

# Why doctors support these COVID-19 relief provisions

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## Andis Robeznieks

Senior News Writer

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The harsh economic toll the COVID-19 pandemic has taken on physician practices was reflected in the recent monthly report from the U.S. Bureau of Labor Statistics: 243,000 jobs were lost from physician practices in April alone—piling high on top of the 12,000 losses that were recorded in March.

The \$3 trillion relief bill recently passed by the U.S. House of Representatives contains many provisions that can provide stability for physician practices while promoting public health. The Senate is expected to begin working on its own relief bill sometime after the Memorial Day holiday.

“Physician practices are continuing to struggle to meet the needs of their patients and staff as they confront worsening revenue shortages resulting from deferring visits and procedures as part of the system-wide effort to conserve personal protective equipment and support the social distancing that is necessary to curb community spread of COVID-19,” AMA CEO and Executive Vice President James L. Madara, MD, wrote in a letter to House Speaker Nancy Pelosi and House Republican Leader Kevin McCarthy.

A staggering 97% of practices have experienced a negative financial impact directly or indirectly related to COVID-19, and less than half of primary care clinicians have enough patient volume and cash to stay open for the next four weeks, according to “Physician Practice Financial Sustainability During the COVID-19 Pandemic,” a recent webinar hosted by Henry Schein Medical featuring AMA experts.

“Many physician practices in all types of specialties and practice settings have either temporarily closed or will be forced to do so in coming weeks,” Dr. Madara wrote in the letter. “Given the continuing overhead and payroll costs, many are experiencing cash flow issues and need assistance to avoid an implosion of the private medical practice infrastructure.”

As Congress continues to negotiate what the next relief bill will contain, the AMA supports including measures that will protect access to care by providing physicians with the resources and policy changes they need to continue caring for patients.

These include:

**Adding \$100 billion to the Health Care Provider Relief Fund.** This provision will furnish financial support to health care providers while codifying who is eligible to receive payments and what expenses can be covered by the relief fund, which was created by the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Elements of this provision include:

- | A quarterly process for health care providers to apply for funding 100% of eligible expenses and 60% of lost revenues during a three-month period, less any funds received by the provider during the quarter from other COVID-19 enacted legislation.
- | Eligible expenses include temporary structure building or construction costs, leases, medical supplies and equipment, including personal protection equipment (PPE), COVID-19 testing supplies, increased workforce and trainings, surge capacity, and retention of workforce.
- | Lost revenue is calculated by taking net patient revenue from Medicaid, CHIP, Medicare, and other insurance for the same quarter in 2019 minus the current quarter net patient revenue, less any current quarter savings from foregone wages, payroll taxes, and benefits due to furloughs or layoffs.

**Modifying Medicare’s Part A and Part B Accelerated and Advance Payment (AAP) Programs.**

The new legislation would reduce the interest rate to 1% for health care providers who have received financial assistance through the AAP Program. It would allow for a period of one year to pass before claims are offset and sets a recoup percentage maximum of 25% per claim. The bill would allow up to two years for the outstanding balance of the advance payment to be repaid.

**Adding federal student loan relief.** The new bill would expand the CARES Act definition of “federal student loan” and provide retroactive relief to those loans that were not included in the CARES Act. It extends the CARES Act suspension of payments and accrual of interest for federal student loans through Sept. 30, 2021, or until the economy shows signs of recovery, whichever is later, and adds a 30-day transition period during which any missed payments will not result in collection fees and will not be reported to consumer reporting agencies.



Other provisions include relief for practices by modifying the Paycheck Protection Program for small businesses and measures to help patients gain or maintain coverage. These include opening a special enrollment period for health insurance marketplaces and **covering patients' costs for the Consolidated Omnibus Budget Reconciliation Act (COBRA)**.

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