

## Maine Health Care Financial Relief Grant Program

**MAINE'S PATH TO RECOVERY:** In addition to the threat to public health, the COVID-19 pandemic has fundamentally changed the global business environment, causing severe supply-chain disruptions, reduced consumer spending, and unprecedented losses that are felt across all sectors. The health care industry is no exception, with providers facing a host of new challenges and barriers that disrupt operations and impede growth. The people of Maine depend on these health care providers for medical care, long-term care, mental health services, and home and community-based supports, among other services. It is in the best interest of Maine residents to help these providers remain financially viable through this public health crisis.

The State of Maine plans to use CARES Act relief funding to help our economy recover from the impacts of the global pandemic by supporting Maine-based health care providers through an additional phase of the Economic Recovery Grant Program. The funding originates from the federal Coronavirus Relief Fund and will be awarded in the form of grants to directly alleviate the disruption of operations suffered by Maine's health care providers as a result of the COVID-19 pandemic.

Despite direct federal financial relief mainly through the Provider Relief Fund (PRF), primarily directed to hospitals and nursing facilities, all health care providers have been substantially and directly impacted by the pandemic. Further, these providers depend on state and federal reimbursement to operate and certain providers have limited capacity to absorb financial losses. The majority of PRF funding was allocated earlier this year, and further federal relief is uncertain. This program is not meant to be exclusive and acknowledges that nearly every industry sector in Maine has experienced a decrease in revenue. In addition, the program is governed by Federal CARES Act requirements and the State cannot expand eligibility to organizations excluded in the Federal legislation.

The money available for these grants cannot wholly replace or repair the economic damage this pandemic has caused. Our narrow mission is to ensure that each dollar has at least a small, direct impact on supporting Maine's health care providers and Maine's economy as a whole.

**PROGRAM GOALS:** This program provides grants for health care providers that demonstrate a need for financial relief based on lost revenues or expenses related to the disruption of business operations caused by the COVID-19 pandemic. Grants will be distributed based on a

provider's demonstrated losses as a pro-rated percentage of the total losses reported by qualified applicants.

The program is not intended to replace lost profits but only to help providers remain viable as a bridge to economic recovery. This program is intended to assist in the stabilization of Maine's economy and accelerate the transition from short-term relief to regaining our state's focus on Maine's 10-year Economic Development Strategy, anchored in talent and innovation.

## **Enclosure 1:**

### **Eligibility Criteria:**

The Maine Health Care Financial Relief Grant Program is intended to assist in covering losses incurred as a direct result of the COVID-19 pandemic and related public health response.

Providers will be liable for any misuse of funds. The grants are taxable income and subject to audit.

- Suggested provider expenses may include but are not limited to:
  - Payroll costs and expenses;
  - Rent or mortgage payments for provider facilities (unless otherwise waived by lessor/lender);
  - Utilities payments;
  - Purchase of personal protective equipment required by the provider;
  - Provider related equipment;
  - Investments that will support your organization's long-term sustainment;
  - Expenses incurred to replenish inventory or other necessary re-opening expenses; and
  - Necessary operating expenses.
- Examples of unallowable expenses include (list is not all-inclusive):
  - Depreciation expense
  - Entertainment
  - Lobbying
  - Goods and Services for Personal Use
  - Fines, Penalties, Damages and other Settlements
- Funds must be spent on operations that are strictly within Maine.
- This grant is considered reportable income; therefore, funding received from this grant must be included with reportable income at tax time. For applicable providers, a Form 1099 will accompany any awarded grant monies.

### **To qualify for a Maine Health Care Financial Relief Grant your provider must:**

- Demonstrate a need for financial relief based on lost revenues or expenses incurred since March 1, 2020 due to COVID-19 impacts or related public health response;
- Demonstrate an expected 20% loss in revenue minus expenses for 2020 due to COVID-19;
- Be a health care provider which has accepted Medicaid members in 2020, including:
  - Hospitals and nursing facilities of any size which were not previously eligible under the Economic Recovery Grant Program
  - Congregate Care Facilities and Home and Community Based Waiver Providers, of Behavioral Health and Intellectual/Developmental Disabilities Services, Group

Practices, and other Medicaid Providers with more than 250 employees which were not previously eligible under the Economic Recovery Grant Program

- Have significant operations in Maine (provider headquartered in Maine or have a minimum of 50% of employees and contract employees based in Maine);
- Be current and in good standing with all Maine State payroll taxes, sales taxes, and state income taxes (as applicable) through September 30, 2020;
- Have a Date of Incorporation or Purchase before August 1, 2019;
- Be in good standing with the Maine Department of Labor;
- Be in good standing with the Maine Department of Health and Human Services;
- Not be in bankruptcy;
- Not have permanently ceased all operations;
- Be in consistent compliance and not be under any current or past enforcement action with COVID-19 Prevention Checklist Requirements (<https://www.maine.gov/decd/covid-19-prevention-checklists>); and
- For health care providers other than hospitals and nursing facilities, employ a combined total of more than 250 employees and contract employees throughout 2020.
  - For the purposes of this calculation, count 1 employee or contract employee if they are employed, on average, at least 30 hours of service per week or 130 hours of service per month. Count 0.5 for each part-time employee who is employed, on average, less than this.
- If eligible for and/or awarded funds as part of Phase 1 or 2 of the Maine Economic Recovery Grant Program, your provider is ineligible for this Phase.

For non-profit organizations: Only organizations that file Form 990 or Form 990-EZ are eligible to apply.

A group of affiliated entities should only submit one grant application. Please coordinate with other affiliated entities prior to submitting an application.

For purposes of the Maine Health Care Financial Relief Grant, your provider is considered affiliated with any other provider that:

1. Has the same Federal Taxpayer Identification Number (including Social Security Number)
2. Has the same corporate parent or grandparent
3. Is majority owned (more than 50%) by the same owner or group of owners

**Note:** If submitting an application for affiliated entities with the same corporate parent or grandparent, or same majority ownership, but different TINs, please report the TIN for each affiliate in the “Affiliated Providers” section of the application.

## Enclosure 2:

### **What you will need to complete this application:**

You will need the following information about your business/organization (and all affiliated businesses/organizations) before you begin your Maine Health Care Financial Relief Grant application:

- Federal Taxpayer Identification Number (TIN)
  - Federal Employer Identification Number or Social Security Number
  - If submitting an application for affiliated entities with different TINs, you will need to report the TIN for each affiliate
- National Provider Identifier(s)
- Type of business/organization (non-profit or for-profit)
- Data Universal Number System (DUNS) number. To set-up or verify a DUNS number, visit <https://www.grants.gov/applicants/organization-registration/step-1-obtain-duns-number.html>.
  - A DUNS number is required to receive grant funds and is part of the application.
- Principal office address
- “Doing business as” (DBA) name
- Applicant address and other contact information
- For businesses: Ownership percentage of each individual owner with greater than 25% equity
- For sole proprietors: Total amount of unemployment compensation benefits received March 1, 2020 – September 30, 2020
- Documentation of any other monies awarded through federal grants or loans by the CARES Act
- 2017, 2018, and 2019 revenue, expenses, and depreciation (as applicable)
- 2020 anticipated revenue and expenses excluding depreciation, taking into account the impact of the COVID-19 pandemic on revenue and expenses
- An estimate and justification of the percent (%) of 2020 loss in income that directly is connected to a disruption of operations due to the COVID-19 pandemic or related public health response
- A prepared, electronic W-9 in the event your provider is selected for a grant (<https://www.irs.gov/pub/irs-pdf/fw9.pdf>)

### **Distribution Criteria and Formula**

Maine Health Care Financial Relief Grants will be distributed based on a provider’s demonstrated January – September 2020 losses due to COVID-19 as a pro-rated percentage of the total losses due to COVID-19 reported by all qualified applicants for the same time period.

All grant amounts are subject to review and adjustment pending applicant volume and magnitude of reported losses. Depreciation is excluded from expenses.

- The Distribution formula is available upon request
- The maximum grant size is \$100,000