

# COVID-19 Employer Advisory Session

## CARES Act and PPP Considerations for Small Business



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### ONEDIGITAL'S CORONAVIRUS ADVISORY HUB

Visit [onedigital.com/coronavirus/](https://onedigital.com/coronavirus/) for resources on how to monitor, prepare for and respond to any healthcare, safety or workplace issues that stem from the coronavirus (COVID-19).

# CARES Act and PPP Considerations for Small Business

## What do you need for your business? / What state is your business in today?

- Is your business considered essential or non-essential?
- What does your business need to financially operate?
- What do you want to happen for your business during this time? Is it even possible right now? Benefits, HR and Compliance Guidance tools
- What's the new normal? Is this a permanent change/temporary change?

## What do I want for my employees?

- How do I make sure my employees are taken care of? What's the best way to do that?
- In balancing the “new normal”, in what ways can I help my employees survive and thrive?
- In helping my employees with financial stability, what are the best options?
- When should I bring my employees back?
- Are there ways to take advantage of the current environment to build a stronger workforce?

# CARES Act and PPP Considerations for Small Business

## *Potential Scenarios based on Client Feedback*



**Significantly Affected** – I need to take action, but what should I do?



**Business Affected** – Somewhat Urgent, what should I do to become more resilient?



**Minimally Affected** – Business is ok, but what should I do to sustain it?

# Immediate Options for Significantly Challenged Businesses

- The Paycheck Protection Program (part of the CARES Act)
  - Provides 2.5 times a business's monthly payroll costs and can be used to pay employees and for basic operational costs
- Economic Injury Disaster Loan Assistance Program
  - Helps alleviate the economic injury caused by the Coronavirus (COVID-19) to include temporary loss of revenue.
- Economic Injury Disaster Loan Emergency Advance
  - An emergency grant advance of up to \$10,000 that pays in as little as three days.
- Employee Retention Credit (part of the CARES Act)
  - Allows 50% credit against payroll taxes for the first \$10,000 in wages paid to employees between 3/13/20 and 12/31/20. Not available in conjunction with Paycheck Protection Program.

# Cost Savings Strategies for Moderately Affected Businesses

- Alternative Medical Plan Strategies
  - Programs that include ability for companies to benefit from a self-funded plan but with maximum rate exposure and risk exposure and the ability to benefit from the underwriting profits.
- HDHP – High Deductible Health Plans
  - An HDHP is a health insurance plan with lower monthly premiums and higher deductibles than more traditional plans.
  - Can be combined with a Health Savings Account
- ICHRA Options – Individual Coverage Health Reimbursement Arrangement
  - Allows employers to offer, to all or some classes of employees, reimbursement of the employee's cost of individual health coverage.
- MEC and Other Low-Cost Options
  - MEC plans allow for the coverage of 75 health and wellness services at a low price point but little coverage...now we have developed plans that allow for more robust outpatient services with a copayment i.e. physicians visits, ER visits and prescription drugs at a price point around \$200 month.
- Individual Coverage vs. COBRA
  - When the insurance plan ends, the employee may choose between COBRA continuation or purchase individual health coverage.

# Cost Savings Strategies for Moderately Affected Businesses

- Spousal Carve-outs and Spousal Surcharges
  - A consideration to addressing rising employer-sponsored health insurance costs
- Premium Grace Periods
  - Ensure participants remain covered and have access to healthcare
- Layoff versus Furlough

# Additional Options for Businesses Minimally Affected

- Eligibility Audits
  - Paying for the cost of dependents who are no longer eligible can be costly. Routine audits to ensure that only eligible dependents remain on the plan is a good practice
- Contribution Strategies
  - Increase the employee contribution assuming you stay below the affordability requirement of the ACA...9.78% for the employee
  - Moving to low cost medical plans allow for employers to cut costs while still providing meaningful benefits
  - Allows a stop-gap option to keep from removing health insurance altogether
  - Employees that need more robust coverage can do so via individual coverage on the state or national marketplaces
- Telemedicine
  - Increases access to care
  - Improves quality of care delivery
  - Reduces healthcare costs
- Justifying Employee Pay Through eLearning

# Summary

- The COVID-19 pandemic and resulting economic fallout has major implications for your business.
- You may find yourself in one or more different scenarios depending on your situation.
- There are various strategies you can take to ensure business continuity.
- Ensure your business remains resilient and thrives in this tough economic climate.



# To Learn More

- Talk to your local OneDigital Consultant today.
- Visit the new Small Business Leaders page on our Coronavirus Hub.
- Tune in for a future session with Matt Noe taking a deeper dive into alternative medical strategies



The screenshot shows the OneDigital Coronavirus Advisory Hub website. At the top, there is a navigation bar with the OneDigital logo and links for Employer Solutions, Business Guidance, About Us, and Join OneDigital. A search icon and the text 'Coronavirus Advisory Hub' are also present. Below the navigation bar, a dark blue banner features the text 'GUIDANCE FOR SMALL BUSINESS LEADERS' in a yellow box, followed by the main heading 'Maintaining Business Continuity During Times of Crisis'. A paragraph of text explains the economic crisis and OneDigital's role in providing guidance. Below this, a link reads 'Reference OneDigital's Coronavirus Advisory Hub for complete actionable workplace management strategies and guidance, critical to maintaining workplace operations.' A teal bar contains the text 'Frequently asked questions from small business leaders. Take Me There -->'. The main content area is divided into three columns: 'BUSINESS CONTINUITY' with a link to 'Paycheck Protection Program (PPP) Interim Final Rule Released' and a 'READ ARTICLE' button; 'WORKFORCE GUIDANCE' with a link to 'Application Materials for SBA's Paycheck Protection Program Are Now Available' and a 'LEARN MORE' button; and 'TOOLS & RESOURCES' with a link to 'NEW! Cutting-Edge Health Plan Cost Impact Tool' and a 'LEARN MORE' button. The 'BUSINESS CONTINUITY' section also includes a 'WATCH NOW' button for a video titled 'Latest Employer Advisory Session: CARES ACT Top Ten: Your FAQs Answered'.

**Thank You!**