



April 2, 2020

The Honorable Nydia Velazquez  
Chair  
Small Business Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Steve Chabot  
Ranking Member  
Small Business Committee  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Marco Rubio  
Chair  
Small Business Committee  
U.S. Senate  
Washington, DC 20510

The Honorable Benjamin Cardin  
Ranking Member  
Small Business Committee  
U.S. Senate  
Washington, DC 20510

Dear Chairs and Ranking Members:

On behalf of the American College of Physicians (ACP), I am writing to share our recommendations for the implementation of several measures designed to assist small businesses, including physician practices, as included in the Coronavirus Aid, Relief, and Economic Security Act or the “CARES Act” (H.R. 748) that was signed into law on March 27. We would also like to urge that additional measures be considered and included in future COVID-19 legislation that will be important in helping to sustain physician practices during this national emergency.

We commend Congress for including policies in the CARES Act that will provide direct financial support to small businesses that have lost revenue due to this COVID-19 global pandemic through low interest loans and loan forgiveness, tax relief, and an emergency fund that may allow some physicians to qualify for direct payments to offset lost revenue. At the same time we remain concerned that there may not be sufficient or timely enough support for physician practices to remain open to continue to treat patients during this national emergency. We look forward to working with the Small Business Committees to ensure that the provisions to support small businesses in the CARES Act are implemented in a manner that provides adequate support for internal medicine practices.

The American College of Physicians is the largest medical specialty organization and the second-largest physician membership society in the United States. ACP members include 159,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to

complex illness. Internal medicine specialists treat many of the patients at greatest risk from COVID-19, including the elderly and patients with pre-existing conditions like diabetes, heart disease and asthma.

ACP appreciates and supports numerous provisions in the CARES Act specifically targeted to small businesses that will help sustain internal medicine physician practices during this COVID-19 pandemic including:

**1. The Paycheck Protection Act that will provide businesses with fewer than 500 employees would be able to cover payroll costs with up to a \$10 million fully guaranteed loan at four percent in order to help keep workers paid and employed.**

Businesses that maintained their payroll may also be allowed to receive loan forgiveness on a paycheck protection loan over an eight-week period in order to rehire workers who were laid off. Like other provisions in the legislation, this will need to be implemented as quickly as possible, and in a way that makes it accessible to small physician practices in particular. ACP offers the following suggestions to ensure that physician practices may be eligible to qualify for these small business loans.

- a. Ensure that physician practices will qualify to receive these loans.** Our physicians have experienced a substantial decline in income over the last few weeks since they no longer see most of their patients in their office. They are unable to afford a continued decline in revenue if they wish to keep their practice open and continue to pay the salary of their staff. We know that all of small businesses are in financial peril at this time and are in need of financial assistance but ask that the needs of physician practices be prioritized because they are critical to testing, diagnosing and treating COVID-19 patients. We ask the Small Business Committee to seek input from practicing physicians on whether they are able to qualify for the loans, the administrative burden required, and how quickly they were able to qualify and get a loan. ACP would be pleased to arrange for such input.
- b. Ensure a rapid distribution of small business paycheck protection funds for physicians who apply for these loans.** We understand that physicians may begin to apply for these loans at local banks on April 3, which is greatly appreciated. Our physicians will continue to apply for these loans over the next several weeks so we would appreciate a rapid process for approval and distribution of these loans.
- c. Ensure that physicians who are forced to reduce their payroll in the short term are still able to qualify for the loan forgiveness provisions in the Payroll Protection Act if they repay their workers full salary at the end of this crisis.** We know that in order to qualify for the loan forgiveness provisions in the Paycheck Protection Act that physicians must maintain their payroll. Unfortunately some physicians have already been forced to reduce salaries of their staff due to a severe decline in income during this national emergency. We hope that physicians who repay their workers their full salary at the end of this national emergency will still qualify for loan forgiveness through the Payroll Protection Act.

- 2. ACP supports additional provisions in the CARES Act to provide payroll tax relief, loans, and other programs to help smaller businesses that may help physicians in practices that qualify.** While we strongly support and appreciate these programs, we urge that Congress provide oversight to the administration to ensure that such assistance is implemented in a way that provides physician practices, especially small and medium-size practices, with access to the relief as rapidly as possible to make a difference. For example:

  - a.** The bill specifically provides for an employee retention credit for employers subject to closure due to COVID-19. This provision provides a refundable payroll tax credit for 50 percent of wages paid by employers to employees during the COVID-19 crisis. The credit is available to employers whose (1) operations were fully or partially suspended, due to a COVID-19 related shut-down order, or (2) gross receipts declined by more than 50 percent when compared to the same quarter in the prior year. The committee should seek input directly from practicing physicians as to whether they were able to qualify for the credit and the administrative burden and documentation required.
  
- 3. ACP supports a section in the CARES Act that includes support to help sustain physician practices by establishing an emergency program by funding the Public Health and Social Service Emergency Fund (PHSSEF) with \$100 billion to reimburse, through grants or other mechanisms, eligible health care “providers” for health care-related expenses or lost revenues that are attributable to coronavirus.**

  - a.** Due to the severity of the increased costs and reduced revenue being experienced by physicians on the frontlines of patient care as they shift from in-person visits to virtual consultations—which often aren’t covered by payers, or are paid at substantially lower rates than in-person visits—many practices are under severe economic stress. Without immediate and direct support, these practices may not be able to meet payroll and will be at risk of closing, at a time when they are needed most. It is essential that the committee exercise oversight to ensure that the PHSSEF is in a way that allows physician practices, especially smaller ones, to readily qualify.
  - b.** We are specifically concerned that the administrative burden required to access these funds could be a barrier to physician practices, especially small and medium-size practices. In addition, those small and medium-size practices will be competing with large health systems and hospitals, perhaps putting them at a disadvantage for receiving these funds. We ask that Congress do everything possible to ensure that the administration implements this provision in a way that ensures rapid disbursement of funds to financially distressed practices, preferably prospectively or concurrently, in a way that makes it feasible for small practices to apply and receive funding.

- c. We also recommend that the administration set aside a sufficient and dedicated portion of the \$100 billion expressly to support physician practices that are experiencing substantial revenue losses so that physician practices aren't competing with hospitals for funding, and ask Congress to provide such direction to the administration.

In addition to the implementation of the provisions of the CARES Act mentioned above, we also know that more will need to be done to assist small business physician practices throughout the duration of the COVID-19 national emergency. We understand that a possible fourth COVID-19 package is under consideration and we look forward to working with the House and Senate Small Business Committees and Congress on additional measures that may be needed in the coming months such as:

1. **Congress should pass the Immediate Relief for Rural Facilities and "Providers" Act of 2020.** This legislation offered by Senators Bennet and Barrasso was offered as an amendment to the CARES Act but was not included in the final Senate version of the bill. The bill would accomplish the following objectives to assist physician practices at this time. Specifically, we applaud provisions in this draft amendment that would establish an emergency grant program for physician practices, and other eligible entities, during the COVID-19 crisis that provides a one-time lump sum payment commensurate with the practice's payroll expenses from Jan. 1 – Apr. 1, 2019.

It would also establish a new low-interest loan program to physician practices that suffer significant financial distress as a result of the COVID-19 crisis, with no limits on the loan amounts and principal loan repayment deferral for up to three years. These provisions will provide physicians on the frontlines direct assistance as they try to keep their practices open and viable throughout and beyond the COVID-19 emergency.

2. **Congress should also consider providing funds to extend loans and loan forgiveness through the Payroll Protection Act beyond the initial 8 week period included in the CARES Act.** The provision in the CARES Act that will provide loans so that physicians may meet payroll expenses of up to 8 weeks is a good start but unfortunately may not be enough for physicians to meet all of the salaries of their staff. Our nation's Governors are already extending stay at home orders and closing all non-essential businesses in to the month of June. We are concerned that this COVID-19 national emergency may continue for several more months and our physicians may need more assistance through the Payroll Protection Act and other measures.

We look forward to working with the Small Business Committees to ensure that the measures included in the CARES Act are implemented in a way that will provide the financial support for our physicians to continue to remain open and treat patients throughout this crisis. We will continue to provide our expertise on the economic needs of our physicians at this time as well as additional measures that may be needed to sustain physician practices in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. McLean". The signature is fluid and cursive, with the first name "Robert" being the most prominent.

Robert M. McLean, MD, MACP  
President