Sept. 25, 2020: Advocacy Update spotlight on Congress providing much-needed relief to physicians working through the pandemic

Congress providing much-needed relief to physicians working through the pandemic

The AMA strongly supports provisions in the Continuing Resolution (CR) that will offer relief to hard-pressed physician practices. Revisions to the Medicare Accelerated and Advance Payments program (AAP) will help keep doors open during the pandemic and continue to offer patients access at this time. Passage of the CR is required to fund federal programs after the beginning of the 2021 fiscal year, which starts on October 1.

“Upon passage of the Continuing Resolution, patients should know that their physician is more likely to weather the pandemic’s economic challenges. Congress recognized the danger, and rightfully modified the program so physicians can keep seeing patients,” said AMA President Susan R. Bailey, MD.

The Centers for Medicare & Medicaid Services (CMS) worked quickly in the spring to provide financial assistance to physicians -- a lifeline for many practices. The AMA also appreciated that the CARES Act postponed the start of recoupment for the AAP until 120 days after initial payment and allows up to 210 days for repayment for physicians.

The AMA, however, has heard significant concerns from physicians about their ability to repay this money during the economic uncertainty. In the spring, surveys showed that from March to May revenues in physician offices were down at least 50%. As practices began reopening, some were able to recoup some of the loss but not all due to reduced visits and procedures. The repayment terms are harsh: Physicians would have 100% of their Medicare claims withheld to repay the loans on a short timeline, and after a few months any outstanding balances will be subject to a 10.25% interest rate.

The Continuing Resolution:

1. Postpones the recoupment of disbursed funds until 365 days after the advance payment has been issued to a physician practice; the balance would be due by Sept. 2022.
2. Reduce the per claim recoupment amount from 100% to 25% for the first 11 months and then 50% of claims withheld for an additional six months. If not repaid in full, the interest rate kicks in.  
3. The interest rate would be lowered from 10.25% to 4%.

“Members of Congress and the Administration have settled on a bipartisan response to the economic sword hanging over physician practices. This relief will be felt across the county as physicians will be able to continue providing health care during the pandemic,” Dr. Bailey said.

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