May 14, 2020

RE: HR 6800 “The Heroes Act” COVID 19 Response

Dear California Members of Congress:

On behalf of the California Medical Association (CMA) and our more than 50,000 physician members, residents and medical students, and the 40 million California patients we care for, I thank you for the support you have given to help physicians continue to care for their patients. CMA is proud to strongly support HR 6800, “The Heroes Act,” as part of Congress’ continuing response to the COVID-19 pandemic. It prioritizes the needs of states, physicians and patients who are on the frontlines, and will help to ensure our health care system, and our economy recover from this crisis.

The Heroes Act will make a significant difference in physicians’ ability to continue to keep their doors open and care for patients now, during the COVID-19 surge and after, when we must address the second surge caused by months of delayed care. In particular, CMA supports:

+ Efforts to bolster testing and contact tracing to contain the spread of the virus and reopen the economy.
+ Health care coverage expansions and cost-sharing waivers to ensure COVID-19 patients have timely access to physicians. CMA seeks a clarification that insurers are required to cover the cost-sharing amounts, not physicians or patients.
+ Support to states to help state budgets devastated by COVID-19. Such aid will assist states in meeting their front-line responsibilities, including support for health care practitioners. State budgets are currently threatened from unprecedented tax revenue losses that could decimate our ability to respond to this crisis.
+ A 14% increase in federal Medicaid funding through 2021 that will help to increase physician participation to care for the growing numbers of patients who have lost their employer-sponsored coverage. 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. CMA also supports the delay in the CMS-proposed Medicaid Fiscal Accountability rule that would cut Medicaid funding by up to 50% in all 50 states. We continue to support a physician Medicaid rate increase to improve access to doctors and prevent costly hospitalizations.
+ Increased support to the Provider Relief Fund for physicians and hospitals with a more equitable, transparent distribution method that ensures every provider receives funding commensurate with their additional COVID-19 related expenses and revenue losses. Physicians in California are reporting a nearly 70% decline in revenue because of the stay-at-home orders and public health rules to refrain from providing non-urgent surgeries, procedures and care, while COVID-19 related expenses are sharply increasing. CMA seeks a crucial amendment to ensure that the fund is available to all physicians impacted by the pandemic. Moreover, physicians have received only 11% of the HHS funds that have been distributed. It is crucial that physician practices remain open in every community and accessible to patients in need. Without more help, many practices report that they will be forced to close by June 1. Eleven percent of practices have closed already.
+ Reforms to the Medicare Advance Payment Program that would reinstate the program, reduce the 10% interest rate to 1% to align with current market lending rates, and extend the repayment timeline from four months to 12 months. Less than 10% of the advances were requested by physician practices because they cannot afford to repay the loans, particularly at the inflated 10% interest rate.
+ Addressing physician workforce shortages with reforms for International Medical Graduates and the inclusion of HR 4607 (Harder, D-CA / Cook, R-CA) that provides a fix to the public service loan forgiveness program, which had inadvertently disqualified California and Texas physicians from the program because of our state laws. HR 4607 would help address physician shortages in California and Texas at a time when we need physicians more than ever.
Dedicating $200 billion to a Heroes Fund to provide hazard pay to front-line health care workers.

SBA loan improvements to the Payroll Protection Program, another $10 billion to the SBA Economic Injury Disaster Loan program, and enhancements to the employee retention tax credit.

Addressing public health issues, such as drug shortages, rebuilding the national stockpile, investing in vaccine manufacturing, loan repayment for the public health workforce, and funding for the Medical Reserve Corp.

Many of CMA’s top priorities are addressed in HR 6800. As you continue to address the pandemic, we urge you to consider additional issues that CMA has previously outlined, such as,

- Requiring all ERISA health plans to cover and pay for telehealth services at equivalent rates as in-person visits.
- Safeguarding physicians and hospitals from legal action.
- Providing wellness solutions for health care workers by establishing a grant program that focuses on the well-being and resiliency of the health care workforce. The CMA Wellness “Care 4 Caregivers Now” program is an example of such a program that provides volunteer peer coaching to front line health care workers that are under tremendous emotional stress from the risks and daily grind of responding to the crisis.

The fallout 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 Heroes Act is an important step toward ensuring the financial viability of physician practices that form the backbone of our health care delivery system. Thank you for your commitment to help front line physicians respond to both the health care pandemic and the economic fallout the crisis has created. Ensuring patients have access to critical health care is our shared priority.

If you need additional information, the CMA contact is Elizabeth McNeil, Vice President, Federal Government Relations, at emcneil@cmadocs.org.

Sincerely,

Dustin Corcoran
Chief Executive Officer
California Medical Association
WHY THE HEROES ACT IS IMPORTANT FOR PHYSICIANS AND PATIENTS

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-19 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 their practices.

The financial 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-urgent surgeries, procedures and care. At the same time, COVID-19 practice costs to purchase personal protective equipment (PPE) and 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. As practices and the economy begin to reopen, physicians report they will only be able to operate at 50% capacity because of patient spacing, screening and cleaning time in between patients and procedures. Instead of providing a colonoscopy every 30 minutes, it will be every 60 minutes. Fifty percent capacity equals 50% less revenue.

A recent CMA survey of California physicians shows,

+ 95% fear for their financial future
+ 64% average decline in revenue
+ 11% 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 between March 1 and June 1, 2020

The federal government recently reported that the GDP plunged 4.8%. Half of the losses were in the health care sector. These unprecedented losses will jeopardize 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. Physicians contribute to the health and economic well-being of their communities by:

+ Supporting more than 1.2 million jobs
+ Contributing $135 million in wages and benefits
+ Paying $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.