

First payments issued for COVID-19 financial relief

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What's the news: The U.S. Department of Health and Human Services (HHS) is sending out the first \$30 billion of a planned \$100 billion in financial relief that Congress allocated to hospitals, physician practices and other health care organizations.

The relief comes under the Public Health and Social Services Emergency Fund in the Coronavirus Aid, Relief and Economic Security (CARES) Act and reflects the recommendations made to HHS Secretary Alex Azar by the AMA and more than 130 other state and medical specialty associations.

To understand this and other provisions of the CARES Act, the AMA has developed a “Physician Practice Financial Relief Guide” to help doctors take advantage of the \$2.2 trillion package’s loans, grants and accelerated payment options.

Why it's important: The public health countermeasures taken to mitigate COVID-19’s impact—physical distancing, stay-at-home orders, and the cancellation or postponement of nonurgent or nonessential medical care—have dealt a heavy financial blow to physician practices, hospitals and health systems. Some physicians on the front lines of COVID-19 care have undertaken the extra cost of staying in a hotel or apartment separate from their families to minimize the risk of exposing loved ones to SARS-CoV-2.

This initial \$30 billion in CARES Act relief is being directed to hospitals and physician practices in direct proportion to their share of Medicare fee-for-service (FFS) spending. The total amount of Medicare FFS spending in 2019 was \$484 billion. Hypothetically, if a Medicare provider with a taxpayer ID number (TIN) accounted for 1% of total Medicare FFS spending in 2019, the TIN would receive 1% of the \$30 billion.

The AMA and others specifically recommended that the emergency financial relief be tied to physicians’ Medicare FFS spending from a portion of 2019, prior to the financial battering inflicted by the COVID-19 global pandemic.

“The AMA is working to help all physicians who are facing remarkable, unforeseen challenges due to COVID-19,” said AMA President Patrice A. Harris, MD, MA.

At a White House coronavirus task force briefing earlier this week, Centers for Medicare & Medicaid Services Administrator Seema Verma indicated that a subsequent distribution from the emergency fund will be directed to pediatricians, children's hospitals and others who rely on Medicaid.

All facilities and health professionals that billed Medicare FFS in 2019 are eligible for the funds. These are grants, not loans, and do not have to be repaid. The funds will go to each organization's TIN which normally receives Medicare payments, not to each individual physician. The automatic payments will come to the organizations via Optum Bank with “HHSPAYMENT” as the payment description.

Read about what the \$2 trillion coronavirus relief plan means for doctors.

Learn more: The HHS offers further details about the CARES Act relief funds.

Stay up to speed on the AMA's COVID-19 advocacy efforts and track the fast-moving pandemic with the AMA's COVID-19 resource center, which offers a library of the most up-to-date resources from JAMA Network™, the Centers for Disease Control and Prevention, and the World Health Organization.