



COLLEGE of AMERICAN
PATHOLOGISTS

COVID-19 Financial Assistance Programs Roundtable

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Welcome

Patrick Godbey, MD, FCAP

President

- **Welcome**
- **Today, we're focusing on small business assistance programs available during this national emergency, the CAP's Advocacy, and tools the CAP has developed to help practices**



Topics for Today's Discussion

Our topics today:

- **CAP Advocacy concerning economic relief for pathologists**
- **Government assistance programs for pathologists and their laboratories**
- **Resources from the Practice Management Committee**
- **Practice management guidance for practice leaders**

Jonathan Myles, MD, FCAP

Chair – Council on Government and Professional Affairs (CGPA)

**Board certified A/P and C/P
Fellowship in A/P and C/P
Cleveland Clinic, Ohio**



Anthony Battistone

**Senior Manager, Practice
Management**

**Certified Specialist – Physician
Practice Management**

**25+ years in Healthcare and
laboratory management**

Six Sigma Green Belt



Reminder

- **Before we get started ...**
- **On April 23, the CAP sent to CAP-accredited laboratory directors an invitation to take a survey about the impact of the COVID-19 pandemic on facilities and staffs**
- **Survey responses will shape the direction of the CAP's public policy efforts on behalf of laboratories affected by this crisis**
- **If you're a CAP-accredited laboratory and did not receive the survey invitation, please email practicesurvey@cap.org**
- **Our survey is scheduled to close later this week**

Government Assistance Programs

CAP Pushes Congress to Give Pathologists Greater Economic Relief

- **CAP continues to lobby Congress to support pathologists**
- **In an April 14 letter, the CAP asked Congress to:**
 - **Mitigate an 8% cut to pathology services in 2021**
 - **Increase funding for the Paycheck Protection Program and ensure adequate financial support for physicians and their practices**
 - **Support residents and medical students by providing at least \$20,000 of federal student loan forgiveness/tuition relief**
 - **Adjust repayment provisions in the Medicare Accelerated and Advanced Payment program, including increasing the time to repay loans and reducing the interest rate**

Congressional Action on Small Business Assistance

- **Coronavirus Aid, Relief, and Economic Security (CARES) Act:**
 - Sets \$350 billion to provide relief for small businesses
 - Temporarily lifts budget sequester, which reduces payments by 2%, on Medicare
 - Add-on payment of 20% to Medicare's hospital inpatient system for COVID-19 patients
 - Pauses scheduled Medicare cuts to clinical laboratory services in 2021
 - Directs \$130 billion to hospitals to cope with surge capacity
- **Paycheck Protection Program and Health Care Enhancement Act**
 - Adds \$310 billion for the Paycheck Protection Program (funding had run out on April 16)
 - Adds \$10 billion for Economic Injury Disaster Loan (EIDL) grants
 - Adds \$50 billion for the SBA EIDL Program Account
 - Spends \$100 billion to support hospitals, physicians, and other providers

Medicare Accelerated/Advance Payment Program

- **Suspended as of April 26**
- Offers three-month advance on your Medicare revenue
- You have 210 days from the date of accelerated/advance payment was made to repay the balance
- CAP is working in Washington to refine the program further
 - Extend the timeframe for repayment.
 - Reduce the interest rate from 10.25%



Paycheck Protection Program

- Loans offer 2.5 times the average monthly payroll costs (up to \$10 million)
- Carries a 0.5% fixed rate due over 2 years
- Loans can be used for payroll, interest on mortgages, rent, and utilities
- Regulated lenders are approved and enrolled in this program
- Funding is limited and may run out!



Economic Injury Disaster Loans (EIDL) Advance

- The new economic injury grant program provides up to \$10,000 to small businesses and private nonprofits harmed by COVID-19 within three days of applying for an EIDL loan
- The EIDL program provides loans of up to \$2 million to small businesses with less than 500 employees (including sole proprietorships, independent contractors and self-employed persons) that are experiencing temporary loss of revenue as a result of COVID-19



Other SBA Loans and Debt Relief

- **7(a) program offer loan amounts up to \$5 million**
 - Use for working capital, renovation, equipment, etc.
- **Express loan program offers up to \$350,000, available within 36 hours**
 - Proceeds the same as the 7(a) loan
- **504 loan program for job creation and retention**
- **Microloan program involves loans through nonprofit lending organizations to underserved markets**



Go to SBA.gov for more information

The screenshot shows the SBA.gov website interface. At the top, a yellow banner contains a warning icon and the text "Coronavirus (COVID-19): Relief options and Additional Resources [CLICK HERE](#)". Below this is the SBA logo and the text "U.S. Small Business Administration". To the right of the logo are links for "Translate", "SBA en Español", "For Partners", "Newsroom", and "Contact Us", along with a search icon. A navigation menu below the logo includes "Business Guide", "Funding Programs", "Federal Contracting", "Learning Center", "Local Assistance", and "About SBA". The main content area features a large image of a coronavirus particle with the text "Coronavirus (COVID-19): Small Business Guidance & Loan Resources" and a red "LEARN MORE" button. A "Feedback" icon is visible in the bottom right corner of the banner area.

Practice Management

Resources and Guidance

Practice Management Resources

- **Roadmaps to Preparation and Application**
 - **Paycheck Protection Program**
 - **Paycheck Program Calculator**
 - **Accelerated and Advanced Payment for Medicare Providers**
 - **Economic Injury Disaster Loan**
 - **Volume – Revenue Impact Calculator**

Paycheck Protection Program

- **Roadmap - Provides guidance on:**
 - Criteria and calculation of eligible payroll expenses
 - Terms, conditions and use of funds
 - Loan “forgiveness” criteria
 - Required documents to complete the application

- **Paycheck Program Calculator**
 - Enter your eligible payroll expenses for each period
 - The calculator will summarize
 - Eligible monthly payroll expenses
 - Estimated loan amount
 - Use of funds to meet debt forgiveness rules

Practice Payroll Data		
Paycheck Protection Program Calculations		
No Data Entry is Required		
Total Number of Employees (02-15-20)	35	
	<u>Annual</u>	<u>Monthly</u>
Total Eligible Payroll Expense	\$ 1,298,854.00	\$ 108,237.83
Total State Unemployment Paid by Practice	\$ 400.00	\$ 100.00
Total Health Care Premium Expense	\$ 1,200.00	\$ 100.00
Total Retirement Benefits Paid	\$ 12,000.00	\$ 1,000.00
State and local payroll taxes paid by practice	\$ 5,000.00	\$ 416.67
	Total: \$ 1,317,454.00	\$ 109,854.50
Total Eligible Loan Amount:	\$ 274,636.25	
Debt Forgiveness Rules: (See reference tab for details)		
1.) 75% must be used for payroll expenses	\$	205,977.19
2.) 25% for rent, mortgage interest and utilities:	\$	68,659.06
	Total:	\$ 274,636.25

Accelerated and Advanced Payment

- Roadmap provides guidance on:
 - Criteria for application
 - Application process
 - This is completed at the NPI level
 - How the MACs will calculate your advance
 - Payments made during Q4 of 2019
 - Payback rules
 - Critical practice management considerations
 - A roadmap to preparing your application

Accelerated and Advance Payment for Medicare Providers Roadmap
Some information may vary according to your MAC's specific requirements

	Recommended Activities	Sources
	Review Q4 2019 Medicare claims submissions to estimate the advanced payment. Determine your Medicare payer mix.	<i>Billing provider</i>
	Complete CAP's Estimated Volume-Revenue Impact Worksheet to evaluate future payback impact (if any)	
	Determine the advance amount you are requesting <ul style="list-style-type: none"> • 100% of available advance, or • Dollar amount that you are requesting 	
	Determine whether all members of the practice will be applying <ul style="list-style-type: none"> • If Yes, obtain each members NPI number 	<i>Billing provider</i>
	Locate your MAC's website application	<i>Link provided above</i>
	Complete the application and email it to the MAC	<i>Link provided above</i>
	Notify your billing provider of the pending advance payment	<i>Billing provider</i>
	Ensure appropriate codes are established in the billing system to track the repayment of claims. Obtain weekly reports.	<i>Accounting and billing providers</i>
	Establish SOP's addressing denials related to the claims subjected to repayment. Obtain weekly reports of denials and resolutions	<i>Billing provider</i>

Economic Injury Disaster Loan (EIDL)

- Roadmap provides guidance on:
 - Eligibility
 - Utilization of funds
 - The EIDL grant
 - \$10,000 forgiveness
 - Payback terms
 - List of required documents and links to the required forms

EIDL Loan Roadmap	
Required Documents	Source(s)
SBA Application (Form 5)	https://www.sba.gov/sites/default/files/Disaster%20Business%20Loan%20Application.pdf
Credit score	<i>Obtain evidence from the national credit reporting agencies.</i>
IRS Form 4506T	<i>Your accountant or tax preparer</i>
2019 federal income tax returns for the practice	<i>Your accountant or tax preparer</i>
SBA Form 413 (Personal Financial Statement)	https://www.sba.gov/sites/default/files/forms/SBA_Form_413_7a-504-SBG.pdf
SBA Form 2202 (listing of liabilities and fixed debt)	https://www.sba.gov/sites/default/files/2019-09/2202%20Schedule%20of%20Liabilities.pdf
Your most recent financial statement for the practice	<i>Your accountant</i>

Volume – Revenue Impact Calculator

- Objective: To assist practices in:
 - Analyzing the impact of volume fluctuations on the practice's revenue
 - Projecting future revenue through the end of the year
 - Evaluating the need to apply for financial assistance
 - Ability to payback any required amounts through the end of the year
- Method of Analysis
 - Only requires that you enter 4 monthly data points
 - Based on your current experience and your market; enter projected volumes
 - Calculator will summarize monthly and quarterly impact on revenue compared to previous periods

Estimated Revenue Impact Analysis - Volume Change												
Compared to 6-Month Average (Q4-2019 and Q1-2020)												
ONLY ENTER DATA IN SHADED CELLS												
	Apr - 20	May - 20	Jun - 20	Q2 - 20 Total	Jul - 20	Aug - 20	Sep - 20	Q3 - 20 Total	Oct - 20	Nov - 20	Dec - 20	Q4 - 20 Total
Revenue Days	20	20	20	60	20	20	20	60	20	20	20	60
Accessions	250	100	100	450	800	500	700	2,000	500	800	1,100	2,400
Billed CPTs	494	198	198	889	1,581	988	1,384	3,953	988	1,581	2,174	4,744
Est Billed Charges	\$ 1,029.41	\$ 411.76	\$ 411.76	\$ 1,852.94	\$ 3,294.12	\$ 2,058.82	\$ 2,882.35	\$ 8,235.29	\$ 2,058.82	\$ 3,294.12	\$ 4,529.41	\$ 9,882.35
Est Payments	\$ 558.82	\$ 223.53	\$ 223.53	\$ 1,005.88	\$ 1,788.24	\$ 1,117.65	\$ 1,564.71	\$ 4,470.59	\$ 1,117.65	\$ 1,788.24	\$ 2,458.82	\$ 5,364.71
Historic Average Payments	\$ 3,166.67	\$ 3,166.67	\$ 3,166.67	\$ 9,500.00	\$ 3,166.67	\$ 3,166.67	\$ 3,166.67	\$ 9,500.00	\$ 3,166.67	\$ 3,166.67	\$ 3,166.67	\$ 9,500.00
Difference Current v Average	(2,607.84)	(2,943.14)	(2,943.14)	(8,494.12)	(1,378.43)	(2,049.02)	(1,601.96)	(\$5,029.41)	(2,049.02)	(1,378.43)	(707.84)	(\$4,135.29)

Detailed Financial Impact by Quarter												
NO DATA ENTRY REQUIRED												
	Q2 v Average Qtr				Q3 v Average Qtr				Q4 v Average Qtr			
	Q2 - Estimate	Baseline	Impact	Pct Change	Q3 - Estimate	Baseline	Impact	Pct Change	Q4 - Estimate	Baseline	Impact	Pct Change
Avg Chg/Accession	\$ 4.12	\$ 4.12	\$ -	0%	\$ 4.12	\$ 4.12	\$ -	0%	\$ 4.12	\$ 4.12	\$ -	0%
Avg Chg/CPT	\$ 2.08	\$ 2.08	\$ -	0%	\$ 2.08	\$ 2.08	\$ -	0%	\$ 2.08	\$ 2.08	\$ -	0%
Avg Pymt/Accession	\$ 2.24	\$ 2.24	\$ -	0%	\$ 2.24	\$ 2.24	\$ -	0%	\$ 2.24	\$ 2.24	\$ -	0%
Avg Pymt/CPT	\$ 1.13	\$ 1.13	\$ -	0%	\$ 1.13	\$ 1.13	\$ -	0%	\$ 1.13	\$ 1.13	\$ -	0%
Avg Pymt/Month	\$335.29	\$3,166.67	(\$2,831.37)	-89%	\$ 1,490.20	\$3,166.67	(\$1,676.47)	-53%	\$ 1,788.24	\$3,166.67	(\$1,378.43)	-44%
Avg Accessions/Month	150	1,417	(1267)	-89%	667	1,417	(750)	-53%	800.00	1,417	(616.67)	-44%
Avg CPT/Month	296	2,800	(2504)	-89%	1,318	2,800	(1,482)	-53%	1,581	2,800	(1,218.82)	-44%
Avg Daily Accessions	8	71	(63)	-89%	33	71	(38)	-53%	40.00	71	(31)	-44%
Avg Daily CPTs	15	140	(125)	-89%	66	140	(74)	-53%	79.06	140	(61)	-44%
Avg Daily Payments	\$ 16.76	\$ 158.33	(\$141.57)	-89%	\$ 74.51	\$ 158.33	(\$83.82)	-53%	\$ 89.41	\$ 158.33	(\$68.92)	-44%

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Key Practice Management Considerations

- **Accelerated and advance payments - Is this your best option?**
 - **Know your Medicare payer mix**
 - During the payback period 100% of future claims will be withheld until the advance is paid
 - Can your practice survive without Medicare revenue during this time?
 - **Volume fluctuations and cash flow**
 - Will your non-Medicare revenue support operations?
 - How will the “non-COVID-19” testing ramp back up?
 - **Billing and collections**
 - Will your advance payment be subjected to billing agency fees?
 - Ideally it should be applied as the future claims are posted
 - **Develop a financial category to track accelerated repayments**

Key Practice Management Considerations

- Denials
 - A denied future Medicare claim will not reduce your balance
 - Ensure all denials are aggressively worked and resubmitted immediately
- Other Considerations
 - Inventory management
 - Ensure your supply inventory for non-COVID-19 testing is adequate; avoid “just in time” ordering
 - Cost management
 - Evaluate existing workflow in order to maximize efficiency
 - Ensure staffing is adequate to meet new projections for both COVID-19 and non-COVID-19 cases

Thank you for joining us today

Roadmaps and other tools can be found in the “Practice Resources” section of the COVID-19 information page on [cap.org](https://www.cap.org)

<https://www.cap.org/news/2020/latest-on-the-novel-coronavirus-covid-19>

Check out extensive FAQs on [cap.org](https://www.cap.org) under “Recent Updates to COVID-19”

<https://www.cap.org/covid-19>



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