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May 5, 2020

The Honorable Alex Azar
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Secretary:

On behalf of AMGA and its membership, I would like to thank the Department of Health and Human Services (HHS) for its work to distribute the emergency funding authorized by Congress as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). As you are aware, AMGA's membership organizations are facing significant financial losses because of the novel coronavirus (COVID-19) and in dispersing the Provider Relief Fund it is critical that HHS recognize the dire situation facing our nation's medical groups and integrated systems of care. As HHS considers how to allocate the additional \$75 billion that Congress appropriated as part of the Paycheck Protection Program and Health Care Enhancement Act, additional clarity is needed on how HHS administers the Provider Relief Fund, what amount of support providers may expect, and when they can expect it, as well as clear guidance on the application process.

AMGA conducted a survey of its membership to ascertain the effects of COVID-19 and what actions our members have taken to remain open as critical healthcare providers in their community. Survey results demonstrated that 60% of independent medical groups expect to deplete their cash reserves by summer, largely due to the elimination of non-essential surgeries and procedures and instructing patients to stay home to avoid potential exposure to COVID-19. For integrated health systems, 40% of respondents say revenue has declined by more than half, 55% report having less than six months of cash on hand, 84% have furloughed employees, and 75% have cut physician salaries. Clearly, there is an immediate need for additional financial support.

While most of AMGA's membership received an allocation from the original \$30 billion of the \$50 billion "general fund" on April 10, it covered less than one week of operating revenue. While we are very appreciative of this support, HHS guidance appears to indicate the remaining \$20 billion is largely for providers that did not receive support from the April 10 disbursement. As our survey results demonstrate, it is crucial that, regardless of previous allocations, the situation facing medical group practices and integrated health systems receive extra consideration as HHS develops its plans to distribute the newly appropriated \$75 billion.

HHS should allocate additional funding from the Provider Relief Fund to multispecialty group

practices and integrated systems of care so that these providers remain not only viable during this unprecedented public health emergency, but also available to care for their communities after the pandemic. In determining a formula for providing support, HHS should consider lost revenues from across the Medicare program, including Parts A and B, as well as Medicare Advantage. AMGA is concerned that members with significant Medicare Advantage revenues did not receive funding from the initial disbursement. Like providers who rely on fee-for-service reimbursements, providers with Medicare Advantage contracts have seen their revenues decline because of canceled elective surgeries, procedures, and face-to-face visits.

AMGA appreciates that HHS is moving as quickly as feasible to distribute funding. However, providers need additional guidance on how HHS will allocate the funding. Beyond a Frequently Asked Question (FAQ) document, which HHS updates as needed, and the Terms and Conditions, providers have little information on the program and the process. They are unable to ask specific, technical questions based on their individual circumstances. For example, there is little information on how providers who have changed practices or have new taxpayer identification numbers (TINs) will be considered for funding purposes. Technical assistance should be available to providers, as both the FAQs and the Terms and Conditions are subject to interpretation. HHS also should indicate when and how its supporting documents are changed so that providers can understand how the guidance has been updated. Finally, because access to these funds is so critical, HHS should strive to allocate them as quickly as possible and provide a reasonable timeline so medical groups and systems can appropriately plan for near-future operations.

Thank you for your prompt attention to this situation. If AMGA or its members can be of service during this public health emergency, please do not hesitate contact Darryl M. Drevna, AMGA's senior director of regulatory affairs, at 703.838.0033 ext. 339 or at ddrevna@amga.org.

Sincerely,

A handwritten signature in cursive script that reads "Jerry Penso".

Jerry Penso, M.D., M.B.A.
President and Chief Executive Officer
AMGA