

Health Centers' Experiences with Payroll Protection Loans During COVID-19

As of June 15, 2020

Congress created the Paycheck Protection Program (PPP) to support payroll and other costs to encourage businesses to maintain employment as the nation faces the COVID-19 pandemic. To be eligible for a PPP loan, businesses must have fewer than 500 staff, including both full and part-time employees. In partnership with the National Association of Community Health Centers, Capital Link recently conducted a national assessment of federally qualified health centers on their experiences applying for and receiving PPP loans.¹

Nearly every eligible health center applied for a loan. All those who applied either received a loan or are in the process of receiving it.



Overall, PPP appears to serve as the most substantial source of federal COVID-19 relief support for health centers.



Nationally, health centers received \$2.5 billion in PPP loans, amounting to an average loan of \$2 million per health center.²

Rural Health Centers

- Received \$910 million in loans
- Average loan was \$1.6 million



Urban Health Centers

- Received \$1.6 billion in loans
- Average loan was \$2.3 million

Approximately 100 health centers didn't qualify for PPP loans due to employee size.³

If they had been able to apply, they would have been eligible for loans close to \$1.1 billion.



While this is a relatively small proportion of all health centers, they care for close to 30% of all health center patients.



Given that the size standard for the hospitality and food industries is measured by site, not across the entire corporation for their PPP loans, health centers should be measured in the same way

Sources and notes: 1. Capital Link's assessment was fielded April 14- June 12, 2020. 423 health centers (29% of all health centers) responded and had similar characteristics (size, location, etc.) to the overall health center population.

2. Analysis conducted by Capital Link, extrapolating average loan amount received by respondents to all those who are eligible for PPP loan.

3. The Payroll Protection Program does not accept applications from employers with over 500 employees.

4. If health center employment size was measured by site, as is the case with the food and hospitality industries.