April 2, 2020

Honorable Gavin Newsom  
Governor, State of California  
State Capitol  
Sacramento, CA 95814

Dear Governor Newsom:

The California Medical Association (CMA) appreciates your continued leadership to address the COVID-19 pandemic and the decisive action your Administration has taken to curb the spread of the virus. CMA remains committed to working with you to identify immediate actions that your office can take through Executive Order or other mechanisms to address the financial hardship to physician practices caused by the COVID-19 pandemic. We must act quickly to ensure that our financially distressed physician practices remain viable to provide care to our patients when the surge for non COVID related services occurs.

We respectfully submit to you the following recommended actions:

1. **Financial relief for physician practices: Require or incentivize health plans and insurers to provide supplemental financial assistance or stabilization grants for their network physicians that are financially distressed.**

   Physician practices throughout the state face an unprecedented threat to their viability as the result of the COVID-19 pandemic. Due in large part to the telehealth expansion directed by the Administration and implemented by California's health plans and insurers, practices can adopt new ways of providing care to patients. However, many practices are unable to provide enough care via telehealth to maintain their staffing and operations for the duration of this pandemic. CMA estimates that, statewide, up to 34% of Californians (13,375,651 people) could lose access to their physician absent financial assistance to maintain the financial viability of physician practices. Should California lose this critical piece of the healthcare infrastructure, health plans and insurers will be unable to maintain their physician networks and will be unable to meet the demand for medically necessary care that is building as the State's healthcare resources are currently focused on treatment of COVID-19 patients. Thus, California's health plans and insurers, along with our patients, would benefit from a temporary supplemental financial investment in physician practices.
Health plans and insurers, for instance, can provide short-term grants to physician practices that demonstrate financial hardship due to COVID-19. These grants will be critical to helping maintain California's network of primary and specialty care providers that were forced to cancel or dramatically reduce services due to the state's mandatory shelter-in-place requirements and the cancellation of non-urgent and routine services. By providing a temporary financing bridge for these critical physician practices, these retention grants will allow physician practices to pay rent, retain staff, or other ongoing business expenses occurred in the absence of income that will allow them to swiftly return to providing care when conditions permit.

In order to reduce administrative burden on health plans and insurers, the grants could be administered by a single entity, similar to the Proposition 56 Loan Repayment Program; however, a plan or insurer would have the option of administering its own grant program. Criteria used to determine eligibility for these grants could include practice size, practice participation in the plan or insurer's network, estimated revenue loss, estimated practice expenses, and the availability of other types of financial assistance.

We are committed to helping support, resource and further develop the financial grant approach or any other approach to provide supplemental financial assistance to maintain California's health care access. Please let us know if you need any additional information.

II. Clinician wellness: Require health plans and insurers to contribute funds toward provider wellness support and services to specified health care workers working directly with COVID-19 patients that have been infected with COVID-19 or who are symptomatic and isolating/recovering

Physicians and other healthcare providers delivering emergency or intensive services to acutely-ill COVID-19 patients face unique challenges. Many of these clinicians, whether exposed, or actually infected, will be unable to return to their homes due to the risk of infecting their own families and, accordingly, require support for housing and meals, and potentially, their own medical care. Additionally, a significant number of these clinicians will experience trauma and stress as the result of responding to the COVID-19 pandemic. The ability of health plans and insurers to provide timely care to their enrollees in the face of the COVID-19 pandemic requires that California's healthcare workforce remain healthy itself.

In order to reduce administrative burden on health plans and insurers, and to ensure the distribution of funds to support frontline clinicians statewide, the grants could be administered by a single entity, similar to the Proposition 56 Loan Repayment Program. Grants would be made to provide lodging and meals to clinicians who, either due to COVID-19 exposure or infection, are unable to return to their homes during the pandemic. Grants could also be made to support the treatment of providers experiencing stress and trauma as the result of their response to the COVID-19 pandemic.
We are committed to helping support, develop and implement this request. Please let us know if you need any additional information.

III. Relief from Health Plan and Insurer Administrative Burdens and Barriers that Delay Timely Access to Care or Physician Workforce Availability

Timely filing extension – California law requires plans/insurers to allow at least 90 days for contracted providers and 180 days for non-contracted providers to submit claims (28 C.C.R 1300.71(b) and Insurance Code 10133.66(a)). This timeframe should be extended to 365 days to allow practices additional time to ensure claim submission.

Suspension of prior authorization requirements – Plans and insurers should suspend all prior authorization requirements for services and medication. Spending time on administrative tasks is not how physicians should be spending their time.

Extension of existing prior authorization deadlines – Plans and insurers should grant an automatic extension to approved authorizations for services and medication for at least 180 days, so physicians do not have to obtain a duplicate authorization after this crisis.

Electronic provider dispute resolution option – Require plans and insurers to offer an electronic submission option for appeals that would allow practices to upload supporting documentation. Currently, the majority of appeals are submitted via USPS. This will allow the staff working remotely to continue to submit appeals, preventing a future rush of potentially months of appeals being submitted all at once and helping to maintain practice cash flow, while preventing further transmission of COVID-19.

Waive enforcement of Health & Safety Code §1367.27(n)(3) and Insurance Code 10133.15(n)(3) and require plans and insurers to suspend related provider terminations – Under Health & Safety Code 1367.27 and Insurance Code 10133.15, plans may terminate physicians for a failure to comply with the provider directory response and notification requirements. Physicians and staff are focusing their efforts on transitioning to telehealth and caring for patients rather than responding to administrative inquiries.

Suspension of medical records requests – Plans and insurers should suspend all medical records requests (i.e., risk adjustment audits, Special Investigations Unit audits, retrospective claim audits, etc.)

Expedited credentialing – Plans and insurers should create an expedited credentialing process, similar to what Medicare is doing, to allow non-contracted physicians or physicians who are already in the process of becoming credentialed to join the payors’ networks.
Suspend overpayment requests – Currently, physicians have 30 working days in which to dispute payor refund requests (Health & Safety Code §1371.1(a)(1) and Insurance Code §10123.145(a)(1)). In an effort to remove the administrative burden on practices, plans and insurers should suspend all recoupment efforts for at least 180 days.

Thank you for your consideration.

Respectfully Submitted,

Dustin Corcoran
CEO
California Medical Association

cc: Mark Azmy Ghaly MD, Secretary, California Health and Human Services Agency
Shelley Rouillard, Director, CA Department of Managed Health Care
The Honorable Ricardo Lara, California Insurance Commissioner