Todd Askew on improvements in payment for the Medicare Advance Payment Program

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Featured topic and speakers

AMA Chief Experience Officer Todd Unger talks with AMA Senior Vice President of Advocacy Todd Askew about advocacy efforts and COVID-19 and the recent significant improvement in payment requirements for the Medicare Advance Payment Program.

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Speakers

- Todd Askew, senior vice president, Advocacy, AMA

Transcript

Unger: Hello, this is the American Medical Association's COVID-19 Update. Today we're talking to Todd Askew, AMA senior vice president of advocacy, who'll give us an update on the AMA's advocacy efforts and COVID-19. I'm Todd Unger, AMA's chief experience officer in Chicago.

Mr. Askew, we saw Congress just passed a bill to fund the government through December 11th. Can you talk about what that means to physicians?

Askew: Sure, absolutely, Todd. I mean, obviously, there's a lot of programs physicians depend on that are funded by the federal government, and at the baseline the continuing resolution keeps the federal government functioning through mid-December. So that's very important, obviously, and we'll see further action later in the year, but an important element that may have been missed by some was a policy matter that was attached to the bill, which I think is of critical importance to many physicians. And that's some significant improvements to the Medicare Advanced Payment program...
that so many physicians took advantage of in order to help with practice sustainability during the early part of the current pandemic. The policies make some pretty significant improvements to the program.

A couple of the highlights: it postpones the recoupment of the funds that were advanced to at least 365 days until after the payment was originally received. And the total balance wouldn't be due until September of 2022. And part of the original law also has the government recouping 100% of future Medicare claims to satisfy the advanced payments. So that obviously would leave physicians without a significant source of practice revenue. And so the change said for the first period of recoupment, no more than 25% of any claim would be recouped in order to satisfy the repayment requirements. And later on, it would be 50%, I think after the first 11 months. And then lastly, for those physicians who had a balance of beyond that initial repayment period, the interest rate was quite high, 10 and a quarter percent. And so this law reduced that to 4% for those practices who were not able to fully repay the advanced amounts by that deadline. So pretty significant improvement.

Unger: Yeah, those were significant improvements. Then why was the resolution needed?

Askew: Well, the initial payments would have left physician practices with essentially no Medicare revenue. All of the payment they received for a particular Medicare service would be used to satisfy the repayment. And given the patient volumes are still down, it would have taken even longer for the funds to be repaid through that mechanism than would have been covered by the original loan. And so it would have been just as heavy a burden on physician practices to repay the advanced payments as it was for the lower volumes that required them to take out those advanced payments to begin with.

So all in all, it's a pretty fair solution to a challenge that we were facing and is going to give some additional flexibility and also stability to physician practices, especially those that are heavily reliant on Medicare payments.

Unger: That's important because I think you do have a sense of how physician practices are coping financially right now. Can you talk about that?

Askew: Sure, absolutely. So we've conducted a survey of physician practices. It was 3,500 physicians that were surveyed in the July and August time period to see what type of impact COVID has had on their practices. And it's not really a surprise, but the extent to which some of the impact was felt is pretty critical to understand. 50% of practices from March to May saw revenue declines of at least 50%, which a lot of practices had to shut down entirely. In many other practices, you had patients just, quite frankly, avoiding interacting with the health care system even for needed care. So that had a real impact on physician practices.

Even though today, over the survey period, mainly late July and August, 81% of physicians were still seeing fewer in-person visits. Of course, we saw a great increase in the amount of telehealth visits, increased by a factor of five, but even with those telehealth visits, 81% of physician practices also
said the revenue was still lower over the survey period than it was in the pre-pandemic period.

That said, we spoke about the advanced payments. There were other, of course, federal financial assistance available to practices. 99% of physician practices said that federal assistance was helpful with 51% of the practices surveyed saying that financial assistance was extremely helpful in keeping their practices functioning.

Another factor that was identified that again is not a surprise, a significant number of physicians said that access to personal protective equipment was difficult, not only hard to access it but when they are accessing it, it's more expensive and their practices are spending more money on it.

So those are just a couple of the challenges that practices are facing, but it's important that we conduct surveys like this so we can understand the specific challenges faced by practices so that we can target our advocacy efforts to help provide the greatest amount of relief and to address those issues that are most pressing to physicians.

**Unger:** So in addition to the work, the advocacy work that you’re doing on the financial impact for physicians, can you talk about what you’re doing on the vaccine development front?

**Askew:** Right. So in addition to masks and social distancing and washing hands, vaccines are the other critical element for us finding our way out of this pandemic. One great concern has been political interference in the process of vaccine approval. And that's creating really, for the first time, in a significant number, some vaccine hesitancy, not just among patients, that's not a new phenomenon among patients, but among even physicians who have begun to question whether or not corners are being cut in order to rush a vaccine to market.

We wrote a letter last week to Secretary Azar urging that the administration and anybody else, this includes anybody else in public office, not interfere with the professionals at the Food and Drug Administration and those responsible for judging the safety and efficacy of vaccines. And that's just going to be a critical element.

Physicians and patients have to have confidence that the vaccines that are approved go through the process and are safe and effective for the purposes that they're intended for. And if we can't get over this hurdle, lower acceptance rate of vaccines are not going to get us through this pandemic. We obviously have to have a significant percentage of the population of vaccinated in order to end the spread of or greatly reduce the spread of COVID-19 in the community. So it's just one of the most critical elements we're facing right now, and the need to have a safe and effective vaccine and the need to have public and professional confidence that that vaccine is safe and effective.
Unger: And to that end, I just wanted to mention that the AMA is conducting a series of webinars on vaccine development and distribution. If you missed the first episode of that with Dr. Marks from the FDA, make sure to catch that on AMAs, YouTube channel, and also sign up on the AMA site for next week's episode.

Todd, moving to one additional topic you mentioned earlier, which is around telehealth, you said there was a five-time increase or five X increase in its use during the pandemic. So it continues to be an advocacy issue. What's the latest happening in this area right now?

Askew: Sure. So, I mean, if you can say anything good has come out of this situation we're currently facing, I think it is the adoption of telehealth throughout the health care system, both as a necessity but also people beginning to discover and embrace the potential of telehealth to provide services to patients in a more efficient way, in a way that's more convenient and safer in some cases for the patients.

Part of what we're addressing, obviously, is a part of the Medicare Fee Schedule. Medicare through the federal government has made significant waivers of limits on the use of telehealth in Medicare and through the comments on the Medicare Physician Fee Schedule, the recently proposed one, the AMA has urged CMS to continue to cover those services through the end of the year after the public health emergency ends so that we can continue to build experience and data on the provision of these services and that they are available to patients beyond the time that coronavirus is a significant threat.

We are supporting continued parity and payment rates for telehealth services and making sure that we also continue to cover audio-only services, which has been so critical in the provision of specific health care services to people that don't have access to broadband or don't have video phones, particularly a lot of rural areas, and a lot of elderly folks. So those are critical.

One of the big barriers, of course, is that beyond the public health emergency period, Medicare limits greatly the geographic and originating sites that can qualify for use of telehealth. They just, as an example, I believe just before the COVID period began, Medicare paid for about 13,000 telehealth visits a week. In the last week of April, I believe Medicare paid for 1.7 million.

Unger: Wow.

Askew: So these restrictions have been lifted. People have embraced this opportunity, and unfortunately CMS can't forever just continue to waive these geographic and originating site restrictions, those are in statute. And so we have urged Congress and we've urged CMS to urge Congress to change their requirements to waive those geographic and site restrictions. We're delighted that Senator Alexander, Senator Schatz, Senator Wicker, and others have embraced and
introduced the Telehealth Modernization Act of 2020, which would permanently remove those restrictions and give HHS Secretary the authority to help patients access all types of care through telehealth. And so we are hopeful that that is an opportunity to further advance telehealth and engrain it as part of health care in the United States. So it’s a great opportunity that has come from unfortunate circumstances.

Unger: Well, thank you. That is good news. Anything else to add before we close?

Askew: Well, I think the one thing I would add is: vote. Regardless of your political views, we see so much of what we deal with as advocates, and as you deal with as physicians is impacted by government policies. And if you want to have a voice, you’ve got to participate and physicians, unfortunately, voted much lower rates than other professions. So we encourage physicians to get out there. We’ve been highlighting the work of a group called Vote Health 2020. They provide resources, not only to help people in the health care system register to vote and learn what’s necessary but also provide resources that you can use to encourage your patients to vote. And so we would encourage you to check out Vote Health 2020 and take advantage of some of the resources there if you’re interested in encouraging your colleagues and your patients to participate in the system.

Unger: That is so important. Well, thank you, Todd, and thank you to the entire AMA advocacy team for all the work that you continue to do on behalf of patients and physicians. That completes our COVID update for today. For resources on COVID 19, visit ama-assn.org/COVID-19. Thanks for joining us and please take care.

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