April 17, 2020: Advocacy spotlight on Five vital lifelines still needed for struggling physician practices

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Note: This is an excerpt from a recently published story by AMA President Patrice A. Harris, MD, MA. As our nation’s health care system strains under the weight of COVID-19, independent physician practices have had to make difficult decisions about reducing hours, taking pay cuts and furloughing staff even as the number of cases continue to grow.

Given the magnitude of this crisis and the continued uncertainty about the pandemic’s path, it's critical we act now to provide private physician practices with the financial support they so desperately need to weather this storm.

Congress took a crucial step earlier this month when it passed the Coronavirus Aid, Relief and Economic Security (CARES) Act, which allocates up to $100 billion in financial relief for hospitals, physician practices and other health care organizations. The U.S. Department of Health and Human Services began sending out the first $30 billion on Friday in the form of emergency funding support for health care-related expenses or lost revenue attributable to COVID-19.

While physicians are grateful for the actions already taken by Congress and this Administration, in a letter to Congressional leaders, the AMA urges additional steps that must be taken to preserve the viability of independent physician practices. These steps include:

Additional direct financial support. The AMA is calling on Congress to authorize direct financial support, grants and interest-free loans and other mechanisms, such as a 9/11-type COVID fund, for physician practices of all sizes. Reimbursable expenses should include payroll costs and other overhead costs, as well as payments made to outside firms for billing and IT purposes, especially for those practices that are too small to maintain part/full-time staff for these functions.

Loan program. It is clear that the new small business loan program authorized in the CARES Act, the Payroll Protection Program (PPP), is already overwhelmed with applicants seeking assistance. The PPP needs an urgent infusion of additional funding in order to adequately respond to the need for
these loans.

**Residents and medical students.** For residents and early graduated medical students, whose debt averages over $200,000, we urge Congress to provide at least $20,000 of federal student loan forgiveness or $20,000 of tuition relief. These benefits should also be made available to third- and fourth-year medical students who are willing, and deemed competent, to begin providing early direct patient care for patients with COVID-19, or who are making other significant contributions to the pandemic response through research, public health and telemedicine.

**Medicare and Medicaid payment.** While the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 included modest positive payment updates in prior years, it left a six-year gap from 2020 through 2025 during which there are no annual updates at all. It’s vital that Congress implement a positive update similar to those other providers received in 2020, as physicians put their lives on the line to treat patients with COVID-19.

**Loan repayment.** While the Centers for Medicare & Medicaid Services (CMS) has worked quickly to provide flexibility to physicians who need financial assistance, there are significant concerns about the ability of physician practices to repay this amount of money while patients remain at home and physicians delay non-urgent procedures. The AMA is urging Congress to postpone recoupment until 365 days after the advance payment is issued and to extend the repayment period for physicians to at least two years. We also urge a reduction in the per-claim recoupment from 100% to 25%.

Editor’s note: The CARES Act was an essential first step in the COVID-19 fight but as the pandemic grows it is clear that more needs to be done for America’s patients and those on the front lines taking care of them. Please contact your member of Congress and Senators today and tell them that any additional COVID-19 relief legislation should include the physician and patient protections outlined above.

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- April 17, 2020: National Advocacy Update
- April 17, 2020: State Advocacy Update


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