



UPDATED: DCs Remain Essential In Governor's Statewide Order 23, CDC Guidelines Critical

Since initial concerns with COVID-19 became a topic of conversation with our legislators, we have made clear that the **TCA affirms that doctors of chiropractic are essential health care providers** even sending a **letter to Gov. Bill Lee**, thanking him for recognizing throughout the COVID-19 crisis that access to chiropractic care is essential to the health and wellbeing of our state's patient population.



On Monday, Gov. Lee issued Executive [Orders 21](#) and [22](#) instituting a statewide stay-at-home order and the closure of non-essential businesses through April 14.

UPDATED: On Thursday, Gov. Lee provided an update on Tennessee's efforts regarding COVID-19 relief and he signed [Executive Order 23](#) requiring that Tennesseans stay home unless they are carrying out essential activities as data shows an increase in citizen movement across the state. The executive order remains in effect until April 14th at 11:59 p.m.

Chiropractic services, among other health care services, remain essential in these orders. *It is important to note that massage-therapy establishments or massage services are specifically named as non-essential, therefore the TCA strongly recommends practices who typically provide these services to cease for the period outlined.*

Nationally, a recent advisory memorandum released by the Department of Homeland Services [included chiropractors as part of the nations "Essential Critical Infrastructure Workforce"](#).

The TN Health Commissioner Dr. Lisa Piercey stated, "Please use your professional judgment and discretion to make decisions concerning limiting or closing offices as you evaluate this evolving situation and [follow the CDC's guidance](#)" among other recommendations (see full [message to TN DCs](#)).

The TCA echoes the **importance of adhering to all current guidelines for health care professionals** for those who choose to continue to treat patients, and also urges doctors to refrain from marketing efforts that would appear to be taking advantage of this serious health crisis.

UPDATED: "Paycheck Protection Program" Loans up to 250% of Monthly Payroll Costs, Up to \$10 Million

There was an important section in the CARES Act that provides for SBA loans that ultimately can be forgivable. Most people refer to this section as the "Paycheck Protection Program" (PPP). **The PPP loans up to 250% of monthly payroll costs, up to a possible \$10 million, and may be forgiven if the business maintains its payroll**

through June 30, 2020. The program is designed to keep people employed and off the unemployment rolls.

NEW *TCA Member Resource:* [SBA Loans Overview for TCA Members 4.2.20](#)



***TCA Member Resource:** The TCA in cooperation with TCA Silver Corporate Member Quartermaster Tax Management, has posted a new on-demand video covering the **CARES Act provisions benefiting chiropractors**, as well as updates on the SBA Loan 7(b) and individual tax relief measures. Login tnchiro.com to view under “Videos & Webinars”.*

Start Applying for Small Business Paycheck Protection Program on April 3

If you are considering this loan, please speak with your local bank NOW to determine your next steps and proper timing for your situation and practice. Remember, this program begins on April 3, 2020, and has limited funds.

How the CARES loan differs from typical SBA loans and the basic CARES loan requirements:

- Do NOT have to prove that you cannot receive credit from other sources. This is a typical SBA requirement, but it appears this has been removed for these loans.
- NO personal guarantee will be required.
- 100% guaranteed by the federal government.
- No federal government guarantee fees or prepayment fees.
- The borrower MUST make good faith certifications that they have been impacted by COVID-19 and will use the funds to maintain payroll and other debt obligations. This language includes, i) “that the uncertainty of current economic conditions makes necessary the loan request to support the ongoing operations of the eligible recipient; (ii) acknowledging that funds will be **used to retain workers and maintain payroll or make mortgage payments, lease payment, and utility payments**”; and no other SBA loans applications are pending.
- Must have fewer than 500 employees.

Loan details:

- Funds must be used to cover payroll costs, benefits and leave, mortgage interest, rent, and utilities.
- Interest is capped at 4%, although SBA has indicated that the **interest will be only 0.5%**.
- The borrower can defer payments (including the low interest) between 6-12 months. However, SBA has fixed the deferral timeframe to **6 months**.
- The loans will be for **2 years**.
- The amount of the loan can be up to the average monthly payroll from 2019 times 2.5 (i.e. 2019 total payroll expenses are \$240,000, then $240,000/12 = 20,000 \times 2.5 = \$50,000$ maximum). However, the loan amount is reduced by any amounts paid to individuals greater than \$100,000.
- \$1 million loan amount maximum.

Loan Forgiveness:

- Section 1106 of the Act, titled “Loan Forgiveness,” provides that the Government will forgive up to the original principal amount of a loan under the Act that a recipient can document was used to pay: (1) payroll costs; (2) mortgage interest; (3) rent and (4) utilities—in each case for up to eight weeks following the issuance of the loan.

Additional details:

- Like the loan amount, the forgiveness will be proportionately reduced for salaries greater than \$100,000.
- Each of these documented expenditures for utilities, lease payments, mortgage interest must have been in place prior to 2/15/2020 (i.e. no mortgage interest can be included if the mortgage began on 2/25/2020).
- The forgiveness is reduced proportionately based on that 8-week period vs. last

- year.
- Employees must remain employed through the end of June 2020.
- Employee pay cuts greater than 25% will reduce the forgiveness proportionately.

Forgiveness requires the following:

- “Number of Staff: Your loan forgiveness will be reduced if you decrease your full-time employee headcount.
- Level of Payroll: Your loan forgiveness will also be reduced if you decrease salaries and wages by more than 25% for any employee that made less than \$100,000 annualized in 2019.
- Re-Hiring: You have until June 30, 2020, to restore your full-time employment and salary levels for any changes made between February 15, 2020, and April 26, 2020.”

Other FAQs:

- If you have already laid-off employees, you can re-hire them once the loan is disbursed and count them toward the calculation.
- The loan forgiveness is not taxable income.
- SBA has indicated they would have a process in place by [Friday, April 3, 2020](#).

PPP + EIDL:

- It appears that you can apply NOW for an Economic Injury Disaster Loan Assistance (EIDLA) and then later apply for the Payroll Protection Program (PPP) loan. If you choose this option, it appears you have two options:
 - Re-finance the EIDLA loan into the PPP loan, or
 - Use the EIDL loan (including \$10,000 “advance”) for expenses NOT used to account for the forgiveness of the PPP loan.

[You can apply through any existing SBA 7\(a\) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating.](#) Other regulated lenders will be available to make these loans once they are approved and enrolled in the program. You should consult with your local lender as to whether it is participating. All loans will have the same terms regardless of lender or borrower.

HELPFUL LINKS:

- [Main PPP site](#)
- [Small Business Paycheck Protection Program one-pager](#)
- [Fillable application for use in preparation](#)

IMPORTANT MESSAGE FROM TCA's PRESIDENT



Watch this [quick and timely message](#) from TCA President Dr. Brock Martin highlighting key areas of importance for chiropractors and their practices.

- Visit the [TCA COVID-19 Resources](#) page for quick links to guidelines and information supporting your practice and patients.
- Additionally, TCA Members may login to [TNChiro.com](#) for access to [TCA Member COVID-19 Frequently Asked Questions](#), as well as on-demand webinars on the CARES Act, Telehealth and other topics.

We hope this compilation of resources will serve as a **time-saving benefit** for doctors of chiropractic in TN.

[View Resources on COVID-19](#)

CARES Act Includes Forgivable Loans for Small Businesses and Other Important Provisions Benefiting Chiropractors

Just before midnight on March 25, the Senate unanimously passed H.R. 748, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion economic relief package—the largest in U.S. history—in response to the ongoing COVID-19 pandemic. The bill was then sent to the House of Representatives and on March 27, it was passed by a voice vote and sent to the White House where President Trump signed it into law (Public Law No: 116-136). The 880 page CARES Act contains several provisions of importance to the chiropractic profession. To help inform you of these provisions, the TCA is sharing the initial summary below:



Federal Student Loan Relief—The bill would direct the Secretary to suspend through Sept. 30, 2020, 24 payments (and interest) due for loans made under parts D and B of Title IV of the Higher Education Act of 1965. During this period, all involuntary collection related to qualifying loans will also be suspended. The period of enrollment could also exclude “any semester (or the equivalent)” that is not completed due to a qualifying emergency. Additionally, suspended payments will not be reported as late or missed to consumer reporting agencies.

HPOG Funding – Funding for the Health Professions Opportunity Grants (HPOG) program will continue through Nov. 30, 2020, at current levels. HPOG was created in the Affordable Care Act (ACA) to bolster workforce shortages in critical healthcare areas. HPOG provides education funding for low-income students training in high-demand, well-paying, healthcare fields, including chiropractic.

Small Business Administration (SBA) – The bill creates a Special Inspector General for Pandemic Recovery, an appointed position within the Department of the Treasury to oversee loans and other investments related to COVID-19 as well as a Pandemic Response Accountability Committee and Congressional Oversight Commission. It also earmarks:

- \$562 million for SBA to provide Economic Injury Disaster Loans (EIDL) to small businesses in declared emergency locations across the United States, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, impacted by COVID-19. (Note: The Keeping American Workers Employed and Paid Act, signed into law on March 19, already authorized \$350 billion in fully guaranteed SBA loans, some of which will be forgiven based on allowable expenses and borrower circumstance.)
- \$10 billion will be made available for direct grants for businesses that are not eligible for the EIDL program, and
- \$17 billion will be made available to allow SBA to cover principle and interest payments for six months on all SBA-backed business loans.

Employee Retention Credit – The bill would provide a refundable payroll tax credit for up to 50 percent of wages paid for the duration of the COVID-19 pandemic. Eligible employers must have fully or partially suspended regular operations due to a COVID-19 related shutdown order or show a 50 percent reduction of gross receipts as compared to the same quarter in the previous year.

Recovery Rebates – All U.S. residents earning up to \$75,000 (if single) or \$150,000 (if married), are eligible for a one-time \$1,200 (single) or \$2,400 (married) rebate and an additional \$500 per dependent child.

Economic Injury Disaster Loans (EIDL) and Loan Advances

The Small Business Association Economic Injury Disaster Loans (EIDL) and Loan Advance are available to

businesses (including Doctors of Chiropractic) that have been impacted by COVID-19.

This program includes an emergency advance of up to \$10,000 to small businesses affected by COVID-19.

To access the advance, you must first apply for an EIDL and then request the advance. The advance does not need to be repaid under any circumstance. The funds may be used to keep employees on the payroll, to pay for sick leave, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent, and mortgage payments. You may also qualify for funds above the emergency advance to help your practice.



There is a lot of confusion about the types of loans available, and some think they must maintain their employees to be eligible. While this may be true for some other types of loans, this advance and loan do not require you to keep your employees. **This loan is structured to give immediate assistance to businesses that have seen an economic impact due to COVID-19.** You must qualify as one of the business types below and be able to certify the second list of criteria to be eligible.

Choose your business type:

- Applicant is a business with not more than 500 employees.
- Applicant is an individual who operates under a sole proprietorship, with or without employees, or as an independent contractor.
- Applicant is a cooperative with not more than 500 employees.
- Applicant is an Employee Stock Ownership Plan (ESOP), as defined in 15 U.S.C. 632, with not more than 500 employees.
- Applicant is a tribal small business concern, as described in 15 U.S.C. 657a(b)(2) (C), with not more than 500 employees.
- Applicant is a business, including an agricultural cooperative, aquaculture enterprise, nursery, or producer cooperative, that is small under SBA Size Standards
- Applicant is a business with more than 500 employees that is small under SBA Size Standards
- Applicant is a private non-profit organization that is a non-governmental agency or entity that currently has an effective ruling letter from the IRS granting tax exemption under sections 501(c),(d), or (e) of the Internal Revenue Code of 1954, or satisfactory evidence from the State that the non-revenue producing organization or entity is a non-profit one organized or doing business under State law, or a faith-based organization.

Applicant must review and check all the following:

- Applicant is not engaged in any illegal activity (as defined by Federal guidelines).
- No principal of the Applicant with a 50 percent or greater ownership interest is more than sixty (60) days delinquent on child support obligations.
- Applicant is not an agricultural enterprise (e.g., farm), other than an aquaculture enterprise, agricultural cooperative, or nursery.
- Applicant does not present live performances of a prurient sexual nature or derive directly or indirectly more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.
- Applicant does not derive more than one-third of gross annual revenue from legal gambling activities.
- Applicant is not in the business of lobbying.
- Applicant cannot be a state, local, or municipal government entity and cannot be a member of Congress.

Contact your accountant to see if an SBA EIDL is right for you, or you can visit the [SBA website](#) for more information to start the application process.

Connect with us online at:

