Host: Joining us now is Ilisa Paul. She's president of the District Policy Group. That's AUA's contract lobbying firm. Ilisa, let's talk about the CARES Act that the president signed into law on March 27th. Can you tell us a little bit about this piece of legislation?

Ilisa: It was unprecedented legislation in that it included over $2 trillion. It was more than 800 pages and contains numerous provisions that are really intended to support individuals and families, state governments, small and large businesses, health and hospital systems, and other healthcare providers during this critical time in our country. There are a number of different categories of funding as well as other provisions included in the bill. I'll highlight just a few here.

First, Congress wanted to provide direct payment to individuals and families to help them during this difficult time. The payments are scaled based on earning. For example, $1,200 per adult with an additional $500 per child. There is a cap on the amount of money, so not everyone will be getting a check from the government. Congress also provided an increase in unemployment benefits, $600 per week for four months, extended until July 31st of this year. The bill also includes $150 billion for state and local government, which includes $8 billion for tribal government.

There's also loans available for businesses that have been impacted by the pandemic, such as $25 billion in loans to airlines and $4 billion to Air Cargo Carriers. But of greatest interest to AUA members is the money that's available for health and hospital systems and providers. Overall, there was $342 billion in emergency supplemental funding, which includes $100 billion for health and hospital systems and providers — we'll talk more about that in a minute, I'm sure — $1 billion to the Indian Health Service, $16 billion for medical equipment, and also a 20% increase in reimbursement for inpatient hospitals that are treating Medicare patients with COVID-19.

Host: Let's talk about some of the provisions that directly impact physicians in their practices. Can you tell me a bit more about those?

Ilisa: Well, I should say as a caveat that I am not someone who is normally familiar with SBA or small business loans. I'm a healthcare policy expert, not an MBA. Also not a lawyer. So, anything I say shouldn't be taken as legal
advice. We strongly encourage everyone to consult with their regular business advisors as to what in the bill might be available to them and what might be the most useful to them during this difficult time. But as I understand it, Congress expanded what's available under existing small business loans to make it more applicable to a broader array of individuals who might be needing assistance at this time.

They included an expanded loan guarantee program, which is being called the Paycheck Protection Program for small businesses as well as not-for-profits that are struggling to keep people on the payroll. The repayment of these loans is guaranteed by the U.S. Small Business Administration and borrowers are eligible for loan forgiveness of actual payroll costs after the loan compared to the previous 12 months. They're also trying to encourage rehiring of employees who might have been laid off due to the COVID-19 crisis. The borrowers that rehire workers previously laid off will not be penalized for having a reduced payroll at the beginning of the period. The borrower will apply to its normal lender, and then the lender applies to the Small Business Administration.

**Host:** I do wanna ask you a little bit more about the SBA loans. These loans have been available to small businesses for a while, but can you tell us about how the government has modified this program to provide relief during these uncertain times?

**Ilisa:** Great question. So, you're right, the SBA 7(a) loan program has been available to small businesses. Congress has authorized now $349 billion in total lending for the program beyond the current $30 billion authorization for the new Paycheck Protection Program. So, the funds are going to allow the SBA to fully guarantee the loans under the new program compared with the 75% to 85% guarantee for the standard 7(a) loans. To be eligible, small businesses and 501(c)(3) nonprofit organizations have to have fewer than 500 employees, or more if the SBA's size standards for the nonprofit organization's allowed.

The program is also gonna allow small businesses to apply to an SBA-approved lender for a loan of up to 250% of your average monthly payroll costs to cover eight weeks of payroll as well as help with other expenses like rent, mortgage payments, and utilities. Small businesses are going to be able to apply, if they were harmed by COVID-19, between February 15th of 2020 and June 30th of 2020. Interestingly, the program is retroactive to February 15th. I mentioned earlier that the bill was signed into law March 27th. Congress wanted to have a look back in order to be able to help to bring workers who may have been already laid off back onto the payroll. And, again, those loans are available through June 30th.
A loan, as I believe I mentioned earlier, can be forgiven based on maintaining employee and salary levels. For any portion of a loan that's not forgiven, the terms include a maximum term of 10 years and a maximum interest rate of 4%. And I wanted to make sure we spent a little bit of time talking about the Public Health and Social Services Emergency Fund because I think it's gonna be particularly important to physicians, both independent, practicing physicians, and small group physicians.

Congress wanted to create a separate fund that specifically was going to provide release to health and hospital systems, physicians and other providers so that they would have funds available to reimburse for losses associated with COVID-19 as well as to cover other expenses that are attributable to coronavirus. It's important to note that these funds can't be used to reimburse expenses or losses that have been reimbursed from other sources. So, for example, if you have received reimbursement for something, either through FEMA, the Federal Emergency Management Administration, or reimbursement for something through Medicare or commercial insurance, that won't qualify for the Public Health and Social Services Emergency Fund.

Eligible healthcare providers to receive grants — so, these are not loans, this is money that you get outright, you don't have to pay it back to the government — includes public entities, Medicare or Medicaid-enrolled suppliers and providers, and some for-profit entities and not-for-profit entities that are not otherwise described in the legislation but the Secretary of Health and Human Services might specify. They have to be within the United States and territories and they have to be entities that provide diagnoses, tests, or care for individuals with possible or actual cases of COVID-19.

The application process, as of today, has not yet been enumerated or announced by the Department of Health and Human Services, but we're anxiously awaiting the detail. The legislation does specify the types of things that can be reimbursed. For example, building or construction of temporary structure, leasing of properties, medical supplies and equipment such as personal protective equipment, that we're hearing so much about these days, as well as testing supplies, increasing the workforce and workforce training, emergency operation centers, retrofitting facilities, and surge capacity.

Also interesting in this provision is that the term payment can mean a prepayment, a prospective payment, or a retrospective payment. And the Secretary, again, in the application process should be providing additional details here. So, it's $100 billion, but it doesn't specify anything with respect to priority other than saying, as I mentioned earlier, on a rolling basis, they're gonna take applications. So, I encourage AUA members to follow this closely.
and be certain that they get applications in quickly if they wanna seek reimbursement because even though $100 billion sounds like a lot of money now, there'll be a lot of people applying for that.

**Host:** Are there other provisions in the CARES Act that may be of interest to healthcare providers that you also wanna describe?

**Ilisa:** Thanks for asking. There are a lot. In fact, we could probably spend an hour going through all of them in detail, but I'll spare you that at this moment in time. I did wanna mention something interesting that a lot of people haven't seen because it's not in the HHS portion of the legislation. The Federal Communications Commission was given a $200 million appropriation to support telehealth, and, specifically, the legislation talks about providing money to providers to support the deployment of telehealth, not just for patients but also for physicians to support them.

So, for example, there might be some physicians who are at home on self-quarantine, but they could still see patients via telehealth. This money would allow for the purchase of devices and other technologies. So, physicians working from home could still engage in seeing patients with remote monitoring and telehealth devices. That's one of my favorite little Easter eggs in the bill. There are a whole host of other changes that were also included in the bill that pertain to Medicare payment policy as well as Medicaid.

So, there's a number of changes that pertain to telehealth and the ability to use telehealth. There's changes with respect to, for example, the face-to-face requirement for certification for hospice or for home health. It includes a variety of changes that providers have been asking for with respect to pushing out the deadlines for certain cuts that were scheduled to come into play. Starting on May 22nd, there were disproportionate share hospitals that were on deck to have a significant set of cuts come in. And the good news is those cuts have been delayed further. There's also some interesting changes with respect to the Medicare prescription drug plan.

So, the bill now provides the opportunity for Medicare beneficiaries to get a 90-day supply for covered Part D drugs. So, that's not only more convenient for patients but certainly probably helps with medication adherence and probably something that physicians will find will be good with respect to the care for their patients, that they won't have an interruption in their prescription drug access during this difficult time. I mentioned that there was a 20% add-on modifier for the inpatient COVID patients. There's also a few other things that relate to COVID-19 testing, including waiving cost-sharing associated with testing, and also the bill took care of what's called Medicare policy extenders.
that have to do with funding for quality measurement as well as expanding the
timeline for the Medicare work geographic index floor.

**Host:** Ilisa, do you have anything else you wanna touch on before we wrap it up here?

**Ilisa:** Yes. I wanna leave people with a message that this is not the final say from Congress on COVID-19. We have already heard from a number of members of Congress in the days since the bill was signed into law that they feel that we need to do a fourth package, particularly to support healthcare providers. Many members of Congress have already said that $100 billion is not the final check that should be written, that it's more of a down payment, that we need to wait and see how this plays out before we really know the full impact, and that more support is likely needed for health and hospital systems, and physicians, and others who are helping keep our communities safe.

A number of the House Democrats put out a press release recently also calling for a number of policy changes that they're going to be seeking in a fourth bill. A couple of these include incentivizing the remaining states to expand Medicaid, for example, increasing the number of Americans who are eligible for healthcare tax credit, providing additional financial assistance to help workers who are laid off, furloughed, or have reduced hours, maintain their job-based healthcare coverage through COBRA and eliminating all out-of-pocket expenses for medical care that's associated with COVID-19.

Also, interestingly, I think particularly of interest to physicians and AUA members is that there's also been discussion about hazard pay for physicians and other healthcare workers as well as additional protection. Both the president and Treasury Secretary Mnuchin have specifically been talking about exploring this issue of hazard pay for front-line healthcare workers. And that, of course, would require additional congressional action. So, if there are still things that need to be, as I like to say, fixed or funded to support AUA members and their patients, the train for the third package did leave the station, but the fourth package is likely to be put together in the weeks ahead with additional opportunities for advocacy and engagement.

**Host:** You've been listening to Ilisa Paul. She is president of the District Policy Group, and she's been speaking in-depth about the recently passed CARES Act.

**Ilisa:** It was my pleasure. I wanna thank all the AUA members for everything they do every day for patients and families across the country.