

Federal Financial Support to help HME Suppliers KEEP their DOORS Open



U.S. ★ REHAB®



Instructors

Greg Packer

greg.packer@usrehab.com

Mark Higley

mark.higley@vgm.com

Craig Douglas

craig.douglas@vgm.com

877-218-2825

Dan Fedor

dan.fedor@vgm.com

570-499-8459





- I. CARES ACT Stimulus Distributions to Medicare Suppliers
- II. Payment Protection Program (PPP) / EIDL Emergency Advance
- III. Impact on Fee Schedule Changes (Increases) and Elimination of the Sequestration
- I. IV. Accelerated/Advance Payments Expansion

I. CARES ACT – HHS Stimulus Distributions to Medicare Providers

CARES Act – Financial Aid To Help Businesses Survive COVID-19



I. CARES ACT – HHS Stimulus Distributions to Medicare Providers

- ☐ \$30 billion is being distributed immediately
- ☐ Payments arriving via direct deposit beginning April 10, 2020 – to eligible providers throughout the American healthcare system
- ☐ Payments will be sent/deposited automatically – no application or request required
- ☐ EFT/ACH or paper check from **UHC/Optum “HHSPAYMENT”**
- ☐ **These are payments, not loans, to healthcare providers, and will not need to be repaid.**

Who is eligible?

- ☐ All facilities and providers that received Medicare (FFS) payments in 2019
- ☐ Providers heavily impacted by the COVID-19 pandemic
- ☐ Providers who are struggling to keep their doors open due to healthy patients delaying care and cancelled elective services
- ☐ Provided diagnose, test, or care for individuals with possible or actual cases of COVID-19
- ☐ Providers who care for individuals with possible* **or** actual cases of COVID-19

****Care does not have to be specific to treating COVID-19. HHS broadly views every patient as a possible case of COVID-19.***

How are payment amounts determined?

- ☐ A provider can estimate their payment by dividing their 2019 Medicare FFS **(not including Medicare Advantage)** payments they received by \$484,000,000,000, and multiply that ratio by \$30,000,000,000
- ☐ Example: An HME Supplier payments from Medicare FFS \$1,000,000 million in 2019

Formula

$$\$1,000,000 / \$484,000,000,000 \times \$30,000,000,000 = \$62,000$$

Approx. 6.2% of the Medicare FFS 2019 PAYMENTS in 2019



Terms and Conditions for Keeping the Money

- ☐ Attestation form – sign within 30 days - <https://covid19.linkhealth.com/#/step/1>
- ☐ Provider must be in good standing with Medicare/not terminated or excluded
- ☐ Funds used for health care related expenses or lost revenues that are attributable to coronavirus
- ☐ Funds can't be used for expenses or losses that have been reimbursed from other sources or that other sources are obligated to reimburse
- ☐ **Reporting requirements to make sure the funds are used as intended for all care for a possible or actual case of COVID-19, providers cannot seek to charge a patient out-of-pocket expenses that are greater than in-network deductibles/co-insurance**
- ☐ Full T&Cs here: <https://www.hhs.gov/sites/default/files/relief-fund-payment-terms-and-conditions-04132020.pdf>



What If I Haven't Received my HHS Payment Yet?

- ☐ Call United Healthcare
- ☐ 877-842-3210 option 7 or 866-569-3522
- ☐ Provide them with your TIN
- ☐ They will provide status of your payment



II. Paycheck Protection Program (PPP)

- ☐ Established by the CARES Act - \$349B
- ☐ Designed to provide relief to small businesses so they can sustain their businesses and keep their workers employed.
- ☐ **Administered by the SBA**
- ☐ **The loans will be forgiven** as long as the funds are used to keep employees on the payroll and for certain other expenses.”
- ☐ Program began on April 3, by April 16th, all \$349B had been claimed



PowerPoint Presentation

sbagov/sites/default/files/2020-04/PPP%20Deck%20copy.pdf

Apps ADP exLaborManag... Rest of the Web Customize Links Internet Start Microsoft RealPlayer Suggested Sites VGM Intranet VGM Phonelist Windows Media Windows Update Windows exLaborManager Imported from IE

Summary

Loan Count	Net Approved Dollars	Lender Count
1,661,367	\$342,277,999,103*	4,975

*Net Approved Dollars do not reflect the amount required for reimbursement to lenders per statute within the CARES Act.

SBA Approvals through 4/16/20

States and Territories

Type here to search

10:13 PM 4/21/2020

PowerPoint Presentation

sbagov/sites/default/files/2020-04/PPP%20Deck%20copy.pdf

Apps ADP exLaborManag... Rest of the Web Customize Links Internet Start Microsoft RealPlayer Suggested Sites VGM Intranet VGM Phonelist Windows Media Windows Update Windows exLaborManager Imported from IE

SBA Approvals through 4/16/20

States and Territories

State	Approved PPP Loans	Approved PPP Amount
AK	4,842	\$921,927,504
AL	27,922	\$4,862,690,120
AR	21,754	\$2,722,726,557
AS	2	\$419,583
AZ	19,280	\$4,846,959,062
CA	112,967	\$33,413,693,192
CO	41,635	\$7,392,960,359
CT	18,435	\$4,151,934,451
DC	3,253	\$1,247,218,727
DE	5,171	\$1,090,415,848
FL	88,997	\$17,863,199,837
GA	48,332	\$9,464,475,442
GU	508	\$102,418,346
HI	11,553	\$2,046,450,982
IA	29,424	\$4,315,688,444
ID	13,627	\$1,850,034,026
IL	69,893	\$15,972,578,071
IN	35,990	\$7,491,445,351
KS	26,245	\$4,288,652,108
KY	23,797	\$4,149,467,684
LA	26,635	\$5,100,534,501
MA	46,937	\$10,360,907,178
MD	26,068	\$6,537,733,687
ME	14,993	\$1,944,425,549
MI	43,438	\$10,381,310,070
MN	46,383	\$9,014,060,040
MO	46,481	\$7,547,822,023
MP	56	\$12,619,835
MS	20,748	\$2,481,000,606
MT	13,458	\$1,470,300,136
NC	39,520	\$8,005,752,270
ND	11,002	\$1,548,384,035
NE	23,477	\$2,988,890,489
NH	11,582	\$2,006,858,477
NJ	33,519	\$9,527,794,260
NM	8,277	\$1,424,408,711
NV	8,674	\$2,013,939,889
NY	81,075	\$20,345,681,101
OH	59,800	\$14,108,889,927
OK	35,557	\$4,615,708,450
OR	18,732	\$3,806,104,476
PA	69,567	\$15,697,648,689
PR	2,856	\$658,573,638
RI	7,732	\$1,335,777,801
SC	22,933	\$3,807,578,397
SD	11,324	\$1,369,616,339
TN	34,035	\$6,542,045,089
TX	134,737	\$28,483,710,273
UT	21,257	\$3,695,399,459
VA	40,371	\$8,721,170,223
VI	240	\$62,242,612
VT	6,983	\$1,000,127,478
WA	30,421	\$6,959,680,159
WI	43,395	\$8,317,705,842
WV	7,861	\$1,351,223,328
WY	7,618	\$837,018,372

SBA Approvals through 4/16/20

Type here to search

10:14 PM 4/21/2020

PowerPoint Presentation

sba.gov/sites/default/files/2020-04/PPP%20Deck%20copy.pdf

Apps ADP exLaborManag... Best of the Web Customize Links Internet Start Microsoft RealPlayer Suggested Sites VGM Intranet VGM Phonelist Windows Media Windows Update Windows exLaborManager Imported From IE

SBA

Loan Size

Loan Size	Approved Loans	Approved Dollars	% of Count	% of Amount
\$150K and Under	1,229,893	\$58,321,791.761	74.03%	17.04%
>\$150K - \$350K	224,061	\$50,926,354.675	13.49%	14.88%
>\$350K - \$1M	140,197	\$80,628,410.796	8.44%	23.56%
>\$1M - \$2M	41,238	\$57,187,983.464	2.48%	16.71%
>\$2M - \$5M	21,566	\$64,315,474.825	1.30%	18.79%
>\$5M	4,412	\$30,897,983.582	0.27%	9.03%

- Overall average loan size is \$206K.

Approvals through 4/16/20

Industry by NAICS Subsector

Type here to search

10:14 PM 4/21/2020

PowerPoint Presentation

sba.gov/sites/default/files/2020-04/PPP%20Deck%20copy.pdf

Apps ADP exLaborManag... Best of the Web Customize Links Internet Start Microsoft RealPlayer Suggested Sites VGM Intranet VGM Phonelist Windows Media Windows Update Windows exLaborManager Imported From IE

SBA

Approvals through 4/16/20

Industry by NAICS Subsector

NAICS Subsector Description	Approved Loans	Approved Dollars	% of Amount
Construction	177,905	\$44,906,538,010	13.12%
Professional, Scientific, and Technical Services	208,360	\$43,294,713,938	12.65%
Manufacturing	108,863	\$40,922,240,021	11.96%
Health Care and Social Assistance	183,542	\$39,892,493,481	11.65%
Accommodation and Food Services	161,876	\$30,500,417,573	8.91%
Retail Trade	186,429	\$29,418,369,063	8.59%
Wholesale Trade	65,078	\$19,489,410,472	5.69%
Other Services (except Public Administration)	155,319	\$17,707,077,167	5.17%
Administrative and Support and Waste Management and Remediation Services	72,439	\$15,285,814,286	4.47%
Real Estate and Rental and Leasing	79,784	\$10,743,430,227	3.14%
Transportation and Warehousing	44,415	\$10,598,076,231	3.10%
Finance and Insurance	60,134	\$8,177,041,995	2.39%
Educational Services	25,198	\$8,062,652,288	2.36%
Information	22,825	\$6,675,630,276	1.95%
Arts, Entertainment, and Recreation	39,670	\$4,939,280,138	1.44%
Agriculture, Forestry, Fishing and Hunting	46,334	\$4,374,343,877	1.28%
Mining	11,168	\$3,894,793,207	1.14%
Public Administration	5,570	\$1,197,353,586	0.35%
Management of Companies and Enterprises	3,211	\$1,170,748,130	0.34%
Utilities	3,247	\$1,027,575,137	0.30%

Approvals through 4/16/20

PPP Lenders – Highest Approved Dollars

Type here to search

10:14 PM 4/21/2020

PowerPoint Presentation

sba.gov/sites/default/files/2020-04/PPP%20Deck%20copy.pdf

Apps ADP exLaborManager... Best of the Web Customize Links Internet Start Microsoft RealPlayer Suggested Sites VGM Intranet VGM Phonelist Windows Media Windows Update Windows exLaborManager Imported From IE

Agriculture, Forestry, Fishing and Hunting	46,334	\$4,374,343,877	1.28%
Mining	11,168	\$3,894,793,207	1.14%
Public Administration	5,570	\$1,197,353,586	0.35%
Management of Companies and Enterprises	3,211	\$1,170,748,130	0.34%
Utilities	3,247	\$1,027,575,137	0.30%

SBA Approvals through 4/16/20

PPP Lenders – Highest Approved Dollars

Lender	Approved Loans	Approved Dollars	Average Approved Size
1	27,307	\$14,071,396,427	\$515,304
2	32,097	\$10,309,843,746	\$321,209
3	21,062	\$9,612,090,368	\$456,371
4	33,594	\$7,778,303,458	\$231,538
5	27,929	\$6,555,028,971	\$234,703
6	25,820	\$6,114,676,731	\$236,819
7	26,238	\$6,057,787,355	\$230,878
8	10,681	\$4,406,088,115	\$412,516
9	14,215	\$4,356,840,783	\$306,496
10	9,457	\$4,267,336,254	\$451,236
11	12,001	\$4,190,129,500	\$349,148
12	25,151	\$3,889,799,524	\$154,658
13	9,673	\$3,392,990,074	\$350,769
14	10,642	\$2,978,045,260	\$279,839
15	40,746	\$2,966,427,908	\$72,803

SBA Approvals through 4/16/20

Type here to search

10:15 PM 4/21/2020

Who is eligible?

- ☐ Businesses impacted adversely by COVID-19
- ☐ Small businesses
- ☐ Nonprofit entities
- ☐ Sole proprietorships
- ☐ Tribal businesses
- ☐ Veteran's organizations
- ☐ Independent contractors
- ☐ In general you need to employ 500 or fewer employees (exceptions)



Key Features and Provisions

- ☐ Max loan = 2.5 times employer's avg. monthly payroll
- ☐ Will cover 8 weeks of payroll plus other expenses
- ☐ Loan for a single business cannot exceed \$10M
- ☐ No collateral or personal guarantee required
- ☐ Cash available quickly – same day as loan approved?



Key Features and Provisions Cont'd



- ☐ No loan fees
- ☐ 2 year maturity
- ☐ **1% fixed interest rate**
- ☐ Fully insured and backed by federal government
- ☐ Loan payments deferred for at least 6 months / up to 1 yr
- ☐ **Potentially forgivable if used properly**

Proper Use of Funds From PPP Loan

Loan dollars can be used by employers to cover:

- ☐ Payroll (wages/salaries, retirement contributions, health benefits, sick/medical leave*)
- ☐ Rent
- ☐ Utilities
- ☐ Mortgage interest **(not for paying down principal)**

*Not if FFCRA credit was obtained

**Payroll costs are capped at \$100K/yr per employee

Loan Forgiveness

The PPP loans can be forgiven, IF:

- ☐ At least 75% of the money is used for payroll costs
- ☐ Pre-crisis level of full time employees is retained
 - Retained employees and re-hired employees
 - Maintain salary levels **(no cuts to salaries/wages)**



<https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>

Loan Forgiveness

- ☐ Contact lending institution
- ☐ Document expenses paid (payroll, mortgage, utilities)
- ☐ Document # of full time employees
- ☐ Bank has 60 days to decide on loan forgiveness



How To Apply

- ☐ Applications accepted starting April 3 (retro to 2/15)
- ☐ **Another \$310B added to the program (\$60B for smaller banks / C.U.s.)**
- ☐ **Available through June 30 or until money is gone**
- ☐ Can likely be done online
- ☐ **First come/first served basis**
- ☐ Any of the 1800+ SBA approved lending institutions
- ☐ Locate a lender: <https://www.sba.gov/funding-programs/loans>



Application Form Sources

<https://home.treasury.gov/system/files/136/Paycheck-Protection-Program-Application-3-30-2020-v3.pdf>

<https://www.sba.gov/document/sba-form--paycheck-protection-program-ppp-sample-application-form>



EIDL/Emergency Advance

<https://www.sba.com/funding-a-business/government-small-business-loans/eidl/>

- Also administered by the SBA
- Also ran out of money last week
- Also being replenished by latest legislation
- \$60B in total funds
- \$50B for loans
- \$10B set aside for \$10,000 forgivable loan advances
- Apply only through SBA, not through banks

Who is Eligible?

- Small business with fewer than 500 employees
- Sole proprietorships
- Independent contractors
- Self-employed persons
- Private non-profit organizations
- 501(c)(19) veterans organizations
- Must be adversely impacted by COVID-19

Program Details

- Max loan is \$2M
- Loan amount varies by business
- 3.75% interest rate for businesses/2.75% for non-profits
- Loan term can be up to 30 years
- 1st payment deferred for 1 year
- ***All businesses applying for an EIDL loan are eligible to also apply for a fast \$10,000 advance on their loan. This advance does not have to be repaid, even if the applicant is not actually approved for the EIDL loan. Funds will be made available shortly following a successful application**

III. Fee Schedule Increases and Elimination of the Sequestration

- ☐ The current RURAL RATES will be extended (**50/50 blended rate**) for HME beyond Dec 31, 2020 and the KE is still applicable for manual chairs in rural zip
- ☐ Establishing a **new 75/25 blended rate for all other non-competitively bid areas (non-rural rate)** through the duration of the COVID-19 health emergency which will be effective **retroactively to March 6, 2020**
- ☐ Calculation – 25% of the 2015 Fee Schedule + 75% of the Jan 2020 Fee Schedule = New Non Rural Allowable from Mar 6 – end of PHE (**average 15% increase**)
 - Recovering these increases from claims submitted prior to the changes being implemented within the Medicare processing system
 - Probably will be an auto mass adjustment but that has yet to be determined
 - **Ensure submitted charges are at or above the NEW NON RURAL ALLOWABLE**
- ☐ Temporary **elimination of 2 percent Medicare sequester reduction that went into effect in 2013. This relief will be effective for May 1-Dec. 31, 2020.**

III. Fee Schedule Increases and Elimination of the Sequestration

- ☐ The former CB area rates (SPA) remain the same, no change
- ☐ The KU is still applicable for group 3 accessories indefinitely
- ☐ The KU rate was effective for accessories on complex manual bases regardless of where the bene resides for DOS Jan 1, 2020 – June 30, 2021
- ☐ The Medicare processing system will not be updated to accept the KU on these accessories until July 1, 2020
- ☐ Once updated in the system you can begin using the KU on complex manual wheelchair accessories (K5, E1161) for new claims
- ☐ For claims submitted with DOS Jan 1 – June 30 these will be adjusted at the new rate (KU) OR they may require a written reopening (to be determined)
- ☐ If you provide a **group 2 complex wheelchairs to a beneficiary in a former CB area use the KY** on the accessories so they pay at the new 25/75 blended rate (**higher**)

IV. Accelerated/Advance Payments Expansion

- ☐ An accelerated/advance payment is a payment intended to provide necessary funds when there is a disruption in claims submission and/or claims processing
- ☐ 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
- ☐ **Response time and issue payments within seven calendar days of receiving the request**
- ☐ Repayment of these advance/accelerated payments normally begins at 90 days
- ☐ COVID-19 pandemic, CMS has extended the repayment of these accelerated/advance payments to begin **120 days** after the date of issuance of the payment
- ☐ Providers can get more information on this process **(including in webinar handout)** www.cms.gov/files/document/Accelerated-and-Advanced-Payments-Fact-Sheet.pdf

IV. Accelerated/Advance Payments Expansion

Eligibility

- ☐ To qualify for advance/accelerated payments the provider/supplier must:
 - 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

Amount of Payment

- ☐ Qualified providers/suppliers will be asked to request a specific amount using an Accelerated or Advance Payment Request form **(included in the webinar handouts)**
- ☐ Most providers and suppliers will be able to request up to 100% of the Medicare payment amount for a three-month period

IV. Accelerated/Advance Payments Expansion

- ☐ The provider/supplier can continue to submit claims as usual after the issuance of the accelerated or advance payment; **however, recoupment will not begin for 120 days**
- ☐ Providers/ suppliers **will receive full payments for their claims during the 120-day delay period**
- ☐ At the end of the **120-day period, the recoupment process will begin and every claim submitted by the provider/supplier will be offset** from the new claims to repay the accelerated/advanced payment
- ☐ The provider's/supplier's outstanding accelerated/advance payment balance is reduced by the claim payment amount until the advance payment is recovered
- ☐ Part B suppliers will have up to 210 days for the reconciliation process to begin (meaning if all the advance payment hasn't been repaid within **210 days from the date of the advance payment INTERESTE WILL APPLY!**)

Website References

<https://www.vgm.com/coronavirus/government-cms-updates/economic-stimulus-programs--covid19-resource-tool/>

<https://www.vgm.com/coronavirus/>

<https://www.vgm.com/coronavirus/government-cms-updates/>

<https://www.vgm.com/coronavirus/complex-rehab/>



thank you!

**for everything
YOU do to take care of your Customers!**

Greg Packer

greg.packer@usrehab.com

Mark Higley

mark.higley@vgm.com

Craig Douglas

craig.douglas@vgm.com

Dan Fedor

dan.fedor@vgm.com

Ronda Buhrmester

ronda.buhrmester@vgm.com



U.S. ★ REHAB®