



Financial Assistance for Physician Medical Practices

THURSDAY, APRIL 9, 2020

As the COVID-19 curve rises in Michigan and elective medical procedures and visits have been postponed, physicians are struggling to continue their duty to treat patients whose health conditions warrant immediate attention while practice revenue and cash flow trend downward. Below are some financial assistance opportunities intended to help practices maintain solvency in the short-run.

Payer Resources

Advanced Payments for Medicare

The Centers for Medicare & Medicaid Services (CMS) announced an expansion of its accelerated and advance payment program for participating providers to assist that they have the resources needed to combat COVID-19. Accelerated and advance Medicare payments provide emergency funding and addresses cash flow issues based on historical payments when there is disruption in claims submission and/or claims processing. These expedited payments are typically offered in natural disasters to accelerate cash flow to the impacted health care providers and suppliers. The payments can be requested by hospitals, doctors, durable medical equipment suppliers and other Medicare Part A and Part B providers and suppliers.

To qualify for accelerated or advance payments, the provider or supplier must:

- Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form;
- Not be in bankruptcy;
- Not be under active medical review or program integrity investigation; and
- Not have any outstanding delinquent Medicare overpayments.

Medicare will start accepting and processing the Accelerated/Advance Payment Requests immediately. CMS anticipates payments will be issued within seven days of the provider's request.

An informational fact sheet on the accelerated/advance payment process can be [found here](#). Use the [WPS GHA Accelerated and Advance Payment Request form](#) to submit a request. Send the completed form, as well as, questions relating to the advance payment request, to AccAdvPymtReq@wpsic.com.

BCBSM Accelerating Payments

BCBSM is accelerating payments to Michigan-based physician organizations and practices to support their efforts for treating patients with COVID-19. The accelerated funding is available to the more than 40 physician organizations that are part of Blue Cross' Physician Group Incentive Program (PGIP), which includes more than 20,000

primary care and specialist physicians throughout Michigan. The PGIP incentive program has a set amount of funding for each year that physician organizations can earn through performance. Blue Cross is advancing funds that would have been spent later in 2020 through this program to give PGIP-affiliated physician organizations the immediate financial means to treat patients now.

Federal and State Resources

In response to the novel coronavirus 2019 (COVID-19) outbreak, financial aid packages have been passed at the federal and state levels. Congress has passed three stimulus packages to date, which the President has signed, and a fourth is currently under discussion. These bills include direct appropriations to the state of Michigan and local governments, as well as, direct aid to assist individual citizens and businesses. The Michigan Legislature passed a \$150 million general fund supplemental appropriation in March to help support activities necessary for the state to respond.

Provisions benefiting the financial health of businesses, including physician medical practices, have been included. Below is a brief description of programs that provide opportunities for physicians to receive financial assistance to help maintain the operation and solvency of their medical practices.

As practices evaluate these programs, it will be important to rely on their existing banking and accounting relationships. Banking, accounting and tax professionals can assist practices in providing information on a variety of loan opportunities, as well determining tax advantages and strategies that offer the best course of action to leverage all the incentives and loans available.

CARES Act

House Resolution 748, the Coronavirus Aide, Relief, and Economic Security (CARES) Act, was signed into law on March 27, 2020. The CARES Act totaled \$2 trillion of relief to address the COVID-19 pandemic. The money includes relief funding for the health care system's response to the pandemic, in addition to stimulus funding for the economic devastation that is resulting from the mass closures of schools, businesses, and entertainment events across the nation. As part of the CARES Act, Michigan is anticipated to receive approximately \$3.8 billion to respond to expenses incurred because of the coronavirus health emergency. Discussions are currently taking place about how to best utilize those funds, with a likely outcome being that they are used to help address the estimated Michigan's projected \$3 billion general fund shortfall.

The CARES Act also included financial relief available directly from the federal government for which medical practices are eligible including the Economic Injury Disaster Loan (EIDL) Program and the Paycheck Protection Program (PPP). [The Small Business Owner's Guide to the CARES Act](#) is available for a more comprehensive review.

Economic Injury Disaster Loan (EIDL) Program

This program allows loans for small business with less than 500 employees affected by COVID-19. These loans of up to \$2 million are intended to help meet financial obligations and operating expenses that the business could have met if this disaster did not occur. Borrowers can request a loan advance of up to \$10,000 to be funded within three days of the applications receipt. The lenders of these loans are certified by the

U.S. Small Business Administration (SBA), and they are guaranteed by the federal government. Interest cannot exceed four percent (4%) with a repayment term of no more than 30 years.

For additional information on EIDL, visit the SBA's [Coronavirus Relief Options website](#) and the U.S. Chamber of Commerce's [Guide](#).

Paycheck Protection Program (PPP)

The [PPP](#) is designed to incentivize small businesses to keep their workers on payroll by forgiving SBA loans under this program if the business meets the following criteria:

- Maintaining employee and salary levels; and
- Using the loan for payroll, rent, mortgage interest, or utilities.

These loans are dedicated for “any business, nonprofit organization, veterans’ organization, or Tribal business, which employs not more than 500 employees or the covered industry’s standard based on assigned NAICS code.” Small businesses, including medical practices, can apply to an SBA-approved lender for a loan of up to 250 percent of the business’ average monthly payroll costs to cover eight weeks of payroll, as well as, help with other expenses like rent, mortgage payments and utilities. The maximum loan amount is \$10 million.

Applications from small businesses and sole proprietors opened up on April 3, 2020. Although the PPP is available through June 30, 2020, medical practices are encouraged to apply early as the funding will be **disbursed on a first-come, first-serve basis**.

Applications should be made through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. The [SBA Lender List](#) can be used to find a participating lender.

Helpful PPP resources include:

- [Michigan Paycheck Protection Program](#)
- [U.S. Chamber of Commerce PPP Guide](#)
- [Interim Rule](#)
- [Generic Application Form](#)

Michigan Small Business Relief Program

At the state level, the Michigan Small Business Relief Program authorized the Michigan Economic Development Corporation to provide up to \$10 million in grant funding and \$10 million in low-interest loans to provide emergency relief to businesses directly impacted by COVID-19. The application period for this funding has ended and grant and loan decisions are currently being announced. Practices that applied should be receiving notification of the status of their request shortly. Questions regarding applications should be directed to your [local economic development corporation](#).

MSMS Federal Advocacy

MSMS joined the American Medical Association and numerous state and national organizations in advocating for financial relief:

- [Letter to HHS Secretary Alex Azar](#) – urges HHS to provide one month of revenue to each physician (MD or DO), nurse practitioner and physician assistant enrolled in Medicare or Medicaid to account for financial losses and non-reimbursable expenses during the COVID-19 response.
- [Letter to Congressional Leadership](#) – urged leaders to help preserve the viability of physician practices that are struggling to meet the needs of patients and staff as they confront revenue shortages through financial support, grants and interest free loans.

MSMS State-Level Advocacy

MSMS is advocating for a portion of the federal stimulus money received by the state be directed to offset losses for medical practices that have shut down operations as a result of the Stay Home, Stay Safe order or that have drastically reduced the number of patient visits in order to send physicians directly to the front lines in regions with the most COVID-19 patients. Additionally, MSMS has requested funding from the state supplemental to support physicians who have or will be implementing telehealth platforms and/or electronic prescribing of controlled substance (EPCS) capabilities in an effort to continue to serve their communities. Physicians are encouraged to contact their local lawmakers to share their experiences, and urge lawmakers to earmark funds to ensure the viability of Michigan's physician workforce as caregivers and employers.