

COVID-19

FINANCIAL TOOLKIT FOR MEDICAL PRACTICES



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CMA COVID-19 FINANCIAL TOOLKIT FOR PHYSICIAN PRACTICES

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During the COVID-19 pandemic, physician practices are confronting operational and business challenges as they continue to deliver high quality care to their patients. This toolkit provides an overview of financial assistance available to medical practices during and after this difficult time so physicians have the information they need to make the right decisions for their businesses and families.

NOTE: *Substantive changes made over the past week will be highlighted in orange.*

Getting Organized

The American Medical Association (AMA) has developed a [checklist](#) for physician practices that provides high level guidance for practice owners and administrators so they can gain a comprehensive view of the financial status and resiliency of their practices. The checklist includes:

1. Implement a process for rapid decision-making and planning.
2. Understand your insurance coverage.
3. Evaluate ongoing financial obligations.
4. Make a financial contingency plan.
5. Assess current and future supply needs.
6. Understand how to continue business operations.
7. Consolidate administrative resources, including coding tools.
8. Manage workflow.
9. Use digital health tools.
10. Communicate guidelines to employees.

Direct Payments

The federal economic relief package, signed into law on March 27, 2020, includes:

- + **\$175 billion in direct assistance to physicians**, hospitals and other health care workers for unreimbursed expenses and lost revenues due to reductions in other services as a result of the COVID-19 outbreak. The U.S. Department of Health and Human Services (HHS) distributed the first \$30 billion from this fund on April 10-17, 2020. HHS began releasing a second wave of \$20 billion for physicians and hospitals and another \$20 billion for hospitals in hot zones and rural areas starting on April 25, 2020. HHS also released \$10 billion for treatment provided to uninsured COVID-19 diagnosed patients. See "[\\$175 Billion HHS Provider Relief Fund](#)" below.
- + **2% increase in Medicare physician payments** by temporarily lifting the Medicare sequestration cuts effective for dates of service from May 1-December 31, 2020. The conversion factor will be increased and a new fee schedule published before May 1.

- + **20% enhanced Medicare inpatient payment** for services provided to patients with a COVID-19 diagnosis. Hospitals can also request to receive Medicare payments in an upfront lump sum.
- + **\$500 billion plus to the Treasury Secretary’s Stabilization Fund and the Main Street Lending Program** to provide emergency relief to assist businesses, including physician practices impacted by the outbreak. This program will serve employers and physician groups with 500 to 10,000 employees. There are no details yet on the Treasury Secretary’s fund. In addition, the Federal Reserve announced a new **Main Street Business Lending Program** (see below) that will make loans to medium to large size employers (including medical groups) with less than 10,000 employees.
- + **Coverage and Payment for COVID-19 Testing:** Congress mandated that Medicare, Medicaid, private insurers, TriCare, the VA and Indian Health Services cover and pay for COVID-19 vaccines, testing and related physician visits and prohibit any patient cost-sharing for such services. Medicare will pay for 100% of the visit costs. Private insurers must pay the contracted rate. If there is no contract, insurers must pay the cash price posted by the physician.
- + **Deadlines Extended for the Medicare MIPS Quality Reporting Data Submissions:** The Centers for Medicare and Medicaid Services (CMS) extended the deadline from March 31, 2020, to April 30, 2020. MIPS eligible clinicians who do not submit data by the April 30 deadline will qualify for the automatic “Extreme and Uncontrollable Circumstances” policy and will receive a neutral payment adjustment in 2021. CMS is evaluating options for providing relief around participation and data submission for 2020.
- + **The Medicare Shared Savings Program for ACOs:** CMS is making numerous changes to the Medicare Shared Savings Program (MSSP) for Accountable Care Organizations (ACOs). CMS is adjusting the financial methodology for calculating spending in order to account for the pandemic and not penalize ACOs that may have higher costs. Further, while new ACOs usually come into the program and every year, CMS will not be accepting new applications in 2021. CMS is also giving ACOs whose participation is set to end this year the option to extend for another year. Finally, CMS is giving ACOs that were supposed to take on more financial risk next year the opportunity to maintain their current level of risk.
- + **Stimulus Tax Credits:** All U.S. residents with adjusted gross income up to \$75,000 (\$150,000 married) are eligible for a full \$1,200 (\$2,400 married) tax credit. They are also eligible for an additional \$500 per child. No action is required to receive a stimulus check from the IRS.

Telehealth

Public and private entities have taken action to ensure that physicians participating in commercial managed care, Medi-Cal and Medicare are reimbursed for services provided via telehealth at the same rate that they would have been reimbursed if the service had been provided through an in-person visit. Some payers have expanded telehealth to include telephone visits. Expanded opportunities for telehealth payment may provide the opportunity for physicians to expand care delivery to include telehealth options.

See [CMA’s COVID-19 Telehealth Toolkit](#) for more information on how to access the expanded funding and bill for services

\$175 Billion HHS Provider Relief Fund

- + **On March 27, 2020, Congress adopted and the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. It provides \$100 billion in financial assistance to physician practices,** hospitals, and other providers for additional unreimbursed expenses or lost revenue due to the COVID-19 pandemic. These payments do not need to be repaid. This is a welcome relief for physicians. CMA has been aggressively advocating to Congress and HHS for additional financial assistance to sustain financially distressed practices.
- + **On April 24, 2020, Congress enacted and the President signed the COVID-19 “Interim Economic Relief” bill that provided an additional \$75 billion** to the HHS Provider Relief Fund for a total of \$175 billion.
- + **Phase One Payments:** On April 10 and April 17, 2020, HHS directly dispersed \$30 billion to Medicare-enrolled fee-for-service physicians and hospitals through the physician group’s TIN bank account that normally receives Medicare payments. These payments do not need to be repaid. Phase One payments represent approximately 6.2% of each physician practices 2019 Medicare fee-for-service payments. For more information about this disbursement, attestations, terms & conditions, and how to appeal, see below. (See [Phase One Funding Details](#) below.) **On May 7, 2020, HHS extended the deadline to submit attestations and terms and conditions from 30 to 45 days from receipt of the funding.** For instance, for physicians receiving payments on April 10, 2020, attestations are not due until May 24, 2020. See Phase One Funding Details below.
- + **Phase Two Payments:** On April 23, HHS announced a second wave of \$20 billion in payments for physicians and hospitals to replace lost revenue from all payers due to the COVID-19 outbreak. The payments do not need to be repaid. Physicians must apply for the payments and submit their most recent IRS Tax Filings with information about Covid-19 related revenue losses for March and estimated losses April 2020 from all payors. Physicians must use the funding to cover unreimbursed expenses or lost revenue due to the COVID-19 pandemic. The phase two payments are only available to providers who received a Provider Relief Fund payment prior to April 25, 2020. The same terms and conditions that applied to the phase one payments will still apply with additional terms. (See [“Phase Two Funding Details”](#) below.)
- + **General Distribution:** HHS is calling the funding received from the \$30 billion phase one and the \$20 billion phase two the “General Distribution” and it totals \$50 billion.
- + **Medicaid Targeted Distribution:** On June 9, 2020, HHS announced approximately \$15 billion in COVID-19-related relief payments for physicians and hospitals that participate in state Medicaid programs and the Children’s Health Insurance Program (CHIP). This funding will supply relief to Medicaid and CHIP providers experiencing lost revenues or increased expenses due to COVID-19. This round of targeted funding will only be available to those physicians who have not previously received money from the HHS Provider Relief fund general distribution. Providers will be able to apply for these funds starting tomorrow, Wednesday, June 10. (See [“Medicaid Targeted Distribution”](#) below.)
- + **Other Targeted Allocations:** There is another “targeted allocation” of an additional \$20 billion for hospitals in hot zones and rural areas. HHS is also making an additional \$10 billion available to

physicians and hospitals providing treatment to uninsured Covid-19 diagnosed patients Physicians may **apply for the uninsured funds now.**

Medicaid Targeted Distribution

On Wednesday, June 10, 2020, the U.S. Department of Health and Human Services (HHS) opened a new “Medicaid Targeted Distribution” portal through which Medicaid-dependent physicians can apply to receive a portion of the \$15 billion “targeted distribution” for Medicaid providers. Physicians must apply for the funding before July 20, 2020. The funding does not need to be repaid.

HOW TO APPLY

1. Review the “[Medicaid Targeted Distribution](#)” FAQs.
2. [Read the Medicaid Provider Distribution Instructions.](#)
3. [Download the Medicaid Provider Distribution Application Form.](#)
4. Visit the [enhanced provider relief portal](#) and apply for the Medicaid Targeted Distribution.

ELIGIBILITY

Physicians are eligible for this targeted distribution only if:

- + They have NOT received payments from the Provider Relief Fund \$50 billion General Distributions in April 2020.
- + They have directly billed Medicaid or CHIP between January 1, 2018 and December 31, 2019.
- + They provided patient care after January 31, 2020.

See additional eligibility requirements under the [Medicaid Targeted Distribution FAQs](#).

PAYMENTS

- + Eligible physicians can expect to receive approximately 2% of gross patient care revenue for 2017, 2018 or 2019 from all payors, as selected by the applicant and with accompanying submitted tax documentation.
- + Payments will be made to applicant providers who are on the filing TIN curated list submitted by states to HHS or whose applications underwent additional validation by HHS.
- + Payments will be made on a rolling basis upon HHS receipt of the applications and eligibility determinations.
- + Physicians will have 90 days from the receipt of the funding to [attest that the funding was received and agree to the Terms and Conditions](#). (Note: There are several important FAQs related to the attestations and terms and conditions.)

REQUIRED DOCUMENTATION

The application form will require the following information:

- + The applicant's most recent federal income tax return for 2017, 2018 or 2019, or a written statement explaining why the applicant is exempt from filing a federal income tax return (e.g. a state-owned hospital or healthcare clinic).
- + The applicant's Employer's Quarterly Federal Tax Return on IRS Form 941 for Q1 2020, Employer's Annual Federal Unemployment (FUTA) Tax Return on IRS Form 940, or a statement explaining why the applicant is not required to submit either form (e.g. no employees).
- + The applicant's FTE Worksheet (provided by HHS).
- + If required by Field 15, the applicant's Gross Revenue Worksheet (provided by HHS).

Please note that physicians can only submit one application and cannot go back and amend the original application so make sure you include all of the required documentation before you hit "submit."

ADDITIONAL RESOURCES

- + For more general information, see the [HHS Provider Relief Fund website](#).
- + For additional details about the financial assistance available to physicians, see the [CMA COVID-19 Financial Toolkit for Medical Practices](#).

Phase Two Funding Details

\$20 BILLION FOR PHYSICIANS AND HOSPITALS

Hospitals that submit cost reports to HHS will automatically receive direct deposits on April 24, 2020. Physicians will need **to apply to HHS to receive phase two payments and they do not need to be repaid. All providers with a billing Taxpayer Identification Number (TIN) and who have already received funding from the Provider Relief Fund are now eligible to apply for a portion of the \$20 billion allocation** by submitting data about their annual revenues (through your most recently filed IRS tax return) and COVID-related lost revenue for March and estimated revenue losses for April 2020 via the [Provider Relief Fund General Distribution Portal](#). The revenue losses are from all payers, not just Medicare. There is also an [application guide](#) that provides additional information. Providers that have already received Provider Relief Funds were heavy Medicare participating providers.

For more information, see the [new FAQ from HHS](#). AMA has also developed [guidance to help physicians](#) pull together the information they need to submit to the portal, including:

- + Taxpayer Identification Number (TIN) that has received prior Provider Relief Fund payments
- + TINs of subsidiary organizations that have received prior Provider Relief Funds but do not file separate tax forms (i.e., subsidiary organizations that are accounted for in the parent organization's tax filing)
- + The Provider Relief Fund portal's customer service line responded that anyone with a billing TIN (including pediatricians and gynecologists) should complete the application.
- + Amount of payments received from the Provider Relief Fund
- + Lost March 2020 Revenues from all payers

- + Estimated lost April 2020 Revenues from all payers
- + Relief Fund payment transaction numbers / check numbers
- + A copy of your most recently filed tax forms

HHS CLARIFIES PAYMENT ALLOCATION ELIGIBILITY FOR PHASE TWO FUNDING

The first week in May, HHS clarified the Provider Relief Fund payment allocation methodology and eligibility.

- + Starting on April 10, HHS automatically distributed \$30 billion directly to physicians, hospitals and other health care providers based on historical Medicare fee-for-service (FFS) payments. The allocation represented about 6.2% of each practice TIN'S 2019 Medicare FFS revenue.
- + On April 24, HHS announced a second phase of \$20 billion in funding for a total of \$50 billion. Hospitals directly received payments and **physicians who received some of the first \$30 billion in payments are eligible but must apply for this additional funding**. There are numerous steps you must follow to receive your portion of this second tranche of \$20 billion in funding. See the discussion above and the following links:
 - [The HHS Provider Relief Home Page](#)
 - [HHS Online Tutorial](#) – Step-by-step guide through the application process.
 - [HHS General FAQs](#)
 - [HHS Detailed FAQs](#) – Financial information that must be submitted

On May 15, 2020, HHS updated and clarified the distribution of Provider Relief Funds and how to estimate the second allocation of payments.

CMA strongly recommends that physicians review the [new FAQ](#). HHS has without notice changed its website and these rules several times over the last two weeks, which has caused a great deal of confusion. There are important changes to the allocation formula, which will alter expected payment amounts. Also, please remember that only Medicare fee-for-service (FFS) physicians who received a share of the first \$30 billion distribution before April 25 are eligible to receive a portion of the second \$20 billion distribution.

On April 10, 2020, HHS began automatically distributing the initial \$30 billion directly to physicians, hospitals and other health care providers based on historical Medicare FFS payments. Physicians received approximately 6.2%—or three weeks equivalent—of their 2019 Medicare FFS payments. Only Medicare providers received funding.

On April 24, 2020, HHS announced a second tranche of \$20 billion in funding for a total distribution of \$50 billion. This \$50 billion is now being referred to by HHS as “the general distribution.” Hospitals directly received their payments. ONLY physicians who received payments from the first distribution are eligible for the second distribution. Moreover, physicians must apply for their share of this second \$20 billion distribution through the application portal. You must submit your most recent tax return and estimated revenue losses from March and April 2020.

Physicians who receive these payments must attest to receipt of the funds and agree to the **Terms and Conditions**. CMA urges all physicians to have an attorney or financial expert review the terms and conditions. Physicians should also keep thorough records of how the funds were spent because there will be audits by the government.

The most important May 15 update is that eligible physicians should expect to receive the LESSER of 2% of their 2018 net patient revenue OR the sum of incurred revenue losses for March and April 2020. If the first general distribution payment providers received between April 10 and April 17 was at least 2% of their annual net patient revenue, those providers will not receive a second allocation from the general distribution. This means that the total funding a provider receives from the first distribution and the second distribution COULD be less than 2 percent of their total 2018 net patient revenues IF the sum of your incurred revenue losses for March and April 2020 is less than 2 percent of your 2018 revenue. This is a new and different funding allocation formula. Some practices are reporting high revenue losses for March and April 2020 compared to March and April 2019 but those practices will likely only receive 2% of 2018 net patient revenue because it is the lesser amount.

Example:

- + Distribution 1: You received approximately 1% of your 2018 net patient revenues.
- + Your total incurred losses for March and April are ~1.9 percent of your 2018 net patient revenues.
- + Distribution 2: Your payment would only be 0.9 percent (not an additional 1 percent) since your losses for March and April came out to less than 2 percent of your total 2018 net revenue.

Here are the two most important additions to the FAQ:

How did HHS determine the additional payments under the General Distribution?

HHS is distributing an additional \$20 billion of the General Distribution to providers to augment their initial allocation so that \$50 billion is allocated proportional to providers' share of 2018 net patient revenue. The allocation methodology is designed to provide relief to providers, who bill Medicare fee-for-service, with at least 2% of that provider's net patient revenue regardless of the provider's payer mix. Payments are determined based on the lesser of 2% of a provider's 2018 (or most recent complete tax year) net patient revenue or the sum of incurred losses for March and April. If the initial General Distribution payment you received between April 10 and April 17 was determined to be at least 2% of your annual patient revenue, you will not receive additional General Distribution payments.

How can I estimate 2% of patient revenue to determine my approximate General Distribution payment?

In general, providers can estimate payments from the General Distribution of approximately 2% of 2018 (or most recent complete tax year) patient revenue. To estimate your payment, use this equation: (Individual Provider Revenues/\$2.5 Trillion) X \$50 Billion = Expected Combined General Distribution.

To estimate your payment, you may need to use “Gross Receipts or Sales” or “Program Service Revenue.” Providers should work with a tax professional for accurate submission.

This includes any payments under the first \$30 billion general distribution as well as under the \$20 billion general distribution allocations. Providers may not receive a second distribution payment if the provider received a first distribution payment of equal to or more than 2% of patient revenue.

In contrast to earlier instructions, HHS will calculate payments for the second distribution taking into account payments made in the first distribution to be sure the total does not exceed the formula listed above. This also helps to avoid overpayments. While HHS says it does not plan to recoup funding, they are planning to perform audits.

The [HHS FAQ](#) also provides new details on how to calculate net patient revenue and estimate revenue losses for March and April. It also provides instructions on where to find your practices’ gross receipts on your tax forms.

HHS states it will notify providers whether or not they have qualified for additional funding in the second distribution within 10 business days of receiving their applications. HHS is sending payments once a week on a rolling basis.

If practices believe they received erroneous payments, they should contact HHS and report overpayments or underpayments.

HHS is making a list publicly available of the providers who have received and accepted money from the Provider Relief Fund here: data.cdc.gov/Administrative/HHS-Provider-Relief-Fund/kh8y-3es6

ADDITIONAL ATTESTATION NOTE: Physicians receiving payments will need to attest to certain HHS [terms and conditions](#) within 45 days of receiving the funding. For more a discussion on some of the Terms and Conditions, see “[Phase One Funding Details](#)” below. CMA urges all physicians to engage a financial expert or accountant to carefully review all of the Terms and Conditions prior to the deadline and to carefully document expenditures of any Provider Relief Fund payments as there will be extensive auditing by the federal government.

\$10 BILLION TO COVER COVID-19 TREATMENT FOR THE UNINSURED

The U.S. Department of Health and Human Services (HHS) has announced a process for allocating approximately \$10 billion of the \$175 billion Provider Relief Fund enacted as part of the CARES Act to cover treatment of uninsured patients diagnosed with COVID-19. In addition, the Families First Coronavirus Response Act appropriated \$1 billion to reimburse providers for conducting coronavirus testing for the uninsured. The U.S. Health Resources and Services Administration (HRSA) will begin distributing funds on April 27, 2020.

Providers who conducted testing or provided treatment for uninsured COVID-19 patients on or after February 4, 2020, can request claims reimbursement. According to HRSA, providers “will be reimbursed generally at Medicare rates, subject to available funding.” Providers will be required to enroll as a

provider participant, check patient eligibility, submit patient information and submit claims, in order to receive payment via direct deposit.

Additional details, including coverage criteria and services eligible for reimbursement, can be found in the [HRSA fact sheet](#).

On May 6, 2020, physicians may begin submitting claims. Information can be found in the [registration portal](#), the program's [home page](#), and [frequently asked questions](#).

Phase One Funding Details

\$30 BILLION IN DIRECT DEPOSIT DISBURSEMENTS

On April 10, 2020, Medicare-enrolled providers received [direct deposit disbursements](#) totaling \$30 billion. The funds disbursed do not need to be paid back. The money was deposited via Optum Bank and is labeled "HHSPAYMENT." Note that the funds will go to each physician organization's TIN that normally receives Medicare payments, not to each individual physician.

The funds may be used either for health care related expenses or for lost revenues that are attributable to coronavirus. According to HHS, "providers will be distributed a portion of the initial \$30 billion based on their share of total Medicare [fee-for-service (FFS)] reimbursements in 2019. Total FFS payments were approximately \$484 billion in 2019." CMA estimates it is approximately 6.2% of each provider's total 2019 Medicare payments or roughly three weeks of each provider's Medicare payments.

HHS adds that providers "can estimate their payment by dividing their 2019 Medicare FFS (not including Medicare Advantage) payments they received by \$484,000,000,000, and multiply that ratio by \$30,000,000,000." For additional details on the calculations, see the HHS [provider relief webpage](#).

Terms and Conditions

Each organization receiving grants will need to attest to certain HHS [terms and conditions](#) within 30 days of receiving the grant. Please note that CMA and AMA have asked for clarifications to several of the terms and conditions. CMA urges all physicians to carefully review the Terms and Conditions as there will be audits conducted by the federal government.

The website at hhs.gov/provider-relief includes the following important statement: "If you ceased operation as a result of the COVID-19 pandemic, you are still eligible to receive funds so long as you provided diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19." Several days later, HHS changed "possible" to "presumptive."

Also, the second provision of the [Terms and Conditions](#) has been changed to no longer say providers attest to "currently" taking care of patients, just that they did so after January 31, 2020:

"The provider recipient certifies that it billed Medicare in 2019; provides or provided after January 31, 2020 diagnoses, testing, or care for individuals with presumptive or actual cases of COVID-19; is not currently terminated from participation in Medicare; is not currently excluded from participation in

Medicare, Medicaid, and other Federal health care programs; and does not currently have Medicare billing privileges revoked.”

While there are numerous terms and conditions you must agree to in order to accept the funds, there are a few additional ones you should closely consider.

1. The Recipient certifies that it will not use the Payment to reimburse expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse.

To survive the deep financial losses that most physician practices have experienced during the COVID-19 pandemic, we understand that physicians are using multiple funding streams to maintain existing operations and surge readiness. We assume that this Provider Relief Fund term and condition will not preclude you from applying for funding from other federal programs, such as the Small Business Administration Payroll Protection Program or the Medicare Advance Payment Program, but CMA has asked HHS to confirm that you can receive funding from multiple sources, as long as the Provider Relief Funds are not used for the same operating expenses that another grant or loan program might be covering. If you do receive funding from multiple federal sources, CMA recommends that you document and track how each source of funding is being specifically allocated.

2. The Recipient shall submit reports as the Secretary determines are needed to ensure compliance with conditions that are imposed on this Payment, and such reports shall be in such form, with such content, as specified by the Secretary in future program instructions directed to all Recipients.

You are only allowed to use the funds “to prevent, prepare for, and respond to coronavirus” and to cover “health care related expenses or lost revenues that are attributable to coronavirus.” If you keep the funds, you will be required to submit reports to HHS about how you are using it. Specifically, HHS states that “all recipients will be required to submit documents sufficient to ensure that these funds were used for health care-related expenses or lost revenue attributable to coronavirus. There will be significant anti-fraud audits done by HHS and the OIG. Therefore, it is extremely important to document and track how you spend the money.

3. None of the funds appropriated in this title shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II.

According to the Office of Personnel Management (OPM), the annual salary of an Executive Level II in 2020 is \$197,300. Many physicians who have extensive training, experience, and are board-certified have annual incomes above this arbitrary threshold.

HHS has clarified this condition to ensure that the Provider Relief Fund can pay the portion of a physician’s salary up to that \$197,300 level.

4. The Secretary has concluded that the COVID-19 public health emergency has caused many health care providers to have capacity constraints. As a result, patients that would ordinarily be able to choose to receive all care from in-network health care providers may no longer be able to receive such care in-network. Accordingly, for all care for a presumptive or actual case of COVID-19,

Recipient certifies that it will not seek to collect from the patient out-of-pocket expenses in an amount greater than what the patient would have otherwise been required to pay if the care had been provided by an in-network Recipient.

According to this condition, if you keep the Provider Relief Fund payment, you are agreeing to not balance bill insured patients with presumptive or actual cases of COVID-19. As discussed above, HHS changed the original wording from “possible or actual case of COVID-19” to “presumptive or actual case of COVID-19.” **This change indicates that HHS intends for the ban on balancing billing to be targeted at patients who have, or likely have COVID-19 — not to all patients.**

Therefore, physicians may want to consider whether they are practicing in a COVID-19 “hot spot” and treating numerous patients diagnosed with COVID-19. Physicians will have to consider how current balancing billing practices would be impacted by such a prohibition.

Unfortunately, there were no corresponding requirement on insurers to maintain adequate provider networks or pay for COVID-19 related care provided to their enrollees by out-of-network providers. However, CMA is urging Congress and HHS to impose a reciprocal mandate on insurers to pay for such care during the pandemic.

On May 6, 2020, HHS **updated the FAQs** to provide additional information related to the balance billing terms and conditions. CMA advises physicians carefully review the new information.

In addition, non-contracted physicians are only prohibited from balance billing patients diagnosed with COVID-19. Non-contracted physicians must follow state and federal law related to balance billing patients without a COVID-19 diagnosis. The FAQ also states “Providers accepting the Provider Relief Fund payment should submit a claim to the patient’s health insurer for their services. Most health insurers have publicly stated their commitment to reimbursing out-of-network providers that treat health plan members for COVID-19-related care at the insurer’s prevailing in-network rate.”

RECIPIENTS MUST COMPLETE ATTESTATION WITHIN 45 DAYS OF PAYMENT

Physicians who have been allocated a payment from the initial \$30 billion general distribution must sign an attestation confirming receipt of the funds and agree to the terms and conditions within 45 days of payment. **[Click here to access the CARES Act Provider Relief Fund Payment Attestation Portal.](#)**

On May 8, 2020, HHS extended the deadline for physicians to attest to receipt of payments from the Provider Relief Fund and accept the **Terms and Conditions**. Physicians will now have 45 days, increased from 30 days, from the date they receive a payment to attest and accept the Terms and Conditions or return the funds. As an example, the initial 30-day deadline for physicians who received payment on April 10, 2020, is extended to May 24 from May 9, 2020. With the extension, not returning the payment within 45 days of receipt of payment will be viewed as acceptance of the Terms and Conditions. CMA urges all physicians to engage a financial expert or accountant to carefully review all of the Terms and Conditions prior to the deadline and to carefully document expenditures of any Provider Relief Fund payments as there will be extensive auditing by the federal government.

ADDITIONAL DISBURSEMENTS

HHS said it is working to disperse additional funding to Medicaid providers, providers with lower shares of Medicare reimbursement (such as pediatricians, allergists and OB-GYNs), and for COVID-19 treatment for the uninsured. The current policy does not help providers with a greater Medicare Advantage volume. CMA is urging CMS to immediately disburse funding to these physicians.

What to Do if You Have Not Received a Direct Deposit

Since the initial direct deposit disbursements were made on April 10, 2020, CMA has received a number of calls from physicians who believe they are eligible (Medicare-enrolled FFS providers) but did not receive the payment through their group Taxpayer ID Number.

HHS partnered with UnitedHealth Group (UHG) to deliver the initial distribution to providers. Physicians who believe they should have received funds but did not can contact UHG's Provider Relations at (866) 569-3522. UHG representatives can answer questions about eligibility, whether payment has been issued and where it was sent. UHG representatives told CMA that UHG is continuing to issue disbursements and expects to complete the direct deposit payments by the first week of May.

Additionally, UHG indicated that eligible practices not already set up on direct deposit through Medicare or Optum Pay may not receive funds until later in May. Practices that would like to set up direct deposit now can call the UHG Provider Relations number above to set that up.

Medicare Accelerated and Advance Physician Payments

UPDATE: On April 26, 2020, CMS suspended the Advance Payment Program. See details below.

The Centers for Medicare & Medicaid Services (CMS) on March 28, 2020, announced an expansion of its accelerated and advance payment program for participating Medicare physicians and hospitals. This expansion is intended to lessen the financial hardship of providers facing extraordinary challenges related to the COVID-19 pandemic and help with cash flow problems that many physician practices are experiencing. According to CMS, it had already delivered more than \$51 billion in COVID-19 related advance payments as of April 9, 2020.

To qualify for accelerated or advance payments, the physician 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.

California physicians should submit Accelerated/Advance Payment Requests to Noridian, California's Medicare contractor. Physicians can request 100% of their historical Medicare payment amount for a three-month period. CMS anticipates that the payments will be issued within seven days of the provider's request. Repayment/Recoupment of the advance payments begins 120 days after the issuance of the advance payment. Physicians have 210 days from the issuance of the advance payment

to repay the entire balance due to CMS. Physicians will receive a 30 day final notice of any balance due. Once the 210 days are reached, any balance remaining will carry a 10.25% interest rate

CMA and AMA are working to waive the 10.25% interest rate and extend the repayment timeline in reverse in Congress' next COVID-19 response legislation.

For more information, see the CMS [fact sheet on the application process](#).

UPDATE: On April 26, 2020, CMS suspended the Advance Payment Program for all Medicare providers. The agency said it is reevaluating the program in light of the \$175 billion in direct payments being made available through U.S. Department of Health and Human Services (HHS) Provider Relief Fund that was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

CMS had expanded this temporary loan program to increase cash flow to providers and suppliers impacted by the COVID-19 pandemic. Since March 28, CMS has advanced \$40 billion to physicians, non-physician providers, and durable medical equipment suppliers; and \$60 billion to hospitals and nursing facilities.

Funding will continue to be available to physicians and hospitals on the front lines of the coronavirus response primarily from the Provider Relief Fund. Payments from this fund do not need to be repaid.

The Provider Relief Fund has already released \$30 billion to providers, and is in the process of releasing an additional \$20 billion, with more funding anticipated to be released soon. This funding will be used to support health care-related expenses or lost revenue attributable to the COVID-19 pandemic and to cover treatment costs for uninsured patients with a COVID-19 diagnosis.

[Click here](#) for an updated CMS fact sheet on the Accelerated and Advance Payment Programs.

Financial Assistance Programs

State and federal policymakers have developed legislation focused on economic relief for small businesses. The following is a list of funding programs that could assist physicians in maintaining financial viability..

Loan and Grant Programs

Small Business Administration

For an overview of all SBA loan programs available to physicians: [sba.gov/funding-programs/loans/coronavirus-relief-options](https://www.sba.gov/funding-programs/loans/coronavirus-relief-options)

NEW PAYCHECK PROTECTION PROGRAM

Forgivable Loans from Private Lenders

UPDATE: On May 13, 2020, SBA issued a new FAQ to clarify certain rules.

The U. S. Small Business Administration (SBA) **issued a new FAQ** today to clarify certain rules for the Paycheck Protection Program (PPP), which provides forgivable loans to physician practices to cover operating expenses. Practices are encouraged to review this document.

SBA also announced it will be auditing loans of more than \$2 million to ensure compliance with the terms and conditions and to ensure that “current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.” SBA is also providing an amnesty for those small businesses that received \$2 million plus in loans in “error.” SBA will not prosecute those small businesses but will require the loans to be repaid.

Questions 31, 39, 43 and 46 of the **FAQ** relate to this issue.

CMA encourages physicians to carefully document loan expenditures in case they are audited.

On May 15, SBA released the Paycheck Protection Program LOAN FORGIVENESS application. To have the loan forgiven, you must submit an application via your lender. View the **[application form and detailed instructions here](#)**.

In addition to the new application for loan forgiveness, SBA has issued some changes to simplify the loan process.

On April 24, 2020, Congress appropriated an additional \$310 billion to the program so physicians should contact their lenders immediately to ensure you are in line to receive a loan. See additional information below.

PAYCHECK PROTECTON PROGRAM OVERVIEW: The Coronavirus Aid, Relief and Economic Security Act (CARES Act) provides \$360 billion in funding for new Small Business Administration (SBA) loan and grant programs. One of those programs is the **Paycheck Protection Program** (PPP), which will provide small businesses with less than 500 employees with forgivable, zero-fee loans of up to \$10 million or 2.5 times their average monthly payroll costs. Part of these loans may be forgiven and not counted as income if 75% of the loan is spent during the first eight weeks of the loan origination on payroll. Other allowable expenses for the loan include, group health care benefits, lease payments, mortgage interest, and utilities.

These PPP loans are available from participating private financial institutions. Physicians can apply through participating SBA 7(a) lenders or through any participating federally-insured depository institution, federally insured credit union and Farm Credit System institution. You should consult with your local lender as to whether it is participating in the program. Here is the SBA find a lender near you tool: **sba.gov/paycheckprotection/find**.

Principal and interest will be deferred for at least six months and all borrower fees are waived. No collateral or personal guarantees are required. This loan has a maturity of two years and an interest rate of .5%.

Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. Seventy five percent of the loan must be dedicated to payroll costs during the first eight weeks of the loan.

More specifically, to receive forgiveness, businesses must maintain the same average number of employees for the first eight-week period beginning on the origination date of the loan as you did from February 15, 2019 - June 30, 2019, or from January 1, 2020, until February 15, 2020. If a business does not meet this standard, the amount of the loan that will be forgiven will be reduced. If businesses reduce compensation for employees who make under \$100,000 by more than 25%, as compared to the most recent quarter, even less of the loan will be forgiven. There's one overall exception. Businesses won't be penalized for a reduction in employment or wages during the period from February 15, 2020, to April 26, 2020, if you rehire employees that you previously laid off or restore any decreases in wages or salaries by June 30, 2020. (The US Chamber of Commerce offers a [step-by-step checklist and payroll calculation](#)).

However, if you have laid-off or furloughed staff, you probably won't be able to wait until June 30 to rehire them if your new loan originates much sooner than June 30, because 75% of the loan must be dedicated to payroll during the first consecutive eight weeks from the loan origination date. Therefore, if you want loan forgiveness, you would need to rehire employees when the loan originates to be sure to expend 75% of the loan on payroll.

Employers can obtain forgiveness for salary amounts up to \$100,000 per employee. For purposes of calculating "average monthly payroll," most applicants will use the average monthly payroll for 2019, excluding costs over \$100,000 on an annualized basis for each employee.

CMA recommends that interested physicians apply for the program immediately because the demand for these loans will be high. You can [download the application](#) to see the information that will be requested from you.

Again, please see the excellent Paycheck Protection Program website for additional information and the latest updates: sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program.

This temporary emergency assistance can be used in coordination with other COVID financing assistance established in the bill or any other existing SBA loan program.

Because of the high demand for these forgivable loans, the Paycheck Protection Program exhausted all funding within two weeks of its start date. In response, on April 24, 2020, Congress appropriated an additional \$310 billion for the program. Interested physicians should contact their lenders immediately to be sure they are in line for funding. Sixty billion of the \$310 billion was set aside for smaller lending institutions and community banks to make loans.

EXISTING ECONOMIC INJURY DISASTER LOAN PROGRAM

SBA will work directly with state governors and private financial institutions to provide targeted, low-interest loans to small businesses and non-profits that have been severely impacted by the Coronavirus (COVID-19). The SBA's [Economic Injury Disaster Loan \(EIDL\) program](#) provides small businesses with working capital loans that can provide vital economic support to small businesses to help overcome the temporary loss of revenue they are experiencing. EIDLs are loans of up to \$2 million that carry interest rates up to 3.75% for companies and up to 2.75% for nonprofits, as well as principal and interest deferment for up to 4 years. The

loans may be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses. A business that receives an EIDL between January 31, 2020, and June 30, 2020, as a result of a COVID-19 disaster declaration is eligible to apply for a PPP loan or the business may refinance their EIDL into a PPP loan. In either case, the emergency EIDL grant award of up to \$10,000 would be subtracted from the amount forgiven in the payroll protection plan.

NEW ECONOMIC INJURY DISASTER LOAN PROGRAM GRANTS

The federal economic relief law includes \$10 billion in grant funding to provide an advance of \$10,000 to small businesses and nonprofits that apply for an SBA [economic injury disaster loan](#) (EIDL) within three days of applying for the loan. The new \$10,000 EIDL grant does not need to be repaid, even if the grantee is subsequently denied an EIDL, and may be used to provide paid sick leave to employees, maintaining payroll, meet increased production costs due to supply chain disruptions, or pay business obligations, including debts, rent and mortgage payments. Eligible grant recipients must have been in operation on January 31, 2020. The grant is available to small businesses, private nonprofits, sole proprietors and independent contractors, tribal businesses, as well as cooperatives and employee-owned businesses. The SBA will issue additional details and guidance on the new program shortly.

EXPRESS BRIDGE LOANS

[Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. These loans can provide vital economic support to help small businesses overcome the temporary loss of revenue and can be term loans or used to bridge the gap while applying for a direct SBA Economic Injury Disaster loan. If a small business has an urgent need for cash while waiting for decision and disbursement on Economic Injury Disaster Loan, they may qualify for an SBA Express Disaster Bridge Loan.

Debt Relief for Existing and New SBA Borrowers

The federal economic relief law includes \$17 billion in funding to provide immediate relief to small businesses with standard SBA 7(a), 504, or microloans. Under this provision, SBA will cover all loan payments for existing SBA borrowers, including principal, interest, and fees, for six months. This relief will also be available to new borrowers who take out an SBA loan within six months after the President signs the bill. The measure also encourages banks to provide further relief to small business borrowers by allowing them to extend the duration of existing loans beyond existing limits; and enables small business lenders to assist more new and existing borrowers by providing a temporary extension on certain reporting requirements. While SBA borrowers are receiving the six months debt relief, they may apply for a PPP loan that provides capital to keep their employees on the job. The six months of SBA payment relief may not be applied to payments on PPP loans. The stimulus also includes a permanent fix that allows SBA to waive fees for veterans and their spouses in the 7(a) Express Loan Program, regardless of the President's budget. Under current law, SBA may only waive fees on 7(a) Express loans to veterans when the President's budget does not project a cost above zero for the overall 7(a) loan program.

Small Business Finance Center

On April 2, 2020, Governor Newsom announced that the State of California is allocating \$50 million to the Small Business Finance Center at [California's IBank](#) to mitigate barriers to capital for small businesses (1-750 employees) that may not qualify for federal funds (including businesses in low-wealth and immigrant communities). The \$50 million allocation will be used to recapitalize the IBank Small Business Loan Guarantee Program.

[Disaster Relief Loan Guarantee Program](#): This disaster program provides guarantees for loans of up to \$50,000 for small business borrowers in declared disaster areas. Contact [IBank](#) for more information.

California IBank has a [Small Business Loan Guarantee Program](#) for guarantees up to \$1 million and a micro lending program for loans up to \$10,000 with accommodations for disasters. The program is run through local mission-based lenders, the Financial Development Corporations.

California Capital Access Program for Small Businesses

The [California Capital \(CalCAP\) Access Program for Small Business](#) encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing. If you own a small business and need a loan for start-up, expansion or working capital, you may receive more favorable loan terms from a lender if your loan is enrolled in the CalCAP Loan Loss Reserve Program. This program helps communities by providing financing to businesses that create jobs and improve the economy.

CalCAP is a loan loss reserve program which may provide up to 100% coverage on losses as a result of certain loan defaults. With CalCAP portfolio support, a lender may be more comfortable underwriting small business loans.

Check to see if your commercial lender or financial institution participates in CalCAP or find a participating lender. If your financial institution does not currently participate, it is easy for lenders to sign up. Please have your institution complete the Financial Institution Application and send to CalCAP to get started.

New Federal Main Street Business Lending Program and Treasury Department Stabilization Fund

Recently, the Federal Reserve announced a new Main Street Business Lending Program to support small and medium size businesses, including physician practices, but specific details are not expected until late April. The Federal Reserve said that the program would provide financing to banks and other lenders to make low interest loans capped at 2% (CARES Act) with no principal or interest due during the first six months of the loan. Loans are targeted for eligible businesses with less than 10,000 employees and cannot be forgiven. Available funds could total nearly \$1 trillion. Application forms are not yet available but banks and lenders may produce their own applications.

This program may be offered in coordination with the new CARES Act \$454 billion Stabilization Fund created in the Treasury Department for employers with 500-10,000 employees. Details on the Stabilization Fund are forthcoming.

Eligible Main Street Lending Program borrowers are required to make certifications, including but not limited to the following:

- + Economic uncertainty makes the loan necessary to support ongoing operations;
- + Loans will be used to retain at least 90% of the employer's workforce, at full compensation and benefits, until at least September 30, 2020.
- + The recipient intends to restore not less than 90% of the workforce that existed as of February 1, 2020 and to restore full compensation and benefits to those employees not later than four months after termination of the public health emergency;
- + Recipient is not a debtor in a bankruptcy proceeding;
- + Recipient will not abrogate any existing collective bargaining agreement for the term of the loan plus two years and will remain neutral in any union organizing effort for the term of the loan.
- + Recipient employers would also be subject to restrictions on compensation for highly compensated employees or officers for the period of the loan plus an additional year.
- + For employees or officers with total compensation over \$425,000 in 2019, those individuals would be capped at their 2019 total compensation for any consecutive 12-month period and could not receive any severance or termination payment great than two times their 2019 total compensation; and
- + For employees or officers with total compensation over \$3 million in 2019, those individuals would effectively have their total compensation reduced by 50% of their 2019 compensation excess over \$3 million for any consecutive 12-month period.

CMA will provide additional information as it becomes available. CMA urges interested physicians and physician groups to immediately contact their banks or local lenders to start preparing an application so that when more details are available, physician applications will be further along and more likely to receive funding.

\$200 Million in Financial Support from Blue Shield of California

Blue Shield of California is providing \$200 million in direct support to physician practices and other health care providers.

- + **Loans:** Blue Shield is providing up to \$100 million in in provider loans. Loan amounts must not exceed \$2 million. .
- + **Advance Payments:** Blue Shield is providing up to \$100 million in advance payments for contracted Blue Shield providers. There is a grace period of six months and must be repaid in full by 12 months either directly or through offset of future claims.
- + **Value-Based/Risk Sharing Contracts:** Physicians can convert their contracts to value-based contracts (where available) or risk sharing contracts, which provide a monthly base revenue stream.

Providers can also opt to receive the patient cost-sharing portion of the bill at the time the claim is paid, eliminating the time and expense of collecting patient out-of-pocket costs.

CMA is encouraging interested physicians to apply as soon as possible, as the available funding is limited. For more information and to apply for the programs, email financecommunication@blueshieldca.com.

Deferred Mortgage Payments

On March 25, 2020, Governor Newsom announced that financial institutions would offer, consistent with applicable guidelines, mortgage payment forbearances of up to 90 days to borrowers economically impacted by COVID-19. In addition, those institutions must:

- + Provide borrowers a streamlined process to request a forbearance for COVID-19-related reasons, supported with available documentation;
- + Confirm approval of and terms of forbearance program; and
- + Provide borrowers the opportunity to request additional relief, as practicable, upon continued showing of hardship due to COVID-19.

In addition, under federal law, borrowers will receive 180 days of forbearance for federally backed mortgage loans (Fannie Mae, Freddie Mac, HUD, VA, USDA). The law also prohibits foreclosures on all federally-backed mortgage loans for a 60-day period beginning on March 18, 2020. This benefit terminates at the end of the national emergency or December 31, 2020.

No Negative Credit Impacts Resulting from Relief

Under the new federal law, financial institutions may not report derogatory tradelines (e.g., late payments) to credit reporting agencies, consistent with applicable guidelines, for borrowers taking advantage of COVID-19-related relief.

On April 23, 2020, Governor Newsom signed an executive order to stop debt collectors from garnishing COVID-19-related financial assistance. The order exempts garnishment for any individuals receiving federal, state or local government financial assistance in response to the COVID-19 pandemic. This includes recovery rebates under the CARES Act. Funds may still be garnished for child support, family support, spousal support or criminal restitution for victims.

Student Loans and Continuing Medical Education

The federal economic relief law:

- + Defers student loan payments, principals, and interests through September 30, 2020. Additionally, during this time, involuntary collection related to student loans will be suspended.
- + Allows students who withdraw from school as a result of COVID-19 to not return Pell grants, other grant assistance, or loans. Additionally, for students who withdraw from school as a result of COVID - 19, the current academic term would be excluded from counting toward lifetime subsidized loan or Pell grant eligibility.

- + Allows schools to use Supplemental Educational Opportunity Grants as emergency financial aid grants to assist graduate students with unexpected expenses and unmet financial needs that arise as the result of COVID-19.
- + Allows institutions to transfer unused work-study funds to be used for supplemental grants. Additionally, it would give institutions the ability to issue work-study payments to student who are unable to work due to work-place closures, as a result of COVID-19, as a lump sum or in payments similar to paychecks.
- + Supports foreign education institutions, including graduate medical programs, as they offer distance learning to U.S. students receiving Title IV funds for the duration of the COVID-19 pandemic.
- + Governor Newsom issued an Executive Order on March 30, 2020 that extends physician Continuing Medical Education (CME) requirements for 60 days.

On April 23, 2020, Governor Newsom announced that most private student loan servicers have agreed to provide payment and other relief to borrowers, including more than 1.1 million Californians with privately held student loans. Under the new initiative by California and other states, students with commercially owned Federal Family Education Loan or privately held student loans who are struggling to make payments due to the COVID-19 pandemic may also be eligible for expanded relief. Relief options include providing a minimum of 90 days forbearance, waiving late payment fees, ensuring that no borrower is subject to negative credit reporting, and helping eligible borrowers enroll in other assistance programs.

Professional Liability

The new federal law provides professional liability protections with exceptions under the Good Samaritan laws for physicians providing volunteer medical services during the COVID-19 public health emergency.

Unemployment, Paid Sick and Medical Leave, Child Care

The economic relief law includes:

- + Child Care Block Grant: \$3.5 billion to allow child care programs to remain open and meet priority emergency staffing needs for health care workers and first responders.
- + Expands unemployment benefits for employees who remain unemployed after state unemployment benefits are no longer available. (Earlier legislation enacted by Congress increased funding for state unemployment insurance funds.)

An earlier Congressional bill provided the following expanded Paid Sick and Paid Family and Medical Leave for those impacted by the COVID-19 outbreak:

- + Up to two weeks of paid sick leave for workers who work for the government or employers with 500 employees or less.
- + 12 weeks of job-protected paid family and medical leave for government employees and employees who work for employers with less than 500 employees. The paid family and medical leave begins

after the first 14 days of sick leave and is not less than two-thirds of the employee's regular payment rate. It will be provided to employees adhering to requirements or recommendations for quarantine; to care for a family member required or recommended for quarantine; or to care for a child whose school or child care is closed.

- + Tax credits to employers to offset the costs of emergency sick and medical leave.
- + For additional information on direct employment related issues, see the CMA COVID-19 FAQ and the CMA webinar on COVID-19 Employment Issues.

Deferred Employee Health Insurance Premiums for Small Businesses

On April 30, 2020, Covered California for Small Business **announced a new program** aimed at helping hundreds of small businesses continue to provide insurance to their employees during the current COVID-19 pandemic. The program will allow employers, who provide coverage to their employees and were unable to pay their premiums for the month of April, an extra 30 days to make their payments for the months of April and May and a way to spread the costs of those premiums over the balance of the year.

The Premium Deferral Program is currently being offered to employers who have not yet paid their premiums for April or May. The program will allow affected businesses the flexibility to pay just 25 percent of their premium payments for those two months and defer the remaining amount across the rest of the year. Covered California will continue to monitor the pandemic and determine if further actions are needed to protect small businesses seeking to keep their employees covered. Employers who would like to participate must contact the Covered California for Small Business service center at (877) 777-6782, or **CCSB@covered.ca.gov**, within 10 business days of being notified of their eligibility.

Federal and State Tax Relief

Internal Revenue Service. The deadlines to file and pay federal income taxes are extended to July 15, 2020. Small and midsize employers can also begin taking advantage of two new refundable payroll tax credits, designed to promptly and fully reimburse them, dollar-for-dollar, for the cost of providing Coronavirus-related leave to their employees.

California **Franchise Tax Board**. Because of COVID-19, California has moved various tax filing and payment deadlines to July 15, 2020. The following deadlines were also extended for businesses and individuals:

- + Extends the filing deadline for small businesses up to three months for tax returns that are less than \$1 million in tax. Effective for the payment of taxes that are due on or by July 31, 2020.
- + Extends the filing deadline to receive tax refunds by 60 days for individuals and businesses. This is for all claims for refunds that must be filed by July 31, 2020.
- + Extends the deadline for tax appeals for businesses and individuals by 60 days through July 31, 2020.

California Department of Tax and Fee Administration (CDTFA). Pursuant to Governor Newsom's Executive Order on March 12, 2020, the CDTFA has the authority to assist individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of

social distancing measures related to COVID-19, through May 11th. This assistance includes granting extensions for filing returns and making payments, relief from interest and penalties, and filing a claim for refund. Taxpayers may request assistance by [contacting](#) the CDTFA. Requests for relief of interest or penalties or requesting an extension for filing a return may be made through CDTFA's online services.

Tax Credits

Tax Credits for Sick and Medical Leave

Allows advance refunding of tax credits for employers to offset the costs of the additional paid sick and medical leave provide for employees.

Employer Retention Tax Credit

Employer Retention Tax Credit for 50% of wages paid by employers to employees during the crisis. The credits are for employers whose (1) operations were fully or partially suspended due to a COVID-19 related shut-down order, or (2) gross receipts are down by more than 50%. Credit is provided for the first \$10,000 in compensation paid per employee between March 12, 2020, to January 1, 2021.

For employers with an average of more than 100 employees, the credit only applies to employees that are still on the payroll, but not providing services to the employers as a result of COVID-19. For employers with an average of less than 100 employees, wages paid by the employer qualify regardless of whether the employee is still performing services for the employer.

Importantly, an employer that receives a Small Business Administration 7(a) Paycheck Protection Program loan may not receive this employer retention credit.

Delay of Payment of Employer Payroll Taxes

Allows employers or self-employed individuals to defer payment of the employer share of the Social Security tax (6.2%) they otherwise are responsible for paying to the federal government for their employees. It allows the deferred employment tax to be paid over the next two years. Fifty percent of the deferred amount of payroll taxes are due December 31, 2021, and the remaining amount due December 31, 2022. It is important to note that employers who receive Small Business Administration 7(a) Paycheck Protection Program loans that are forgiven are not eligible to defer payroll taxes.

Modification for Employer Net Operating Losses

Allows modifications for business net operating losses to allow businesses to use losses and amend prior year tax returns which will provide critical cash flow. A net operating loss arising in a tax year beginning in 2018, 2019 or 2020 can be carried back five years.

Increased Interest Expense Deductions

Allows businesses to temporarily increase the amount of interest expense they are allowed to deduct on their tax returns by increasing the 30% limitation to 50% of taxable income for 2019 and 2020 with adjustments.

Retirement Plan Early Withdrawals

Waives the 10% penalty on early withdrawal of distributions up to \$100,000 from qualified retirement funds and allows more flexibility for loans from certain retirement plans. Such distributions may be made for individuals, spouses or dependents diagnosed with COVID-19, quarantined, furloughed, laid off, having work hours reduced, unable to work because of lack of child care, closing or reducing hours of business owned by the individual.

Hotel Rooms for Health Care Workers

On April 9, 2020, Governor Newsom announced the [Non-Congregate Sheltering for California Healthcare Workers Program](#) managed by the Department of General Services to provide doctors, nurses and other critical front-line health care workers access to no-cost or low-cost hotel rooms. The program will prioritize health care workers who come in direct contact with or are suspected of having direct contact with COVID-19 patients, or who test positive for COVID-19 but do not require hospitalization. By providing hotel rooms in close proximity to medical facilities, health care workers can avoid potentially spreading the virus once leaving their shift by selecting to stay in one of the pre-identified hotels across the state.

CMA Resources

CMA's Health Law Library

CMA's online health law library contains over 5,400 pages of up-to-date information on a variety of subjects of everyday importance to physicians, including current laws, regulations and court decisions that affect the practice of medicine. One of CMA's most valuable member benefits, the searchable online library contains all the information available in the California Physician's Legal Handbook (CPLH), an annual publication from CMA's Center for Legal Affairs. This resource can provide helpful guidance to physicians as they consider their options for changing their practice models to ensure financial viability after the COVID-19 pandemic.

Examples of content that may be relevant at this time include:

- + [Medical Practice Option Overview](#)
- + [Retaining a practice consultant](#)
- + [Covering Physicians \(Locum Tenums\)](#)
- + [Retirement Notice](#)
- + [Termination of the Physician-Patient Relationship](#)

CMA members can access the library documents free at cmadocs.org/health-law-library. Nonmembers can purchase documents for \$2 per page.

CPLH, the complete health law library, is also available for purchase in a multi-volume print set or annual online subscription service. To order a copy, visit cplh.org or call (800) 882-1262.

Consult a Professional

This crisis will have significant impacts on physician practices, but physicians do not have to undergo these changes without help from professionals. However, hiring the right professional is not always easy. CMA can provide information and guidance to physicians interested in retaining professional assistance to navigate changes to their practice. Contact CMA at (800) 786-4262 or at memberservice@cmadocs.org.

RESOURCES FOR BUSINESS COUNSELING SERVICES. Many large companies are struggling to respond to the unprecedented economic disruption our nation is facing, so small businesses that have even fewer resources to dedicate to navigating the economic impacts of COVID-19 must have access to reliable counseling and mentorship services. The federal stimulus provides \$275 million in grants to the nation's network of Small Business Development Centers (SBDCs) and Women's Business Centers (WBCs), as well as the Minority Business Development Agency's Business Centers (MBDCs), to provide mentorship, guidance and expertise to small businesses. The funding will allow SBDCs, WBCs, and MBDCs to hire staff and provide programming to help small businesses and minority-owned businesses respond to COVID-19.

LEGAL COUNSEL. The CMA Center for Legal Affairs is ready to provide information about laws related to the practice of medicine and can connect you to physician-friendly attorneys who can advise on changes to your practice. Call the CMA Legal Information Line at (800) 786-4262.

FINANCIAL PLANNING. As you explore strengthening your practice and personal finances, working with a financial planner can be a great way to start. Contact CMA and we can help connect you with a trusted advisor who understands physicians' unique needs and get the insights you need to build financial security.

What's Next

Significant action has been taken at the state and federal level to provide economic relief to maintain the financial viability of physician practices impacted by the COVID-19 pandemic and more relief is expected. As these relief packages are developed, both nationally and at the state, CMA will continue to advocate to include assistance for physicians and their practices. This toolkit will continue to be updated as those relief packages are implemented.