) Months Prior to the Date of the Disaster (January 31, 2020) *</b></p> <input type="text"/>
<p><b>Is the Applicant a Non-Profit Organization? *</b></p> <p><input type="radio"/> Yes <input type="radio"/> No</p>	<p><b>List the Secular Social Services Provided by the Faith Based Entity</b></p> <input type="text"/>
<p><b>Is the Applicant a Franchise? *</b></p> <p><input type="radio"/> Yes <input type="radio"/> No</p>	<p><b>Compensation From Other Sources Received as a Result of the Disaster</b></p> <input type="text"/>
<p><b>Gross Revenues for the Twelve(12) Month Prior to the Date of the Disaster (January 31, 2020) *</b></p> <input type="text"/>	<p><b>Provide Brief Description of Other Compensation Sources</b></p> <input type="text"/>



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<b>Primary Business Address (Cannot be P.O. Box) *</b>		<b>Business Email *</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>City *</b>	<input type="text"/>	<b>Date Business Established *</b>
<input type="text"/>	<input type="text"/>	<input type="text" value="mm/dd/yyyy"/>
<b>State *</b>	<input type="text"/>	<b>Current Ownership Since *</b>
<input type="text"/>	<input type="text"/>	<input type="text" value="mm/dd/yyyy"/>
<b>County</b>	<input type="text"/>	<b>Business Activity *</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Zip *</b>	<input type="text"/>	<b>Detailed Business Activity*</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Business Phone *</b>	<input type="text"/>	<b>Number of Employees (As of January 31, 2020) *</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Alternative Business Phone</b>		
<input type="text"/>		
<b>Business Fax</b>		
<input type="text"/>		

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...and complete the business owner info

COVID-19 ECONOMIC INJURY DISASTER LOAN APPLICATION

DISCLOSURES

BUSINESS INFORMATION

BUSINESS OWNERS INFORMATION

ADDITIONAL INFORMATION

SUMMARY

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Comparison of SBA Business Loan Program to Economic Injury Disaster Loan Program		
Loan Type	SBA Business Loan	Economic Injury Disaster Loan
Maximum Loan Amount	Lesser of \$10M or 2.5X average monthly payroll costs	Up to \$2M, dependent on the applicant's demonstrated economic injury and ability to repay
Use of Proceeds	Restricted to certain payroll, rent, interest and utility costs	Unrestricted, although "advances" are subject to limits
Eligible for Forgiveness	Yes	No
Personal Guarantee Required?	No	No for loans up to \$200,000, otherwise yes.
Recourse	No, unless proceeds used for the non-permitted purpose	Yes
Interest Rate	Up to 4%	Up to 4%
Maturity	Up to 10 Years	Up to 30 Years



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## Finally...

- Waivers -The expanded EIDL program waives the "1 year in business prior to the disaster requirement" for businesses in operation prior to February 1, 2020 and the requirement that the applicant be unable to find credit elsewhere.
- Economic Injury Disaster Loans are also available to residents in declared disaster areas. To view the full list of disaster declarations, go here:  
<https://disasterloan.sba.gov/ela/Declarations/Index>



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## Payroll Tax Credits

- On March 20, the U.S. Treasury Department, IRS) and the U.S. Department of Labor announced that small and midsize employers can begin taking advantage of two new refundable payroll tax credits, designed to immediately and fully reimburse them, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees.
- This relief to employees and small and midsize businesses is provided under the Families First Coronavirus Response Act (Act), signed by President Trump on March 18, 2020.



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- The Act will help the United States combat and defeat COVID-19 by giving all American businesses with fewer than 500 employees funds to provide employees with paid leave, either for the employee's own health needs or to care for family members.
- The legislation will enable employers to keep their workers on their payrolls, while at the same time ensuring that workers are not forced to choose between their paychecks and the public health measures needed to combat the virus.



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## Key Takeaways...

- **Paid Sick Leave for Workers**
- For COVID-19 related reasons, employees receive up to 80 hours of paid sick leave and expanded paid child care leave when employees' children's schools are closed or child care providers are unavailable.
- **Complete Coverage**
- Employers receive 100% reimbursement for paid leave pursuant to the Act.
  - Health insurance costs are also included in the credit.
  - Employers face no payroll tax liability.
  - Self-employed individuals receive an equivalent credit.
- **Fast Funds**
- Reimbursement will be quick and easy to obtain.
  - An immediate dollar-for-dollar tax offset against payroll taxes will be provided
  - Where a refund is owed, the IRS will send the refund as quickly as possible.



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- **Small Business Protection**
- Employers with fewer than 50 employees are eligible for an exemption from the requirements to provide leave to care for a child whose school is closed, or child care is unavailable in cases where the viability of the business is threatened.
- **Easing Compliance**
  - Requirements subject to 30-day non-enforcement period for good faith compliance efforts.
- To take immediate advantage of the paid leave credits, businesses can retain and access funds that they would otherwise pay to the IRS in payroll taxes. If those amounts are not sufficient to cover the cost of paid leave, employers can seek an expedited advance from the IRS by submitting a streamlined claim form by filing Form 7200, Advance Payments of Employer Credits Due to COVID-19 <https://www.irs.gov/forms-pubs/about-form-7200>



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- Eligible employers will be able to claim these credits based on qualifying leave they provide between the effective date and December 31, 2020. Equivalent credits are available to self-employed individuals based on similar circumstances.
- The Act provides that employees of eligible employers can receive two weeks (up to 80 hours) of paid sick leave at 100% of the employee's pay where the employee is unable to work because the employee is quarantined, and/or experiencing COVID-19 symptoms, and seeking a medical diagnosis.



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- An employee who is unable to work because of a need to care for an individual subject to quarantine, to care for a child whose school is closed or child care provider is unavailable for reasons related to COVID-19, and/or the employee is experiencing substantially similar conditions as specified by the DHHS can receive two weeks (up to 80 hours) of paid sick leave at 2/3 the employee's pay.
- An employee who is unable to work due to a need to care for a child whose school is closed, or child care provider is unavailable for reasons related to COVID-19, may in some instances receive up to an additional ten weeks of expanded paid family and medical leave at 2/3 the employee's pay.



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## Paid Sick Leave Credit

- For an employee who is unable to work because of Coronavirus quarantine or self-quarantine or has Coronavirus symptoms and is seeking a medical diagnosis, eligible employers may receive a refundable sick leave credit for sick leave at the employee's regular rate of pay, up to \$511 per day and \$5,110 in the aggregate, for a total of 10 days.
- For an employee who is caring for someone with Coronavirus, or is caring for a child because the child's school or child care facility is closed, or the child care provider is unavailable due to the Coronavirus, eligible employers may claim a credit for two-thirds of the employee's regular rate of pay, up to \$200 per day and \$2,000 in the aggregate, for up to 10 days. Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.



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## Child Care Leave Credit

- In addition to the sick leave credit, for an employee who is unable to work because of a need to care for a child whose school or child care facility is closed or whose child care provider is unavailable due to the Coronavirus, eligible employers may receive a refundable child care leave credit.
- This credit is equal to two-thirds of the employee's regular pay, capped at \$200 per day or \$10,000 in the aggregate. Up to 10 weeks of qualifying leave can be counted towards the child care leave credit.
- Eligible employers are entitled to an additional tax credit determined based on costs to maintain health insurance coverage for the eligible employee during the leave period.



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## Small Business Exemption

- Small businesses with fewer than 50 employees will be eligible for an exemption from the leave requirements relating to school closings or child care unavailability where the requirements would jeopardize the ability of the business to continue.
- The exemption will be available on the basis of simple and clear criteria that make it available in circumstances involving jeopardy to the viability of an employer's business as a going concern.
- The Department of Labor will provide emergency guidance and rulemaking to clearly articulate this standard.



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## SBA Debt Relief

- The SBA Debt Relief program will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program...
- The SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020.
- The SBA will pay the principal and interest of current 7(a) loans for a period of six months.



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## SBA Express Bridge Loans

- The Express Bridge Loan Pilot Program allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork.
- These loans can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing and can be a term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan.
- If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.



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## Terms...

- Up to \$25,000
- Fast turnaround
- Will be repaid in full or in part by proceeds from the EIDL loan
- Find an Express Bridge Loan Lender by connecting with your local SBA District Office.  
<https://www.sba.gov/local-assistance/find/?type=SBA%20District%20Office&pageNumber=1>



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SUPPORT

## Express Bridge Loan Pilot Program Guide

Effective Mar 25, 2020

By [Office of Capital Access](#)

This Program Guide outlines the procedures applicable to the Express Bridge Loan Pilot Program.

[DOWNLOAD .PDF](#)


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## Employee retention credit

- *In lieu of the Paycheck Protection Program*, employers can opt to receive a refundable payroll tax credit for 50% of wages paid by employers to employees during the COVID-19 crisis.
- *The Employee Retention Credit* is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that “Eligible Employers” pay their employees.
- This Employee Retention Credit applies to qualified wages paid after March 12, 2020, and before January 1, 2021. The maximum amount of qualified wages taken into account with respect to each employee for all calendar quarters is \$10,000, so that the maximum credit for an Eligible Employer for qualified wages paid to any employee is \$5,000.



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## Who is an “eligible employer”?

Eligible Employers for the purposes of the Employee Retention Credit are those that carry on a trade or business during calendar year 2020, including a tax-exempt organization, that either:

- Fully or partially suspends operation during any calendar quarter in 2020 due to orders from an appropriate governmental authority limiting commerce, travel, or group meetings (for commercial, social, religious, or other purposes) due to COVID-19; or
- Experiences a significant decline in gross receipts during the calendar quarter.

**Note:** Governmental employers are not Eligible Employers for the Employee Retention Credit. Also, Self-employed individuals are not eligible for this credit for their self-employment services or earnings.



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## For more information...

- Go to <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>

- > What is a “significant decline in gross receipts”?
- > How is the maximum amount of the Employee Retention Credit available to Eligible Employers determined?
- > What are “qualified wages”?
- > Is an Employer required to pay qualified wages to its employees under the CARES Act?
- > Can Eligible Employers claim the Employee Retention Credit for qualified wages paid in March 2020?
- > May an Eligible Employer receive the Employee Retention Credit for periods after December 31, 2020?
- > Against what employment taxes does the Employee Retention Credit apply?
- > What makes the credit “fully refundable”?

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## Delayed payment of employer payroll taxes

- Under Section 2302 of the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), an employer may delay the payment of the employer share of Social Security taxes (6.2% rate) that otherwise would be due between the date of enactment and December 31, 2020.
- Self-employed individuals similarly may delay payment of half of the Social Security portion of the self-employment tax. Payment of 50% of such taxes is then required to be made no later than December 31, 2021, and the balance by December 31, 2022.
- Employers that receive paycheck protection loans under the CARES Act are not eligible for the payroll tax deferral if such loans are forgiven under CARES Act provisions.



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## Small Business Debt Relief

- For small businesses with current non-disaster SBA loans, under the CARES Act, the SBA will cover all loan payments on these loans, including principal, interest and fees, for six months.
- As noted on the previous slide, this relief will also be available to new borrowers who take out loans within six months of March 27, 2020. PPP Loans and EIDLs are not eligible for this debt-relief program.
- The loans eligible for this relief include those guaranteed by the SBA, such as the SBA Business Loan Program (including the Community Advantage Pilot Program, but excluding PPP Loans) or Title V of the Small Business Investment Act. Loans made by an intermediary to a small business using loans or grants received under the SBA's Microloan Program are also eligible.



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**The Interim Final Rule:  
Coronavirus Waivers and Flexibility  
Ronda Buhrmester, CRT**

Sr Director of Payer Relations & Reimbursement  
M: 217-493-5440

[ronda.buhrmester@vgm.com](mailto:ronda.buhrmester@vgm.com)



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**CARES ACT: *Revising Payment Rates for Durable Medical Equipment Under Medicare Program Through Duration of Emergency Period***

- **Rural and contiguous areas:** This will extend the reimbursement rates for beyond 2020, for the duration of the COVID-19 Public Health Emergency (PHE).
- **Non-Rural and noncontiguous areas** will get the 75/25 blended rate. That is 75% of the regional competitive bid rates and 25% of the 2015 unadjusted rates.

**The rates will be retroactive as of March 6, 2020, through the remainder of the duration of emergency period.**

Adjusted rates only apply to HCPCS codes in former CBA.

- **Former Competitively Bid Areas:** The single payment rates (SPA) will remain the same (unchanged).

Remember, this is new at the federal level, the next step is for CMS to provide instruction to the DME MACs (CGS & Noridian) for processing. This will come out in the form of an MLN article. Should be processed automatically, should not have to reopen or resubmit.



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2018 Rural Fee Schedule Amounts (State Averages Shown)					
IFR & ESRD Proposed Rule					
DMEPOS Item	HCPCS	Unadjusted Fee	Non-Rural	Rural	Sample 25/75 blended rate
			Rural Fee-Jan	Rural Blended Fee	
Oxygen Concentrator (monthly)	E1390	\$ 182.43	\$ 72.33	\$ 121.46	\$99.86
Portable Oxygen Concentrator	E1392	\$ 51.63	\$ 37.44	\$ 41.91	\$40.99
Portable Gaseous Oxygen	E0431	\$ 30.42	\$ 17.29	\$ 19.03	\$20.57
CPAP (rental)	E0601	\$ 103.78	\$ 43.95	\$ 73.86	\$58.91
Hospital Bed (rental)	E0260	\$ 136.78	\$ 65.40	\$ 100.83	\$83.25
NPWT (rental)	E2402	\$ 1,665.09	\$ 703.16	\$ 1,184.12	\$943.64
Manual Wheelchair (rental)	K0001	\$ 57.86	\$ 24.50	\$ 41.18	\$32.84
Power Wheelchair (rental)	K0823	\$ 585.51	\$ 294.71	\$ 440.11	\$367.41
Walker (purchase)	E0143	\$ 112.47	\$ 50.61	\$ 81.54	\$66.08
Commode Chair (purchase)	E0163	\$ 119.27	\$ 56.30	\$ 87.79	\$72.04
TENS (purchase)	E0730	\$ 405.26	\$ 72.11	\$ 238.69	\$155.40
Nebulizer (rental)	E0570	\$ 18.12	\$ 6.12	\$ 12.15	\$9.12
Powered Mattress (rental)	E0277	\$ 671.70	\$ 205.41	\$ 438.55	\$321.98
Enteral Pump (rental)	B9002	\$ 123.40	\$ 67.64	\$ 95.57	\$81.58
Enteral Supplies (daily)	B4035	\$ 12.12	\$ 5.79	\$ 8.95	\$7.37
Enteral Nutrients (100 calories)	B4150-B4154	\$ 1.14	\$ 0.70	\$ 0.91	\$0.81



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## Tune In For More Billing & Reimbursement

- What does telehealth mean for DMEPOS?
- How does a supplier get the POD signed?
- Is a supplier required to submit a Prior Auth for PMD & Group 2 Support Surfaces?
- Does a supplier need to follow the LCD/NCD for respiratory equipment and other DME including complex rehab
- Does a supplier still need to obtain a true CMN and SWO?
- What is happening with the Medicaid programs related to DMEPOS?
- What is happening with other commercial payers?

Thursday April 9<sup>th</sup> @ 1pm CST (2pm EST, 11am PST)

[Billing and Reimbursement Update in the COVID-19 Environment](#)



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**Personal Protective Equipment(PPE)**  
**VA/Government Contracting**  
**John Gallagher**  
 Vice President of Government Relations  
 Phone: 800-642-6065  
[john.Gallagher@vgm.com](mailto:john.Gallagher@vgm.com)



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**FEMA To Use Wartime Law To Meet COVID-19 Medical Demand**

- Law360 (March 24, 2020, 1:00 PM EDT) -- The Trump administration will use the wartime Defense Production Act to secure 60,000 coronavirus testing kits, Peter Gaynor, head of the U.S. [Federal Emergency Management Agency](#), said Tuesday morning.
- “The second thing we’re going to do is insert some language into these mask contracts we have for the 500 million masks,” he added during an appearance on [CNN](#)’s "New Day" morning show. The DPA language will be inserted into an ongoing government contract for 500 million N95 respirators, Gaynor said. The [U.S. Department of Health and Human Services](#) solicited bids from contractors in February to produce those masks
- President Donald Trump [first invoked the DPA on Wednesday to give the administration the ability to prioritize contracts for “personal protective equipment,” ventilators and other medical products over commercial orders.](#)



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## PPE Resources

- Interim Infection Prevention and Control Recommendations for Patients with Confirmed 2019 Novel Coronavirus or Person Under Investigation for 2019 nCoV in Healthcare Setting: [https://www.cdc.gov/coronavirus/2019-ncov/infection-control/control-recommendations.html?CDC\\_AA\\_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Finfection-control.html](https://www.cdc.gov/coronavirus/2019-ncov/infection-control/control-recommendations.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Finfection-control.html)
- Healthcare Supply of Personal Protective Equipment: [https://www.cdc.gov/coronavirus/2019-ncov/infection-control/control-recommendations.html?CDC\\_AA\\_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Finfection-control.html](https://www.cdc.gov/coronavirus/2019-ncov/infection-control/control-recommendations.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Finfection-control.html)
- Strategies for Optimizing the Supply of N95 Respirators: [https://www.cdc.gov/coronavirus/2019-ncov/hcp/respirators-strategy/index.html?CDC\\_AA\\_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Frespirator-supply-strategies.html](https://www.cdc.gov/coronavirus/2019-ncov/hcp/respirators-strategy/index.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fhcp%2Frespirator-supply-strategies.html)
- FAQ on PPE from CDC: <https://www.cdc.gov/coronavirus/2019-ncov/hcp/respirator-use-faq.html>



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## Letter from 3M - Watch out for Counterfeit PPE Products



To: Valued 3M Customer and Authorized Channel Partner in the U.S.  
Subject: Fraudulent Activity and Counterfeit Products  
Date: March 20, 2020

Dear Valued Customer and/or Channel Partner,

Unfortunately, we have seen an increase in fraudulent and counterfeit activity in connection with the recent event concerning counterfeit COVID-19/COVID-19. Examples include people fraudulently misrepresenting themselves as being affiliated with 3M or having authentic 3M products.

3M recommends purchasing 3M products only from 3M authorized distributors or dealers, which will ensure the likelihood that you will receive authentic 3M products.

If you need help identifying 3M authorized distributors and dealers in your area, please contact the 3M Help Center at [https://www.3m.com/3M/en\\_US/company-us/help-center/](https://www.3m.com/3M/en_US/company-us/help-center/) or 1-888-3M-HELPS.

If you have concerns about potential fraudulent or counterfeit activity related to 3M or 3M products, please contact your local 3M representative or the 3M Help Center at [https://www.3m.com/3M/en\\_US/company-us/help-center/](https://www.3m.com/3M/en_US/company-us/help-center/) or 1-888-3M-HELPS.

With regard to 3M respirators specifically, here are some tips to help avoid counterfeit products:

- 3M respirators will be sold in 3M packaging, with model-specific user instructions accompanying the product.
- 3M respirators should not be sold individually, in bulk (such as large bags or boxes of loose respirators), or without packaging including true instructions and
- 3M has strict quality standards, and therefore products that have missing straps, strange odors, blocked valves, irregular seams, etc. are likely not authentic 3M respirators.

For further assistance in determining whether a 3M product you have purchased is authentic, we encourage you to contact your local 3M Technical Service team at 1-800-441-5522. Please be prepared to share your point of purchase information (invoice, receipt, etc.) in order to help with this process.

Regards,

*Paul J. Williams*  
Paul J. Williams  
Vice President - USA and Canada  
3M Medical Solutions Division

If you need help identifying 3M authorized distributors and dealers in your area, please contact the 3M Help Center at [https://www.3m.com/3M/en\\_US/company-us/help-center/](https://www.3m.com/3M/en_US/company-us/help-center/) or 1-888-3M-HELPS

"VGM continues our efforts to obtain, source and/or uncover opportunities for our members as it relates to PPE offerings. Scott Owen, VP of Contracting is in contact with our contracted vendor partners on a routine basis with updates and allocation procedures specific to distribution of these critical items. VGM's focus is assisting the front line workers in desperate need of these necessary items to function in a healthcare setting".



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## Re-use N95 Respirators

- One effective strategy to mitigate the contact transfer of pathogens from the respirator to the wearer could be to issue each HCP who may be exposed to COVID-19 patients a minimum of five respirators.
- Each respirator will be used on a particular day and stored in a breathable paper bag until the next week. This will result in each worker requiring a minimum of five N95 respirators if they put on, take off, care for them, and store them properly each day.
- This amount of time in between uses should exceed the 72 hour expected survival time for SARS-CoV2 (the virus that caused COVID-19).<sup>3</sup> HCP should still treat the respirator as though it is still contaminated and follow the precautions outlined in [CDC's re-use recommendations](#).



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## Reuse N95 Respirator

**CDC** - In this video we demonstrate potential approaches for donning and doffing of an N95 filtering facepiece respirator in a Limited Reuse situation. This video was developed based on the CDC guidelines for NIOSH approved N95 respirators. <https://www.youtube.com/watch?v=Cfw2tvjiCxM>

**Partnering with Canada's National Microbiology Laboratory (NML) and the Health Sciences Centre in Winnipeg, researchers tested four different types of N95 masks with four different sterilization methods.** In this video we demonstrate potential approaches for donning and doffing of an N95 filtering facepiece respirator in a Limited Reuse situation. This video was developed based on the CDC guidelines for NIOSH approved N95 respirators. Those methods included repeated cycles of standard autoclaving, ethylene oxide gassing, ionized hydrogen peroxide fogging, and vaporized hydrogen peroxide treatment. <https://globalnews.ca/news/6774161/coronavirus-n95-masks-clean-and-reuse-university-of-manitoba/>



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## Reuse N95 Respirator

**Anesthesia Patient Safety Foundation ~ Potential Processes to Eliminate Coronavirus from N95 Mask.** The APSF recognizes that there is great interest and need for re-using N95 masks during this period of mask shortages. A variety of cleaning and decontamination processes have been reported. The CDC provides guidance on the short-term and long-term re-use of N95 masks (<https://www.cdc.gov/niosh/topics/hcwcontrols/recommendedguidanceextuse.html>).

- It may be possible to reduce or eliminate coronavirus from N95 masks. Three documented approaches to decontaminating coronavirus from N95 masks include the use of hot air and/or room air drying, ultraviolet light, and hydrogen peroxide vapor-linked processing. <https://www.apsf.org/news-updates/potential-processes-to-eliminate-coronavirus-from-n95-masks/>

**Michigan State University is using a new method to clean and reuse N95 masks. (April 3, 2020)**

- 170 degrees for 30 min.
- <https://www.youtube.com/watch?v=prn5AMTecNc>



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## Recommendation Regarding the Use of Cloth Face Coverings, Especially in Areas of Significant Community-Based Transmission



- Use of Cloth Face Coverings to Help Slow the Spread of COVID-19
- CDC continues to study the spread and effects of the novel coronavirus across the United States. We now know from [recent studies](#) that a significant portion of individuals with coronavirus lack symptoms ("asymptomatic") and that even those who eventually develop symptoms ("pre-symptomatic") can transmit the virus to others before showing symptoms. This means that the virus can spread between people interacting in close proximity—for example, speaking, coughing, or sneezing—even if those people are not exhibiting symptoms. In light of this new evidence, CDC recommends wearing cloth face coverings in public settings where other social distancing measures are difficult to maintain (e.g., grocery stores and pharmacies) **especially** in areas of significant community-based transmission.
- How to make a cloth mask <https://youtu.be/tPx1yqvJgf4>
- Sewing fabric surgical masks <https://www.youtube.com/watch?v=ZnVk12sFRkY>
- **DoD orders everyone to wear masks....** "Effective immediately, all individuals on DoD property, installations, and facilities will wear cloth face coverings when they cannot maintain six feet of social distance in public areas or work centers," the Defense Department announced Sunday in a statement, adding, "This guidance applies to all service members, DOD civilians, contractors, families (apart from residences on installations) and all other individuals on DOD property."

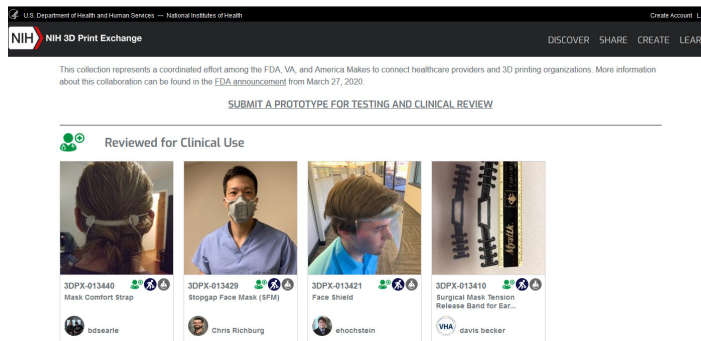


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## Got a 3D printer?

You can [download designs](#) for protective gear from the National Institutes of Health.

<https://3dprint.nih.gov/collections/covid-19-response>



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## VA/GSA Flexibilities and Opportunities

The President declared a national emergency on March 13th, [Proclamation of National Emergency](#), which allows agencies to invoke emergency acquisition flexibilities. Please see the attached memo specific to the VA, which defines guidance for VA Procurement Personnel re: Emergency Acquisition Flexibilities – Emergency Assistance Activities in support of Global Pandemic for Coronavirus Disease 2019 (COVID-19). This letter defines the procurement dollar threshold changes, during this time!

- <https://www.sba.gov/offices/headquarters/oda/resources>
- <https://www.gsa.gov/governmentwide-initiatives/emergency-response>



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# Memorandum: Emergency Acquisition Flexibilities

Department of  
Veterans Affairs

## Memorandum

1000 March 15, 2020

1001 Executive Director, Office of Acquisition and Logistics and  
Senior Procurement Executive

1002 Emergency Acquisition Flexibilities – Emergency Assistance Activities in support of Global  
Pandemic for Coronavirus Disease 2019 (COVID-19)

1003 VA Heads of Contracting Activities

1. This memorandum provides guidance when immediate actions are required to  
support the President's declared National Emergency in response to COVID-19.

2. As the Department of Veterans Affairs (VA) continues to diligently prepare for  
eventualities related to COVID-19 across the United States, our contracting officers  
have an array of emergency acquisition flexibilities available for their use to expedite  
the delivery of critical goods and services. The Federal Acquisition Regulation (FAR)  
Part 18 outlines these emergency flexibilities.

3. The following information is provided to assist the Heads of Contracting Activities  
(HCAs) and Contracting Officers actively responding to COVID-19. The purpose of  
this memo is to delegate authority to VA HCAs to invoke emergency acquisition  
flexibilities provided in FAR Part 18. Given the President's declaration of a National  
Emergency, this delegation expedites the delivery of goods and services. This  
memorandum focuses on the flexibilities in FAR subpart 18.2, but as a reminder, the  
flexibilities in FAR subpart 18.1 apply to emergency situations for the direct purposes  
of responding to the COVID-19 National Emergency.

- The micro-purchase threshold is increased to \$20,000 for goods and services  
purchased in the United States.
- The simplified acquisition threshold (SAT) is increased to \$750,000 for any  
contract to be awarded and performed in the United States.
- The threshold for simplified procedures for certain commercial items is increased  
to \$1.5 million (see FAR 13.500(c) and 18.200(c)).
- Purchases outside the United States will be approved on a case by case basis.
- These threshold increases will remain in effect until June 30, 2020, unless  
otherwise rescinded, modified, or extended.

4. The additional flexibilities of FAR subpart 18.2 cannot be used for any other  
acquisitions. The threshold increases are specific only to support the designated  
National Emergency COVID-19. The Davis-Bacon and Service Contract Act  
(SCA) thresholds are not changed by the use of any of these flexibilities.

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Subj: Emergency Acquisition Flexibilities – Emergency Assistance Activities in  
support of Global Pandemic for Coronavirus Disease 2019 (COVID-19)

5. FAR Part 6 also provides the opportunity to expedite purchases after justifying  
exceptions to competition. There may also be opportunities to use existing  
contracts by negotiating bilateral modifications to allow for additional quantities  
of goods or a surge for services included in current awards.

6. Federal Procurement Data System (FPDS) Reporting: A National Interest Act  
Code has been established. The NIA Code will be used strictly for reporting  
purposes related to COVID-19 and involves the exercise of the emergency  
authorities identified in Federal Acquisition Regulation 18.2. The FPDS system  
details for this NIA Value Name is COVID-19 2020, to be used starting  
03/13/2020 and ending 07/01/2020.

7. Additional Guidance:

- VA's unique legislation related to Veterans First Contracting Program app  
U.S. Small Business Administration's Office of Disaster Assistance provide  
additional guidance and resources for efficiently including small business  
concerns to successfully and quickly respond to requirements in support of  
relief efforts (see <https://www.sba.gov/offices/headquarters/disasterrelief>).
- Several existing acquisition strategies are specifically designed to address  
emergencies and should be considered first. You should first verify if the  
required services and supplies are available under [GSA's Disaster Relief  
Emergency Preparedness Schedules](#) or GSA Advantage.
- Consult the [Disaster Response Supply](#) via System for Award Management  
(SAM) Advanced Search for the availability of contractors for debris remo  
distribution of supplies, relief services, and other actions (see FAR 18.102).
- If these sources do not meet the need, consider other existing contract  
vehicles before soliciting new contracts.

Acquisition personnel should note that because the President's emergency  
declaration is under the Robert T. Stafford Disaster Relief and Emergency  
Assistance Act (41 U.S.C. 5121, et seq.) Contracting Officers are ordinarily  
required to give preference to local firms in the designated area as discussed in  
FAR subpart 26.2. In this case, however, the emergency response applies to a  
global pandemic, so there is no clear local area. Therefore, at this time local set-  
aside requirements do not apply. This memorandum will be updated if the Office  
of Management and Budget offers supplemental guidance related to the  
application of the Robert T. Stafford Disaster Relief and Emergency Assistance  
Act. Contracting officers should consider Service-Disabled Veteran-Owned  
and Veteran-Owned Small Businesses (SDVOSB/VOSB) to the maximum extent  
practicable. In addition,

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Subj: Emergency Acquisition Flexibilities – Emergency Assistance Activities in  
support of Global Pandemic for Coronavirus Disease 2019 (COVID-19)

- Use pre-qualified or pre-existing contracts first, such as Blanket  
Purchase Agreements (BPAs), schedule contracts, or Indefinite-Delivery  
Indefinite-Quantity (IDIQ) contracts.
- Use competition to the maximum extent practicable in response to  
emergency declarations.
- Limit competition when needed, following guidance in FAR Part 6. If you  
use FAR Part 6, make sure the required documentation is completed  
preferably within one week of the event.
- For all contracts awarded under FAR Part 6, keep the period of  
performance brief. The period of performance for contracts awarded using  
FAR Part 6 should not be any longer than necessary to respond to the  
emergency and allow for a re-compete.
- Exercise discretion to ensure fiscal responsibility when implementing  
these emergency acquisition flexibilities.

8. Should you have any questions regarding this memo, send an email to  
[VAProcurementPolicy@va.gov](mailto:VAProcurementPolicy@va.gov).

Angela Bilups  
1/2020  
Angela Bilups, Ph.D.



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## VA/GSA Flexibilities and Opportunities

- There are multiple avenues that the VA can pay, including credit card. The VA has their own invoicing system that they use; [VA-FSC](#). We encourage you to inquire with your VA Customer on how they will pay and what terms, this will also be captured in the terms and condition of the contract.
- Another thing to keep in mind, if you're new to the federal arena – we advise you to register in [www.sam.gov](http://www.sam.gov)
- FAR Part 18 Emergency Acquisition Federal Acquisition Regulation: <https://www.acquisition.gov/content/part-18-emergency-acquisitions#id1617MA040AX>
- **Current Opportunities** Listed under VA -036 on FBO.gov <https://beta.sam.gov/> and use the word "Medical" in the solicitation.



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## Procurement Technical Assistance Centers (PTACs)

**Free Help with SAM Registration** – and other government contracting issues.

System for Award Management (SAM) registration *is FREE*, and your PTAC can help you with this and everything else you need to sell to federal, state and local government agencies at little or no charge.

- Workshops and Matchmaking Events teach you what you need to know and connect you with other businesses and agency buyers.
- One-on-One Counseling tailored to your specific needs – always free of charge!

<https://www.aptac-us.org/contracting-assistance/>



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## Fraud Eradication Advisory Team

- The VGM Group of companies is dedicated to ensuring that all Medicare beneficiaries receive Home Healthcare, HME, Rehab and O&P services at a professional level and equipment of the highest quality possible. We believe the integrity of our industry must be upheld. At the same time, those operating in an illegal or unethical manner must be rooted out.
- <http://www.mymedicarefraudreporting.com/>

### Medicare Fraud Reporting

The VGM & Associates group of companies is dedicated to ensuring that all Medicare beneficiaries receive Home Healthcare, HME, Rehab, and O&P services at a professional level and equipment of the highest quality possible. We believe the integrity of our industry must be upheld. At the same time, those operating in an illegal or unethical manner must be rooted out. Click on the icon below for more information.



WHAT IS FEAT?



ABOUT REPORTING  
MEDICARE FRAUD



SUBMIT A MEDICARE  
FRAUD REPORT



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We're here for you!



Thank you for joining us.

