



CARES Act – Highlights and Resources

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On March 27, H.R. 748, the “Coronavirus Aid, Relief, and Economic Security Act” (CARES Act), was signed into law. This bill contains numerous provisions important to physicians in the state of Florida. Below is a high-level summary of some of the law’s major provisions, links to additional resources, and information about the FMA’s ongoing advocacy for physicians.

Please note that because this legislation was just enacted, new guidance and information is continually becoming available. The FMA will do its best to provide relevant updates as they become available, but be aware that new information may be released by the Department of Health and Human Services (HHS), the Small Business Administration (SBA), or other relevant government bodies at any time.

- **The law provides \$100 billion in financial support for hospitals, physicians and other health care providers to cover non-reimbursable expenses attributable to COVID-19.** Examples of eligible expenses include increased staffing or training, personal protective equipment, and forgone revenue from cancelled procedures. It is important to note that this fund can only be used for non-reimbursable expenses. Any expenses reimbursed or obligated to be reimbursed by insurance are not eligible.

The \$100 billion fund is designed to be made available as quickly as possible. To help ensure the funds are dispersed promptly, HHS is instructed to review applications and make payments on a rolling basis as applications are received, as opposed to a more traditional and time-consuming competitive grant process.

HHS has also been given significant flexibility in determining how the funds are allocated. The HHS Secretary is expected to release guidance on the application process shortly.

The FMA is monitoring this situation very closely. We are concerned that the \$100 billion fund will be dispersed quickly, and that smaller physician practices will be disadvantaged relative to larger entities with dedicated grant writers and attorneys. We are therefore working with other physician advocacy groups across the country to ask HHS to disperse these funds in a manner that is fair and equitable to all stakeholders, including smaller and medium-sized practices. We will monitor any updates or guidance from HHS and disseminate forthcoming information as quickly as possible.

- **The law also provides \$349 billion for “Paycheck Protection Program” small business loans.** Small businesses, including physician practices and hospitals with no more than 500 employees are eligible to apply for the SBA’s Paycheck Protection Program. Under this program, a small business can apply for a loan of up to 250 percent of its average monthly payroll costs, up to a maximum of \$10 million, to cover eight weeks of payroll and with expenses including rent, mortgage payments, utilities, and interest on other debt obligations incurred prior to February 15, 2020. The loan amount can be forgiven by meeting certain criteria related to maintaining employee and salary levels. Any portion of the loan that is not forgiven is subject to a maximum term of 10 years and a maximum interest rate of 4 percent.

Small businesses will be able to apply if they were harmed by COVID-19 between February 15, 2020 and June 30, 2020. This program is retroactive to February 15, 2020, and loans are available through June 30, 2020. More information and additional small business resources are [available from the SBA here](#) or by contacting the SBA or a qualified SBA lender directly.

The FMA will also be working with its partners in medicine to monitor the rollout of these loans. While \$350 billion is an extraordinary sum of money, the Chamber of Commerce notes that there are approximately 30.2 million small businesses in

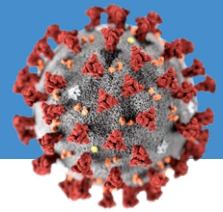
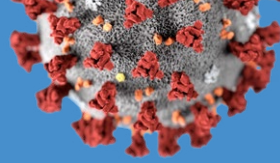
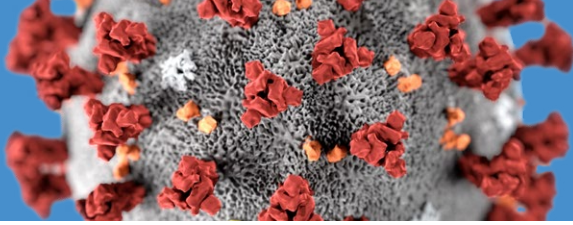
the United States, including more than 21 million sole proprietorships. It will therefore remain important to monitor the progress of this program as it is implemented, including the adequacy of funds for struggling physician practices.

- **The law further provides \$10 billion for Economic Injury Disaster Loans (EIDL) for small businesses,** including advances of up to \$10,000. These EIDL advances are intended to provide economic relief to businesses that are currently experiencing a temporary loss of revenue. Advance payments may be used for providing paid sick leave, payroll expenses, covering increased costs to obtain materials, making rent or mortgage payments, and repaying obligations that cannot be met due to revenue losses. Funds will be made available within three days of a successful application. While loans taken under the EIDL program are not forgivable, the amount of the loan advance will not have to be repaid. However, if a small business also receives funds through the Paycheck Protection Program loan, the amount forgiven under the Paycheck Protection Program would be reduced by the amount of the advance. [You can learn more and apply for the advance here](#) or by contacting the SBA directly.

The FMA will work to provide updates and additional information related to the loan and funding provisions summarized above on an ongoing basis.

- **The law temporarily suspends Medicare sequestration payment cuts.** This will effectively add a 2 percent increase to Medicare payments for services provided from May 1 through December 31, 2020. This will provide a small payment boost to physicians in this time of crisis. The FMA strongly supports ending the sequestration cuts permanently.
- **The law does not include any provisions related to surprise medical billing.** Despite a strong push to include an egregiously bad amendment related to surprise medical billing





in the CARES Act, this provision was not adopted as part of the final legislation. Thanks to coordinated effort by medical societies across the nation. This amendment – which would have given insurers complete control over out-of-network payments with any dispute resolution process for physicians – was defeated. However, the fight is not over: this amendment, and amendments like it, will no doubt be pushed for again in future legislative packages.

While the FMA supports legislation addressing surprise medical billing (i.e., the result of underpayments and inadequate networks controlled by health plans that fail to protect patients), we believe that this must be done in a way that holds insurers accountable and protects the practice of medicine and patient access to care. To that end, we have strongly advocated for legislation filed by Reps. Phil Roe, MD, (R-TN) and Raul Ruiz, MD, (D-CA) that would address surprise medical billing without harming physician practices. Unfortunately, much of the surprise medical billing legislation currently under consideration in Congress would hand even more control to insurance companies in a misguided attempt to reduce premiums by cutting payments to providers. Rest assured, the FMA will remain vigilant and continue to fight all efforts to push through legislation that would harm the practice of medicine.

The CARES Act also contains numerous other important provisions related to health care. Additional highlights include:

Sec. 3215. Limitation on liability for volunteer health care professionals during COVID-19 emergency response. This provision clarifies that health care providers who provide volunteer medical services during the public health emergency related to COVID-19 have liability protections under specified conditions.

Sec. 3705. Temporary waiver of requirement for face-to-face visits between home dialysis patients and physicians. This section eliminates a requirement during the COVID-19 emergency period that a nephrologist conduct some of the required periodic evaluations of a patient on home dialysis face-to-face, allowing these vulnerable beneficiaries to get more care in the safety of their home.

Sec. 3102. Requiring the strategic national stockpile to include certain types of medical supplies. Clarifies the Strategic National Stockpile can stockpile personal protective equipment and other medical supplies, including supplies required for testing and the administration of drugs and vaccines. \$16 billion is appropriated for these purposes.

Sec. 3513 Temporary Relief for Federal Student Loan Borrowers, including medical students. 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 six 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.

Additional Resources

- **High-level summary of CARES Act provisions**, prepared by the AMA. This document provides additional information on various provisions of the CARES Act that impact the practice of medicine.
- **Section-by-section summary of all CARES Act provisions**, prepared by the Senate Finance Committee. This document provides further information on various provisions of the CARES Act, including those related to individual citizens and non-health care entities.
- **Small Business Administration**
- **More information on the small business provisions of the law is also available** through many accounting firms, including CRI
- **Additional FMA COVID-19 Resources**

