



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

March 30, 2020

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

Dear Mr. Secretary:

In response to the unprecedented public health emergency our country is facing, Congress on March 27 passed and President Trump signed into law the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act includes \$100 billion in direct financial support to multispecialty medical groups, integrated delivery systems, hospitals and other healthcare providers under the Public Health and Social Services Emergency Fund. These funds not only will support the cost of treatments for the novel coronavirus (COVID-19), but also mitigate the financial impact the virus has had on providers, whose delivery models have been upended. AMGA members are facing a perilous situation and require immediate assistance if they are to survive and continue to care for their communities.

AMGA members recognized the need to adapt their care delivery models to combat COVID-19. As part of that effort, they cancelled elective surgeries and procedures and face-to-face visits so patients can remain safe in their homes. While this is the best course of action for medical groups' patients and their communities, the effect on revenues are dramatic and devastating. Some members report that they are losing more than a million dollars every day, while expenses are climbing as providers respond to the exponentially growing need for coronavirus testing and treatment.

AMGA appreciates the action the Centers for Medicare & Medicaid Services took on March 28 to expand the "Accelerated and Advanced Payment Program" to address problems with claims processing. While a welcome first step, without a rapid infusion of financial support, many providers cut staff and some may cease operations within the next few months. 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. Failure of any one group represents a loss of capacity that our healthcare system cannot afford.

Congress recognized the need to support our providers when it authorized \$100 billion for the Public Health and Social Services Emergency Fund. However, the law largely defers to the Department of Health and Human Services on how such funds are to be distributed. Our providers need access to these funds immediately. Time is a paramount factor, and any

mechanism the department opts to use to distribute the funds must acknowledge this.

One possible mechanism to distribute the funding quickly is to begin immediately making periodic interim payments (PIPs) to healthcare providers. PIPs currently exist in regulation (42 CFR 413.64(h)) and, through a streamlined process, provide an avenue to make payments to providers quickly. Such funding should account for lost Part A and Part B revenue, but also acknowledge the impact COVID-19 has had on commercial revenue.

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