



One Prince Street
Alexandria, VA 22314-3318
☎ 703.838.0033
✉ 703.548.1890

April 2, 2020

The Honorable Steven Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

The Honorable Jovita Carranza
Administrator
Small Business Administration
U.S. Sm 409 3rd St., SW
Washington, DC 20416

Dear Secretary Mnuchin and Administrator Carranza:

I am writing to request that you use every tool at your disposal to assist AMGA membership as it responds to the novel coronavirus (COVID-19), including allowing medical groups to access the Paycheck Protection Program (PPP), which includes up to \$349 billion in forgivable loans for select businesses to cover their payrolls during the COVID-19 crisis. Authorized as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, this funding can provide important financial support to medical group practices that are facing financial troubles as they respond to the COVID-19 public health emergency. As you implement the PPP it is important that you use your authority to ensure medical groups, many of which may be organized as one entity that have multiple locations, each with fewer than 500 employees, are eligible to benefit from the funding.

Our membership includes more than 440 multispecialty medical groups and integrated delivery systems, which represent about 175,000 physicians who care for one in three Americans. COVID-19 has created an unprecedented crisis for the healthcare sector that threatens our members' ability to survive and provide care. Not only is the virus straining the system's ability to respond, it is creating financial pressures that threaten our members' ability to continue providing care to their communities. While Congress has taken action and authorized the Department of Health and Human Services (HHS) to respond to this crisis, it is apparent that the situation is creating a financial emergency that requires intervention from the Department of the Treasury and the Small Business Administration.

AMGA's members quickly recognized the need to adapt their care delivery models to combat COVID-19. As part of that effort, they cancelled elective surgeries and other procedures and instructed their patients to stay safe at home. By acting for the public good and changing their

care delivery models, our members are optimistic these actions will flatten the COVID-19 curve. However, these changes have had predictable results on their revenues, which have decreased by 50% to 90% in the last two weeks. Our members have had no choice but to begin furloughs, cut salaries, and reduce shifts, among other expense reduction tactics. Employee layoffs will be in the thousands, with a commensurate impact on patient access to care. The irony of the situation is that as our members are retooling to respond to the unprecedented challenge presented by COVID-19, they simultaneously need to lay off staff to continue operations. Clearly, this is an untenable situation.

While our members wait for the Department of Health and Human Services to develop its application process for the Public Health and Social Services Emergency Fund, which will provide \$100 billion across the entire healthcare sector, they need access to other financing tools. The PPP provides a stable funding model that would allow our members to access critically needed funds and would provide a very strong incentive to maintain their current workforce. However, the PPP does not currently allow healthcare providers with more than 500 employees to access this loan program. We ask you to use your authority to allow medical groups to utilize the PPP so they can keep delivering care. There is already precedent for going beyond the statutory language found in CARES Act as the Centers for Medicare & Medicaid Services broadened its Accelerating and Advanced Payment Program to include all providers, not just those listed in the law.

The PPP, created under Sec. 1102 of the CARES Act, will enable our members to survive and deliver care to their patients. Without these funds, layoffs will continue, some groups will cease operations, and care will be compromised, all occurring during a public health emergency.

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,



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