

FINANCIAL TIPS FOR PRACTICES IN CRISIS: COVID-19 RESOURCES

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ACOG Committee on Health Economics and Coding

“Financial Tips for Practices in Crisis: COVID-19 Resources”

April 2, 2020

CONFLICT OF INTEREST DISCLOSURE: FACULTY

NO CONFLICTS TO DECLARE

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Disclaimer

Inclusion of any product, procedure, or method of practice in this program does not constitute endorsement by ACOG.

Specific resources and management options described in this presentation may not be available in all locations and/or may not be applicable to all practices.

Recommendations concerning practice protocols should be evaluated in light of local medical expertise and local laws/regulations before implementing options discussed.

THE KEY CONSIDERATIONS

BEFORE WE BEGIN...



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WHAT WE CAN AND CAN'T DO...

- What we can do:
 - Point you to resources that may be of benefit to your practice.
 - Cause you to consider ideas that may work for you in your situation.
 - Encourage you and provide supportive information throughout this crisis.
- What we can't do:
 - Supply the answer to every question you may have.
 - Address every scenario you may be encountering.

THE #1 CHALLENGE



Cash Flow!

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THE #1 CHALLENGE

Income

Outflow



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Cash flow = the total amount of money being transferred into and out of a business, especially as affecting liquidity

THE COMPONENTS OF CASH FLOW

INCOME

- Insurance company payments
- Patient payments
- Additional sources of income (rent, call coverage stipends, medical directorships, etc.)

OUTFLOW

- Payroll (physician and staff)
- Employee benefits/taxes
- Rent/mortgage/maintenance
- Insurance—professional and practice
- Office/medical equipment
- Office/medical supplies
- Miscellaneous (marketing, consultants/attorneys, etc.)

THE COMPONENTS OF CASH FLOW

TRADITIONAL ECONOMICS

Increase Income

+

Decrease Outflow

Cash on Hand

THE CURRENT SITUATION

Maximize Income

+

Decrease Outflow

+

Replace Income

Cash on Hand

DON'T FORGET YOUR CONSTITUENCIES!



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THE KEY CONSIDERATION

- Effectively address the practice's income and outflow needs

WHILE

- Not forgetting the interests of your constituencies

MAXIMIZING INCOME

“SEE” ALL THE PATIENTS YOU CAN “SEE”

- Significant adjustments have been made to telemedicine guidelines to make it far more useable for virtually every practice
 - Relaxing of service definitions and reimbursement requirements
 - Relaxing of HIPAA requirements
 - For more information, see
 - Managing Patients Remotely online tips at <https://www.acog.org/en/Topics/COVID-19>
 - Navigating Telehealth webinar at: <https://www.pathlms.com/acogwebinars/courses/16115>
- See face-to-face those patients that can't be treated remotely
 - OB patients at certain stages in pregnancy
 - GYN patients with concerning symptoms
 - Facilitate surgery for those patients with urgent/emergent issues

COLLECT UNPAID BILLS

- Review the Accounts Receivable
 - Contact insurers that have not responded to claim filings
 - Appeal claims that may have been denied inappropriately
 - Write off/"clean up" balances that are uncollectable
 - Keep billing personnel working productively

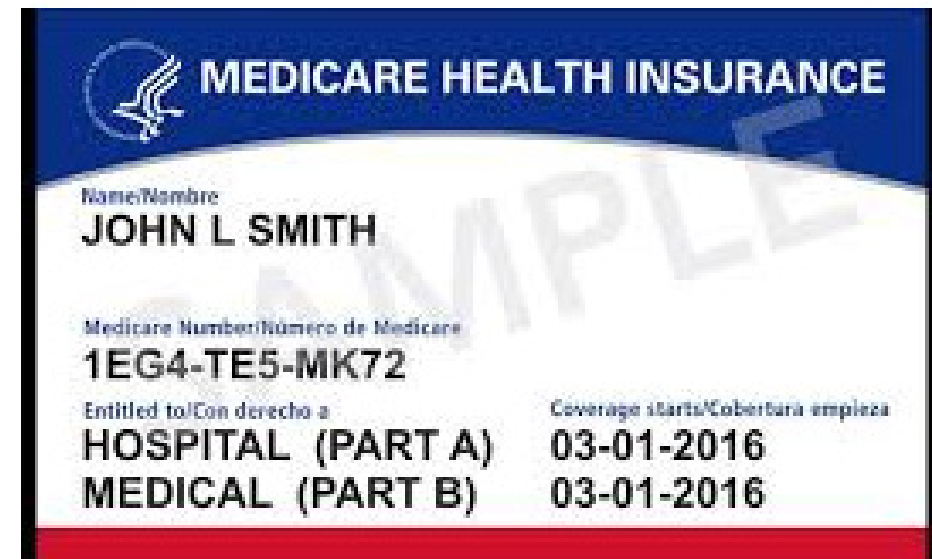


CHALLENGES REGARDING SURGERY

- Many/most facilities have postponed “elective” and “non-urgent” surgeries
 - Based on recommendation of U.S. Surgeon General
 - Not all areas have the same impact
 - Advocate for your patients
- ACOG is advocating in this area.
- See <https://www.acog.org/news/news-releases/2020/03/joint-statement-on-elective-surgeries>

SUSPENSION OF SEQUESTRATION

- Medicare payments have been reduced to providers by 2%
- This has been temporarily lifted from May 1, 2020 – December 31, 2020.
- This happens automatically...no action required on your part



OBTAIN FINANCIAL RELIEF FROM MEDICARE

- On Saturday, March 28, Medicare issued a notice that allows you to be paid in advance by Medicare, if...
 - You've billed Medicare within the last 180 days
 - You are not in bankruptcy
 - You are not under medical review or program integrity investigation
 - No outstanding delinquent overpayments
- They will receive requests immediately...
 - You will receive payment within 7 days
 - Can receive up to 100% of the Medicare payment for a three-month period

OBTAIN FINANCIAL RELIEF FROM MEDICARE

FACT SHEET: EXPANSION OF THE ACCELERATED AND ADVANCE PAYMENTS PROGRAM FOR PROVIDERS AND SUPPLIERS DURING COVID-19 EMERGENCY

In order to increase cash flow to providers of services and suppliers impacted by the 2019 Novel Coronavirus (COVID-19) pandemic, the Centers for Medicare & Medicaid Services (CMS) has expanded our current Accelerated and Advance Payment Program to a broader group of Medicare Part A providers and Part B suppliers. The expansion of this program is only for the duration of the public health emergency. Details on the eligibility, and the request process are outlined below. The information below reflects the passage of the CARES Act (P.L. 116-136).

Accelerated/Advance Payments

An accelerated/advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing. These expedited payments can also be offered in circumstances such as national emergencies, or natural disasters in order to accelerate cash flow to the impacted health care providers and suppliers. CMS is authorized to provide accelerated or advance payments during the period of the public health emergency to any Medicare provider/supplier who submits a request to the appropriate Medicare Administrative Contractor (MAC) and meets the required qualifications.

Eligibility & Process

- **Eligibility:** To qualify for advance/accelerated payments the provider/supplier must:
 1. Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form,
 2. Not be in bankruptcy,
 3. Not be under active medical review or program integrity investigation, and
 4. Not have any outstanding delinquent Medicare overpayments.
- **Amount of Payment:** Qualified providers/suppliers will be asked to request a specific amount using an Accelerated or Advance Payment Request form provided on each MAC's website. Most providers and suppliers will be able to request up to 100% of the Medicare payment amount for a three-month period. Inpatient acute care hospitals, children's hospitals, and certain cancer hospitals are able to request up to 100% of the Medicare payment amount for a six-month period. Critical access hospitals (CAH) can request up to 125% of their payment amount for a six-month period.
- **Processing Time:** Each MAC will work to review and issue payments within seven (7) calendar days of receiving the request.
- **Repayment:** CMS has extended the repayment of these accelerated/advance payments to begin 120 days after the date of issuance of the payment. The repayment timeline is broken

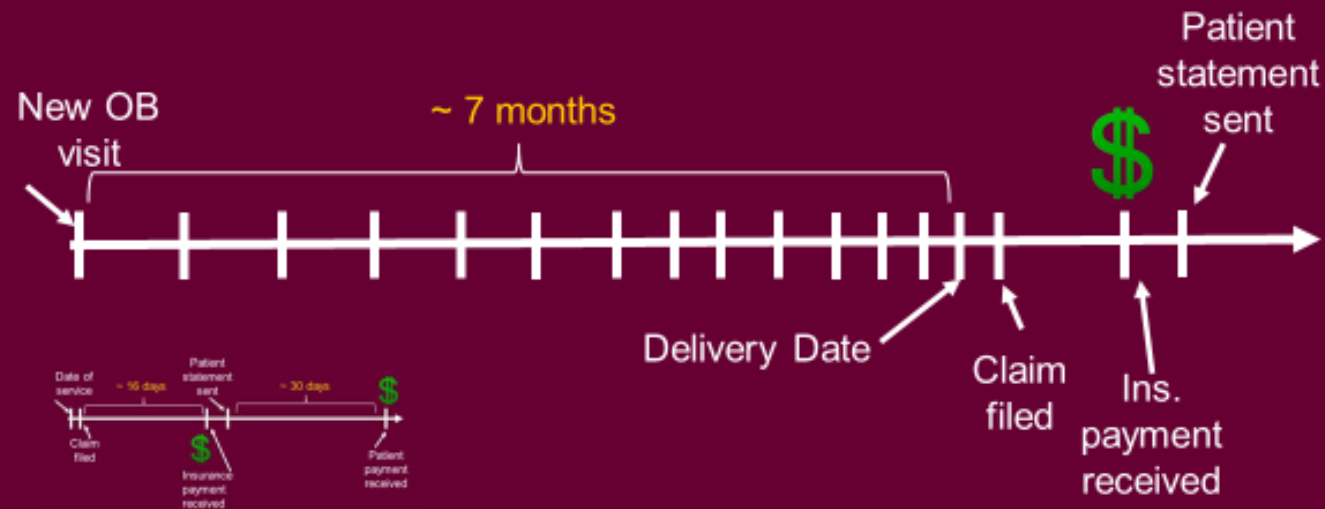
- Repayment begins 120 days after the payment is issued
- Access the fact sheet, which is found at:

<https://www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf>

TAKE ADVANTAGE OF THE OB REIMBURSEMENT MODEL

Unusual revenue flow...

■ Obstetrics revenue flow...



TAKE ADVANTAGE OF THE OB REIMBURSEMENT MODEL

- Continue to communicate with current obstetrics patients about their financial responsibility
 - Provide them an alternative option
 - “Credit card on file”
- The benefit:
 - Reduces immediate demand on the patient
 - Increases the likelihood for the practice that payment will be received

<https://www.medicaleconomics.com/medical-economics-blog/pros-and-cons-keeping-patient-credit-cards-file>

SEND OUT PATIENT STATEMENTS

- Why?
 - Certain patients will remit, enhancing revenue
 - It facilitates communication with the patient
 - Give employees latitude to negotiate with patients
 - Emphasize the practice's flexibility
 - Include a specific COVID-19 note or insert

Sample Healthcare Practice
125 Main Street
Lawrenceville, KY 00135-1111
333-555-0020

PATIENT STATEMENT

DATE
1/11/2009

FOR SERVICES RENDERED TO:

CATHY DAY
4699 A FLYER COURT
CLARKSVILLE, MA 63044

PAT # 10270

AMOUNT DUE	AMT ENCLOSED
\$75.00	

DATE	TRANSACTION	AMOUNT	BALANCE
12/31/2007	Balance forward		0.00
1/1/2009	102 SUBSEQUENT OFFICE VISIT	45.00	45.00
1/3/2009	102 SUBSEQUENT OFFICE VISIT	45.00	90.00
1/4/2009	102 SUBSEQUENT OFFICE VISIT	45.00	135.00
1/4/2009	PMT - Insurance Check	-60.00	75.00

0-30 DAYS	31-60 DAYS PAST	61-90 DAYS PAST	OVER 90 DAYS	AMOUNT DUE
0.00	0.00	0.00	75.00	75.00

STAY IN CONTACT WITH YOUR PATIENTS

- Don't be annoying
- Develop a communication & scheduling strategy
 - Let people understand your plans
 - Be ready to be fully booked on Day 1 of normal operations
 - Minimize number of contacts, but make them meaningful
 - Be a valued resource with a strong relationship



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REDUCING EXPENSES

DEFERRAL OF TAX PAYMENTS—FEDERAL/STATE

- 2019 corporate and personal taxes are not due until July 15, 2020, without penalty
- Check information from your state concerning state and local taxes

<https://blog.turbotax.intuit.com/tax-news/is-the-tax-deadline-delayed-what-to-know-about-coronavirus-covid-19-and-your-taxes-46320/#state-tax-updates>



Financial Tips-COVID 19

The screenshot shows the IRS website's 'Coronavirus Tax Relief' page. The browser address bar displays 'irs.gov/coronavirus'. The page header includes the IRS logo and navigation links for Help, News, English, Charities & Nonprofits, and Tax Pros. A secondary navigation bar lists File, Pay, Refunds, Credits & Deductions, and Forms & Instructions, along with a search bar. The main heading is 'Coronavirus Tax Relief'. On the left, a sidebar lists 'Topics in the News' (with 'Coronavirus Tax Relief' selected), 'News Releases', 'Multimedia Center', 'Tax Relief in Disaster Situations', 'Tax Reform', 'Taxpayer First Act', 'Tax Scams/Consumer Alerts', 'The Tax Gap', 'Fact Sheets', 'IRS Tax Tips', 'e-News Subscriptions', and 'IRS Guidance'. The main content area features two prominent yellow boxes with exclamation mark icons. The first box states: 'Stimulus payment checks: No information available yet, No sign-up needed. Instead of calling, please check back for updates.' The second box states: 'Tax Deadline Changed. The deadlines to FILE and PAY federal income taxes are extended to July 15, 2020.' Below these, a paragraph explains that the IRS has established a special section to help taxpayers and businesses affected by the coronavirus, and provides links to CDC, the U.S. government's coronavirus page, and the Department of Treasury's coronavirus resources. At the bottom of the main content area, it repeats the message about stimulus payment checks and provides a link to 'News Releases'.

<https://www.irs.gov/coronavirus>

DEFERRAL OF TAX PAYMENTS—SELF-EMPLOYMENT TAXES

- “Self-employed” individuals must pay estimated taxes on a quarterly basis (April 15)
- Current self-employment taxes are now delayed
 - 50% must be paid by 12/31/21
 - The remainder by 12/31/22

The screenshot shows the IRS website's 'Self-Employed Individuals Tax Center'. The browser address bar displays 'irs.gov/businesses/small-businesses-self-employed/self-employed-individuals-tax-center'. The page features a dark blue header with the IRS logo and navigation links. A search bar contains the word 'DEFERRAL'. The main content area is titled 'Self-Employed Individuals Tax Center' and includes a list of links for 'Who is Self-Employed?', 'What are My Self-Employed Tax Obligations?', and 'How Do I Make My Quarterly Payments?'. A sidebar on the left lists various topics under 'Businesses and Self-Employed', with 'Self-Employed' currently selected. A 'Related Topics' section on the right lists links to 'Affordable Care Act Tax Provisions', 'Married Couples in Business', and 'Publications and Forms for the Self-Employed'.

<https://www.irs.gov/businesses/small-businesses-self-employed/self-employed-individuals-tax-center>

REVIEW PRACTICE EXPENSES



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- Contact vendors and negotiate payment delays or alternative payment models
- Cancel subscription services that will not be used during abnormal operations
- Take the opportunity to create/review budget opportunities going forward

ADJUST STAFFING LEVELS

- Lay off staff?
- Cut back hours?
- Reduce salaries?



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**This may be
unnecessary!**

REPLACING INCOME

ACCESS YOUR LINE OF CREDIT



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- A line of credit can be a valuable resource for a practice
 - Provides ready cash in cash flow shortfalls
 - Easy to access
 - Works best in long-term relationships with lending institutions

BUSINESS INTERRUPTION INSURANCE



- Business interruption insurance is often part of a more comprehensive liability policy
 - Can make you whole if there is a loss of income
 - Typically associated with local disasters
 - Fires
 - Water damage
- How insurance companies respond depends on policy language

GOVERNMENT ASSISTANCE

“Stimulus packages”

Delayed
payroll tax
payment

FMLA modification
Small business loans and grants
Tax credits

Coronavirus Aid, Relief, and Economic Security Act

THE PROCESS OF ASSISTANCE

- March 6, 2020: Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020--\$8.3 billion
- March 18, 2020: Families First Coronavirus Response Act—paid emergency FMLA and sick leave
- March 27, 2020: President signs CARES Act--\$2 trillion in economic stimulus

SMALL BUSINESS LOANS

- Disaster relief loans

- Economic injury
- Practice income < \$12 million
- Interest rates of 2.75 – 3.75%
- Up to \$2 million available w/online application
- Required elements
 - Most recent business tax form, w/all schedules
 - Completed Tax Information Authorization (IRS Form 4506T)
 - Must be signed by each applicant, including each principal that owns $\geq 20\%$

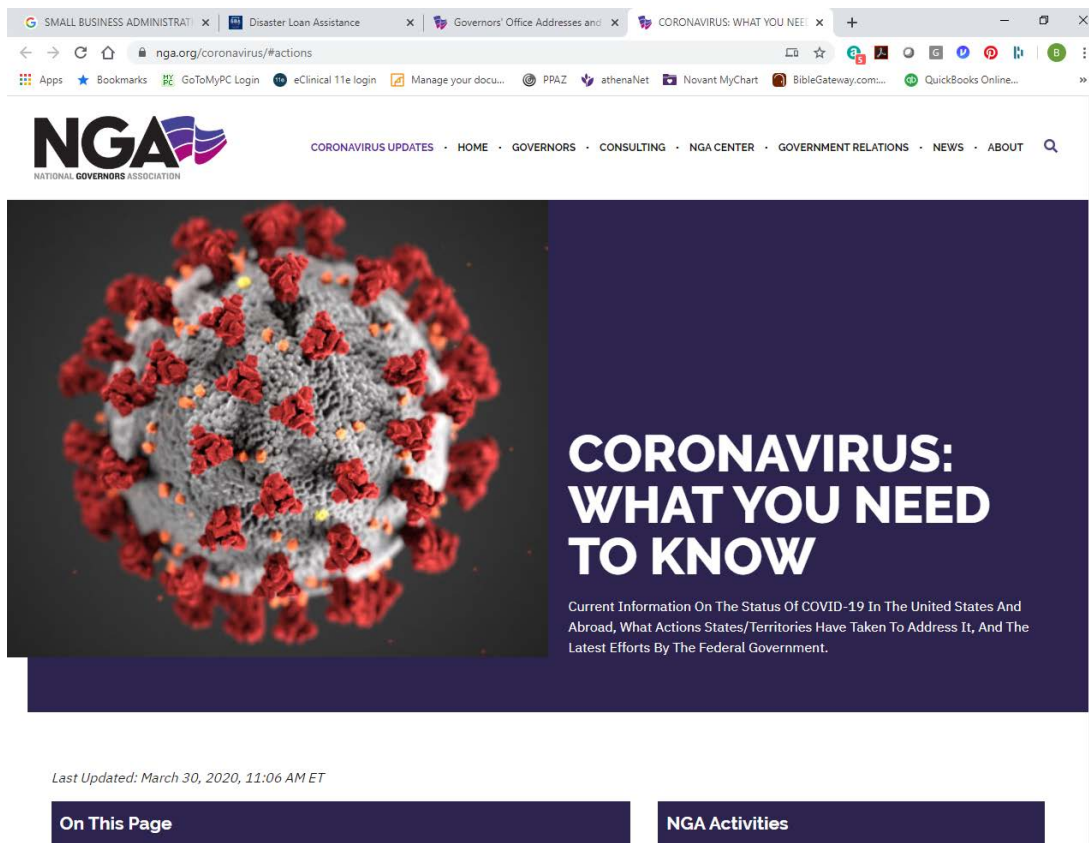


U.S. Small Business
Administration

- No forgiveness available

- **MORE INFORMATION:** <https://disasterloan.sba.gov/ela/Declarations/Index>

SMALL BUSINESS LOANS



- The National Governors Association
 - Updated daily with state-by-state policies
 - Available resources and news

- **MORE INFORMATION:**
<https://www.nga.org/coronavirus/#actions>

PAYCHECK PROTECTION PROGRAM (PPP) LOANS

Paycheck Protection Program (PPP)	Category	Economic Injury Disaster Loan (EIDL)
<ul style="list-style-type: none"> • Payroll expenses • Employee salaries • Mortgage interest • Rent and utilities • Interest on debt prior to 2/15/20 	Uses	<ul style="list-style-type: none"> • Payroll • Fixed debts • Accounts payable • Other expenses that can't be paid due to disaster impact
2.5 x business's average monthly payroll	Amount	Up to \$2 million
4% APR	Interest Rate	3.75% APR
No payment for 6-12 months, then a 10-year term	Terms	Up to 30 years
Up to 100% with approval	Forgiveness	No forgiveness

PPP FORGIVENESS

- You must apply, including...
 - Documentation showing payroll and pay rates, IRS payroll tax filings and State income, payroll, and unemployment insurance filings
 - Documentation verifying payment on covered mortgage obligations, lease obligations, and utilities
 - Certification from your representative that you used the money appropriately

PPP FORGIVENESS

- Forgiveness is calculated by...
 - Costs* incurred during a covered 8-week period compared to the previous year or time period
 - Cannot be reimbursed for compensation over \$100,000 per individual employee
- *Cost = Payroll costs + interest on covered mortgage + rent obligation+ covered utility payment

PAID SICK LEAVE REIMBURSEMENT

- FFCRA requires that employers with less than 500 employees whose employees are unable to work because of COVID-19 reasons:
 - Pay 100% of pay for two weeks because they are quarantined and/or having COVID-19 symptoms and are seeking treatment, AND/OR
 - Pay 66.67% of pay for two weeks because they are taking care of someone who is quarantined or have a childcare need because of school closings, AND/OR
 - Pay 66.67% of pay for up to ten weeks because of an employee who must care for a child because of school closings

PAID SICK LEAVE REIMBURSEMENT

- Further requirements
 - If you have less than 50 employees, you may be exempted if you can demonstrate that it will jeopardize the ongoing business.
 - The employee must have worked for you for at least 30 days to receive the additional 10 weeks of family leave.
 - Part-time employees receive prorated payments
- You will receive 100% reimbursement for paid leave made due to the expanded leave policies

- **MORE INFORMATION:**

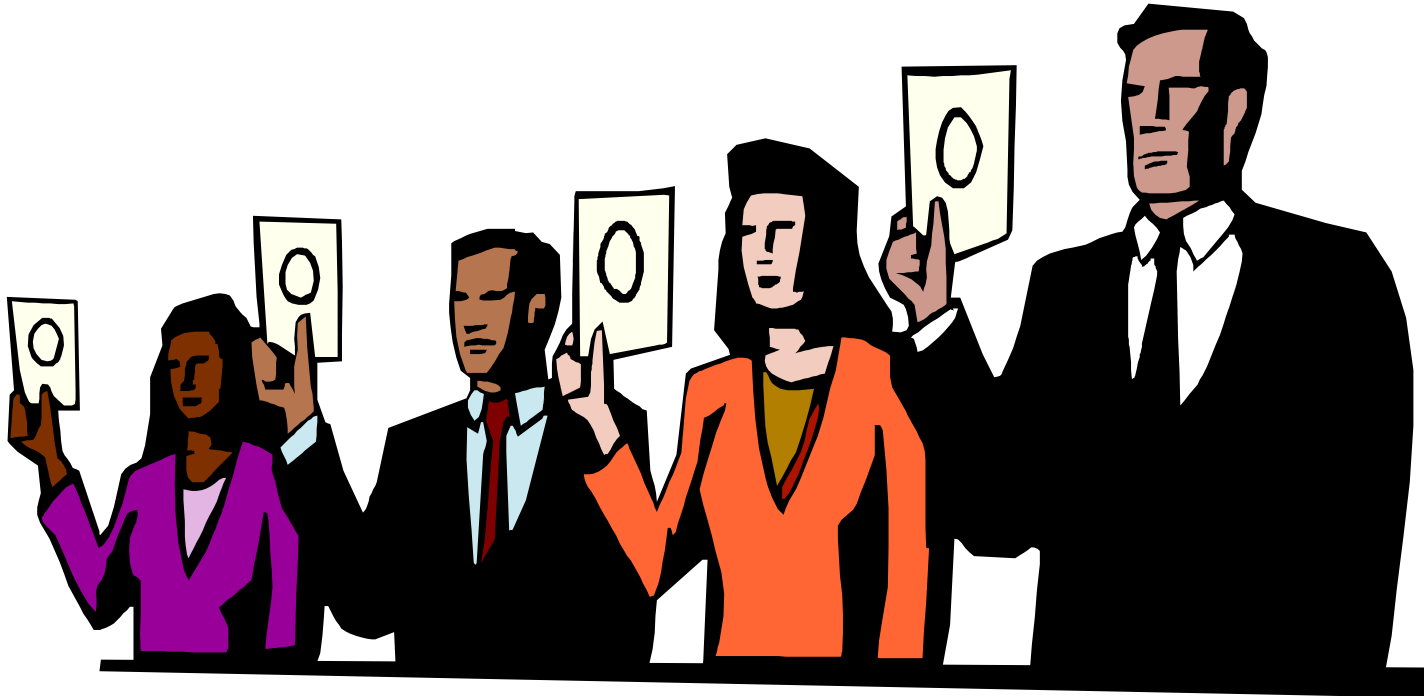
<https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

NEXT STEPS

NEXT STEPS

1. Talk to your bank/lending institution
2. Talk to your insurance broker
3. Talk to your employment attorney
4. Keep alert for more information from ACOG

Questions?



ACOG COVID-19 RESOURCES

www.acog.org/topics/covid-19

Email: covid@acog.org



Practice Advisory

Novel Coronavirus 2019

Latest practice guidance: Advisory on Novel Coronavirus 2019 (COVID-19) including an algorithm to aid in assessment and management of pregnant patients with suspected or confirmed COVID-19.

[Read More](#)



The Latest

Patient FAQ

Coronavirus
(COVID-19),
Pregnancy, and
Breastfeeding

Simulation

COVID-19 Obstetric
Preparedness
Manual

Physician FAQ

COVID-19 FAQs for
Obstetrician-
Gynecologists,
Obstetrics

Assessment and
Management
Algorithm [↗](#)

CREOG Response
to Training during
COVID-19
Pandemic [↗](#)

Coding Resource

Managing Patients
Remotely: Billing for
Digital and
Telehealth Services

Contact Information

www. acogcoding.freshdesk.com



The American College of
Obstetricians and Gynecologists
WOMEN'S HEALTH CARE PHYSICIANS

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Thank you to our speaker:

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