**Financial Assistance from the Federal Government for Physicians and Practices Impacted by the COVID-19 Pandemic**

(Updated as of 07/2/2021)

This information is subject to change as federal agencies continue to update and provide clarifying guidance on these programs; and as new legislation is enacted by Congress and the White House. Decisions about which option(s) to pursue will depend on your individual practice situation. ASCO recommends that you consult with your financial advisor about the options outlined in the table below.

More detailed information on these programs is available beginning on page 5 of this document.

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<th>Physician Practice Size Requirement</th>
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<tr>
<td>Rural Relief Fund</td>
<td>No</td>
<td>Unlike the PRF’s targeted rural distributions, which were distributed directly to select providers by HHS, rural providers and suppliers seeking the ARP funds must submit an application to HHS.</td>
<td>No</td>
<td>$8.5 billion specifically for rural entities serving Medicare and Medicaid beneficiaries</td>
<td>N/A</td>
</tr>
</tbody>
</table>
| Medicare Accelerated/Advance Payment Program | No | Request forms vary by contractor and can be found on each individual MAC’s website. | No | 100% of the Medicare payment amount for a three-month period for most providers and suppliers.  
• 100% of the Medicare payment amount for a six-month period for inpatient acute care hospitals, children’s hospitals, and certain cancer hospitals.  
• 125% of the payment amount for a six-month period for critical | Begins 120 or 210 days after the date of issuance of the payment depending on type of provider.  
10.25% interest rate | Find your designated MAC  
CMS Fact Sheet  
AMA Resource on Advance Payments and FAQs. |
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<td>CARES Act Provider Relief Fund</td>
<td>No</td>
<td>Must sign an attestation through portal confirming receipt of the funds and agree to the terms and conditions (T&amp;Cs) within 90 days of payment. <a href="#">Application Requirements</a></td>
<td>Not applicable</td>
<td>First General Allocation Distribution: Immediate distribution based on eligible providers' 2018 net patient revenue. Second General Allocation Distribution: Funds will be based on 2018 net patient revenue, not just Medicare Fee for Service. Phase Three General Distribution: Based on financial losses and changes in operating expenses caused by COVID-19. (Providers who previously received General Distribution payments, as well as a new category of behavioral health providers and providers who began operating in 2020, are eligible to apply.) Allocation to Medicaid and CHIP providers, Safety Net Hospitals and “Hotspots” and “Certain special rural Medicare designation hospitals in urban areas as well as others who provide care in smaller non-rural communities: <a href="#">Application Requirements</a></td>
<td>Recipients who choose to reject the funds must also complete the attestation to indicate fund rejection; not returning the funds within 90 days will be viewed as acceptance of the terms and conditions. <a href="#">CARES Act Provider Relief Fund: For Providers</a></td>
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<tr>
<td>Economic Injury Disaster Loan Program</td>
<td>Yes</td>
<td>Applications for PPP are processed through qualified lenders.</td>
<td>No</td>
<td>$2M</td>
<td>Deferred for 1 year (with interest accrual of 3.75% for businesses and 2.75% for private non-profits)</td>
</tr>
<tr>
<td>Economic Injury Disaster Grant</td>
<td>No</td>
<td>Processed for entities requesting an advance on their EIDL loan.</td>
<td>Yes, if used for paid sick leave, payroll, rent and mortgage payments, meeting increased costs to obtain materials unavailable from the applicant’s original source due to interrupted supply chains, and repaying obligations that cannot be met due to revenue losses.</td>
<td>$10,000</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Small Business Debt Relief Program</td>
<td>Yes</td>
<td>Automatic for existing or new loans under program.</td>
<td>No</td>
<td>Not applicable</td>
<td>Automatic deferral for current 7(a), 504, and microloans for 6 months.</td>
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<tr>
<td><strong>IRS Tax Provisions (Employee Retention Tax Credit and Payment Deferral of Certain Payroll Taxes)</strong></td>
<td>Yes</td>
<td>Employers can be immediately reimbursed for the credit by reducing their required deposits of payroll taxes that have been withheld from employees' wages by the amount of the credit.</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>The deferred deposits of the employer's share of social security tax (50 percent of the deferred amount) must be deposited on December 31, 2021; on December 31, 2022, the remaining 50 percent is due.</td>
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<td><strong>Advance Refunding of Tax Credits For Sick and Family Leave</strong></td>
<td>Yes</td>
<td>Eligible Employers will report their total qualified leave wages and the related credits for each quarter on their federal employment tax returns, usually Form 941, Employer’s Quarterly Federal Tax Return.</td>
<td>Not applicable</td>
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</tr>
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</table>
Overview of Federal Financial Assistance Programs

Rural Relief Fund

On March 10, 2021, Congress finalized and passed the American Rescue Plan of 2021 (ARP)—the latest and sixth COVID-19 relief package. Included in the massive $1.9 trillion relief package was an additional $8.5 billion for rural hospitals and providers.

The $8.5 billion creates a new relief fund for certain eligible rural health care providers (“Rural Relief Fund”). This new Rural Relief Fund is separate from the existing Department of Health and Human Services (“HHS”) $178 billion Provider Relief Fund created by the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), though the two are structured nearly identically.

The key difference between the two is the definition of an eligible health care provider. The definition for the new Rural Relief Fund requires providers to be considered a rural provider or supplier. The ARP uses an exceptionally broad definition of rural for these purposes, including:

- A provider or supplier located in a rural area (i.e., outside of a Metropolitan Statistical Area);
- A provider treated as located in a rural area (i.e., is reclassified as rural under 42 CFR 412.103);
- A provider or supplier located in any other area that serves rural patients (as defined by HHS), which may include a Metropolitan Statistical Area with a population of less than 500,000;
- Rural Health Clinics;
- A provider or supplier that furnishes home health, hospice or long-term services and supports in an individual’s home located in a rural area (outside of a Metropolitan Statistical Area); and
- Any other rural provider or supplier as defined by HHS.

HHS has not yet provided any guidance about how the new funds will be distributed. Given the similarities between the Provider Relief Fund, HHS may rely largely on existing guidance for administering and overseeing this new Rural Relief Fund.

Medicare Accelerated/Advance Payment (AAP) Programs

*On April 26, 2020, the Centers for Medicare & Medicaid Services (CMS) announced that it is suspending its Advance Payment Program to Part B suppliers (this includes physicians) effective immediately.*

Beginning on April 26, 2020, CMS will not be accepting any new applications for the Advance Payment Program, and CMS will be reevaluating all pending and new applications for the Accelerated Payment Program. The Advanced Payment program will continue for hospitals.

In order to increase cash flow to providers of services and suppliers impacted by the 2019 Novel Coronavirus (COVID-19) pandemic, CMS expanded its current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers.
Department of Health and Human Services Provider Relief Fund

The CARES Act included relief ($175B appropriated) to physician practices and other health care providers who are suffering financial loss due to COVID-19 by designating funding for the Department of Health and Human Services (HHS) Provider Relief Fund. Funds are meant to cover unreimbursed health care related expenses or lost revenues attributable to the COVID-19 public health emergency (PHE), although the Secretary of HHS has wide discretion for grant allocation and awards.

On April 10, 2020HHS began distributing $30 billion from the $100 billion Public Health and Social Services Emergency Fund to Medicare Fee-for-Service (FFS) providers through the CARES Act Provider Relief Fund. Payments from the fund are not loans, and providers will not be required to repay them. HHS is distributing the funds in a rapid fashion, with payment generally arriving through direct deposit on April 10. Electronic payments will be received automatically via Optum Bank and will be labeled “HHSPAYMENT.” Paper checks will be mailed in the coming weeks. Payments will be paid to the TIN that usually receives Medicare payments (such as the group practice or the employing entity).

There are certain terms and conditions attached to the payment, such as the requirement to accept in-network fees for services provided to patients (no balance billing). Providers must certify to the terms and conditions within 90 days of accepting the funds. In agreeing to the terms and conditions of the grants, physicians are required to attest that they diagnose, treat, or test patients with a potential COVID-19 diagnosis. If a provider ceased operation as a result of the COVID-19 pandemic, they are still eligible to receive funds so long as they provided diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19. This not a loan payment and will therefore not need to be paid back.

On December 21, 2020, additional COVID-19 stimulus funding was signed into law. As of January 1st, 2021, $147B (of the $175B) had been allocated, but HHS reports that only $98 billion has been attested to by providers. An additional $3B was allocated to the PRF which will require additional applications from providers. The law includes technical changes around the language of calculating lost revenue including allowing providers to account for lost revenue using the difference between the provider’s budgeted and actual revenue if the budget was established and approved before March 27, 2020. The new law also requires that at least 85% of future distributions after enactment of the bill will be paid to providers based on applications that consider financial losses and changes in expenses in the third and fourth quarter of 2020 and first quarter of 2021.

Small Business Administration (SBA) Loans

The SBA has two loan programs to address COVID-19-related economic relief: the 7(a) Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) Program. An applicant can receive both a PPP loan and an EIDL, however they cannot seek recovery under the EIDL for the same
costs that are covered by a PPP loan. Both loans are low interest loans with favorable terms; however, only the PPP has the forgiveness element.

**Economic Injury Disaster Loan (EIDL) and Grant Program ($10B):** The EIDL program allows an eligible business to obtain up to $2 million in low-interest loans with principal and interest deferment one year to pay expenses that could have been met had the disaster not occurred, including payroll and other operating expenses. The EIDL program is not limited to small businesses.

A practice with fewer than 500 employees that has applied for an EIDL loan can request an advance of that loan, of not more than $10,000. While this advance loan payment will not have to be repaid, the remaining balance of the loan is otherwise not forgivable. Although the program is required to distribute funds within 3 days, it has been reported that the SBA has become overwhelmed with applications. Because of this, many loans have not been processed and applicants have gone weeks without any response. The program is also running low on funds. A loan advance may be used for providing paid sick leave to employees, maintaining payroll, meeting increased costs to obtain materials, making rent or mortgage payments and repaying obligations that cannot be met due to revenue losses. If a small business receives a PPP loan that is forgiven, any advance amount received under the emergency EIDL would be subtracted from the amount forgiven in the PPP loan.

**Small Business Debt Relief Program**

This program will provide immediate debt relief to small businesses with non-disaster SBA loans, e.g., 7(a), 504 and microloans. SBA will cover all loan payments on these loans, including principal, interest and fees, for six months. New borrowers are eligible for this relief if they take out loans within six months of the President signing the law, and new non-disaster loans issued prior to Sept. 27, 2020.

**IRS Tax Provisions (Employee Retention Tax Credit and Payment Deferral of Certain Payroll Taxes)**

The CARES Act includes two major changes to taxes and tax policies that could benefit physician practices: (1) an employee retention tax credit, and (2) payment deferral of certain employee payroll taxes. The employee retention credit and the tax deferral are not available to employers whose PPP loans are forgiven. Physicians should consult with their tax professional to determine if these benefits or others apply to their practice.

**Employee Retention Tax Credit:** These changes include an employee retention tax credit if the practice’s business operations were fully or partially suspended due to a COVID-19 shut-down order, or gross receipts declined by more than 50 percent compared to the same quarter in the prior year. Eligible businesses can get a refundable 50 percent tax credit on wages up to $10,000 per employee. The credit can be obtained on wages paid or incurred from March 13, 2020, through December 31, 2020.

**Payment Deferral of Certain Employee Payroll Taxes:** This provision allows taxpayers to defer paying the employer portion of certain payroll taxes through the end of 2020, with all 2020 deferred amounts due in two equal installments, one at the end of 2021 and the other at the end of 2022.
Advance Refunding of Tax Credits For Sick and Family Leave

The Department of Treasury is authorized to issue tax credit advances for the expanded paid sick and family medical leave provisions, as enacted in previous stimulus legislation, the Families First Coronavirus Response Act, H.R. 6201 (phase 2). Employers will receive an advance tax credit instead of having to be reimbursed after the expanded leave has been paid.

An employer or a self-employed individual may offset on a dollar-for-dollar basis and on a payroll-by-payroll-basis the amount the employer or the self-employed individual has paid to its employees for Emergency Paid Sick Leave and paid Family and Medical Leave Act against the employer’s contribution for Social Security. If the amount of benefits paid exceeds the amount of the employer’s Social Security contribution, the IRS will establish a procedure under which the employer can apply for an expedited refund of those amounts.