

Under CARES Act, Physicians Can Get Financial Help to Support Practices

Many surgeons who own practices are facing significant challenges due to the impact of COVID-19. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law this past Friday, March 27. This law provides several avenues by which physicians may seek financial assistance to support their practices during this public health emergency.

In addition to suspension of sequestration cuts, which will add back 2% to Medicare payments for those claims filed from May 1 to Dec. 31, 2020, the Centers for Medicare and Medicaid Services (CMS) has expanded the Accelerated and Advanced Payment Program. This program permits up to two months' prepayment based on historical payments. This is an advance on anticipated payments, rather than a grant or loan, and repayment would begin 120 days after the date of issuance of the payment. Part B providers will have 210 days from the date of the accelerated or advance payment to repay the balance.

This recoupment process will not begin for 120 days. The provider/supplier can continue to submit claims as usual after the issuance of the accelerated or advance payment; providers/suppliers will receive full payments for their claims during the 120-day delay period. At the end of the 120-day period, the recoupment process will begin and every claim submitted by the provider/supplier will be offset from the new claims to repay the accelerated/advanced payment. Thus, instead of receiving payment for newly submitted claims, the provider's/supplier's outstanding accelerated/advance payment balance is reduced by the claim payment amount. This process is automatic.

Find information about the Accelerated and Advanced Payment Program here, including a program fact sheet (pdf):

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

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

The Accelerated and Advanced Payment Program will be administered through the Medicare Administrative Contractor (MAC) for your region. Please contact your MAC to receive the form. Payment may be received as soon as seven days after a completed and approved application.

Find a list of MACs by name and state here:

<https://www.cms.gov/Medicare/Medicare-Contracting/FFSProvCustSvcGen/MAC-Website-List>

The CARES Act also adds significant funding to one established and one new loan program administered by the Small Business Administration.

The SBA's Economic Injury Disaster Loan (EIDL) is an existing program. It has received an additional \$562 million to support small businesses with working capital loans of up to \$2 million, plus \$10 billion to provide \$10,000 emergency grants to businesses in urgent need while applying for a loan. Businesses of up to 500 employees per location are eligible to apply. [Applications are currently available](#) for this program. The SBA is updating available information daily to reflect current financial conditions, which are expected to result in a downward adjustment of the interest rate, previously 3.75%, and the urgency of fund availability.

Applications and additional information regarding Economic Injury Disaster Loans may be accessed at:

<https://www.sba.gov/disaster/apply-for-disaster-loan/index.html>

In addition, the CARES Act establishes the Paycheck Protection Program (PPP), investing \$350 billion to provide small businesses and other entities zero-fee loans of up to \$10 million, with loan amount tied to payroll costs. An important feature of the PPP is a provision for loan forgiveness for up to eight weeks of payroll and other specified costs if a business retains employees at current salary levels. Emergency rulemaking for this program may take up to 15 days.

As the PPP loan program is not yet open to enrollment, it is important to note that a borrower who obtains an EIDL loan related to COVID-19 may refinance that loan into the PPP loan. As both programs are administered by the SBA, surgeons are encouraged to contact their SBA district office or their local community lender/bank they work with to learn more and ensure timely communication and applications. Local SBA district offices are listed here:

<https://www.sba.gov/local-assistance/find/?type=SBA%20District%20Office&pageNumber=1>

Several additional provisions address unemployment insurance and tax provisions applicable to small business. These are under review and the SVS will continue to provide information on these and other important legislative and regulatory developments going forward.