May 8, 2020

Dear Members of the California Congressional Delegation:

On behalf of the California Medical Association and our more than 50,000 physician members, residents, and medical students, and the 40 million California patients we care for, we are deeply grateful for the support you have given physicians in the fight against COVID-19. We thank you for your commitment to help front line physicians respond to both the health care pandemic and the economic fall-out in our medical practices.

Physicians immediately responded to the call to serve their communities during the COVID-19 outbreak. Physicians engaged in early mitigation public health strategies, developed guidelines for prevention and care, called for more protective equipment and widespread testing, risked their lives to care for COVID patients in Emergency Departments and ICUs, volunteered in hot zones across California and the rest of the country, and worked tirelessly on the front lines while sleeping in cars and tents so as not to expose their families to the virus. Physicians pushed for social distancing and public health orders to stop providing non-essential care even though it put their own medical practices in financial jeopardy. Physicians have led the fight and sacrificed to ensure the health and well-being of their communities above all else. However, it has taken a toll on physician well-being and the financial health of our practices.

The viability of physician practices is under threat. Physicians are experiencing unprecedented revenue losses in their practices from social distancing and public health orders to refrain from providing non-essential surgeries, procedures, and care. At the same time, COVID-19 practice costs to purchase personal protective equipment (PPE), cleaning supplies and implement safety precautions has risen sharply while fixed costs remain the same. Without additional aid, more practices report that they will be forced to close by June 1.

A recent CMA survey of California physicians shows,

+ 95% are worried about their financial health
+ 64% average decline in revenue;
+ 12% have closed their practices
+ 49% have been forced to furlough staff and physicians; 35% imposed salary cuts to physicians and staff

Estimated Impact:

+ 34% of Californians (13 million) are at-risk of losing their doctor
+ $8.5 billion total revenue loss for all California physician practices March 1- June 1, 2020

The fall-out from this crisis threatens to fundamentally alter our nation’s health care delivery system – not just during the outbreak, but for years to come. The federal government recently reported that the GDP plunged 4.8% and half of the losses were in the health care sector. These unprecedented losses will harm access to care for patients. Californians need viable physician practices to meet the health care needs of patients now, during the surge, and after - to treat pent-up demand for delayed care. Physician practices are important to the economy. In California, physicians support over 1.2 million jobs, contribute $135 million in wages and
benefits, and pay $11.2 million in state and local taxes. If physician practices are forced to close, they will not reopen. Independent physicians will be forced to consolidate which drives up health care costs for patients, government and employers.

**Physicians save lives and help the economy. CMA is urging Congress to help save physician practices.**

We also expect deep cuts in state health care funding as COVID-19 has devastated California’s economy. A $20 billion surplus has spiraled down to a $54 billion deficit which constitutes 37% of the total state budget. Because states do not have the financing options available to the federal government, we will need additional federal aid to sustain states and a health care workforce, and protect patients through the national emergency.

**THEREFORE, CMA URGES CONGRESS TO PROVIDE THE FOLLOWING SUPPORT:**

1. Provide additional funding to the Provider Relief Fund for Physicians, particularly for Medicaid Physicians
2. Reinstall and Improve the Medicare Advance Payment Program
3. Increase Federal Medicaid Support: Matching Rate, Provider Reimbursement Rates, Prevent MFAR
4. Safeguard Providers from Legal Action
5. Require all Health Plans to Cover and Pay for Telehealth Services
6. Increase support for PPE, testing, and contact tracing
7. Ensure Health Care Workforce Well-Being

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**SPECIFIC DETAILS RELATED TO THE CMA RECOMMENDATIONS ARE LISTED BELOW:**

1. **Provide Additional Funding to the Provider Relief Fund for Physicians**

   Congress has appropriated $175 billion to the CARES Act HHS Provider Relief Fund. Of the $50 billion that is currently being distributed to providers, only 11% has been allocated to physicians and other non-hospital providers. Nothing has been allocated to Medicaid providers, pediatricians, obstetricians and non-Medicare psychiatrists. More resources are going to be needed to prevent physician practices from closing at a time when we need physicians more than ever.

   **CMA urges a substantial increase in funding to cover each individual physician's lost revenue from all payers and additional unreimbursed expenses related to the COVID pandemic from March 1 – August 1, 2020** minus any loans that physicians receive that do not need to be repaid, such as the Paycheck Protection Program. Most physicians are starting to experience 70% revenue loss, 30% increased COVID costs (ppe, cleaning), on top of fixed office costs and staffing. Most have not received a salary since February 2020. As the economy and health care starts to reopen, physicians will find it difficult to make up lost revenue because of patient spacing, cleaning time in between patients and procedures, other safety precautions, and workforce limitations. For instance, colonoscopies usually provided every 30 minutes can only be done every 60 minutes. Physicians report they will be at 50% efficiency after the surge which is an ongoing 50% revenue loss.

2. **Reinstate and Improve the Medicare Advance Payment Program**

   The Centers for Medicare and Medicaid Services (CMS) has suspended the Medicare Advance Payment Program that provides up to three months of advance payments for physician practices based on historical Medicare billing averages. It is an important program that needs to be reinstated and improved. **CMA urges the following changes retroactive to March 1, 2020:**
The 10.25% interest rates be waived or at least reduced to current lending rates.

+ The repayment timeline be extended from four months to two years.

+ Loan forgiveness be considered as many physicians will not be able to repay the advances.

3. Increase Federal Medicaid Support: Matching Rate, Provider Reimbursement Rates, Prevent MFAR

The COVID-19 pandemic has caused severe financial distress in all sectors of the economy. Millions of Americans have lost their jobs and with it, their employer-sponsored health care coverage. These families are seeking affordable health care coverage from state Medicaid programs. To help states meet these increasing demands on already plunging state budgets, CMA urges Congress to provide additional Medicaid resources to the states during the national emergency as follows:

+ **Increase the federal Medicaid matching rate to the states.**

  CMA appreciates the Families First Coronavirus Response Act that included a 6.2% temporary increase in the Federal Medical Assistance percentage (FMAP) – federal matching funds that support state Medicaid programs. CMA urges Congress to further increase the matching rate to assist states, hospitals and physicians during the financial and health care crisis. Medicaid patients (children, pregnant women, the elderly and disabled) are already among our most vulnerable patients and during the pandemic, more must be done to protect them.

+ **Increase Medicaid reimbursement rates to Medicare levels for all physician specialties**

  Medicaid physician payment rates in most states, like California, are extremely low. On average, California’s rates are 50% below Medicare. As Medicaid enrollment expands, it will be important to ensure greater physician participation in the program by providing adequate payment rates. Improving access to physicians will also prevent unnecessary and costly hospitalizations.

+ **Prevent the implementation of the Centers for Medicare and Medicaid Services (CMS) proposed Medicaid Fiscal Accountability Rule (MFAR) that would cut state and federal Medicaid funding by as much as 50% in all 50 states.**

  There is broad recognition that states will need Medicaid resources to fight the outbreak, particularly among the fragile elderly and disabled who are served by Medicaid. If this rule is implemented, state budgets will be devastated at a time when health care resources are needed more than ever.

4. Safeguard Providers from Legal Action

During the national COVID-19 emergency, physicians and hospitals have been providing care in extraordinary circumstances. They are making difficult decisions in a challenging, stressful environment about resource allocation, ventilators, protective equipment, treatment, and medications. Some physicians are being asked to provide care outside their general area of practice. In many areas, ppe and testing is not available. In response to the government’s public health orders, many physicians are only seeing patients via telehealth and a great volume of care is being delayed. In these scenarios, physicians face the threat of medical liability lawsuits due to circumstances beyond their control. CMA urges Congress to provide a waiver of liability except for willful malicious intent to cause harm for physicians and hospitals limited to the national emergency period plus 60 days. This would allow physicians some protection to make the best possible decisions under unprecedented conditions. The New York law is one example of action taken to extend civil immunity to physicians during the pandemic.

5. Require all Health Plans to Cover and Pay for Telehealth and Telephone Services (ERISA, TriCare)

Giving physicians the capability to provide services to patients via telehealth and telephone is essential to preventing the spread of the virus to the public, physicians, and their staff. However, not all patients, particularly the elderly, can navigate virtual visits with both audio and video capabilities. Therefore, it is essential that telephone visits also be covered and paid for at in-person rates. As physicians across California
are suspending non-essential procedures and converting in-office visits to virtual ones, practices are experiencing financial difficulties. The California Department of Managed Health Care issued a directive to the private state-regulated health plans to cover and pay for all telehealth and telephone visits at the same rates as in-person care. We urge Congress to do the same for all other payers. It will protect patients from the virus and help sustain physician practices.

6. **Increase Support for the Production and Distribution of PPE and Testing, and Accelerate Contact Tracing**

There continues to be massive shortages of PPE and testing kits, and barriers to conducting COVID-19 contract tracing. We urge Congress to prioritize the production and distribution of ppe and testing kits, and accelerate efforts to conduct contact tracing. All of these are essential to the safe reopening of medical practices and the economy and must be prioritized for all health care workers.

7. **Ensure Health Care Workforce Well-Being**

As brave clinicians risk their personal health during the COVID-19 pandemic, California must be ready to support the well-being and resiliency of the health care workforce during these unprecedented times. The emotional stress of responding to patients during the COVID-19 pandemic puts front line health care workers at exceptional risk. Caregivers are at an elevated threat of contracting the virus while caring for patients, and they risk emotional burnout from the daily grind of responding to the crisis. Providing wellness solutions must be part of the response, which is why the California Medical Association's CMA Wellness Program has created "Care 4 Caregivers Now," which focuses on the mental and emotional well-being of caregivers while they fight COVID-19. Care 4 Caregivers Now connects physicians, physician assistants, nurses, nurse practitioners and respiratory therapists serving on the front lines of the pandemic with a trained peer coach who will provide remote and confidential coaching sessions at no cost. See the attached information.

**CMA requests that Congress develop a grant program to support volunteer peer coaching programs for front line health care workers and other workforce well-being efforts.**

CMA appreciates your swift action to protect the nation's health and economic viability. Additional action is needed to sustain the physician workforce. If you need additional information, the CMA contact is Eliah McNeil, Vice President, Federal Government Relations, at emcneil@cmadocs.org.

Sincerely,

Peter N. Bretan, Jr., M.D.
CMA President