



# Important Updates on Paycheck Protection, CMS Advanced Payments & Telehealth 101

April 10, 2020

# Presenters



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# Today's Discussion

## Paycheck Protection Program

- Provisions and considerations for Healthcare entities

## CMS Accelerated and Advance Payment Program

- Qualifications and process

## Telehealth Guidelines

- Expanded guidelines and acceptable practices
- CMS coding and reimbursement changes
- BCBS, United Healthcare, Tricare policies

# Paycheck Protection And AAPP Programs

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# Paycheck Protection Program – Section 1106

## What is the Paycheck Protection Program?

- Part of the Coronavirus Aid, Relief, and Economic Security Act (CARES) signed into law March 27, 2020
- Allows qualified businesses to apply for a loan with an approved SBA 7(a) lender (or similar institution), with the potential for a portion, up to 100%, of that loan to be forgiven:
  - All information subject to SBA interpretation & guidance to those lenders
    - AS YOU CAN TELL, THIS PART OF THE PROCESS HAS BEEN ANYTHING BUT STRAIGHTFORWARD
- Visit [home.treasury.gov](https://home.treasury.gov) for information and application

## How Do I Qualify?

- Small business concerns, as well as any business concern (including healthcare entities), 501(c)(3) nonprofit organizations...that has fewer than 500 employees (reference affiliation rules) or the applicable size standard as provided by the SBA for the NAICS code of the business
- Individuals who operate a sole proprietorship or as an independent contractor & eligible self-employed individuals
  - **IMPORTANT NOTE:** Contracted physicians, mid-levels / extenders, etc. must apply separate from practice/facility – as of today, not included as a payroll cost on loan origination or will be for lone forgiveness to the practice/facility

## Maximum Loan Amount

- The **lesser** of:
  1. Average Monthly Payroll Costs incurred in the one-year period prior to the loan date or incurred in the 2019 calendar period
    - Special calculation for seasonal or new employers
    - Multiplied by 2.5
    - Plus the outstanding amount of EIDL taken out after 1/31/2020 and before the date on which PPP loans are made available to be refinanced
  2. OR \$10 Million

## What are Payroll Costs?

- Payroll Costs Include:
  - Salary, wages, commission and similar compensation including cash tips (capped at \$100k annual per individual)
  - Payments for vacation leave
  - Payments for parental, family, medical or sick leave
  - Payments for dismissal or separation
  - Payment of any retirement benefits
  - Group health care benefits, including insurance premiums
  - State and local payroll taxes assessed on the compensation of employees
  - The sum of payments to (income of) a sole-proprietor or independent contractor that is in an amount not more than \$100k in 1 year, prorated for the covered period
    - According to the SBA guidelines, this is intended to refer to the income of a sole-proprietor or independent contractor, not the payment from a business.



# Paycheck Protection Program – Section 1106

## What are Payroll Costs?

- Payroll Costs **DO NOT** Include:
  - Compensation of an individual employee in excess of an annual salary of \$100,000, prorated for the covered period
  - Taxed imposed or withheld under chapters 21, 22 or 24 of IRC (i.e. federal payroll taxes) DURING THE COVERED PERIOD (2/15/20 – 6/30/20)
  - Compensation of employees whose principal residence is outside the U.S.
  - Any qualified sick or family leave wages for which a credit is allowed under 7001 or 7003 of FFCRA (payroll credit for paid sick or family leave)

# Paycheck Protection Program – Section 1106

## Allowable Use of Funds

- Payroll costs
- Continuation of group health care benefits under family, medical or sick leave, including premiums
- Interest on mortgage (which does not include prepayments) incurred prior to covered period
- Rent (including rent under a lease agreement)
- Interest on other debt obligations incurred prior to covered period – reasonable to believe equipment loan interest is included at this time
- Utilities: electricity, gas, water, transportation, telephone, internet

## Potential Reductions to Forgiveness

- If the number of average monthly FTE's was reduced in the covered period (8 weeks following origination date) compared to the average monthly employees between 2/15/2019-6/30/2019 OR 1/1/2020-2/29/2020 (based on the applicant's election)
- If the employee's wage/salary was decreased during the covered period (8 weeks following the origination date) by greater than 25%, compared to the most recent full quarter of which the employee was employed prior to the covered period
  - **Exception:** Employees earning an annualized salary more than \$100,000 during any single pay period during 2019 are excluded from this calculation - Most FT physicians & employed extenders

## Potential Reductions to Forgiveness

- If you are awarded an emergency advance from an Economic Injury Disaster Loan (EIDL), the amount awarded is deducted from the forgiveness

## Rehiring is Permitted

- Reductions in employment or wages/salaries occurring between February 15, 2020 and ending 30 days after the enactment of the CARES Act (April 26, 2020) shall not reduce the amount of loan forgiveness if the borrower eliminates the reduction by June 30, 2020

## Healthcare Entity Considerations

- If staff or staff pay have been reduced, consider plan going forward to include:
  - Cash flow timing (PPP, CMS Advance, business LOCs, operational revenues)
  - Projected sustainable staffing levels to include pre, during, and post-8 week period; balance:
    - Estimated/projected productivity levels
    - Analysis of rehiring more FTEs at reduced pay levels or less FTEs at full pay
    - What FTEs most crucial to practice/facility – employed physicians, extenders, Mas, administrative
    - Brace for idle time – consider ‘step’ approach given extended rehiring window

## Healthcare Entity Considerations

- Establish separate bank account for loan proceeds to fund – link all payroll costs and allowable use expenses to this account for the 8 week period
  - Eliminate the mixing of cash/lockbox deposits, other expenditures during the covered period to make loan forgiveness calculation more efficient and clear to the financial institution

## Healthcare Entity Considerations

- The CARES Act provided sequestration relief for the period May 1, 2020 to December 31, 2020
- Medicare will pause the reduction in Medicare reimbursement due to sequestration and should result in a 2% increase in Medicare reimbursements for this eight-month period



# Expanded CMS Accelerated & Advance Payment Program

## Expanded AAPP

- Eligible Medicare Part A & Part B providers and suppliers may 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%, and critical access hospitals up to 125%, for a **six-month period**.
- To **qualify**:
  - Have billed Medicare for claims within 180 days immediately prior to the date of signature on the provider's/supplier's request form,
  - Not be in bankruptcy,
  - Not be under active medical review or program integrity investigation, and
  - Not have any outstanding delinquent Medicare overpayments.

# Expanded CMS Accelerated & Advance Payment Program

## Expanded AAPP

- Eligible providers & suppliers can request a specific amount, not required to be the full 100%
- Must apply through a state specific Medicare Administrative Contractor (MAC)
- MACs are working to review and issue payments within seven calendar days of request
- Repayment for most providers and suppliers extended to not begin until 120 days after payment issuance

# Expanded CMS Accelerated & Advance Payment Program

## Expanded AAPP

- Hospitals have up to one year from date of payment to repay the balance
- All other providers & suppliers will have 210 days from the date of payment to repay
  - Full payments on claims will be made during 120 day delay period
  - Recoupment will automatically be applied from Medicare claims submitted after 120 days
  - If any balance unpaid after 90 days from the end of the deferment period, MAC will send a request for repayment of the remaining balance

# Expanded CMS Accelerated & Advance Payment Program

## Expanded AAPP vs PPP

- PPP loan offering is still a more attractive first option vehicle given the included forgiveness costs typically make up the bulk of anticipated overhead in those upcoming months
- AAPP should be a supplement to the PPP loan, or viewed secondary to that funding
- AAPP offers:
  - Potential for more immediate near-term financing before PPP loans are funded, or
  - Additional funding available should the PPP funds be insufficient to carry the provider,
  - No stated limitations on how loan proceeds may be used,
  - Interest free loan amount for 120 days.

# Expanded CMS Accelerated & Advance Payment Program

## Practice & Facility Consideration

- 30, 60, 90, and 180-day cash flow planning is critical during this time to put your business in a position of strength 'on the other side of the curve'
- Each practice and business has unique considerations
  - What is your partner/shareholder & employed physician compensation model?
  - How will loan forgiveness or a 'first dollar' billed repayment process work in your model?
  - What is your current provider leverage mix? Is it optimal for your practice? Is now an opportunity to leverage relief programs to 'right size'?

# Telehealth 101

## What's the Latest?

**Randy Penberg, CEO**  
Management Resource Group, LLC



# Telehealth 101 – What's the Latest?

## CMS Coding & Reimbursement Changes During COVID-19 Crisis

- An MD can render telemedicine services from HOME without needing to update provider enrollment with Medicare
- Physicians are paid at the NON-FACILITY rate (office) for services that would otherwise be provided face-to-face using POS 11. Report 95 modifier for these encounters
- Telemedicine can be provided for both NEW and ESTABLISHED patients
- HIPAA privacy regulations are waived during this crisis
- Physicians may waive all cost-sharing for tele-medicine services and other non-face to face services

# Telehealth 101 – What's the Latest?

## CMS Coding & Reimbursement Changes During COVID-19 Crisis

- Apple FACETIME, Facebook Messenger video chat and Skype qualify as acceptable methods of delivering telemedicine services:
  - **NO** to Facebook Live, Twitch, TikTok
- Controlled substances may be prescribed via telemedicine
- Services can be delivered via telephone – but have specific code sets 99441-99443, 98966-98968
- Telemedicine services can now be provided by approved mid-levels (PAs, NPs, Midwives) and for services like therapy by an approved provider
- Services provided via telehealth do NOT need to be related to COVID-19 diagnosis, but must be reasonable and medically necessary
- Providers may base E&M service level on either medical decision making or time. If based on time- time needs to be documented in the note



# Telehealth 101 – What's the Latest?

## Medicare Telephone Only

- **99441 – 99443**
  - Physicians and Other Qualified Non-Physicians (NP and PA)
- **98966 – 98968**
  - Non-physicians: Licensed social workers, Speech Pathologists, OT, PT, etc)
- **Reimbursed at the national facility rate**
  - 99441 5-10 mins \$14.44
  - 99442 11-20 mins \$28.15
  - 99443 21-30 mins \$41.14
- Being time-based codes, provider must document time spent.
- Verbal consent is required and must be documented.
- Applies to new or established patients.
- Cannot originate from a visit within the past 7 days or warrant a visit in the next 24 hours (or soonest available appointment)
- Use POS 11, no modifier is required

# Telehealth 101 – What's the Latest?

## Medicare Audio/Visual

- During the PHE (Public Health Emergency), typical office E&M visits along with most other hospital and nursing facility visits are allowed for reimbursement
  - Please see [www.cms.gov](http://www.cms.gov) for complete list of payable telehealth services
- **Medicare has allowed for non-compliant technology to be used**
  - Skype, Facetime, Facebook Messenger Video
- Documentation must state audio/video technology was used
- Time should also be documented
- Verbal consent is required and needs to be documented
- New or established patients
- **Two Billing Options:**
  - Applicable CPT with POS 02 and no modifier
    - Pays at the facility rate
  - Applicable CPT with POS 11 (or wherever the patient would have been if not for this pandemic) with a modifier 95
    - Pays at the higher, non-facility rate

# Telehealth 101 – What's the Latest?

## Anthem Blue Cross & Blue Shield

- Regular E&M services up to a level 3
  - 99211-99213
  - 99201-99203
- Standard documentation applies for an E&M
- Can be telephone only or Audio/Visual
- Verbal consent is required and needs to be documented
- POS 02 – No modifier

***\*Check your local BCBS for their specific guidelines during the PHE***

# Telehealth 101 – What's the Latest?

## United Healthcare

- Telehealth services can be billed using audio/video or audio only while patient is at home EXCEPT for PT/OT/ST
- **Regular E&M services can be billed**
  - Whatever level of service supported by the documentation
- Document whether services were rendered with telephone only or with audio/video.
- Verbal consent required
- New or established patients
- Document time of call
- **UHC Commercial and Medicaid:**
  - POS 02 can be used but not required.
  - Instead site modifiers are required: GT GQ G0 95
- **UHC Medicare:**
  - POS 02 no modifier for audio only
  - POS 02 and 95 for Audio/Video

# Telehealth 101 – What's the Latest?

## Tricare

- Tricare for Life
  - Use Medicare guidance on Telehealth
- Some Tricare plans may need authorization or referral – Ask regional contractor
- Active duty need referrals for telemental health care
- **Telemedicine services do not include audio-only services**
  - No phone calls
  - No texting

# Telehealth 101 – What's the Latest?

## Summary

- Contact your local payers for their specific guidelines
- Keep in mind many payers, such as Humana, are following CMS guidance during the pandemic

# Key Resources



**HBK Website:**

[www.hbkcpa.com/covid](http://www.hbkcpa.com/covid)



**Paycheck Protection Program:**

[www.home.treasury.gov](http://www.home.treasury.gov)

**Centers for Medicare and Medicaid Services:**

[www.cms.gov](http://www.cms.gov)





# Questions



# Thank You for Participating

## Stay Well!



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