Governor Phil Murphy

Governor Murphy Announces New Funding Sources to Assist Health Care Providers with COVID-19-Related Expenses

03/28/2020

TRENTON – Governor Phil Murphy today detailed two new initiatives that will assist health care organizations with expenses related to the COVID-19 pandemic. The Governor announced a $140 million pre-payment to health care providers to support preparations related to COVID-19. Additionally, Governor Murphy announced that the New Jersey Health Care Facilities Financing Authority (NJHCFFA) has launched a $6 million emergency loan program to assist New Jersey's health care organizations during this time.

"These new funding sources will help our health care providers meet their needs during this critical time," **said Governor Murphy.** "I am proud to say that our Administration and state agencies are working around the clock to pitch in to help during this crisis. We must continue to support our frontline workers."

"This funding will help health care facilities most in need of support, such as hospitals and federally qualified health centers, as they respond to COVID-19 illness in our state," **said New Jersey Health Commissioner Judy Persichilli.** "Health care professionals are on the frontlines and the state is committed to helping them get the resources they need."

The pre-payment, which advances $67.3 million in Charity Care, $60.5 million in Graduate Medical Education, and $14.6 million for University Hospital, will support increasing capacity to meet the anticipated patient growth including workforce demands, supplies, and medications. The Charity Care and Graduate Medical Education funds will be an advance of remaining fiscal year 2020 budget allocations for those programs.

The COVID-19 Aid program, which was approved by NJHCFFA Thursday, is a $6 million loan program to offset some of the unforeseen expenses incurred by this pandemic. Loans will:

- Have no application, initial or annual fees;
- Be at an interest rate of 0%;
- Be secured solely by federal and State grants and other financial aid received by the recipient health care organizations as a response to COVID-19, as well as grants from other private and public sources related to COVID-19 resilience (together "COVID-19 Aid") and anything acquired with the proceeds thereof.

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Decisions on the loan recipients will be made according to the priority and amounts set by a committee consisting of the New Jersey Commissioner of Health or her designee, the Executive Director of the Authority and the Authority's Director of Research, Investor Relations and Compliance. Additionally the loan will specify how the requested funds will be used: for instance, the acquisition of any property, or acquisition, construction or renovation of any building, acquisition of any equipment, including ventilators, acquisition of any supplies, medications or personal protective equipment, hiring of any staff, consultants or temporary workers, or reopening formerly closed hospital beds/wings, etc.

Principal payments would be required within 30 days of receipt of any COVID-19 Aid by the recipient health care organization in the amount of such COVID-19 Aid received, if any, until the loan is fully repaid.

The NJHCFFA expects to begin receiving requests as early as next week. Health care organizations treating COVID-19 patients may contact the New Jersey Health Care Facilities Financing Authority at info@njhcffa.com (mailto:info@njhcffa.com) if they are interested in applying for a loan through the program.

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