

COVID-19 Financial Assistance Opportunities Snapshot

	ECONOMIC INJURY DISASTER LOANS (EIDL)	PAYCHECK PROTECTION PROGRAM (PPP)	HHS PROVIDER RELIEF FUNDS
Eligibility	Small businesses with not more than 500 employees, sole proprietors, independent contractors and self-employed workers.	Small business with fewer than 500 employees, sole proprietors, independent contractors and self-employed workers.	Health care providers who received first tranche funds.
Funding amount	The maximum loan is \$2 million. Applicants can also request an advance of up to \$10,000 from the SBA to be distributed within 3 days.	The maximum loan is \$10 million for payroll, related benefits and other non-payroll costs in place before Feb. 15, 2020.	Not a loan, but rather is a “gift”. Funding amount varies.
Calculation of funds	A small business defined by the SBA can qualify for this assistance, but it varies by industry. Size standards are mostly based on the average annual receipts or the average number of employees .	Business status & factors calculation: <ul style="list-style-type: none"> If in business between February 15, 2019 – June 30, 2019, the max loan is equal to 2.5x the average monthly payroll costs of the 12 months prior to your application. If not in business between February 15, 2019 – June 30, 2019, the max loan is equal to 2.5x the average monthly payroll costs between January 1, 2020 and February 29, 2020 If taking out an EIDL between February 15, 2020 and June 30, 2020 and you want to refinance that loan into a PPP loan, you would add the outstanding loan amount to the payroll sum. 	Equivalent to 2% of your practice’s net patient revenue from 2018. Those who would typically submit revenue data to CMS through cost reporting will receive a payment automatically. Those without adequate cost report data on file, including most dermatology practices, will need to submit their revenue information to determine the amount of their payment. Dermatology practices should submit an application if they did not receive at least 2% of their net patient revenue from 2018 (or most recent complete tax year) in the first payment.
Eligible uses	<p>Financial obligations and operating expenses that could have been met had the disaster not occurred, including:</p> <ul style="list-style-type: none"> Payroll, Fixed Debts, Accounts Payable, Expenses that cannot be paid due to disaster (COVID-19) <p>EIDL loan is more flexible and can be used for a wider array of business needs, you can use it to pay for other obligations/operating expenses (not covered by the PPP), including paying for medical supplies/equipment, refinancing existing business debt, repaying debts that cannot be paid due to lost revenue, paying other overhead expenses not used by the PPP funds and other accounts payables. For EIDL loans, there are no upfront loan fees or prepayment penalties.</p>	<p>Permitted costs are:</p> <ul style="list-style-type: none"> Payroll & salaries, Health insurance premiums & costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave. Mortgage interest, Rent & utilities, Interest on debts incurred prior to February 15, 2020 <p>Borrowers can also refinance their EIDL loan made between January 31, 2020 and April 3, 2020. Per SBA’s Interim Final Rule, “If you received an SBA EIDL loan from January 31, 2020 through April 3, 2020, you could also apply for a PPP loan. If your EIDL loan was not used for payroll costs, it does not affect your eligibility for a PPP loan. If your EIDL loan was used for payroll costs, your PPP loan must be used to refinance your EIDL loan. Proceeds from any advance up to \$10,000 on the EIDL loan will be deducted from the loan forgiveness amount on the PPP loan.”</p>	<p>Funds can be used for:</p> <ul style="list-style-type: none"> supplies used to provide healthcare services for possible or actual COVID-19 patients; equipment used to provide healthcare services for possible or actual COVID-19 patients; workforce training; developing and staffing emergency operation centers; reporting COVID-19 test results to federal, state, or local governments; building or constructing temporary structures to expand capacity for COVID-19 patient care or to provide healthcare services to non-COVID-19 patients in a separate area from where COVID-19 patients are being treated; and acquiring additional resources, including facilities, equipment, supplies, healthcare practices, staffing, and technology to expand or preserve care delivery Any revenue that you as a healthcare provider lost due to coronavirus including revenue losses associated with fewer outpatient visits canceled elective procedures or services or increased uncompensated care.

			<ul style="list-style-type: none">• Employee or contractor payroll• Employee health insurance• Rent or mortgage payments• Equipment lease payments• Electronic health record licensing fees• Eligible health care related expenses attributable to coronavirus
Combining Opportunities	Double-dipping warning: If receiving both EIDL + PPP loans, funds cannot be used for the same purpose (to pay for the same types of costs). This means “double-dipping” is prohibited, and funds cannot be co-mingled to pay for the same types of expenses. For example, use EIDL to pay for certain business expense while using PPP to cover other permitted costs.		N/A
Forgiveness	No general forgiveness available except for \$10,000 emergency advance. Applicants are not required to repay this advance if they do not qualify. EIDL is relatively more flexible than PPP in terms of covering costs.	Forgivable up to 100% if no employees are laid off or if laid off employees are rehired. Forgiveness will be reduced if you lay off workers or cut salaries during this period. Tip: maximizing full PPP loan forgiveness means borrower must meet the prescribed cost ratio rules: <ul style="list-style-type: none">• At least 60% (down from original 75%) of the loan amount is to cover payroll costs, including your own.• At most, the remaining 25% should be allocated to cover other permitted operating costs, including rent, utilities, health insurance, etc.	
Repayment	The remaining EIDL amount, excluding the emergency advance (up to \$10,000).	Loans are forgiven if criteria are met.	
Interest rate	3.75% for businesses.	1% for the remaining portion not forgiven	
Loan term	30 years	5 years	
Deferments	Automatic 1-year deferment on repayment, though interest will accrue during that time.	Repayment is deferred until 10 months after the last day of the covered period. If borrowers seek loan forgiveness by this date, repayments commence on the date that any forgiveness is remitted by the SBA.	
Collateral	Collateral taken on loans that are at least \$25,000 and up.	None	
Personal Guarantees	Waived for loans under \$200,000.	None	
Application Process	Through the SBA: https://disasterloan.sba.gov/ela/	Through eligible SBA approved lenders: https://www.sba.gov/paycheckprotection/find	
AADA Resources	https://www.aad.org/member/practice/coronavirus/managing-business/economic-injury-disaster-loans	https://www.aad.org/member/practice/coronavirus/managing-business/paycheck-protection-loans	https://www.aad.org/member/practice/coronavirus/managing-business/medicare-advance-payments

For additional information and comprehensive analyses visit: <https://www.aad.org/member/practice/coronavirus/managing-business>.

For more information, see: aad.org/coronavirus



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