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# COVID-19 TOWN HALL

HOW TO MANAGE YOUR PRACTICE

# Agenda:

- Financial Measures During COVID-19 | Oliver Roller, Managing Director, Analytics
  - Payment Protection Program
  - Economic Injury Disaster Loan
  - Tax Implications
  - Controlling your Controllables
- Managing Furloughs, Layoffs, RIFs
- Stress Management
- Q&A with Tamisha!

# Financial Measures During COVID-19

- CARES Act
  - Capital assistance
    - Paycheck Protection Program (PPP)
      - \$349 Billion
    - Economic Injury Disaster Loan (EIDL)
      - \$10 Billion
  - Tax Implications
    - Payroll Tax Deferment
    - Employee Retention Credit
- Controlling Your Controllables

# Paycheck Protection Program

- Who can apply
  - Small business, non-profits, veteran organizations, Tribal businesses
  - Sole proprietors, independent contractors
  - Less than 500 employees
  - Operational on February 15<sup>th</sup>, 2020
  - No owners currently in bankruptcy proceeding
- Where to apply
  - Local banks/credit unions and FDIC institutions (not directly through SBA.gov)
  - **Action:** Apply through bank; local bank or participating bank
    - Higher chance of fast processing
    - If not, check SBA.gov website for participating banks

# Paycheck Protection Program

- Loan Amount
  - Loan amount= 2.5x average monthly payroll for 2019
    - Monthly payroll= Wages, PTO, fam/parental/medical/PTO, health insurance, retirement benefits, State/Local payroll tax
    - \$10 mill is cap
  - Salaries beyond \$100k, not part of calculation
  - **Action:** Calculate average monthly payroll for 2019, multiply by 2.5
    - 940 and 941 Tax forms from start of 2019 and “Payroll Summary Report in QBs

# Paycheck Protection Program

- Loan Details
  - 2-year term
  - 1% interest rate
  - Loan payment deferred for 6 months
    - Interest accrues at date of loan origination
  - No collateral, personal guarantees, credit else were test, cash flow assessment...
  - “Allowable uses” of loan
    - Payroll Costs
    - Health insurance
    - Rent
    - Utilities
    - Interest expenses (insured before covered period)

# Paycheck Protection Program

- Loan Forgiveness
  - If used for “allowable” expenses over 8-week period (Feb 15<sup>th</sup> 2020-June 30<sup>th</sup> 2020)
  - 75% or more of forgivable amount must be used for payroll
    - Or, other allowable expenses can’t exceed 25%
    - “Paycheck” protection program
  - Forgiveness amount adjusted if FTE isn’t maintained or Salary reductions are greater than 25% by end of 8-week period
    - Intent is to keep people employed
  - **Action:** Document everything for 8 weeks to prepare for forgiveness of loan

# Economic Injury Disaster Loan (EIDL)

- Who can apply
  - Small business, non-profits, veteran organizations, Tribal businesses
  - Sole proprietors, independent contractors
  - Less than 500 employees
  - Operational on February 15<sup>th</sup>, 2020
  - No owners currently in bankruptcy proceeding
- Where to apply
  - SBA.gov, not local bank



# Economic Injury Disaster Loan (EIDL)

- Loan Details
  - Max loan \$2 mill
  - Rate 3.75% for businesses, 2.75 for non-profits
  - Up to 30-year terms
  - *Personal guarantees required for loans over \$200k*
  - *Not forgivable*
  - \$10k provided in 3 days of application,
    - If not accepted, \$10k does not require pay back

# Tax Implications

- Payroll Tax Deferment
  - Option to defer social security tax (6.2%) through end of year
  - Repayment in two equal amounts 12/31/2021 and 12/31/2022
  - Deferred, not forgiven...
- Employee Retention Credit
  - Credit for 50% of social security tax paid to employees during crisis
  - Eligible businesses
    - 50% or more reduction in revenue due to crisis
    - 100 or less employees
- **Action:** Talk to accountant about these tax implications before taking any other action

# Controlling your Controllables

- **Action:** Manage the business as if PPP will not happen
- Payroll and COGs
  - Slow revenue=tighter margins
  - 60%+ of costs
  - Manage based on revenue generated
  - [www.covid19.ivet360.com](http://www.covid19.ivet360.com)- Free tools and tips on how to reduce staff costs
- Rent deferment
- Loan Payment deferment
- Insurance Claim Funds

# Layoff Alternatives

- Reducing hours
- Furloughs
- Work Share Programs (state dependent)
- Voluntary Separation Program

# Layoff Alternatives

## Voluntary Separation Program

- allows employees to voluntarily separate employment when business needs demand a reduction in force
- Initiated by the Hospital (not the employee)
- Approval process
- Documentation

# How to conduct a Layoff/Furlough/RIF

## One: Goal Setting, Analysis

- What outcome do you want to achieve?
- Are there alternatives? (Furloughs, temporary layoffs, etc.)
- Is this the right time to do this?
- What positions will be impacted?
- What will this achieve?

# How to conduct a Layoff/Furlough/RIF

## Two: Make a Plan

- Create your team. Talk with managers, accountants, your iVET360 Analytics Manager
- How many cuts need to be made. Where these cuts will happen.
- Re-examine if there are other courses of action.
- Lay out your budget
- Create an initial timeline.
- Document everything.

# How to conduct a Layoff/Furlough/RIF

## Three: Layoff, RIF Selection

- Establish criteria.
- Create a team to go through this process.
- Create a list of employees and where they fall within your criteria. What are your ranking factors?
- Review WARN Act issues.
- Prepare notices. (Samples available at <https://covid19.ivet360.com/>)



# What are your ranking factors?

## METHOD #1: SENIORITY-BASED SELECTION

- **Definition:** Lay off employees based on shortest tenure.
- **Pros:** Easy, helps avoid age discrimination.
- **Cons:** Overly simplistic, doesn't help avoid other types of discrimination.

## METHOD #2: EMPLOYEE STATUS-BASED SELECTION

- **Definition:** Lay off employees based on their part-time or contingent worker status.
- **Pros:** Easy, help better manage your brand.
- **Cons:** May need to be used with a different method, may not make a big impact on finances if there are not enough part-time employees.

# What are your ranking factors?

## METHOD #3: MERIT-BASED SELECTION

- **Definition:** Lay off your poorest performing employees.
- **Pros:** Helps get rid of poor performers, easy to execute if you have performance reviews.
- **Cons:** Performance reviews can be subjective, which can lead to legal liability and doesn't consider the importance of different departments.

## METHOD #4: SKILLS-BASED SELECTION

- **Definition:** Retain employees with skills most impactful to your hospital
- **Pros:** Help keep talent in areas that are helping to improve your hospital's bottom line.
- **Cons:** Can also be subjective and can lead to legal liability.

# What are your ranking factors?

## METHOD #5: MULTIPLE-CRITERIA RANKING

- **Definition:** Create a weighted formula that puts emphasis on different criteria most important to your hospital then lay off employees who rank lowest.
- **Pros:** You will be able to customize this to reflect the factors that are most important to your practice.
- **Cons:** It can be difficult to set up and you'll want to test this against discrimination laws.

# How to conduct a Layoff/Furlough/RIF

## Four: Severance, Outplacement, Etc.

- Explore, consider or create severance agreements.
- Consider alerting the team prior to RIFs. Prepare meeting times to notify those being let go.
- Hold meetings and provide communication to survivors after the event.

# Addressing layoffs/RIFs with remaining team

- What happened and why?
- Remind them that they are valued
- Explain any re-organization or redefine roles
- Impact on workload or workflow
- Assure team members
- Employee Assistance Programs
- Open Door policy
- Express optimism

# Compassion Fatigue

**Compassion fatigue:** a type of secondary stress that occurs from an intense desire to help others

- Emotional exhaustion
- Physical exhaustion
- Decrease in the ability to empathize
- Symptoms manifest in many ways outside of primary stressor:
  - arguing with friends and family, lacking patience for small transgressions, headaches, sleep disturbances, and even a lack of self-care

# Tips to Prevent Compassion Fatigue

- Practice self-care
- Set emotional boundaries
- Engage in hobbies
- Use positive coping strategies
- Create work strategies

# Tips to Prevent Compassion Fatigue

- Create routines for home
- Beware of “fact flooding” (news, notifications) and its impact on you. Limit exposure.
- Find something funny and laugh out loud every day.
- Reframe your mindset!



# Q&A with Tamisha

## Question and Answer time with Tamisha!

Instead of “questions and answers,” will be providing rapid-fire answers that cover broad spectrums of questions.

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# Question 1: My employee has tested positive for COVID-19. Now what?

- Infected employees should immediately leave the workplace and not return to work until the criteria to discontinue home isolation is met.
  - 72 hours has passed with no fever and without the use of fever-reducing medications
  - Improvement in respiratory symptoms AND
  - At least 7 days have passed since symptoms first appeared
- Inform fellow employees of their possible exposure to COVID-19
- Perform enhanced cleaning and disinfection

# Question 2: Can I layoff salaried employees?

- Yes.
- Salaried employees can absolutely be laid off. They can be furloughed too.
- Avoid partial workweeks
- Same process as other employees.

# Question 3: My DVMs are working less. How do I fairly compensate them?

- Will be employer specific due to various compensation plans
- May reduce base pay based on the number of hours less they are working
- Continue to pay production

# Question 4: What are some ways we can conserve PPE?

- Postponing elective procedures that require the use of PPE
- Cloth gowns, caps, masks, and drapes serve as effective replacements for disposable items.
- Safely extending the use of disposable PPE, re-using disposable PPE, or increased use of washable PPE.
- The FDA has issued guidance in a letter to healthcare providers regarding surgical mask and gown conservation strategies.

# Question 5: For the Emergency FMLA, would the first 10 unpaid days be calendar days or workdays?

- Right now, the assumption in the HR world is that since you can take it on an intermittent basis, then the same rules as FMLA apply.
- For the first 2 weeks being unpaid, because it is written as “first two weeks unpaid,” the assumption is that means the first two calendar weeks.

## Question 6: What documents do I need to require of my employees to use EPSL or EFMLA?

- Employee name;
- The date(s) for which leave is requested;
- The reason for leave; and
- A statement that you are unable to work because of the above reason.

## Question 6: What documents do I need to require of my employees to use EPSL or EFMLA?

- Quarantine or isolation order: provide the name of the government entity that issued the order
- Self quarantine based on advice of a health care provider: provide the name of the health care provider
- Leave to care for a child whose school or place of childcare is closed: Provide the name of your child, name of the school or childcare and a statement that no other suitable person is available.



## Question 7: An employee was sick and is better now, but my team is afraid to work with them?

- Maintain privacy and confidentiality
- Raise awareness about COVID-19 without increasing fear. Share accurate information about how the virus spreads.
- Speak out against negative behaviors, including negative statements on social media about groups of people, or exclusion of people who pose no risk from regular activities.

# We made it!

Thank you so much for attending our Town Hall. Our next Town Hall is scheduled for **Wednesday, April 15<sup>th</sup> at 12pm PST.**

Ensure you stay tuned to our COVID Resource Website here:

[covid19.ivet360.com](https://covid19.ivet360.com)

Visit the website below to sign up for additional HR Support regarding COVID-19

<https://ivet360.com/hr/>

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