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Pandemic Relief Is Ending, and What It Means to Nonprofits and Foundations

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Note: This article provides information from the federal government and other sources that can be changed with little notice. It will be updated periodically, so please check back for any additions or changes. Last updated: April 14, 2023

The date May 11, 2023, has been circled in red on calendars across the country. It's the day that the COVID-19 pandemic public health emergency in place since 2020 will end. According to early reports, that's the day that tens of millions of people who had benefited from hundreds of special federal programs would be cut off. That's why some folks viewed May 11 as a "financial cliff."

The good news is that those early reports overstated the case and now it's clear that millions of people won't be pushed off that cliff on the same day. Thus, nonprofits don't have to worry about being overwhelmed by tens of millions of people all seeking services the next day.

Don't breathe a sigh of relief, though, because people are still going to be forced over the edge, just not simultaneously. Some programs have already ended, such as

increased support for food, giving us all a painful preview of what's to come as food banks have experienced spikes in demands. Many programs do end May 11, but some have 60-day transition periods and yet other programs end even later. Thus, the enhanced federal benefits to individuals will stop on different days spread across several months (and many on a state-by-state basis), depending on the particular program.

There is no single source to find out when all the specific programs end. The fact that many federal programs interacted with those of states, many of which have had their own emergency declarations and program end dates, means that keeping tabs of all the moving parts seems impossible. So learning exact ending dates will have to be done on a program-by-program basis, and then also on a state-by-state basis.

Of course, people needing services don't organize themselves around a particular program. It's tempting to presume that only nonprofits with missions aligned with certain government programs will experience higher demands when those programs end. But history proves otherwise. Human beings, like water, usually follow the path of least resistance, not straight lines. People whose basic human needs are unmet don't queue up neatly at the nonprofit that can best meet their needs. Rather, for example, people in need of food will turn to food banks if they know where one is and can get to it, but otherwise they are just as likely to turn to houses of worship or other charitable organizations hoping to find what they need.

The bottom line is that ending government programs doesn't end human needs. The termination of the two major pandemic federal emergency declarations and ending of enhanced relief programs for individuals mean that nonprofits can expect higher demands from the public to provide more services to people who still have needs.

This article:

- Provides background about the federal emergency declarations.
- Forecasts what nonprofits and foundations can expect in the near future.
- Offers action steps to take.

Background about the federal emergency declarations

The Trump Administration issued three Covid-related emergency orders in early 2020. In January 2020, Health & Human Services Secretary Azar declared a **public health emergency** (PHE) to provide HHS with flexibility to relax or entirely waive certain requirements to deal with the novel coronavirus. In February 2020, Azar issued a separate emergency declaration that allowed the Food and Drug Administration (FDA) to grant emergency use authorizations to expedite development and use of Covid vaccines, treatments, and diagnostics. In March 2020, then-President Trump declared a **national emergency** (NE) authorizing the federal government to engage in supportive activities beyond the confines of public health, such as allowing for the extension of deadlines for workers to sign up to keep health insurance after leaving a job. See What's at Stake as the US Ends Covid Emergency Measures, Riley Griffin, Washington Post, April 10, 2023.

During the last three years, Covid-19 killed more than 1.1 million people in the United States. At its worst, it killed around 3,400 individuals a day, compared to the current rate of about 250 per day.

Recognizing that the dire emergency had passed, <u>President Biden announced</u> in January this year that he planned to extend both the national emergency and the public health emergency until May 11, at which time he intended to terminate them both (but leave the FDA emergency declaration in place). Underscoring that "an orderly transition is <u>critical to the health and safety of the Nation</u>," the May 11 date provided more than three-months' notice to allow time for a smooth wind-down.

Some members of Congress, however, had other plans, introducing H.J. Res. 7 (to terminate Trump's March 13 national emergency declaration) and H.R. 382 (to terminate Azar's January 2020 public health emergency declaration). Congress passed H.J. Res. 7 and President Biden signed it on April 10, 2023, thus ending that day the national emergency a month earlier than planned and adding confusion by creating two ending dates. **Beware**: For several months, organizations have been planning and updating their websites thinking that the national emergency and the public health emergency would both end on May 11, so they could be less strict in calculating effective dates of different deadlines. Now, with a new termination date of April 10, it meant one less month for individuals, employers, providers, and other potentially interested parties to learn about, communicate, and take action on items like "extended deadlines for filing claims for COBRA health plans and flexible spending accounts," and the "end to relaxed requirements for Medicare and Medicaid programs." If organizations haven't updated their websites, readers may

be looking at old, misleading information. So be careful. And verify.

Adding more confusion is that many congressional Acts contained some provisions sunsetting certain relief programs. For example, last December Congress enacted the <u>Consolidated Appropriations Act, 2023</u>, which among other things terminated – at the end of February – the added emergency allotments for food stamp benefits.

For further information about the end of pandemic relief, see:

- Your state government's website, because some states have voluntarily extended benefits, while other states have cut them off early. Be sure to research each relevant state agency.
- What's at Stake as the US Ends Covid Emergency Measures, Riley Griffin, Washington Post, April 10, 2023.
- <u>Public Health Emergency Ends May 11, 2023: Check Your Readiness</u>. Holland & Hart LLP (law firm), JDSupra, March 21, 2023.
- CMS Waivers, Flexibilities, and the Transition Forward from the COVID-19 Public Health Emergency, Centers for Medicare & Medicaid Services, Feb. 27, 2023.
- <u>Fact Sheet: COVID-19 Public Health Emergency Transition Roadmap</u>, US Dept of Health & Human Services, Feb. 9, 2023.
- What Happens When COVID-19 Emergency Declarations End? Implications for Coverage, Costs, and Access, KFF, Jan. 31, 2023.

What nonprofits and foundations can expect

Increased Demands for Services

<u>Death by a thousand cuts</u>. When Covid first exploded, many nonprofits felt the immediate spike in demands for their services – food banks handling miles-long food lines in cars, child care professionals helping desperate first responders, health care providers overwhelmed with patients. Compare those instantaneous demands with what happened in 2008-2013ish, when workers seemed to lose their jobs in consistent waves, resulting in a grueling, grinding down of nonprofit capacities.

With pandemic relief ending, nonprofits need to remain alert to the danger of "creeping normalcy." Adding just one more beneficiary of services a day, by

itself, may not seem harmful, but constantly piling on "just one more" beneficiary a day on top of existing load is roughly 30 more each month, or 365 each year, all of which can slowly destroy an organization just as much as one huge surge all at once. With nonprofits already struggling and the nonprofit workforce tremendously burned out, nonprofit leaders – and their funders – need to remain alert.

• Nonprofits will need more understanding and resources from funders. Even a quick review of the sampling of ending relief programs will provide a sense of the scale of demands that are about to hit nonprofits. Look at the recent (and continuing) spike in demands from millions more people seeking food once federal and state governments ended enhanced emergency support. Again, ending government program support does not end human need. Now consider all of the people who will be removed from Medicaid and Medicare eligibility – not because their needs vanished but because they have to requalify. These and millions of other people will fill the doors of nonprofits seeking help.

The Great Recession created what economists labeled the "lost decade" due to economic conditions during that lengthy period. Many nonprofits had not fully recovered and regained their strength when the pandemic struck. Somehow, someway nonprofits dug deeper into resolve and commitment to help America get through that great ordeal. Fortunately, America's foundations moved with equal resolve and dedication by providing more resources – and by streamlining their processes to simplify their application, approval, and reporting requirements so grantees could spend time delivering services and meeting missions instead of being diverted filling out more forms and paperwork. Nonprofits need the same now as grantees face these additional capacity challenges.

Proposed action steps for nonprofits and foundations

Mission Issues

Nonprofits that directly intersect with specific federal programs, such as food or Medicaid providers, will want to check with federal and state programs to see if there are specific changes to know about – both to make sure the nonprofit remains

in compliance with any changes and to anticipate what changes might create more, less, or different work for the organization.

More generally, now is the time for frontline nonprofits to think through what increased demand for their services would mean – for their staff members, for financial resources, for pivoting advocacy efforts on a different level or in a different branch of government. Nonprofit leaders, invite board members to discuss what some of these changes might mean for the organization, as well as seek ideas on what to do if a recession occurs. Or if <u>Congress fails to raise the debt ceiling and the US defaults on its financial obligations.</u>

Similarly, if a foundation supports nonprofits that, for example, provide care to people who are disabled, or education services, or housing or other issues that align with federal programs, it would be a good time to be thinking about the changing needs of your grantees.

Workforce Issues

Nonprofits and foundations need to view these changes in pandemic-relief programs from an additional perspective: as employers.

- Five Important Changes to Your Health Coverage Once the COVID-19 Public Health Emergency Ends, Dept. of Labor, March 29, 2023.
- "Starting May 12, 2023, health plans and group plan sponsors will no longer be subject to federal requirements for coverage of COVID-19 testing, vaccinations and treatments," <u>Aetna</u>, so employees may need to pay for certain items, like over-the-counter testing. See other carriers.
- Changes related to Employee Benefit Plans, including COBRA. Foley & Lardner.
- <u>Frequently Asked Questions</u> (FAQs) by the Departments of Labor (DOL), Health and Human Services (HHS), and the Treasury regarding implementation of the Families First Coronavirus Response Act (FFCRA), the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), and the Health Insurance Portability and Accountability Act (HIPAA). March 29, 2023.

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