



May 22, 2020

The Honorable Angus King
133 Hart SOB
Washington, DC 20510

The Honorable Thom Tillis
133 Dirksen SOB
Washington, DC 20510

The Honorable Steve Daines
320 Hart SOB
Washington, DC 20510

The Honorable Debbie Stabenow
731 Hart SOB
Washington, DC 20510

The Honorable Tim Kaine
231 Russell SOB
Washington, DC 20510

The Honorable Cory Gardner
354 Russell SOB
Washington, DC 20510

Re: Letter of Support for the Paycheck Protection Program Flexibility Act

Dear Senators King, Daines, Kaine, Tillis, Stabenow, and Gardner,

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) would like to thank you for the introduction of the Paycheck Protection Program Flexibility Act. MGMA supports this legislation and appreciates your leadership in this effort to improve the Paycheck Protection Program (PPP).

While MGMA appreciates the intent of the PPP and believes it to be a lifeline to many struggling medical groups, we agree that there are several arbitrary restrictions that must be lifted for borrowers to fully benefit from the program. In particular, MGMA appreciates that this legislation would:

- Expand the covered period beyond eight weeks;
- Eliminate the restriction that limits non-payroll expenses to 25% of loan proceeds;
- Eliminate the restriction that limits loan terms to two years;
- Allow PPP borrowers access to payroll tax deferment; and
- Provide a rehiring safe harbor for borrowers who are unable to rehire employees.

In addition to supporting the above provisions, MGMA would like to highlight another shortfall in the current PPP that we believe should be addressed in any legislation that would amend the PPP. Specifically, MGMA believes that 501(c)(6) organizations should be eligible to receive PPP loans. These nonprofits play a critical role in helping small businesses navigate these unprecedented times and remain financially solvent.

Thank you again for your leadership on this critical issue. MGMA stands ready to work with you and your congressional colleagues to ensure swift passage of this important legislation. If you have any questions, please contact Claire Ernst at cernst@mgma.org or 202-293-3450.

Regards,

/s/

Anders Gilberg, MGA
Senior Vice President, Government Affairs