

Physician Enterprise Solutions

Challenging the way we think about and address medical group performance

COVID-19 Response: Medical Group Stimulus Summary

Nationwide, hospitals, providers, and businesses alike are facing unprecedented hurdles while operating amidst a national public health emergency. Federally sponsored programs have been established to offer financial assistance to institutions adversely affected by COVID-19. The table below (last updated April 16, 2020) outlines these financial opportunities made available in response to the national public health emergency. This information is rapidly changing, with new opportunities routinely emerging in order to support healthcare providers at a national, state, and local level.

Category (reference link)	Medical Group or Health System*	Maximum Individual Available Amount	Qualifying Limitations	Loan or Grant?	Loan Forgiveness?	Loan Term	Interest Rate	Program Stipulations
SBA Paycheck Protection Program (PPP)	Medical Group	\$10 Million (OR) Avg. Monthly Payroll in last 12 Months X 2.5 <i>*Additional funding is being determined *</i>	1. Maximum 500 employee 2. Any for-profit or 501(c)(3)	Both, pending qualifications	Yes, with qualifications	2 Years	1%	Limited based on intended use of funds
Emergency Economic Injury Disaster Loan (EIDL)	Medical Group	\$2 Million (\$10,000 advanced grant related to COVID-19) <i>* as of 4/9 EIDL loans are limited to \$15k per applicant *</i>	1. Less than 500 employees 2. SBA definitions of a Small Business	Loan	No (except for COVID-19 Grant)	Max 30 Years	Small Business = 3.75% Nonprofits = 2.75%	Loan approval conditions apply based on loan amounts
COVID-19 Telehealth Program	Both	\$1 Million per applicant (can request additional rewards if exhaust initial requests – TBD if above \$1M aggregate)	1. Nonprofit and public health care providers 2. Commission interest in areas hardest hit by COVID-19	Grant	N/A	N/A	N/A	“Connected Care Devices” are monitoring devices connected to the provider.
CARES Act Provider Relief Fund	Both	\$30 Billion x (Provider's 2019 Medicare FFS / \$484 Billion) <i>*Remaining \$70B TBD</i>	1. Have a valid Tax ID 2. Received Medicare FFS payments in 2019	Grant	N/A	N/A	N/A	Stipulations around patient out of pocket payments
Telehealth Network Grant Program	Both	\$300K per subject year	1. Geographic requirements 2. Telehealth composition 3. Nonprofit status	Grant	N/A	N/A	N/A	Program is capped at 29 participants
Main Street New Loan Facility	Both	\$25 Million (OR) an amount not to exceed 4X 2019 EBITDA when added to current existing outstanding but undrawn debt	1. Maximum 10,000 employees 2. 2019 Revenues up to \$2.5 Billion	Loan	No	4 Years	(Deferred for 1st Year) SOFR + 2.5-4%	Loan usage restrictions under CARES Act Minimum Loan \$1M
Medicare Accelerated & Advanced Payment	Both	3 or 6-months historical net Medicare Reimbursements	1. Have Filed Medicare Claims for past 180 days 2. Not currently in bankruptcy 3. Not under active medical review 4. No outstanding delinquent Medicare overpayments	Loan	No	7 months to 1 Year depending on entity type	10.25%	Entity type (IPPS, Children's hospital, CAH, Provider Groups) determine funding and repayment timeline

* Assignment to either “Medical Group” or “Health System” assumes Health System operates with greater than 500 employees and Medical Groups operate with less than or equal to 500 employees

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Additionally, through cooperation of the CMS and the Federal government, identified healthcare service, revenue, and workforce relief adjustments have been authorized to support businesses and communities facing hardships amidst the public health emergency.

Healthcare Service Adjustments

CMS Telehealth Adjustments	85 unique CPT codes have been temporarily added to the approved Medicare Telehealth Services list (191 total CPTs within the list)
COVID-19 Vaccine	Forthcoming vaccine is covered for Medicare beneficiaries without cost sharing requirements
FQHC/RHC Telehealth	Medicare individuals can be provided services via telehealth with FQHC and RHC providers; Reimbursement will be at FFS rates similar to the national average payment rate
Home Dialysis	The face-to-face requirement between patients and physicians is waived during the public health emergency period
MIPS Adjustments	MIPS Providers adversely affected can request reweighting of 2019 PY scores; Additional improvement activity was added related to COVID-19 clinical trial participation
Post-Acute Access	IRF 3-Hour Waiver and LTC Hospital site-neutral payment rule waived during emergency period
Prescription Drug Refills	90-day supply fill or refill permitted for non-safety edit prescriptions for Medicare beneficiaries
Stark-Law Adjustments	Rendered services and financial support leniency has been approved in specific situations to offset financial and workforce difficulties
Workforce Adjustments	Physician supervision, physician services, NCD/LCD determination, and practitioner location licensure adjustments to offset the supply of healthcare workers and services

Published Revenue Adjustments

Sequestration Reduction	Removed from Medicare FFS claims between 5/1/2020 - 12/31/2020
IPPS Add-On	Patients discharged with Diagnosis Code U07.1 will see 20% DRG payment increase from CMS for DRGs 177, 178, 179, 791, 793, 974, 975, 976

Workforce Relief Adjustments

Emergency Paid Sick Leave*	Full-time employees are entitled to 80 hours of paid sick leave conditional to situations outlined by FFCRA Act. Part-time employees receive a pro-rated amount. Stipulations on daily pay rates exist based on circumstances
Employer Payroll Taxes	Employers may defer CY 2020 employer taxes with 50% due by December 31, 2021 and any remaining CY 2020 taxes due by December 31, 2022
Family Medical Leave Act Enhancement*	Employees receive 12 weeks of paid sick leave and expanded family medical leave at 2/3 normal pay rate up to \$200 per day (\$12,000 max over 12 weeks) for care of children whose school or childcare provider has closed due to COVID-19
Payroll Tax Credit for Leave	Amount of qualified sick leave wages, qualified health plan expenses, and paid family leave amounts will be allowed as credits for employers against Social Security (6.2%) and section 3221(a) taxes per qualified calendar quarter

* Employers covered under the FFCRA applies to public employers and private employers with fewer than 500 employees. Small businesses with fewer than 50 employees may qualify for exemption to provide leave due to school or childcare closings related to COVID-19.

Please reach out to our Physician Enterprise leadership to assist you with any questions that you may have related to this information or to discuss any potential areas of need.



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