Strategies for Addressing Financial Challenges During COVID-19
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- Funding Sources
- Revenue Opportunities
FUNDING SOURCES

Paycheck Protection Program (PPP)
Loans From the SBA

Jason Sims
Eligibility

Who can apply?

→ Businesses and 501(c)(3)s with up to 500 employees (or, if greater, the number of employees under the applicable SBA size standard).

→ Sole proprietors and independent contractors are also eligible.
Loan Amount

What is the maximum loan amount?

→ Lesser of 2.5 times average monthly payroll costs or $10 million.

→ Payroll Cost Timeframe:
  • Prior 12 calendar months or calendar year 2019.

→ Scope of Payroll Costs – any compensation to employees in the form of:
  • Salary, wages and cash tips;
  • Paid leave;
  • Employee benefits and retirement benefits;
  • State and local taxes assessed on payroll;
  • Allowance for dismissal or separation.

→ Exclusions:
  • Compensation over $100,000 to any employee (wages & salary);
  • Employer side of Federal payroll taxes;
  • Payroll costs to employees whose principal place of residence is outside of the USA.
Loan Terms

→ 1% interest rate.
→ 6 month payment deferment period.
→ 2 year term.
→ No required collateral or personal guaranty.
→ No requirement that borrower is unable to secure credit elsewhere.

→ Program Expires:
  • June 30, 2020.
Permitted Uses of Loan Proceeds

→ Payroll costs.
→ Mortgage interest.
→ Interest on other debt incurred prior to February 15, 2020.
→ Rent payments.
→ Utility payments.
→ Refinancing an EIDL loan.

Limitation:
- 75% of the loan proceeds must be used for payroll costs.
→ The loan is eligible for forgiveness equal to the amount spent by the borrower on covered expenditures during the 8-week period after the origination of the loan.

→ Covered expenditures include:
  • Payroll costs, Payment on mortgage interest, Rent, Utility payments.

→ Limitations/Exclusions:
  • Forgiveness for non-payroll costs cannot exceed 25% of the forgiven amount.
  • Eligible payroll costs exclude comp over $100k on an annualized basis.
  • Employer side on employment payroll taxes.
Reductions to Loan Forgiveness

Forgiveness will be reduced proportionally for reducing its FTEs below the amount compared to one of two periods (borrower’s choice):

- February 15, 2019 to June 30, 2019, or

Forgiveness will also be reduced for any employee’s wages cut by more than 25% for employees under $100k annualized.

LOOPHOLE:

Borrowers can re-hire employees or eliminate the salary reductions by June 30, 2020 to avoid the forgiveness penalty.
Advance Medicare Payments
Stacey Borowicz
Advance Medicare Payments

Under CARES Act, Advance Medicare Payments available for Part A and Part B providers during COVID-19 emergency

→ Eligibility:
  - Provider billed Medicare for claims during prior 180 days;
  - Not in bankruptcy;
  - Not under active medical review or program integrity investigation; and
  - Not have any outstanding Medicare overpayments.
Advance Medicare Payments

→ **Amount of Advance:**
  - Request specific amount up to 3 months of Medicare payments

→ **Process:**
  - Complete the request form on your MAC's website and submit to your MAC.
  - MAC will review and issue Advance Medicare funds within 7 days.
Advance Medicare Payments

→ **Repayment:**
  - Medicare will automatically recoup funds from provider to repay advanced amounts beginning 120 days after funds are issued.
  - Most hospitals have up to one year (between 120 days and 365 days after advance) from date if payment to repay Medicare;
  - Other Part A and Part B providers have up to 210 days to repay (between 120 days and 210 days after advance is made) from date of payment to repay Medicare.
  - Continue to file Medicare claims as you normally would throughout the repayment process.

**CAUTION:**

→ Review all financial options with your accountant to choose the best option for your business
Other Funding Sources

Tim Cahill
$100 Billion – CARES Act

→ Eligible health care providers

→ Covers health care-related expenses and lost revenues related to COVID-19

→ How distributed:
  - Verma announcement regarding first $30 billion
  - Apportioned in grants based on Medicare revenue with “no strings attached”
Other CMS Funding

→ Temporary suspension of the Medicare sequestration

→ 20% increase in payments for Medicare patients discharged with a COVID-19 diagnosis

→ Review contracts with Medicare Advantage
Other Government Funding

→ $50 million in HHS funding to hospitals for special pathogen preparedness and response

→ FCC $200 million for telehealth funding

→ HRSA $180 million for rural healthcare providers

→ FEMA grants
Other Private Funding

- UnitedHealth to accelerate $2 billion
- Release of payables

Establish a process!
REVENUE OPPORTUNITIES

Telehealth and Related Licensure Issues
Eric Plinke
Medicare Reimbursement Expansion

Two Steps:

1) March 17 CMS announced widening of coverage effective March 6 as to type of telehealth and patient location:

   • Expand and allow new types of telehealth in 3 categories (Medicare telehealth visits {paid same as in person – done by real-time AV}, virtual check-ins {phone} and e-visits {on-line patient portal}) to patients at their residence.


# Summary of Medicare Telemedicine Services

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>What Is the Service?</th>
<th>HCPCS/CPT Code</th>
<th>Patient Relationship with Provider</th>
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| **Medicare Telehealth Visits** | A visit with a provider that uses telecommunication systems between a provider and a patient. | - Common telehealth services include:  
  - 99201-99215 (Office or other outpatient visits)  
  - G0425-G0427 (Telehealth consultations, emergency department or initial inpatient)  
  - G0406-G0408 (Follow-up inpatient telehealth consultations furnished to beneficiaries in hospitals or SNFs)  
For a complete list: [https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes](https://www.cms.gov/Medicare/Medicare-General-Information/Telehealth/Telehealth-Codes) | For new* or established patients.  
*To the extent the 1135 waiver requires an established relationship, HHS will not conduct audits to ensure that such a prior relationship existed for claims submitted during this public health emergency |
| **Virtual Check-In** | A brief (5-10 minutes) check in with your practitioner via telephone or other telecommunication device to decide whether an office visit or other service is needed. A remote evaluation of recorded video and/or images submitted by an established patient. | - HCPCS code G2012  
- HCPCS code G2010 | For established patients. |
| **E-Visits** | A communication between a patient and their provider through an online patient portal. | - 99421  
- 99422  
- 99423  
- G2061  
- G2062  
- G2063 | For established patients. |
Medicare Reimbursement Expansion

Two Steps:

2) March 30 CMS blanket waivers also enhanced covered telehealth services to more than 80 additional services (ED, home health, hospice, nursing facilities, and more):

- **MLN:** [https://www.cms.gov/files/document/2020-04-03-special-edition.pdf](https://www.cms.gov/files/document/2020-04-03-special-edition.pdf) provides guidance for PC billing with DOS on/after 3/1 to use same POS as if in-person and to use Modifier 95, indicating that the service rendered was actually performed via telehealth.

- **Physician location?** Telehealth can be provided from physician home and without having to enroll location.

- **As to licensure:** CMS waiver granted as to requirement that out-of-state practitioners be licensed in the state where they are providing services so long as licensed in enrollment state, providing services which contribute to relief efforts in a state under emergency, and is not excluded.
Licensure and Related Considerations

**Licensure**
- Despite CMS waiver – still needed for compliance purposes
- Reimbursement expansion outpaced state law authority
- As of April 8, 47 States have a COVID-19 Licensure Waiver and 4 do not

**Remaining Issues:**
- **What does state require:** license/register (KY, LA, GA, OH), pre or post notice (PA), nothing (WI, IN).
- **Who:** Physicians, yes, but others professions? PAs, NPs, RNs – need to check each state.
- **Type of Service:** Telehealth but may also allow in-state care.
- **Other Conditions:** Must check each state.
- **Duration:** generally during the emergency
ODM and OMHAS enacted an emergency rule to relax regulations and permit Medicaid coverage of telehealth services for new and existing patients.

For ODM Providers include physicians, NPs, DPMs, psychologists, OT, PT, audiologists, speech-language pathologists, dieticians, and behavioral health clinicians.

For OMHAS, the change applies to all certified community behavioral health providers (types 84 and 95).

ODM’s rule allows telehealth services to be billed by independent clinicians, hospitals and their outpatient facilities, FQHCs, ERs, and OhioMHAS-certified providers. The scope includes Medicaid fee-for-service, Medicaid Managed Care Plans, and MyCare Ohio Plans.
Private insurers in Ohio are largely responding to the State’s lead and covering telehealth in a similar fashion.

- For example, Medical Mutual says it will cover telemedicine by more than just real time AV to include phone calls and web/app visits.

- Anthem will now cover telephone visits.

- Humana and UHC have more conditions on the use of telehealth, but do not expressly cover telephone visits.
Use of Ambulatory Surgical Center or Other Spaces for Surge Capacity

Eric Plinke
Effect of CMS Waivers

→ CMS Blanket Waivers Included Temporary Expansion Sites – “Hospital Without Walls”

→ These allow hospitals to provide and bill hospital services from new temporary locations outside the hospital for surge planning.

→ Hospital services can be provided at remote locations in the community such as rehab facilities, hotels, convention or other facilities.

→ ASCs, many of which are reduced or dormant, may contract with hospitals, or enroll directly, to provide hospital services.

→ Nursing facility flexibility is likely not as great in our experience.
In an ongoing effort to help business leaders sort through information regarding the COVID-19 pandemic, we have created a user-friendly hub with updates, insights, and best practices:

dinsmore.com/covid-19-business-strategies-hub/