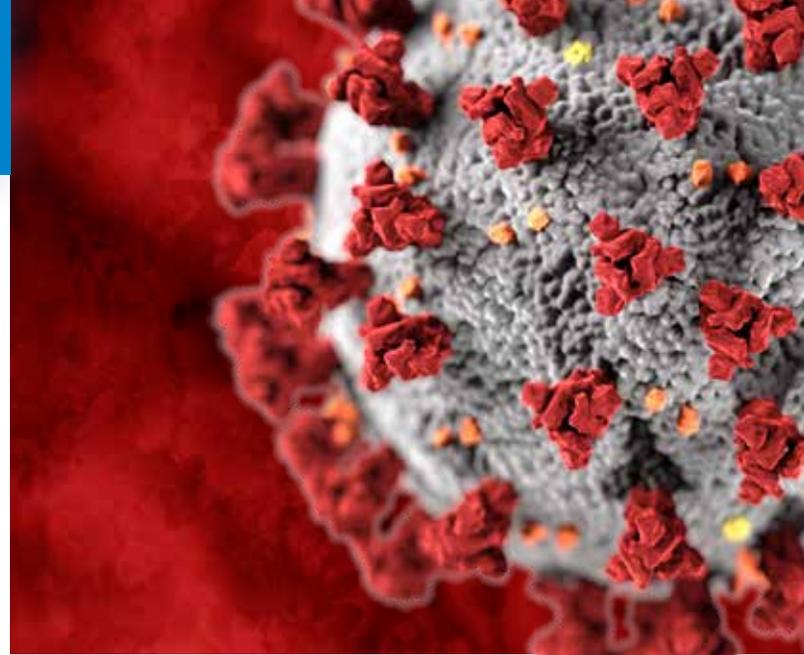


CARES Act



As we remain on the front lines of the COVID-19 pandemic, the priorities of the NMA and how we can best assist our membership is our highest priority. As you know, the Coronavirus Aid and Relief Economic Security Act (CARES) was passed by Congress and signed into law by the President on March 27, 2020. The Council on Medical Legislation has been working tirelessly to examine all of the provisions of the CARES Act so that our membership is able to take advantage of this 2 trillion-dollar relief package. The CML has carefully put together information on the funding that is available to you as a physician and health professional. Hopefully, this Q&A fact sheet will be a valuable resource as you navigate through the COVID-19 pandemic.



Oliver T. Brooks, M.D.
President, National Medical Association

What is in the CARES Act for NMA Physicians?

House lawmakers passed a sweeping \$2 trillion economic stimulus package (section-by-section) aimed at bolstering the response efforts and stemming the negative impacts of the novel coronavirus (COVID-19) outbreak. The CARES Act includes \$100 billion for the Public Health and Social Services Emergency Fund (PHSSEF). This provides funding for eligible healthcare providers for healthcare-related expenses or lost revenues associated with COVID-19.

How Do I Keep the Lights on at my Physician Practice? Does The CARES Act Provide Economic Relief?

Loans Available to Small Businesses

There are a number of Small Business Administration loans available to physician practices.

Economic Injury Disaster Loans (EIDL)

The Economic Injury Disaster Loan establishes an emergency grant to allow a practice that applies for an Economic Injury Disaster Loan to receive an advance on that loan of no more than \$10,000, which the Small Business Administration must distribute within three days. The money may be used to pay for employees' COVID-19-related sick leave, mortgage or rent, and other overhead expenses. The grants would be awarded on a first come, first served basis until the \$10 billion fund is exhausted, and applicants would not have to repay the money even if they are denied the loan.

Small Business Administration 7(a) Loans

The CARES Act provides economic relief to small businesses through Small Business Administration (SBA) loan guarantees and subsidies. The SBA program primarily provides financial assistance to small businesses through the 7(a) loan program. The CARES Act increases the maximum 7(a) loan amount from \$5 million to \$10 million. The law also expands eligible uses of 7(a) loans to include payroll support, employee salaries, mortgage payments, insurance

premiums and any other debt obligations, and makes other important changes. Under the CARES Act, entities eligible for 7(a) loans include small businesses, nonprofits and veteran organizations with fewer than 500 employees.

Paycheck Protection Program (PPP)

In addition to the EIDL grants and increased SBA 7(a) loans, the CARES Act establishes a third loan program for small businesses called the Paycheck Protection Program (PPP). PPP loans are designed to help small businesses avoid closure or layoffs, and can be used to cover payroll, utilities, insurance premiums, and rent and mortgage interest payments on a facility. This program concludes on June 30, 2020, and is tailored for businesses that typically would not qualify for a loan at an average local or national bank. The loans require no collateral, credit test or personal guarantees from a business, only proof that the business was open and operational on February 15, 2020. In order to attract lenders, the government is offering a 100% guarantee on loans through the end of 2020.

Loan Forgiveness

The CARES Act establishes a forgiveness policy for all loans granted by the SBA as part of the COVID-19 response. All recipients of SBA 7(a) loans—including those granted through the PPP—are eligible for loan forgiveness equal to the amount the borrower spends in the eight weeks after the loan is originated. Loan forgiveness will not be included in income tax and can be applied to payroll costs up to \$100,000. Employers must provide payroll information from this year and the same time last year to demonstrate that they are maintaining wages. Employers will not be penalized for rehiring employees who were recently let go.

<https://home.treasury.gov/policy-issues/top-priorities/cares-act/assistance-for-small-businesses>

<https://www.sba.gov/funding-programs/loans/coronavirus-relief-options>

<https://www.nytimes.com/article/small-business-loans-stimulus-grants-freelancers-coronavirus.html>

Temporary Relief for Federal Student Loan Borrowers

Cancels payments for all federal student loan borrowers with federally-held loans with Direct Loans and FFEL loans that are held by the U.S. Department of Education through September 30, 2020, meaning such borrowers will not be required to make any payments toward outstanding interest or principal. Suspends interest accrual for such loans for 6 months. Prohibits forced collections such as garnishment of wages, tax refunds, and Social Security benefits; and negative credit reporting during this time period. Student borrowers continue to receive credit toward Public Service Loan Forgiveness, Income-Driven Repayment forgiveness, and loan rehabilitation. Starting in August, requires student loan borrowers to receive notices to help inform them that their regular loan payments will resume at the end of September. These notices are intended to provide a transition period to help borrowers stay on track as regular loan payments begin again and to enroll in other relief options (such as income-driven repayment) at such time. (Sec 3513)

Is There Relief for Individual Physicians and Employees?

Retirement Account Withdrawals

The bill allows for a withdrawal of money from retirement funds (i.e., 401K, etc.) of up to \$100,000 in 2020 without paying a tax penalty if the physician, their spouse or dependent are diagnosed with SARS-CoV-2 or COVID-19, or experience

adverse financial consequences as a result of being quarantined, furloughed, laid off, or having work hours reduced due to the viruses.

Deferred Social Security Tax

Employers and self-employed individuals would be allowed to defer payment of their employer share of the Social Security tax until Dec. 31. The deferred amounts would be paid over the following two years, with half of the amount required to be paid by Dec. 31, 2021, and the other half by Dec. 31, 2022.

Federal tax rebates

The bill provides for a one-time federal income tax rebate for eligible physicians and their employees in 2020. The rebate amount would be \$1,200 for individual tax filers, \$2,400 for those filing a joint return and \$500 for each child. (The amount of the rebate will be reduced for single filers making more than \$75,000 and joint filers earning in excess of \$150,000).

<https://www.thestreet.com/retirement/cares-act-impact-on-retirement-plans>

<https://www.barrons.com/articles/the-cares-act-will-allow-people-to-use-their-401-k-savings-penalty-free-and-defer-rmds-51585237324>

Should Physicians Practice Implement Telehealth?

Telehealth network and telehealth resource centers grant programs

Health Resources and Services Administration (HRSA) grant programs that promote the use of telehealth technologies for health care delivery, education, and health information services are included with a specific emphasis on rural health centers. The use of telehealth in rural or medically

underserved communities offers providers more flexibility to screen, monitor care, or treat their patients with, or at risk of contracting, COVID-19 while avoiding exposure to others. (Section 3212)

Increasing Medicare Telehealth Flexibilities during Emergency Period

The HHS Secretary has the authority to waive requirements during a national emergency and has allowed for increased Medicare telehealth flexibility and uses during COVID-19 pandemic. (Section 3703)

Expansion of Telehealth with 1135 Waiver

Under this new waiver, Medicare can pay for office, hospital, and other visits furnished via telehealth across the country and including in patient's places of residence starting March 6, 2020. A range of providers, such as doctors, nurse practitioners, clinical psychologists, and licensed clinical social workers, will be able to offer telehealth to their patients. Additionally, the HHS Office of Inspector General (OIG) is providing flexibility for healthcare providers to reduce or waive cost-sharing for telehealth visits paid by federal healthcare programs.

<https://www.cms.gov/newsroom/fact-sheets/medicare-telemedicine-health-care-provider-fact-sheet>

https://www.aafp.org/journals/fpm/blogs/gettingpaid/entry/medicare_covid_changes.html

Enhancing Medicare Telehealth Services for Federally Qualified Health Centers and Rural Health Clinics during Emergency Period

The Secretary allows for enhanced use of telehealth in Medicare for federally qualified health centers (FQHCs) and rural health clinics during the emergency period. Payment for these services can be determined by the Secretary or can be comparable to the telehealth rates

currently paid for similar services. (Section 3704)

Temporary Telehealth Provisions

There is also a temporary waiver of the requirement for face-to-face visits between home dialysis patients and physicians. (Section 3705) Telehealth may be used to conduct face-to-face encounters prior to recertification of eligibility for hospice care. (Section 3706) Remote patient monitoring for home health services will also be considered. (Section 3707)

Telehealth and Rural Health

The bill reauthorizes and provides \$180 million for HRSA rural health and telehealth initiatives, including funding for HRSA telehealth resource centers grant programs. It also provides \$200 million for the Federal Communications Commission's Connected Care Pilot Program, which supports providers rendering care through telehealth. The bill further relaxes Medicare telehealth requirements, removing any need for a telehealth provider to have seen the patient in the past three years. It also allows federally qualified health centers (FQHC) and rural health centers (RHC) to furnish telehealth to Medicare beneficiaries in their home and allow for many check-ups to be done via telehealth.

What Financial Relief is there for Medicare Providers?

Accelerated and Advance Payment Program

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. In this situation, CMS is expanding the program for all Medicare providers throughout the country during the public health emergency related to COVID-19. The payments can be requested by hospitals, doctors, durable medical equipment suppliers and other Medicare Part A and Part B providers and suppliers.

In order to increase cash flow to providers of services and suppliers impacted by the 2019 Novel Coronavirus (COVID-19) pandemic, the Centers for Medicare & Medicaid Services (CMS) has expanded our current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. The expansion of this program is only for the duration of the public health emergency.

Eligibility

To qualify for advance/accelerated payments the provider/supplier must:

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

Amount of Payment

Qualified providers/suppliers will be asked to request a specific amount using an Accelerated or Advance Payment Request form provided on each MAC's website. Most providers and suppliers will be able to request up to 100% of the Medicare payment amount for a three-month period. Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals are able to request up to 100% of the Medicare payment amount for a six-month period. Critical access hospitals

(CAH) can request up to 125% of their payment amount for a six-month period.

<http://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>

<https://www.cms.gov/newsroom/press-releases/trump-administration-provides-financial-relief-medicare-providers>

Are there dollars allocated for FQHCs (Federal Qualified Health Centers)?

Supplemental awards for health centers

Grants up to \$1.32 billion will be awarded to supplement funds to health centers

specifically for the detection, treatment, prevention and diagnosis of COVID-19. (Section 3211)

Coverage Mandates in COVID-19 Legislation

CMS sent out additional guidance clarifying that commercial health plans are required to provide at no cost access to COVID 19 testing and visits for care related to coronavirus. This mandate extends to antibody testing.

FAQs about Families First Coronavirus Response Act and Coronavirus Aid, Relief, and Economic Security Act Implementation Part 42

<https://www.cms.gov/files/document/FFCRA-Part-42-FAQs.pdf>

Trump Administration Announces Expanded Coverage for Essential Diagnostic Services Amid COVID-19 Public Health Emergency | CMS

<https://www.cms.gov/newsroom/press-releases/trump-administration-announces-expanded-coverage-essential-diagnostic-services-amid-covid-19-public>

About the National Medical Association

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The National Medical Association (NMA) is the nation's oldest and largest organization representing the collective voice of more than 50,000 African American physicians and health professionals in the United States, and the patients they serve. Established in 1895, the NMA is the leading force for parity and justice in medicine and the elimination of disparities in health. NMA is committed to improving the quality of health among minorities and disadvantaged people through its membership, professional development, community health education, advocacy, research and partnerships with federal and private agencies. Throughout its history the National Medical Association has focused primarily on health issues related to African Americans and medically underserved populations; however, its principles, goals, initiatives and philosophy encompass all ethnic groups.