

COVID-19:

CHC FINANCE TOOLKIT



NATIONAL ASSOCIATION OF
Community Health Centers®

A MESSAGE TO THE FIELD

Community health centers (CHC) are the backbone of the nation's health care safety net, and their survival is vital. Although we're in the middle of a worldwide pandemic, we must maintain a solid financial footing while navigating the current environment and planning for tomorrow.

As leaders in the CHC industry, we understand that we must lead through these times of great uncertainty. It's important we communicate optimism and hope for the future to our board members, employees, and patients. However, we also must understand the nation and our industry are facing unprecedented challenges. Changes in patient volume, method of delivery of care, grant

funds, and the related compliance risks can cause our world to seem extremely chaotic.

With that in mind, **BKD Trusted Advisors™** have collaborated with the National Association of Community Health Centers to compile guidance in key areas that CHC leaders should focus on to not only guide their teams through times of difficulty but also prepare them to come out stronger on the other side.

Jeffrey Allen, Partner, CHC Team Leader
& Gervean Williams Director, NACHC

CHECKLIST – KEY CONSIDERATIONS FOR COMMUNITY HEALTH CENTERS

1

LEAD WITH PROACTIVE COMMUNICATION

Internal

- Develop a clearly defined communication plan
- Conduct frequent check-ins for those employees working remotely
- Request that employees communicate what they need to be effective

External

- Communicate with patients frequently on changes to services and clinic hours
- Proactively communicate with outside organizations

2

CASH FLOW PLANNING

- Communicate financial updates and remediation plans
- Consider your available options
- Review your contracts
- Be innovative – Embrace new ideas and don't overlook updating your clients
- Stay informed – Knowledge is power

3

UNDERSTANDING YOUR RELIEF OPTIONS

CARES Act Provisions

- Provider Relief Funds
- Paycheck Protection Program
- Economic Injury Disaster Loan

COVID-19 Grant Opportunities

Business Interruption Claims

4

TAX PROVISIONS

- COVID-19 Cash Flow & Tax Relief Flowchart for Nonprofits

5

CYBERSECURITY CONSIDERATIONS

- Beware of suspicious emails
- Verify emails
- Be aware of phone call scams
- Adjust your social media privacy settings
- Stay in contact with those you know
- Ensure you're monitoring IT systems
 - Telehealth
 - Electronic Medical Records System and Practice Management Systems
 - Mobile devices

6

REMOTE WORK BEST PRACTICES

Key Considerations

- Remote access and capacity
- Device security
- Confidentiality
- Remote workspaces
- People



SECTION 1

**LEAD WITH
PROACTIVE
COMMUNICATION**

INTERNAL COMMUNICATION PRIORITIES

As COVID-19 continues to evolve, CHCs that consistently communicate with their employees can help mitigate the pandemic's effects on their operations. During a crisis, effective communication starts with the tone at the top. CHC leaders should develop a clearly defined internal communication plan. This includes providing regular updates from CHC leadership to employees and establishing an internal task force to monitor and respond to new developments. Many CHC leaders are holding frequent (sometimes daily), short virtual meetings with employees to help ensure that all are on the same page.

Technology and infrastructure needs are different in a remote work environment. Employees should be encouraged to communicate their needs to their supervisors

so productivity can remain at high levels. CHC leaders should review their work-from-home policy and ensure employees have the tools to work effectively and securely in a remote work environment. See Section 5: Cybersecurity Considerations for more guidance.

With the stress of navigating COVID-19's ramifications on your CHC, it can be easy to overlook the challenges your employees face. Providing resources to your workers related to how the situation directly affects them can help you give them peace of mind that you're working to address their questions, needs, and concerns. Consider creating a resource page on your intranet with guidance directly related to employees, e.g., a frequently asked questions (FAQ) section related to the virus, information on health insurance coverage, etc.

EXTERNAL COMMUNICATION PRIORITIES

It's crucial that you communicate with your patients. Services may be different now as telehealth becomes more prevalent and procedures at the clinic are adjusted for employee and patient risk. Be intentional about communicating those changes to your patients. Reassure them that a telehealth visit can still result in effective healthcare delivery. Communicate with them after the visit is complete to understand any concerns with telehealth and whether they would still be interested in this type of visit format after the pandemic ends. Understanding what your patients both need and want has always been important but is crucial during this pandemic.

In addition to patients, many CHCs interact with outside organizations such as banks, insurance companies, and grantors. Don't hesitate to share your action plan with them and review the terms and conditions of any agreements currently in place. It also may be beneficial to

evaluate your CHC's health insurance coverage and inquire about other insurance coverage that could help mitigate risk in the event an employee contracts COVID-19 while performing job duties. Proactively addressing these items now can help you make sound business decisions in the future.

It's also important to communicate with key vendors and suppliers. Vendors that you have a long-standing relationship with are more likely to accommodate you if temporary adjustments to payment terms become necessary. Don't lose sight of the importance of certain suppliers such as your pharmacy or medical supply vendors. If you find yourself falling behind with a key supplier, discuss options to continue paying for ongoing purchases while paying past-due invoices over an extended period.

SECTION 2

CASH FLOW PLANNING

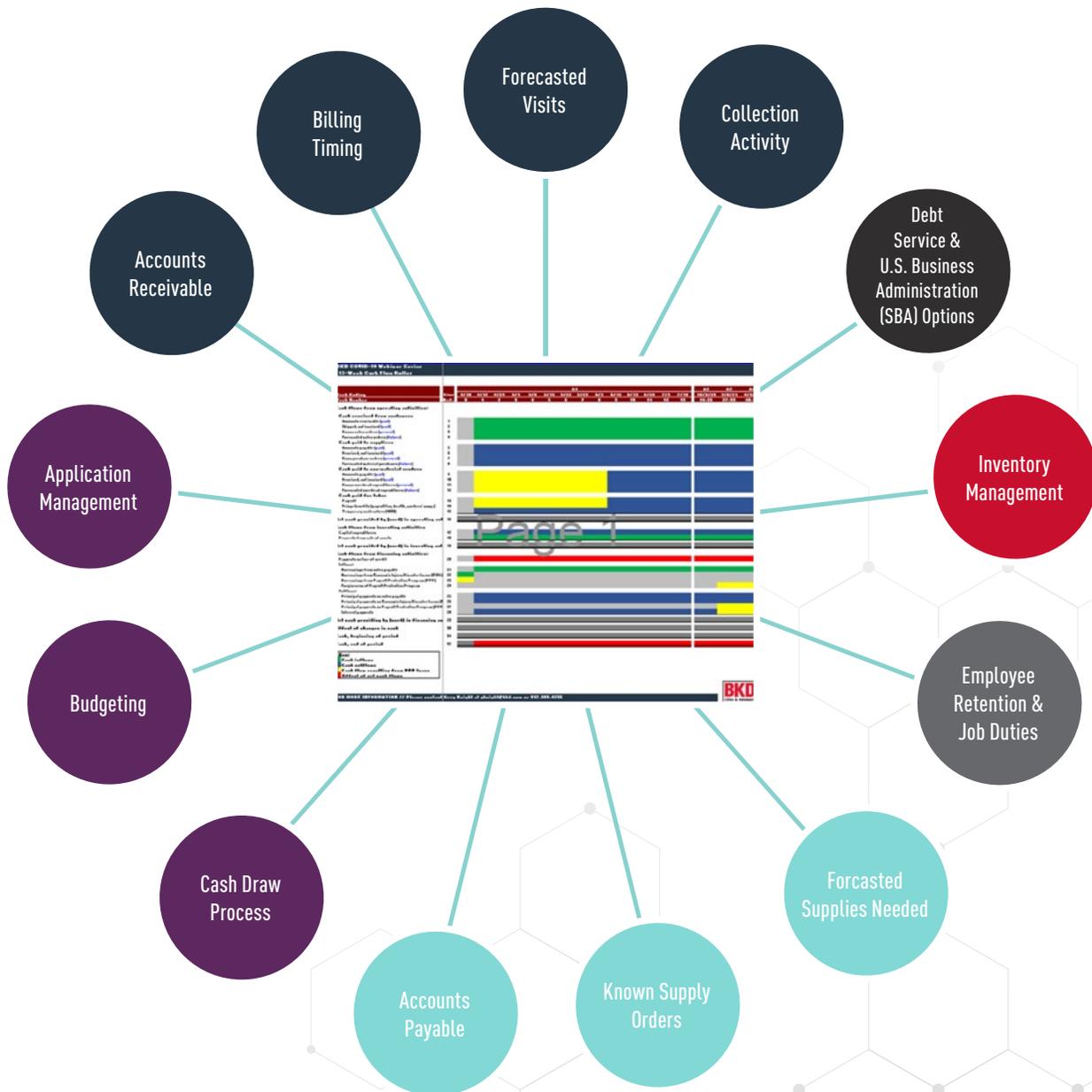
As we continue navigating our new normal, which includes ever-changing stay-at-home orders and social distancing, we must remain diligent in our cash planning to keep our clinics open and ready to serve our patients' needs. Below are five best practices to help you mitigate the pandemic's effects.

- 1. Communicate** – Be proactive in communicating with your financial institution and creditors to inquire about modified arrangements. Update your cash flow projections and financial plans often to deploy new assumptions and changing conditions. Stay in close contact and coordinate planning with federal, state, and local funding sources, as they're working hard to support the economy bouncing back. Be proactive with identifying new skill sets and infrastructure needed to keep delivering care. Hone your listening skills and explore emerging platforms in communication that will allow for more touch points with patients and your partners.
- 2. Consider Your Options** – Seek funding sources through a variety of stimulus activity available. In addition to numerous new federal awards, provider relief funding, and the Paycheck Protection Program (PPP), look for private and local foundation support in your geographic regions as well as other federal and state dollars that have been allocated to your area. Be ready to catch the cash.
- 3. Review Contracts** – Examine your general ledger for recurring cash commitments, and review contracts with your vendors for minimum payment language and other terms that may need to be renegotiated given the current environment. Work proactively with vendors to make needed changes. Consider putting noncritical cash outlays on hold.
- 4. Be Innovative** – Get creative with your training and duty assignments for your staff. Certain job functions that are now considered unsafe need to be replaced with new, innovative ways to communicate and deliver quality care.
- 5. Stay Informed** – Knowledge is power, so stay on top of your numbers. Consider new cloud-based accounting solutions for your key tracking and accounting functions. Compliance rules and related guidance is changing daily. Look to the web for updates to key programs from the Health Resources and Services Administration (HRSA), U.S. Department of Health & Human Services (HHS), the IRS, etc. The changing environment is a challenge to say the least, so take time to learn and adapt.



13-WEEK CASH ROLLER

Many businesses, communities, and families across the nation have been responding to the unprecedented challenges caused by the COVID-19 pandemic. You're our client, and you're resilient. BKD Trusted Advisors are here to help you face these challenges head on. We're assisting clients with analyzing cash flows by constructing 13-week cash rollers to help identify critical liquidity gaps. This is an example of the type of inputs to consider when developing your cash flow roller.



1. Customer Plan
2. Grants and contributions plan
3. Vendor Plan
4. Labor plan
5. Material Resource Planning
6. Financing Plan

SECTION 3

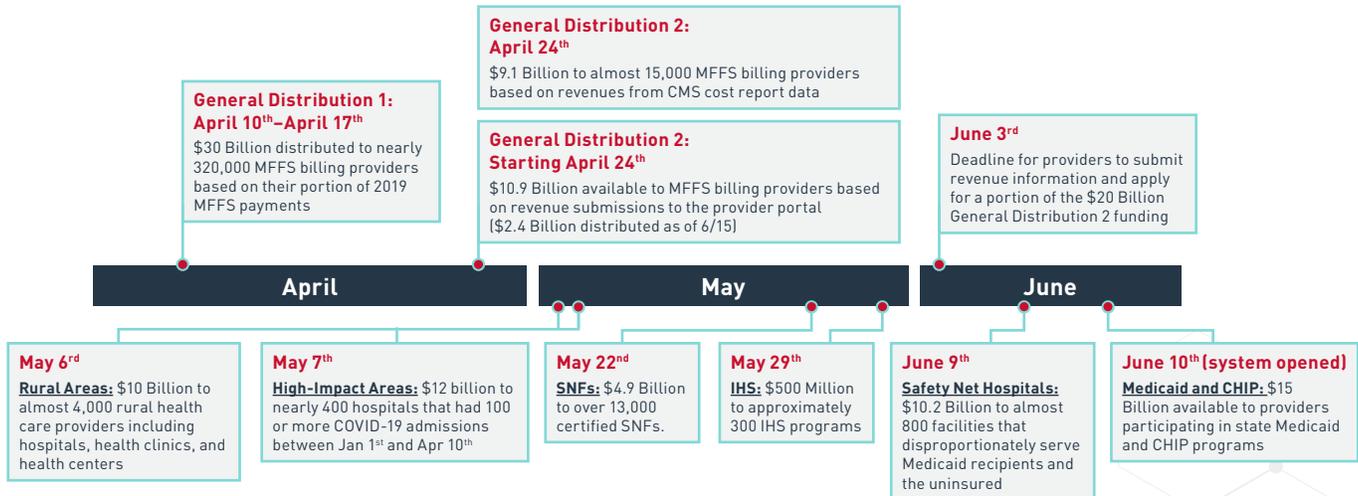
UNDERSTANDING YOUR RELIEF OPTIONS

CARES ACT & ENHANCEMENT ACT PROVISIONS

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. Although the CARES Act includes significant tax, unemployment insurance, and health-related provisions, this section will address the provisions affecting SBA loan programs available to most CHCs.

On April 24, 2020, the Enhancement Act was signed into law and includes \$454 billion in additional relief funding.

CARES Act Provider Relief Fund Distribution Summary



*Does not include COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing and Treatment of the Uninsured Program.

PROVIDER RELIEF FUND

The CARES Act initially funded the Provider Relief Fund for \$100 billion. The Enhancement Act added an additional \$75 billion for a total of \$175 billion of funding. The funding was split into general distributions and targeted allocations.

Below is a summary of funding available to CHCs:

GENERAL DISTRIBUTIONS

- General distributions were automatically made to CHCs and other providers.
- CHCs likely received the first round of this funding between April 10 and April 17, and the second round of funding began on April 24.
- The calculation used in the initial round of payments was based on Medicare billings, and the second round received essentially trueed up the allocation so the entire \$50 billion of general distributions was allocated proportional to your share of 2018 net patient revenue.

TARGETED ALLOCATIONS

- Rural Provider Relief Fund
 - The rural funding distribution of \$10 billion was automatically made to CHCs and other providers on May 6, 2020.

- CHC allocation was \$100,000 per rural clinic site.
- Medicaid & CHIP
 - Initial target is to providers who didn't receive funds from general distributions and billed Medicaid or CHIP programs for healthcare-related services from Jan 1 to May 31. Review the [HRSA Provider Relief FAQs](#) for current guidance, which could provide clarification or revisions to this guidance.
 - HHS expects to distribute \$15 billion to eligible Medicaid and CHIP providers. The payment to each provider will be at least 2 percent of reported gross revenue from patient care; the final amount each provider receives will be determined after the data is submitted, including information about the number of Medicaid patients providers serve. **Providers must submit their data by July 20, 2020.**
 - More details including instructions, application form, and webcast information can be found on the [HHS website](#).
- COVID-19 Uninsured Program Portal
 - Providers who have conducted COVID-19 testing or provided treatment for uninsured COVID-19 individuals on or after February 4, 2020, may use this portal to request claims reimbursement through the program and will be reimbursed generally at Medicare rates.
 - Steps will involve enrolling as a provider participant, checking patient eligibility, submitting patient information, submitting claims electronically, and receiving payment via direct deposit.
 - More details and including the portal to register can be found on the [HRSA's COVID-19 Claims Reimbursement page](#).

Additional details on each of these can be found on [HHS' website](#). To view a list of providers who received payment from the Provider Relief Fund and attested to the term conditions, [click here](#).

The Provider Relief Fund is subject to Single Audit under CFDA#93.498. Additional information can be found [here](#).

Recommended Actions:

- Read the [terms and conditions](#) carefully for each type of funding, and complete your attestation to within 90 days of receipt.
- Stay up to date with the [Provider Relief Fund FAQs](#) as they're made available.
- There have been evolving guidance and interpretation on how this funding can be used to assist CHCs with lost revenues and increased expenses due to COVID-19. We recommend you track expenditures charged to the provider relief funding as incurred. Ideally, this would be done using coding within your general ledger or another tracking tool to prevent double dipping.

PAYCHECK PROTECTION PROGRAM

The SBA's PPP is available to most CHCs. The CARES Act expanded the SBA 7(a) loan program to include PPP. Here are some key items for CHCs to consider:

- PPP loans are available to CHCs that employ no more than 500 employees or applicable employee size standard as provided by the SBA.
- The loan amount is determined as the lesser of two and a half times the average monthly payroll costs (as defined by the CARES Act) during the previous 12 months or \$10 million.

- Certain payroll and nonpayroll, *i.e.*, rent, utilities, interest, costs could be eligible for **up to** 100 percent loan forgiveness.
- Loans are 100 percent guaranteed by the SBA.
- Any borrower that, together with its affiliates, received PPP loans with an original principal amount of less than \$2 million will be deemed to have made the required certification concerning necessity of the loan in good faith.
- Acceptance and receipt of the PPP loan eliminates the applicant's eligibility to obtain employee retention credits as made available in a separate provision of the CARES Act.
- PPP **isn't** subject to Single Audit.

The *Paycheck Protection Program Flexibility Act* (PPPFA) was enacted, making significant changes to the PPP.

- Loan Program Changes
 - Program extended to December 31, 2020.
 - Five-year loan term for unforgiven PPP loans issued after June 5, 2020.
 - Deferral of PPP loan payments until final forgiveness amount is remitted to the lender.
- Forgiveness Changes
 - Covered period earlier of eight weeks, 24 weeks, or December 31, 2020.
 - At least 60 percent of PPP loan proceeds must be spent on payroll costs.
 - Added two safe harbors to avoid reduction in loan forgiveness due to a reduction in FTEs during the covered period (CP) or alternative payroll covered period (APCP) to the reference period that borrowers selected. The key in both safe harbors is that the borrower can document the qualification for the safe harbor.
 1. The first is if a borrower can document an inability to rehire employees who were employed on February 15, 2020, or an inability to hire similarly qualified employees for unfilled positions on or before December 31, 2020. Documentation must maintain the written offer to rehire, the written record of the rejection, and a record of the efforts the borrower took to hire a similarly qualified worker.
 2. The second is if a borrower can document the inability to return to the same level of business activity as it was operating at on February 15, 2020, due to compliance with requirements of the CDC, HSS, or OSHA generally regarding COVID-19 mandated practices. Documentation must include "copies of applicable COVID-19 requirements or guidance for each business location and relevant borrower financial records."
- Read the [recent BKD Thoughtware® article](#) to learn more about these and the other significant changes to the PPP.

Various interim final rules also have been released that make changes to and clarify guidance. Some key items for CHCs to consider include:

- The 24-week CP or APCP cap on cash compensation for nonowner employees is \$46,154 per individual
- Updated Form [3508, PPP Loan Forgiveness Application](#), and [instructions](#) to conform with the PPPFA
- A new simpler [Form 3508EZ](#) and [instructions](#) consisting of a single page of input plus a page of certifications are available to you if you meet the following criteria:
 - You didn't reduce annual salary or wages of **any** employee with less than \$100,000 of annualized

compensation by more than 25 percent during the CP or APCP when compared to January 1, 2020, and March 31, 2020.

- If you meet this exception, you also must certify **one** of the following:
 1. You didn't reduce employee headcount from January 1, 2020, and the end of the CP or APCP (you can exclude reductions in headcount that relate to the inability to rehire or employees who refused an offer to rehire)
 2. You were unable to operate during the CP or APCP at the same level of business activity as before February 15, 2020, due to compliance with requirements established or guidance issued by the secretary of HHS, the director of the CDC, or OSHA related to the maintenance of standards of sanitation, social distancing, or any other work or customer safety requirements related to COVID-19 that were issued between March 1, 2020, and December 31, 2020
- A borrower may submit the Form 3508 or 3508EZ at any time on or before the maturity date of the loan, including **before** the end of the CP as long as the borrower has used all of the loan proceeds for which forgiveness is requested. The only exception is if you have more than 25 percent reduction in compensation that reduced your loan forgiveness amount for any one employee. You must calculate the reduction for the entire CP or APCP that you elected.

Please visit the [SBA Paycheck Protection Program webpage](#) for a full list of items and the most up-to-date information available on this program.

Recommended Actions:

- If you haven't yet received a PPP loan, consult an SBA lender to determine if you qualify.
- Please visit the SBA Paycheck Protection Program webpage frequently for the most up-to-date information available, including the most recent FAQs.
- Track expenditures charged to PPP loan as they're incurred. Ideally, this would be done using coding within your general ledger or another tracking tool to prevent double dipping.
- Ensure you consider generally accepted accounting principles with respect to accounting for the PPP loan. You will likely have expenditures being incurred in a month or even fiscal year (FY) that are different than when the potential loan forgiveness, *i.e.*, revenue recognition, occurs.

ECONOMIC INJURY DISASTER LOAN

The SBA's Economic Injury Disaster Loan (EIDL) program is available to most CHCs that have been directly affected by the COVID-19 pandemic.

Amounts are available as working capital loans designed to help small businesses, including most CHCs, to meet their ordinary and necessary financial obligations that can't be met as a direct result of a disaster. The law limits EIDLs to \$2 million for alleviating economic injury caused by the disaster. The actual amount of each loan is limited to the economic injury determined by the SBA, less business interruption insurance and other recoveries up to the administrative lending limit. The CARES Act increases the amount available through SBA Express Loans from \$350,000 to \$1 million and has made other provisions that are available

through December 31, 2020. The Enhancement Act added \$60 billion in SBA emergency economic injury disaster loan relief. The interest rate for nonprofit CHCs is 2.75 percent fixed over the life of the loan.

Recommended Actions:

- Consult an SBA lender to determine if you qualify.
- Applicants may apply online, receive additional disaster assistance information, and download applications on the [SBA's website](#).
- Consider the emergency grant option, which provides up to \$10,000 from the SBA for a business to cover expenses. The grant isn't required to be paid back even if not approved for EIDL. To apply, click [here](#).
- Applicants also may call SBA's Customer Service Center at 800.659.2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance.

COVID-19 GRANT OPPORTUNITIES

CHCs have received additional COVID-19 notice of grant awards during the spring of 2020 from HRSA.

These include:

- CARES (H8C) – On March 24, 2020, [HRSA announced the release](#) of \$100 million in FY 2020 funding provided by the [Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020](#).
 - The purpose of this award is to:
 1. Respond to the COVID-19 public health emergency
 2. Maintain or increase health center capacity
 - This funding may be used for current payment and reimbursement of costs incurred since January 20, 2020, related to the detection of SARS-CoV-2 or the prevention, diagnosis, and treatment of COVID-19, including maintaining or increasing health center capacity and staffing levels during the COVID-19 public health emergency.
 - See the [COVID-19 technical assistance](#) webpage for additional information.
 - HRSA used the following distribution formulas:
 1. Base value of \$50,464, plus
 2. \$0.50 per patient reported in the 2018 Uniform Data System (UDS), plus
 3. \$2.50 per uninsured patient reported in the 2018 UDS
 - The awards range from approximately \$50,000 to more than \$300,000, with an average of approximately \$70,000 per health center.
- CARES (H8D) – On April 8, 2020, [HRSA announced the release](#) of more than \$1.3 billion in FY 2020 funding provided by the [CARES Act](#).
 - The purpose of this award is to:
 1. Respond to the COVID-19 public health emergency
 2. Maintain or increase health center capacity
 - This funding may be used for current payment and reimbursement of costs incurred since January 20, 2020, related to the detection of SARS-CoV-2 or the prevention, diagnosis, and treatment of COVID-19, including maintaining or increasing health center capacity and staffing levels during the COVID-19 public health emergency.
 - See the [CARES technical assistance](#) webpage for additional information.

- HRSA used the following distribution formula:
 1. Base value of \$503,000, plus
 2. \$15 per patient reported in the 2018 UDS, plus
 3. \$30 per uninsured patient reported in the 2018 UDS
- The average award is approximately \$950,000.
- CARES (H8E) – On May 7, 2020, [HRSA announced the release](#) of approximately \$583 million in FY 2020 Expanding Capacity for Coronavirus Testing (ECT) funding provided by the [Paycheck Protection Program and Health Care Enhancement Act](#).
 - The purpose of the ECT funding (H8E) is to purchase, administer, and expand capacity for testing to monitor and suppress COVID-19. Funding may support a wide range of testing and testing-related in-scope activities that may change as COVID-19 needs evolve within your community.
 - For additional information, see the ECT technical assistance webpage.
 - HRSA used the following distribution formula:
 1. Base value of \$98,329, plus
 2. \$15 per patient reported in the 2019 UDS

There also are other potential grant opportunities that could be available to CHCs. Please review the [HHS Grant Opportunities and Guidance page](#) as well as any of the below links for some of these potential opportunities:

- [FEMA Public Assistance Program: COVID-19 Response](#) – Ongoing
- [SBA Coronavirus Relief Programs](#) – Ongoing
- [HS/NIH Native American Research Centers for Health](#) – Letters of Intent June 24
- [HRSA Faculty Loan Repayment Program](#) – June 25
- [Nominations for Community Preventive Services Task Force](#) – June 26
- [CDC Strategies to Maintain HIV Viral Suppression Among Released State Prison Inmates](#) – June 29
- [HRSA Rural Residency Planning and Development \(RRPD\) Program](#) – June 30
- [HRSA Telehealth-Focused Rural Health Research Center Program](#) – Extended to July 1
- [Accepting Applications: CMS Direct Contracting Professional and Global Options](#) – July 6
- [Comments Requested: CMS Issues Second COVID-19 Interim Final Rule](#) – July 7
- [HRSA Rural HIV/AIDS Planning Program](#) – July 10
- [CDC Preventing Adverse Childhood Experiences](#) – July 13
- [HRSA Rural Communities Opioid Response Program – Planning](#) – July 13
- [USDA Distance Learning and Telemedicine Grants](#) – July 13
- [New Funding Opportunity: Rural Communities Opioid Response Program – Neonatal Abstinence Syndrome \(RCORP-NAS\)](#) – July 20
- [New Sites for National Health Service Corps](#) – July 21
- [IHS/NIH Native American Research Centers for Health](#) – July 24
- [DOL Workforce Opportunity for Rural Communities](#) – July 29
- [Request for Information: Clinical Experience in Suicide Prevention in Primary Care Settings](#) – August 7
- [DRA Delta Leadership Institute Executive Academy](#) – August 18
- [DOT Funding Public Transportation on Indian Reservations](#) – August 24

- [USDA Coronavirus Food Assistance Program](#) – August 28
- [NIH Researching Long-Term Effects of Disasters on Systems Serving Disparity Populations](#) – September 7
- [NIH Research on Minority Health/Health Disparities](#) – September 8
- [USDA Capacity Building for 1890 Land-Grant Institutions](#) – September 10
- [AHRQ Innovation Challenge for Rural Postpartum Mental Health](#) – September 15
- [Request for Information \(RFI\): Health Professional Shortage Area Scoring Criteria](#) – September 18
- [RFI: Maternity Care Health Professional Target Area Criteria](#) – September 18
- [FCC High Speed Broadband/Rural Opportunity Fund](#) – October 22
- [AHRQ Research to Improve Patient Transitions Through HIT](#) – December 2022
- [ASA Rural Access to Anesthesia Care Scholarship](#)
- [DRA Technical Assistance for Delta Region Community Health Systems Development](#)
- [IHS Tribal Forensic Healthcare Training](#)
- [NARHC Certified Rural Health Clinic Professional Course](#)
- [NIH Dissemination and Implementation Research in Health](#) – May 2022
- [NIH Research – Alcohol and Other Substance Use](#) – Dates Through August 2022
- [NIH Research to Improve Health Care Quality and Outcomes Through HIT](#)
- [NIH Strategies for Patient-Reported Outcome Measures in HIT](#)
- [Nominations for Federal Advisory Commission on HIV, Viral Hepatitis, and Sexually Transmitted Diseases](#)
- [Nominations for National Advisory Committee on Migrant Health](#)
- [Opportunity Zones for Economic Development](#)
- [Rural Graduate Medical Education Planning and Development](#)
- [SBA Guaranteed Loans for Small Business](#)
- [USDA Community Facilities Program](#)
- [USDA Community Food Projects Technical Assistance](#)
- [USDA Drinking Water and Waste Disposal for Rural and Native Alaskan Villages](#)
- [USDA Emergency Community Water Assistance Grants](#)
- [USDA Guaranteed Loans for Rural Rental Housing](#) – through 2021
- [USDA Rural Business Development Grants](#)
- [USDA Rural Energy Savings Program](#)
- [USDA Summer Food Program](#)
- [USDA Technical Assistance for Healthy Food Financing Initiative](#)
- [USDA Telecommunications Infrastructure Loans](#)
- [USDA Funding for Rural Water and Waste Disposal Projects](#)

Recommended Actions:

- Review grant opportunities and consult the grantor to determine if you qualify.
- Track all grant expenditures as incurred. Ideally, this would be done using coding within your general ledger or another tracking tool to prevent double dipping.
- Ensure you read the grant terms and conditions included within each HRSA notice of award.
- Continue to monitor the latest [HRSA COVID-19 FAQs](#) for additional or clarified guidance.

BUSINESS INTERRUPTION CLAIM

For anyone who has ever experienced a loss due to a natural or human-made disaster (and now a pandemic), picking up the pieces and getting your CHC back on track can be a difficult task. The recovery time is often longer than one might expect, and working with insurance companies, even when you have the appropriate coverage, can present challenges. Having a basic understanding of your insurance policy, its terminology, and the methodology used to calculate your losses can help streamline the process and leave you better equipped to deal with issues as they arise. Business interruption coverage is intended to recover lost business income when an event occurs.

CONSIDER THESE STEPS:

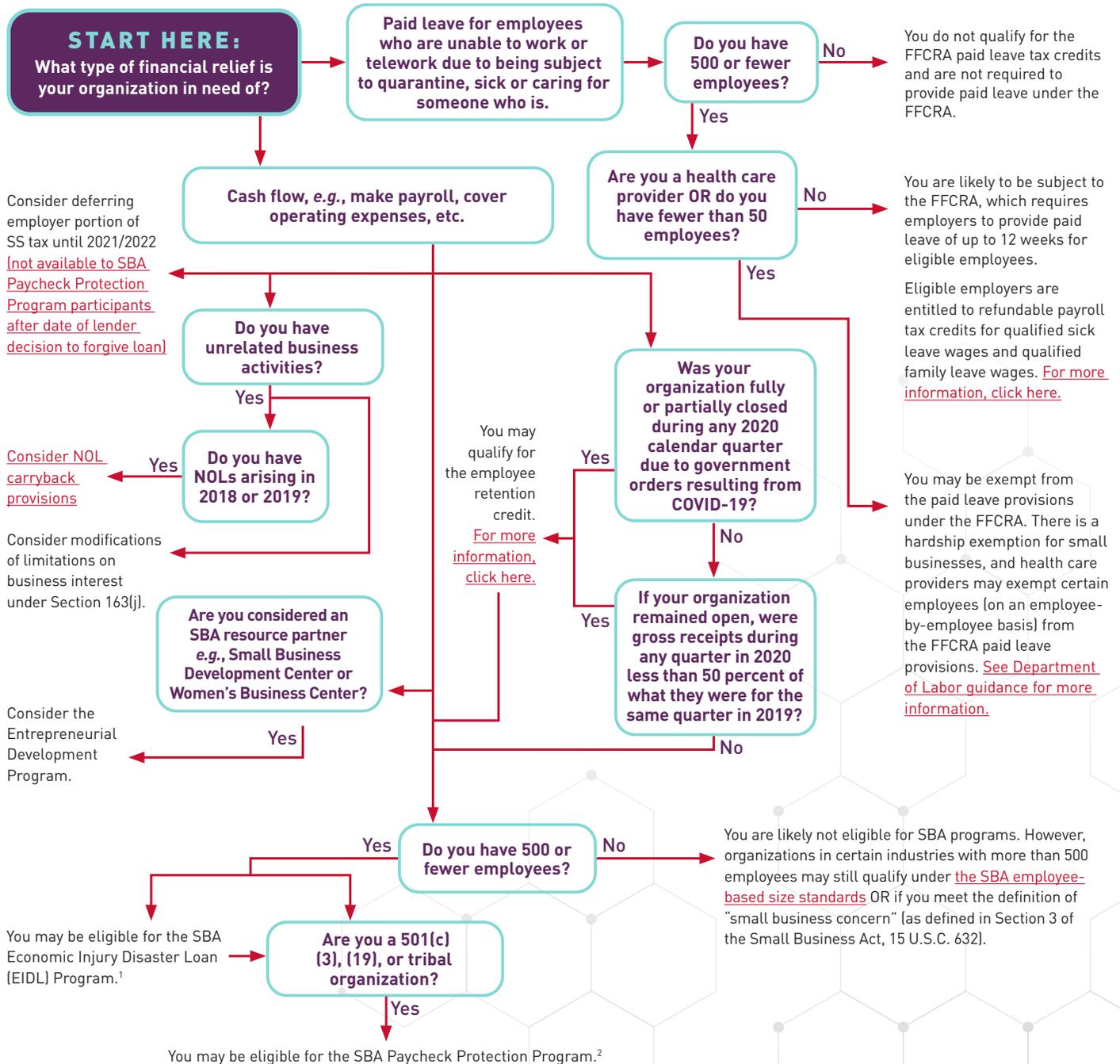
- Get to know your policy specifics/definitions – Check to see if COVID-19 has in some way triggered a policy loss.
- Identify where you're incurring losses – It may be your entire business or particular segments.
- Notify your insurance carrier.
- Be diligent in tracking your expenses incurred due to the event:
 - Create new general ledger accounts
 - Retain supporting documentation
 - Identify costs incurred for alternative arrangements for employees
 - Identify costs incurred in order to save means of production and delivery
- Mitigate losses – Attempt to operate, if possible; consider alternative ways of doing business to help limit your losses.

SECTION 4

TAX PROVISIONS

COVID-19 CASH FLOW & TAX RELIEF

While the *Families First Coronavirus Response Act* (FFCRA) and *Coronavirus Aid, Relief and Economic Security Act* (CARES Act) include an overwhelming amount of guidance, it's important to understand key provisions that could be most significant to individual and business taxpayers. We've included a flowchart below to help steer you in the right direction.



1. Organizations are able to receive an EIDL and a Paycheck Protection loan as long as they are used for different costs. For example, an organization can receive an EIDL for working capital and a Paycheck Protection loan for payroll assistance.

2. You must choose either the employee retention credit OR the SBA Paycheck Protection loan if you qualify for both.

SECTION 5

CYBERSECURITY CONSIDERATIONS

Although economic activity has slowed down dramatically, activity from cybercriminals remains an ever-present and viable threat. Here are five things you should consider to help protect your business from bad actors who may be looking for vulnerabilities in your cyber defense.

- 1. Beware of Suspicious Emails:** Many are already inundated with emails from organizations, ranging from travel and restaurants to even their own workplace. Be wary of emails from senders you don't recognize. Don't click on links or download anything from those emails.
- 2. Verify Emails:** If an email gives you instructions to follow, verify it's legitimate. Hover your mouse over the return address to make sure it's from a source you recognize. If it's not, you likely shouldn't open it.
- 3. Be Aware of Phone Call Scams:** Working remotely may require employees to increase their mobile phone use. There are many calling techniques used by cybercriminals to attempt to gather personal or business-related information. If you don't recognize the number that appears, let it go to voicemail.
- 4. Adjust Your Social Media Privacy Settings:** During a crisis, people will use social media to report their status and connect with others. Social media platforms can be an effective communication tool; however, malicious actors can use information on social media to take advantage of the situation. Here are a few tips to protect yourself and your employees on social media:
 - Adjust the privacy settings that many social media platforms offer to control who sees your content.
 - Limit your communications to only your friends or your network. Be wary of anyone you don't know attempting to connect with you. Bad actors may use elements of emotion to get you to respond to them.
- 5. Stay in Contact with Those You Know:** While staying wary of cybercriminals, do keep in contact with your friends, family and co-workers. Share information, especially as you learn of potential scams or social media attacks. Working together, you can help mitigate the potential risk.



Due to COVID-19, IT systems are being pushed beyond their capabilities. Although cybercriminal threat remains the same, IT systems used to continue operations may be stressed beyond what they were designed to handle. Here are three IT operations practices you should consider to help protect your healthcare business from IT operational failure and bad cyber actors who may be looking for vulnerabilities in your defense.

1. TELEHEALTH

- a. Ensure your telehealth privacy policy and notice are posted on your website and you obtain your patients' consent. As with any telehealth operation, IT systems are put under extra strain unless they were designed to handle the unprecedented COVID-19 load. Some operational concerns to consider include:
 - i. Ensure appropriate VPN connections are established between the patient and organization. If possible, have patients access through a portal that's controlled by the organization.
 - ii. Implement adequate website protection to help prevent bad actors from performing sophisticated attacks that may trick the organization into believing it's meeting or providing information to a patient. This may cause the divulgence of information to inadequate persons.
 - iii. b. With increased telehealth use, remote working arrangements, and general anxiety surrounding COVID-19, healthcare providers and business associates need to be aware of potential increased cybersecurity risks associated with:
- b. With increased telehealth use, remote working arrangements, and general anxiety surrounding COVID-19, healthcare providers and business associates need to be aware of potential increased cybersecurity risks associated with:
 - i. Social engineering attacks against employees, vendors, and patients through methods such as email (phishing), text messaging, phone calls (vishing), or fake COVID-19 websites
 - ii. Inappropriate or unauthorized access to secured networks
 - iii. Information system availability or capacity issues
 - iv. Network attacks and other malware incidents
 - v. Use of unsecured or unencrypted personal devices, including mobile devices
 - vi. Use of unsecured wireless networks
 - vii. Lack of physical security and privacy controls in work-from-home environments

2. ELECTRONIC MEDICAL RECORDS SYSTEM (EMRS) AND PRACTICE MANAGEMENT SYSTEMS (PMS)

- a. Medical records have long been a crown jewel of bad actors. In addition to the requirement of having these records protected under HIPAA, healthcare organizations also must deal with the unusual stress being put on those records of national searchers for patients who test positive for COVID-19. Operational considerations include:
 - i. Performing system updates to help ensure your EMRS and PMS are up to date per the developer's latest release. If developed in-house, ensure that appropriate updates and patching occur at least quarterly.
 - ii. Reviewing the personnel and entities that have access to your EMRS and PMS, and ensuring the list is accurate.

- iii. Limiting or ending the use of “flat” or text files that may contain patient data that sits in the EMRS or PMS. These types of files, if necessary, must not be downloadable to personnel.
- b. In addition to operational risks, there are specific cyber risks that must be considered. These include:
 - i. If the EMRS is on-premises, ensure the servers that support the EMRS are properly patched.
 - ii. Devices that support your EMRS also must be properly patched. These can include scanners or other mobile devices that pull information from your EMRS.
 - iii. Review any reports available to the organization from outsourced EMRS providers regarding steps that must be taken by the organization.

3. MOBILE DEVICES

- a. Mobile devices play a big role in healthcare. As such, these connected devices may post an operational and cybersecurity risk to the organization. Operational risks can include:
 - i. Unsupported devices are trying to connect to specified services such as EMRS or PMS, leading to server load issues.
 - ii. Lack of access controls and permissions rights management may lead to personnel accessing or receiving information that’s not pertinent to their duties.
 - iii. Lack of control of the number of devices that may join, leading to a load overload that may slow down services to critical personnel providing patient care.
- b. In addition to these operational risks, mobile devices also pose specific cyber risks.
 - i. Unpatched devices may have access to critical systems such as EMRS or PMS.
 - ii. Personnel may not provide adequate rights access for organization personnel to wipe devices remotely if required. If a bad actor is able to compromise an unpatched device that has access to the organization’s EMRS or PMS, the individual or group of individuals may be able to access patient data.

SECTION 6

**REMOTE
WORK BEST
PRACTICES**

While there are many best practice recommendations for transitioning to a remote work environment, we've included some key considerations below that may be helpful when updating your business continuity plan now and in anticipation of future events.

Remote Access & Capacity

How will you allow employees to access data? A virtual private network (VPN) is the preferred method, but would a file-sharing solution like Microsoft Office 365 better fit your needs? Perform a stress test to identify bottlenecks or limitations within these channels. Test now, and periodically, under current conditions for future needs. Using a VPN may be ideal for simply accessing company data.

Device Security

A usage policy should be approved by management and reviewed periodically to help ensure that company needs are being met. Considerations should be made to secure equipment used for working remotely, i.e., laptops should never be left unattended in vehicles and endpoint protection, local drive encryption and multifactor authentication should all be considered to protect the data stored on the device.

Confidentiality

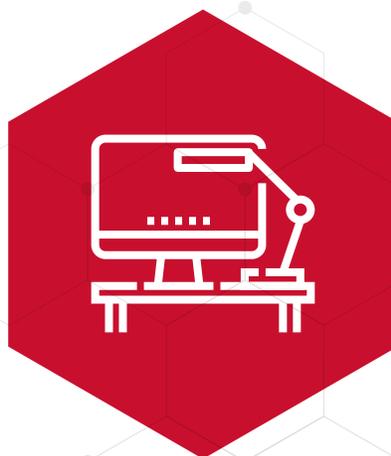
The confidentiality of client or company information should be carefully considered when working remotely. Phones should have screen lock policies and be protected by a PIN or password. Remind your employees to be mindful of what others can see or hear when in public. Employees working from home should determine who has access to their workspace and establish ways to protect sensitive information.

Remote Workspaces

It's probably best to avoid working in public areas during this time. Employees may seek out other areas to work if their home isn't conducive for work tasks. However, public internet hotspots may be monitored by criminals and you may not have the appropriate privacy. If you have employees working in a remote public location, you should consider implementing a VPN.

People

Always identify who's deemed essential and what's required of those individuals beforehand. Being on the same page regarding expectations may help avoid confusion during a crisis.



SECTION 7

**RESOURCES,
CONCLUSION &
CONTRIBUTORS**

ACKNOWLEDGEMENTS OF BKD

Jeff Allen

Partner

Scott Gold

Partner

David Fields

Partner

Justin Kensinger

Partner

Christy Yoakum

Managing Director

Catherine Gilpin

Director

Jansen Otterness

Director