



# Evolving Medical Response, Return to Workplace Planning, and Small Business Loan Programs

 **Brown & Brown**  
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**Strategic** BENEFIT  
ADVISORS  
PART OF THE BROWN & BROWN TEAM

# Agenda

1

Evolving Medical Response | Q&A

2

Return to Workplace Planning | Q&A

3

CARES Act Update – Small Business Loan Programs

# Disclaimer

The information in this program is based upon the very dynamic and evolving outbreak of respiratory disease caused by a novel (new) coronavirus that was first detected in China and which has now been detected in more than 100 locations internationally, including in the United States. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (abbreviated “COVID-19”). The information presented is current as of the date of this program, but it may change in the coming hours and days ahead. Participants are encouraged to refer to information from the U.S. Centers for Disease Control and Prevention (“CDC” at [www.cdc.gov](http://www.cdc.gov)).

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# Today's Presenters



**Bob Lloyd**

Executive Vice President, General Counsel

Brown & Brown, Inc.



**Louise J. Short, MD, MSc**

National Clinical Leader

Brown & Brown, Inc. / Strategic Benefit Advisors



**Guest Presenter: Chris Nagel**

Partner

Holland & Knight

# Q&A

*With Dr. Louise Short*

There was some good news this week regarding a potential treatment and a vaccine for COVID-19.

Could you elaborate on this further?

# Defeating COVID-19:

## *The Essential Elements*

1

**Adherence to Public Health Recommendations**

2

**Testing (COVID-19 & Antibody)**

3

**Robust Contact Tracing System**

4

**Effective Treatment**

5

**Healthcare Capacity**

6

**Vaccine**

# Q&A

*With Dr. Louise Short*

There was an article in the New York Times about pulse oximeters. What is a pulse oximeter and how is it used? Could this be a screening device for COVID-19?

# Q&A

*With Dr. Louise Short*



# Q&A

*With Dr. Louise Short*

Can you comment on the immediate and long-term effect that this pandemic may have on the health care industry and on behavioral health in general?

# Fears Following COVID-19



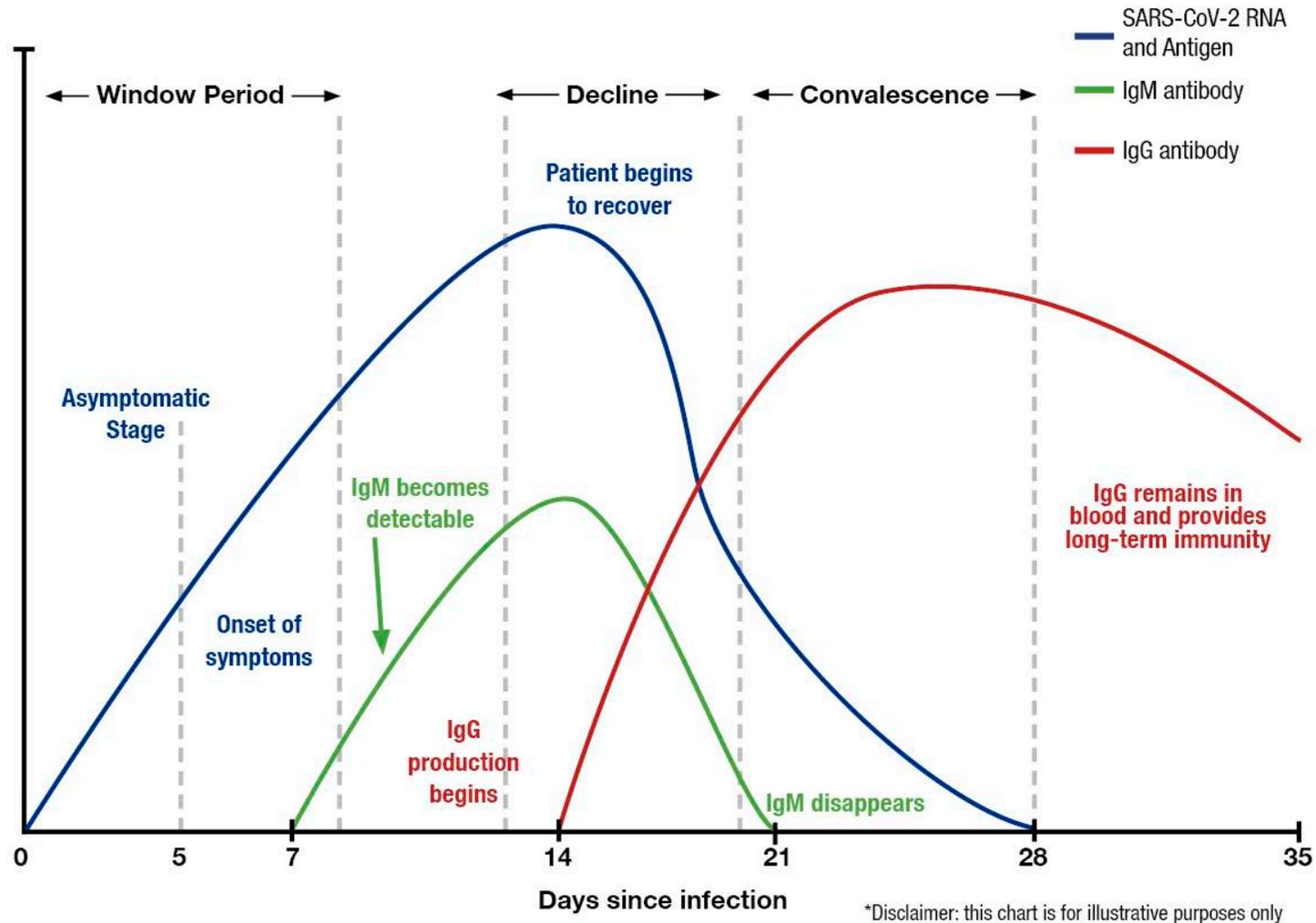
# Q&A

*With Dr. Louise Short*

We are hearing a lot about antibodies. What are the different types of antibodies and what do they mean?

# Q&A

With Dr. Louise Short



Source: <http://www.diazyme.com/covid-19-antibody-tests>

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# Q&A

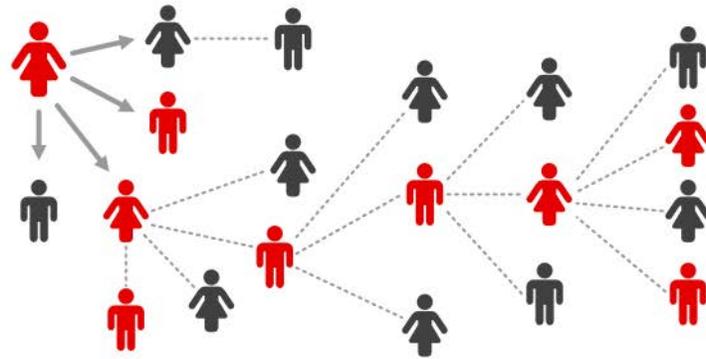
*With Dr. Louise Short*

| What is contact tracing? Why and how is it done?

# Q&A

With Dr. Louise Short

## What is contact tracing?



Contact tracing aims to identify and alert people who have come into contact with a person infected with coronavirus.



Smartphones can be used to quickly and automatically determine whether somebody has been in contact with an infected person.

# Q&A

*With Dr. Louise Short*

Some states are starting to open. Could you comment on the extent of this activity and what it means in terms of potential activity of COVID-19?

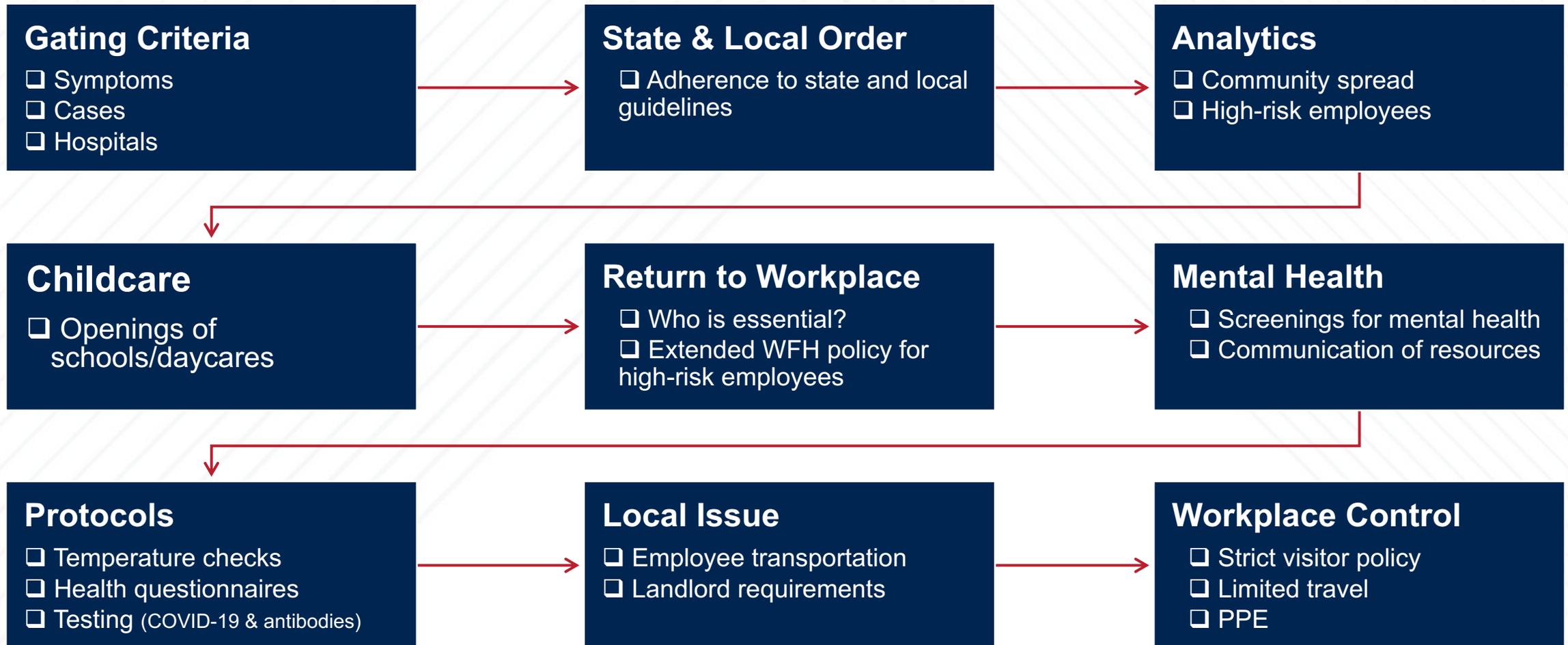


# Q&A

*With Dr. Louise Short*

How do you determine when the timing is right for employees to return to the workplace?

# Safe Return to Workplace Roadmap



# Q&A

*With Dr. Louise Short*

Many employers are confused about return to work protocols including temperature taking, questionnaires, testing, and the vendor landscape.

Can you give some considerations and tips to help employers sort this out?

# Return to Work Protocol: Considerations

- Critical functions
- Geography
- Number of worksites
- Logistics

| Testing                                | Considerations  |
|--|---|
| Swab Testing                           | <ul style="list-style-type: none"> <li>• Offered at over 1,200 sites across the US</li> <li>• Backlogs at labs and results may take &gt; 5 days</li> </ul>  |
| Saliva Testing                         | <ul style="list-style-type: none"> <li>• Solve for the shortage of swabs, testing materials, and PPE</li> <li>• Individuals collect their own samples</li> <li>• Rutgers University received emergency FDA approval 4/16</li> </ul>                                       |
| Point-of-Care Testing                  | <ul style="list-style-type: none"> <li>• Pro: Good for urgent care and medical facilities to produce rapid results for a small number of people</li> <li>• Con: cannot analyze a large volume of tests at once</li> </ul>   |
| Serological/ Antibody Testing          | <ul style="list-style-type: none"> <li>• Quantity of tests unknown, many vendors in the market without FDA approval could produce many false positives or false negatives</li> <li>• Meaning of results unknown, immunity and length of immunity are still TBD</li> </ul> |
| Temperature Screening & Symptom Survey | <ul style="list-style-type: none"> <li>• Can be used at point of entry coupled with a survey of symptoms to gather data on those entering a building. Requires training for personnel administering the screening and survey</li> </ul>                                   |

Source: <https://www.evive.care/>

# Q&A

*With Dr. Louise Short*

How do we determine "high risk" employees? Is it the employee's responsibility to report their status?

# Q&A

*With Dr. Louise Short*



## *Defined Risk Groups*

- People 65 years and older
- People who live in a nursing home or long-term care facility
- Other high-risk conditions could include:
  - People with chronic lung disease or moderate to severe asthma
  - People who have serious heart conditions
  - People who are immunocompromised including cancer treatment
- People of any age with severe obesity (body mass index [BMI] >40) or certain underlying medical conditions, particularly if not well controlled, such as those with diabetes, renal failure, or liver disease might also be at risk
- People who are pregnant should be monitored

# Q&A

*With Dr. Louise Short*

What are the key workplace controls that employers need to put in place for safe return to the workplace?

# Preparing to Return to the Workplace

Healthy Work Environment

Healthy Human Interactions

Healthy Business Operations

Prepare the Building



Create a Social Distance



Safety Protocols



Clean Office Policies



Prepare the Workforce



Communicate



# CARES Act Update

Holland & Knight

# CARES Act – Small Business Loans

- SBA Economic Injury Disaster Loans (EIDL)
  - Maximum loan amount of \$2M
  - \$10K emergency fund
- SBA Express Loans
  - Temporary increase to \$1M
- Paycheck Protection Program (PPP)
  - Application through local bank
  - Loan that can be converted into a grant (not repaid)
  - Requires that borrower be “small”
  - Focused on payroll expenses

# CARES Act – PPP Basics

- Only “small” businesses are eligible
  - NAICS Code
  - 500 Employees
- Loan Amount
  - Average monthly payroll x 2.5
  - Maximum of \$10M
- Loan Forgiveness
  - Acceptable uses
  - Payroll = 75%
  - Focused on payroll expenses

# CARES Act – PPP Eligibility

- Affiliation
  - SBA regulations
  - Positive or Negative Control – Exercised or Not
  - Franchises
  - Hotels/restaurants
- Certification
  - Necessary to support ongoing operations
  - Maximum of \$10M

# CARES Act – PPP Updates

- Affiliation – per FAQs
  - Foreign affiliate employees not counted
  - Tacit endorsement of corporate governance changes immediately preceding loan application
- Eligibility – per Third Interim Rule
  - Hospitals are not disqualified due to state/local funding, if less than 50% of overall funding
  - Participation in an ESOP does not cause the business to be affiliated with the ESOP
  - Applicant is not eligible if it is debtor in bankruptcy proceeding

# CARES Act – PPP Updates

- Certification

- “Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.”
- LA Lakers, Shake Shack
- Other sources of liquidity?
- Access to capital markets?
- Revenue projections/balance sheet
- Enhanced enforcement risk
- Public scrutiny

# CARES Act – PPP Updates

- Enforcement
  - Safe Harbor = May 7
  - \$2M audit threshold
  - New OIG, new OIG committee, Congressional oversight
  - Criminal penalties, False Claims Act
  - Likely targets
    - Necessity of loan
    - Eligibility as “small” – affiliation
    - Loan amount
    - Use of loan proceeds

# CARES Act – Main Street Lending

- 2 programs
  - Main Street New Loan Facility (MSNLF)
  - Main Street Expanded Loan Facility (MSELF)
- Goal = lending to small/medium-sized businesses
  - Eligible business = up to 10,000 employees or up to \$2.5B in 2019 annual revenues
- Loan terms
  - Four-year maturity, deferred principal and interest payments for one year
  - Businesses must commit to make “reasonable efforts” to maintain payroll and employees
  - Compensation, stock repurchase, cap distribution

# CARES Act – Main Street Lending

- Final term sheets, FAQs released 4/30/20
  - New Main Street Priority Loan Facility (MSPLF)
  - Borrowers must be EBITDA positive
  - Lenders must undertake a financial condition assessment of borrowers, rather than rely on borrower certifications
  - Lenders must hold their portion of the loan through maturity (or earlier sale by Treasury/Fed)

# CARES Act – Air Carriers and Contractors

- Payroll Support Program
  - Updated guidance issued 4/20/20
  - Applications and eligibility
  - Use of funds
- Supplemental Information Requests (4/29/20)
  - Eligible applicants: contractor/subcontractor to passenger air carrier operating under 14 CFR 121
  - On property of airport, directly related to air transportation of persons, property, mail
  - List of eligible functions
  - Treasury requesting copy of applicant contract under which applicant performs functions

# CARES Act – Government Contractors

- Section 3610
  - Allows agencies to reimburse contractors for the cost of keeping employees in a “ready state”
  - Contract modification required – likely REA
  - Permissive – not mandatory
- Guidance from DoD, OMB,
  - Eligibility and availability
  - Implementation
  - Best practices in preparing REA/voucher
  - Segregation of costs

# Questions?

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# Brown & Brown Relief Center

## Available to Anyone in Need

### Online Portal with Access to Discounts On:

- Health & Behavioral Health Services
- Family Care & Child Learning
- Financial Wellness offered by Prudential
- Daily Medical News - WebMD
- Discounts & Rewards
- Quarantine Relief
- Pay Over Time
- Easter Deals
- Local Deals
- Newest
- Most Popular
- Brands
- Pet Care
- Home & Home Office Discounts
- Food & Food Delivery Services
- General Household & Office Supplies



Questions or Issues? Email the Brown & Brown Employee Benefits Technology Center at [bbreliefsupport@bbebtech.com](mailto:bbreliefsupport@bbebtech.com).



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# How We Can Support

## Resource Center

- Find more information on other insurance implications at [bbinsurance.com/covid19](https://bbinsurance.com/covid19)
- Resource Links:
  - WHO - [www.who.int/health-topics/coronavirus](http://www.who.int/health-topics/coronavirus)
  - CDC - [www.cdc.gov/coronavirus/2019-ncov/index.html](https://www.cdc.gov/coronavirus/2019-ncov/index.html)
  - National Business Group on Health - <https://www.businessgrouphealth.org/topics/blog/the-evolving-situation-of-coronavirus-what-we-know-and-what-we-dont>
  - OSHA – [www.osha.gov](http://www.osha.gov)

## Q&A

- Please submit any questions in the Live Chat feature of this webinar or direct them directly to your service team.

**COVID-19 AND HEALTH INSURANCE ELECT...**

**COVID-19: ILLNESS GUIDE HOSPITALITY & HOTELS**

**GLOBAL IMPACT: 2019 NOVEL CORONAVIRUS**

**COVID-19 UPDATE KEY ACTIONS FOR EMP...**

**CORONAVIRUS TESTING: FREQUENTLY ASKED QUESTIONS**

## Save the Date

**Friday, May 8**

2pm ET | 11am PT

**Live Stream No. 8**

*Further details to follow.*

# Thank You

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**Please contact your service team for any additional information and visit**

**[bbinsurance.com/covid19](https://bbinsurance.com/covid19)**



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