

Here's how physicians can access federal financial relief programs

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Change has been a constant throughout the COVID-19 pandemic as physicians seek to adapt to—and apply—rapidly evolving scientific knowledge. The financial picture for medical practices has been no different.

Congress and two presidential administrations have moved quickly to provide relief for physicians whose practices have felt the financial strains experienced by small businesses from coast to coast. The stress is real. Expenses are rising as patient volumes fall.

Physicians averaged a 32% drop in revenue since February 2020 and the average number of in-person visits to physician offices fell from 97 per week to 57, according to an AMA survey of 3,500 physicians conducted last summer.

Many federal relief measures were shaped by AMA advocacy, and include: the Coronavirus Aid, Relief and Economic Security (CARES) Act; the Families First Coronavirus Response Act; the Paycheck Protection Program (PPP); Health Care Enhancement Act, the Consolidated Appropriations Act, 2021 and, most recently, the American Rescue Plan Act.

These advocacy efforts continue as the AMA works with Congress on bipartisan approaches to avert cuts in Medicare pay rates.

To help physicians sort through their options, the AMA issued a physician practice financial relief guide, which has been recently revised to reflect newly available resources created by the Consolidated Appropriations Act. Here is a summary of what the guide covers.

Small Business Administration (SBA) loans. The guide explains the two COVID-19 related loan programs the SBA oversees: The updated Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program.

The guide outlines the following regarding the updated PPP:

- | Eligibility.
- | Loan terms.
- | Loan forgiveness.
- | Clarification on PPP loan tax treatment.
- | Application, reapplying and loan increases.

The EIDL was specifically designed to provide relief for businesses experiencing a temporary loss of revenue due to the pandemic. Topics covered in the guide include:

- | Eligibility.
- | Repayment terms.
- | Payment deferments.
- | Rules on using of loan funds.
- | Application and certification.

Health and Human Services Public Health and Social Services Emergency Fund. Created by the CARES Act, this is commonly referred to as the “Provider Relief Fund.” The Consolidated Appropriations Act added an additional \$3 billion to the fund to help physicians with higher expenses and lower revenue due to the pandemic. Topics covered in the guide include:

- | Rules on using the funds.
- | Certification and reporting.

Medicare Accelerated and Advance Payment (AAP) programs. These programs were created before COVID-19 and provided a lifeline for struggling practices early in the pandemic. The AMA applauded the Centers for Medicare & Medicaid Services (CMS) when the agency expanded eligibility for the loans last spring, but repayment terms were harsh, and they came due far too early for practices still straining to make ends meet.

The AMA supported the Medicare Accelerated and Advance Payments Improvement Act, which was eventually approved as part of a continuing resolution that funded the federal government through Dec. 11, 2020. The bill was cosponsored by Sen. Jeanne Shaheen, D-N.H., who talked about her legislation during the 2021 AMA National Advocacy Conference, held virtually this year due to the pandemic.

“If our legislation hadn't gone into effect, you'd be paying 10.25% interest on those loans—it's like going to a loan shark,” Shaheen said. “We don't want CMS to be a loan shark.”

The guide outlines the programs repayment and reconciliation requirements and defines the terminology used by CMS in those requirements.

Programs subject to change

Like the pandemic, these programs continue to evolve and the information in guide is subject to change when new laws are enacted and as federal agencies issue clarifying guidance.

The AMA recommends physicians and practices consult with their financial adviser or attorney about the information outlined here before taking action regarding matters referenced in this guide.