

MCAG's ERC Solution Employee Retention Credit



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1

About MCAG

Managed Care Advisory Group | Headquarters: Toledo, OH | Founded in 2003

MCAG is an industry leader in revenue recovery from class action settlements. We do not create class actions. We continually search for class actions that have already settled and have funds available for our clients — a complex and resource-intensive process.

Class Action Settlement Recovery Experts

Submitted claims for over 75 settlements
Service all types and sizes of organizations

Proven Success

More than \$300 million in recoveries



Partner-Focused Distribution Model

Driven by unrivaled data access and relational capital

No Risk Fee Structure

No upfront fees
Retain % of recoveries

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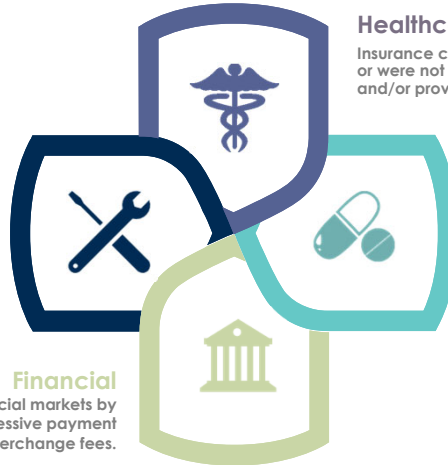


2

Settlement Types

Product

Alleged price fixing and or inflation of certain products by manufacturers. Indirect and direct purchaser settlements.



Healthcare

Insurance claims were not reimbursed or were not paid correctly to facilities and/or providers.

Pharma / Benefit Plan

Organization with a self-insured health plan overpaid for drugs purchased on behalf of its employees. Typically only applies to organizations with 5,000 or more FTE's.

Financial

Manipulation of financial markets by large banks; excessive payment card interchange fees.

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3

CARES Act – Employee Retention Credit

In 2021 MCAG started to follow developments in the CARES Act, specifically the Employee Retention Tax Credit or ERC. Based on the guidelines set forth in the Act, we believed that many of our small to mid-sized hospital clients could qualify for the credit.

The process of filing for the credit is very similar to the process we have followed historically for submitting claims into class action settlements.

MCAG wanted to ensure we had a solution in place for our clients to take advantage of this opportunity if they meet the eligibility guidelines.

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4

ERC Overview



The Employee Retention Credit is a refundable tax credit for businesses that continued to pay wages while shutdown due to COVID or had significant declines in gross receipts from March 13, 2020 – December 30, 2021.

Since it is a credit, there are no specific guidelines as to how the money must be accounted for once received.

There is an estimated \$400 Billion available to businesses that qualify and submissions can be made through September 2024.

Employers can receive a maximum of \$26,000 per employee as a result of the program

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5

ERC Eligibility Guidelines

An employer is eligible for ERC if:

- They sustained a full or partial suspension of operations limiting commerce, travel or group meetings due to COVID (**Full or Partial Shutdown**)
- Experienced a significant decline in gross receipts during 2020 or a decline in gross receipts during the first three quarters of 2021 (**Revenue Reduction**)
- Experienced losses due to supply chain disruption (**Supply Chain Disruption**)

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6

ERC Qualifiers

For the most straightforward qualifiers in 2020, employers are eligible for ERC if:

- They had 100 FTEs or less in 2019
- Full or partial shutdown due to COVID orders or a 50% or greater decline in gross receipts when compared to similar quarters in 2019

For 2020 employers can receive a reimbursement of up to 50% of \$10,000 for wages and benefits paid to employees, so a maximum of **\$5,000 per employee.**

In 2021 the qualifiers are less restrictive and include:

- 500 FTEs or less in 2020
- 20% or greater decline in gross receipts when compared to same quarters in 2019 & 2020
- 10% or greater losses due to supply chain issues

Funds can be recovered for up to 70% of wages and benefits paid to employees up to \$10,000 and employees can qualify for Q1, Q2, and Q3 of 2021. **Maximum refund of \$7,000 per employee in each quarter resulting in \$21,000 total eligible refund.**

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7

MCAG ERC Solution

While determining the optimal approach for our ERC Solution MCAG considered:

- Platform should allow for detailed analysis while minimizing time clients spend on the process
- Ease of use/User friendly
- Number and amount of successful submissions
- Overall cost to client

The platform MCAG uses to complete the analysis is provided by ERC Specialists. **They have submitted more than \$7 Billion in qualifying credits and were one of the first platforms to allow clients to analyze, submit and receive payment.**

The service is provided on a contingency fee basis of 15% of the amount received by clients.

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8

Required Documentation

In order to complete our analysis for determining if clients are eligible for the ERC Credit MCAG needs the following:

- **Federal 941 Forms**
- **Detailed Payroll Report**
- **Any documentation related to PPP loans received**

Additional Notes:

- MCAG encourages clients not to pre-qualify themselves: since the revenue reduction requirements are based on quarter-to-quarter comparisons, even if clients did not meet the requirements for the year, they may still qualify for one or more quarters
- PPP loans do not preclude an organization from receiving ERC funds. Instead, depending on the amount and timing of the loans, they can offset the amount of the credit received

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9

The ERC Process



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10

Contact Us

Managed Care Advisory Group, Inc. is a unique management consulting firm that specializes in helping businesses recover every dollar they earn.



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Payment Card Settlement (Visa/MC) Disclaimer: On December 13, 2019 the Court granted final approval of the settlement filed on September 18, 2018 for the Rule 23(b)(3) Class Plaintiffs in this action. No claim forms are available at this time, and no claim-filing deadline exists. No-cost assistance will be available from the Class Administrator and Class Counsel during any claims-filing period. No one is required to sign up with any third-party service in order to participate in any settlement. For additional information regarding the status of the litigation, interested persons may visit www.paymentcardsettlement.com, the Court-approved website for this case.

Thank You.

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