

Key provisions affecting medical groups in the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act

To date, there have been two funding bills signed into law to respond to the COVID-19 public health crisis. The first funding bill was signed into law on March 6, 2020. The “Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020” provided \$8.3 billion in emergency funding for federal agencies to respond to the COVID-19 outbreak. On March 18, 2020, President Trump signed the second funding package into law, the “Families First Coronavirus Response Act,” which primarily addressed paid emergency FMLA and sick leave. On March 27, 2020, the House of Representatives passed the third stimulus bill (the “CARES” Act). Since both chambers of Congress voted to pass the bill, it now goes to President Trump’s desk to get signed into law. The CARES Act provides \$2 trillion in economic stimulus and financial assistance to address the COVID-19 public health emergency and includes several provisions significant to medical groups.

- **Funds for healthcare providers and hospitals.** \$100 billion is allocated towards the “Public Health and Social Services Emergency Fund” to help healthcare providers continue to receive the support they need for COVID-19 related expenses and lost revenue.
- **Expanding Medicare telehealth flexibilities.** The bill allows the Secretary, during the emergency period, to waive additional Medicare telehealth statutory billing requirements, therefore potentially opening the door for use of audio-only communications for telehealth services. MGMA will urge Secretary Azar to waive these additional requirements expeditiously.
- **Procurement of personal protective equipment (PPE).** In addition to the \$100 billion that providers can use for acquiring PPE, Congress allocated \$16 billion to the Strategic National Stockpile to procure PPE, ventilators, and other medical supplies for federal and state response efforts. The Strategic National Stockpile is also now required to include PPE.
- **Suspension of Medicare sequestration.** The Medicare sequester, which reduces payments to providers by two percent, is temporarily lifted from May 1 through Dec. 31, 2020.
- **Forgiveness for small business loans for retaining employees.** The bill creates a “paycheck protection program” that would provide 8 weeks of cash-flow assistance through federally guaranteed loans to small employers, including medical groups, who maintain their payroll during this emergency. If the medical group maintains payroll, the portion of the loans used for covered payroll costs, interest on mortgage obligations, rent, and utilities would be forgiven, helping workers remain employed. The loan period is retroactive to Feb. 15, 2020 and extends through June 30, 2020.

■ **Delay of payment of employer payroll taxes.**

Employers and self-employed individuals can defer payment of the employer share of the Social Security tax that they are otherwise responsible for paying the federal government. The deferred employment tax will be paid over the following two years (half by Dec. 31, 2021 and the other half by Dec. 31, 2022).

■ **Allowing Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) to furnish telehealth services in Medicare.**

During the COVID-19 emergency period, FQHCs and RHCs can serve as distant sites for telehealth consultations and therefore deliver telehealth services.

■ **Extension of physician work geographic index floor.** The physician work geographic index floor is extended through Dec. 1, 2020.

■ **Pricing of diagnostic testing.** The law requires an insurer to pay providers either the negotiated rate, or if no negotiated rate is in place, a cash price. Cash prices must be posted on the provider's public website.