

RURAL RESOURCES DURING THE CORONAVIRUS EMERGENCY

KEY TAKEAWAYS

- In March, Congress passed three laws to help respond to the coronavirus emergency: the Coronavirus Preparedness and Response Supplemental Appropriations Act; the Families First Coronavirus Response Act; and the Coronavirus Aid, Relief, and Economic Security Act.
- These three laws include important resources to support our country's farmers, rural businesses, and rural health care providers.
- The CARES Act provides rural businesses with resources to help small businesses stay open and includes resources for rural health care providers on the front lines of the coronavirus response.

Congress continues to respond to the coronavirus national [emergency](#). In early March, Congress [provided](#) \$7.8 billion in discretionary supplemental funds to target research and development of vaccines and treatments and to support state and local public health departments. Congress also [passed](#) the Families First Coronavirus Response Act, which sets up emergency paid sick leave and family leave requirements for certain employers, offset by refundable tax credits. The law also increases funds for food aid and administering jobless benefits. Congress [passed](#) and President Trump signed the Coronavirus Aid, Relief, and Economic Security Act, which includes provisions to aid the economy and ensures additional support is available to health care providers. These three laws include important resources to support our country's farmers, rural businesses, and rural health care providers.

Coronavirus Response Resources for Rural America Provided by Congress

**FUNDING
IMPORTANT
RURAL PROGRAMS**



**KEEPING
BUSINESSES
OPEN**

**SUPPORTING
RURAL
HEALTH CARE**





Funding for Nutrition Programs

Families First Coronavirus Response Act

- **\$500 million for the Special Supplemental Nutrition Program** for Women, Infants, and Children.
- **\$400 million for the Emergency Food Assistance Program**, which helps states and food banks distribute food for low-income people through local agencies.
- **\$250 million for nutrition programs for seniors**, including home-delivered meals.
- **\$100 million for nutrition assistance grants** for Puerto Rico, the Northern Mariana Islands, and American Samoa.
- For fiscal year 2020, allows the secretary of agriculture to approve state plans to provide additional, temporary SNAP benefits in place of “free” or “reduced-price” school meals for families with eligible children, when their schools close for at least five days in a row during a public health emergency. The amount will be based on the reimbursement value for free or reduced-price meals for each eligible child in the household.
- Allows the agriculture secretary to grant COVID-19 waivers for certain school meal program requirements, to ensure meals are provided despite school closures. Permits waiving nutritional content requirements if food supply chains are disrupted. Also allows closed schools, child and adult food program centers and other eligible nonprofit sponsors to serve and distribute food without requiring participants to gather and eat.
- Waives federal SNAP [work](#) requirements temporarily but maintains work training program requirements. Provides that the three-month SNAP participation limit for people who do not satisfy the work requirement will restart one month after the declared pandemic emergency has been lifted.

Coronavirus Aid, Relief, and Economic Security Act

- **\$14 billion for the partial reimbursement of the Commodity Credit Corporation** after June 2020 to provide flexibility for the Agriculture Department to provide additional assistance and ensures the continued implementation of Farm Bill authorized programs is not affected.
- **\$9.5 billion in assistance to producers affected by COVID-19** to provide emergency support for agricultural producers – including livestock and specialty crop producers – affected by coronavirus.
- **Extends the marketing assistance loan term from** nine months to 12 months.



- **\$33 million for the Food and Safety Inspection Service** to support temporary and intermittent workers, relocation of temporary inspectors, and the cost of overtime inspectors.
- **\$55 million for the Animal Plant Health Inspection Service** for salary costs associated with Agriculture Quarantine and Inspection Services activities.
- **\$45 million for the Agricultural Marketing Service** for salary costs associated with commodity grading, inspection, and audit activities.
- **\$25 billion for nutrition programs:**
 - Child nutrition: \$8.8 billion in emergency funding to prevent, prepare for, and respond to coronavirus, domestically or internationally.
 - SNAP: \$15.51 billion in contingency funds.
 - Food distribution on Indian reservations: \$100 million, of which \$50 million for facility and equipment upgrades and \$50 million for additional food purchases.
 - Nutrition assistance grants for Puerto Rico, Northern Mariana Islands, and American Samoa: \$200 million.
 - Commodity assistance: \$450 million for commodity food distribution, such as the Emergency Food Assistance Program, of which, \$150 million is for distribution costs.
- **\$20.5 million for business and industry loans** to help, prevent, prepare for and respond to the coronavirus outbreak.
- **\$25 million for the Distance, Learning, and Telemedicine grant program** that provides funding for telemedicine capabilities at rural hospitals and clinics and distance learning technology at rural schools.
- **\$100 million in grants for the Reconnect Broadband Pilot program** that provides funds for broadband deployment in rural areas where at least 90% of the area has internet service speeds below 10/1 megabits per second.
- **\$4 million for the Foreign Agricultural Service** to prevent, prepare for, and respond to the coronavirus, domestically or internationally, including the relocation of personnel at international posts.
- **\$3 million for forest and rangeland research** allocated for the reestablishment of abandoned or failed experiments associated with employee restrictions.



- **\$34 million for the National Forest System and \$7 million for wildland fire management** for cleaning and disinfecting of public recreation amenities and for personal protective equipment and baseline health testing for first responders.

Loans and Tax Benefits for Rural Businesses

- **Payroll Tax Credit for Paid Leave.** The Families First Coronavirus Response Act [requires](#) certain government employers and businesses with fewer than 500 employees, including nonprofits, to [provide](#) paid sick leave and paid family and medical leave related to the coronavirus emergency. Businesses with fewer than 50 employees can seek an [exemption](#). The law pairs these paid leave requirements with refundable payroll tax [credits](#) to cover the costs employers will bear. The emergency paid sick leave credit provides up to \$511 per day, for up to 10 days, for employees on leave because they have the virus or are in quarantine. The credit is up to \$200 per day for employees on leave to care for a child whose school or daycare closed, or to care for someone else who is in quarantine or seeking medical care. The payroll tax credit for paid family leave applies to the leave employees are eligible for beyond 10 sick days, but it only covers wages paid to an employee on leave to take care of a child whose school or day care facility is closed. It provides a maximum credit of \$200 per day for 10 weeks, with a maximum credit of \$10,000 per employee. Both credits apply against the employer's portion of the Social Security tax and cover 100% of wages required to be paid. The law sets up refundable sick leave and family leave income tax credits for self-employed workers.

The Labor Department has [issued](#) a rule, fact sheets, and FAQs about the paid leave provisions. The Internal Revenue Service has issued [information](#) on the payroll tax credits.

- **Paycheck Protection Program.** The CARES Act [creates](#) the Paycheck Protection Program and acknowledges the need to loan into underserved and rural markets. This program [authorizes](#) about \$350 billion to support federally guaranteed loans through the Small Business Administration to help small business, including 501(c)(3) nonprofits, meet cash flow needs, and keep their workers employed. Through the program, the federal government will forgive amounts that employers spend on payroll, rent, leases, mortgage interest, and utilities. The program's purpose is to help businesses retain and pay workers during the pandemic. Banks already participating in the SBA's 7(a) lending program will issue the loans, along with Farm Credit Administration lenders and additional lenders the Treasury Department approves. Businesses with 500 or fewer employees, including farms and ranches, are eligible. The maximum loan amount is 250% of a borrower's average monthly payroll expenses – excluding compensation in excess of an annual rate of salary of \$100,000 for an individual – up to a total of \$10 million.
- **Emergency Economic Injury Disaster Loan Grants.** The CARES Act provides \$10 billion to support the expanded SBA Economic Injury Disaster Loan program. The new law [allows](#)



businesses – including rural businesses – that received an EIDL loan prior to passage of the CARES Act to refinance into a forgivable Paycheck Protection Program loan. It also allows businesses applying for an EIDL to receive an emergency grant advance of up to \$10,000 to pay for employees' sick leave, retain workers on payroll, and for other necessary obligations.

- **Loan Repayment and Forgiveness.** The CARES Act [provides](#) \$17 billion for the SBA debt relief program, which requires SBA to pay the principal and interest of new 7(a) loans issued prior to September 27 and the principal and interest of current 7(a) loans for six months.
- **Employee Retention Tax Credit.** The CARES Act [provides](#) businesses, including rural businesses, with a refundable payroll tax credit known as the employee retention [credit](#). To be eligible, the business must be suspended completely or partially by a government order related to COVID-19, or have experienced a decrease of more than 50% in its gross receipts from the same quarter in 2019. The credit is equal to 50% of wages paid by employers, up to \$10,000, for a maximum credit of \$5,000 per employee.
- **Reduce Taxes.** The CARES Act helps improve businesses' liquidity, which they need to stay open and retain their employees. It allows businesses to reduce current year taxes and amend prior year tax returns by taking into account certain losses, increased interest deductions, expenses relating to qualified improvement property, and certain credits for prior years' minimum tax liability.
- **Delay Payroll Taxes.** The CARES Act allows businesses to defer the employer share of payroll taxes – 6.2% Social Security tax on employee wages – and instead pay the employment tax over the following two years.
- **Economic Stabilization and Assistance to Severely Distressed Sectors of the U.S. Economy.** The CARES Act includes up to \$454 billion for loans, loan guarantees, and other investments that the Federal Reserve can leverage through its 13(3) programs and facilities in support of businesses, states, and municipalities. This will provide liquidity to the financial system and help businesses maintain operations and keep workers employed. Under the new law, the Treasury Department will implement a special 13(3) facility through the Federal Reserve specifically for nonprofit organizations and businesses that have between 500 and 10,000 workers. The terms of this facility include requiring employers to use the funding to keep at least 90% of their workers through September 30.

Rural Health Care

The Coronavirus Preparedness and Response Supplemental Appropriations Act

- **Increases Access to Telehealth.** Allows the Centers for Medicare and Medicaid Services to waive certain requirements to ensure Medicare enrollees can receive care at home to avoid contracting the virus and to better allow health systems to mitigate transmission of this virus.



Families First Coronavirus Response Act

- **Provides COVID-19 Testing Coverage.** Requires private health plans to provide coverage without cost sharing for COVID-19 diagnostic testing authorized or approved by the FDA as well as the cost of the visit, including a telemedicine visit. The third relief bill, the CARES Act, clarifies that all testing for COVID-19 will be covered by private insurance plans even for tests that have been approved or authorized by the FDA, or comply with the agency's guidance.

Requires Medicare Advantage plans to cover COVID-19 diagnostic testing and the visit that results in the order for the test without cost sharing. Waives cost sharing for Medicare beneficiaries' doctor visits to receive or order a COVID-19 diagnostic test. Currently Medicare covers diagnostic laboratory tests with no cost-sharing.

Requires Medicaid and CHIP to cover diagnostic testing for COVID-19, including the cost for the provider visit, with no cost sharing. State expenses for the uninsured for diagnostic testing and the associated provider visit would be covered by the federal government through Medicaid.

Provides \$1 billion to the Public Health and Social Services Emergency Fund, available until expended, to reimburse providers for diagnostic testing for people who are uninsured.

Coronavirus Aid, Relief, and Economic Security Act

- **Ensures Coverage for COVID-19 Testing and Vaccine.** Clarifies that all diagnostic testing for COVID-19 will be covered by private insurance plans, including tests that detect antibodies, that have been approved or authorized by the FDA, or comply with the agency's guidance.
- **Provides Resources to Rural Health Care Providers.** Establishes a \$100 billion fund to ensure health care providers, including those in rural areas, continue to receive the support they need for COVID-19 related expenses and lost revenue.

Allows rural providers that meet certain requirements to seek relief through SBA programs, including the Paycheck Protection Program loans that can be forgiven, debt relief, and economic injury disaster loans.

Expands existing Medicare accelerated payment program that provides hospitals, including rural hospitals, a reliable and stable cash flow. The program is [expanded](#) for the duration of the COVID-19 emergency. The Medicare accelerated payment program is intended to provide necessary funds to hospitals when there is a disruption in claims submission or claims processing in order to allow hospitals to support their workforce and obtain the supplies needed to keep hospitals open. Under the expanded program, qualified facilities will be able to request up to a six month advanced lump sum or periodic payment. Hospitals are able to receive up to 100% of prior period payments, with "critical access hospitals" able to receive up to 125%.

Eligible hospitals would not have to start paying back the loan for four months, and would have



at least 12 months to pay back the loan with no interest requirement. Medicare has expanded the program to allow providers in addition to hospitals — including those in rural areas — to receive advance payments through the duration of the emergency, with the non-hospital portion of the program having some different parameters.

Extends mandatory funding for community health centers, the National Health Service Corps, and the Teaching Health Center Graduate Medical Education program at current funding levels through November 30. Provides \$1.32 billion in supplemental funding for community health centers.

Temporarily lifts the Medicare sequester from May 1 to December 31, 2020. The Medicare sequester currently equates to a 2% reduction in payments to providers by 2%. The law suspends that sequester and thus increases payments to hospitals and providers by 2% in order to aid hospitals and providers fighting the coronavirus. Critical access hospitals serving rural areas would go from receiving approximately 99% of costs to 101%.

Increases the Medicare payment to hospitals for a COVID-19 admission by 20%, which will help hospitals with coronavirus patients, including certain rural hospitals.

- **Increases Access to Telehealth.** Reauthorizes the Health Resources and Service Administration grant programs that promote the use of telehealth, which allows patients to reach their doctors without potentially exposing themselves or others to coronavirus.

Expands Medicare beneficiaries' ability to access telehealth and receive care in their home from a remote physician by waiving existing telehealth requirements.

Allows Community Health Centers and Rural Health Clinics to provide remote care to beneficiaries in their home.

Expands telehealth for Medicare home dialysis patients by temporarily eliminating the requirement that a nephrologist conduct some required evaluations face-to-face and instead allows all required visits to take place remotely.

- **Improves Rural Response to COVID-19.** Establishes a Ready Reserve Corps to ensure there are enough trained doctors and nurses to respond to COVID-19. Makes clear that doctors who provide volunteer medical services during the COVID-19 emergency have liability protections.

Allows the secretary of health and human services to reassign members of the National Health Service Corps to sites close to the one to which they were originally assigned in order to respond to the COVID-19 emergency.