

CORONAVIRUS RESOURCE CENTER

New Appropriation for Healthcare Providers

April 24, 2020

Yesterday, the Congress passed and President Trump committed to signing into law the Paycheck Protection Program and Health Care Enhancement Act (“the Act”), which provides \$100 billion in new healthcare-related appropriations.

The first appropriation of \$75 billion provides further funding for the “Public Health and Social Services Emergency Fund” established by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act and will be used to “reimburse...eligible health care providers for health care related expenses or lost revenues that are attributable to coronavirus.” As with the appropriation in the CARES Act, read more [here](#) and [here](#), the Department of Health and Human Services (“HHS”) has very broad discretion in deciding how to allocate these funds.

The second appropriation of \$25 billion will fund the expansion of COVID-19 testing. The funds can be used “to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests to effectively monitor and suppress COVID-19, including tests for both active infection and prior exposure.” These funds will also be administered by HHS, but Congress has provided more direction as to how the funds should be distributed. The Act directs appropriations from the \$25 billion of at least:

- \$11 billion for states, local government, territories and tribes to increase testing by public health entities and employers, including further specific allocations of at least:
 - \$4.25 billion to states, localities and territories based on the number of COVID-19 cases in each location;
 - \$2 billion to states according to an existing public health grant distribution formula; and

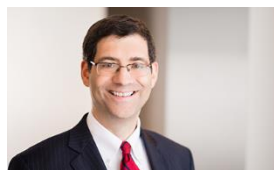
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- \$750 million to tribes and tribal organizations in coordination with the Indian Health Service;
 - \$1.8 billion for the National Institutes of Health to develop and implement testing;
 - \$1 billion for the Centers for Disease Control and Prevention (“CDC”) for surveillance and laboratory capacity;
 - \$1 billion for the Biomedical Advanced Research and Development Authority (“BARDA”) for research, development and production of COVID-19 tests and supplies;
 - \$1 billion to cover costs of testing the uninsured;
 - \$825 million to support testing at community health centers and rural health clinics; and
 - \$22 million for the Food and Drug Administration to support testing development.

HHS has broad discretion over the allocation of the approximately \$8.3 billion of these funds that Congress did not direct to specific purposes.

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For more information regarding the coronavirus, please visit our [Coronavirus Resource Center](#).

Please do not hesitate to contact us with any questions.



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