

From the American College of Surgeons website

## Financial Support Options for Surgeons

Recently, a series of actions have been taken by the Federal government to reduce the financial stress caused by the response to COVID-19. These include easier access to small business loans (including to individuals who would not have previously been eligible), loan forgiveness, advances on anticipated Medicare payments, and deferrals on certain loan and tax payments.

These programs have overlapping eligibility and differing requirements, so figuring out which ones apply or are best for your specific situation can seem daunting. However, these programs are meant to help businesses, including physician practices, stay afloat during this unique, time limited crisis, and are therefore designed to be as streamlined as possible with expedited decisions on whether you qualify. The resources provided here are for informational purposes, please confer with your accountant or tax advisor before taking any action.

To determine which program or programs may suit your situation, there are several questions to consider:

- 1. Is a large portion of your practice's income derived from Medicare?**  
If so, you may want to take advantage of the Medicare Advance payments announced by CMS. However, be aware that Medicare will begin to withhold payments later in the year to balance the advance paid against your charges for services billed in the future.
- 2. How much help do you or your practice need?**  
Economic Injury Disaster Loans can provide up to \$2 million, while Paycheck Protection Program (PPP) loans can provide 2.5 times your monthly payroll costs, up to \$10 million. Medicare advance payments are based on previous Medicare billed charges.
- 3. How quickly do you need to receive funds?**  
Economic Injury Disaster Loans or Medicare Advance payments may be a good fit for those in need of a quick capital infusion to keep their practice viable.
- 4. Are you trying to avoid furloughs or layoffs, or would you consider recalling furloughed staff before 30 June?**  
The PPP is intended to help small businesses and keep them from laying off employees or reducing wages. The PPP may even apply to non-profits, sole proprietorships and independent contractors. These loans may also be fully or partially forgiven if used it to maintain staffing levels and salaries or to rehire furloughed employees during the crisis.

The government websites provided below have been improved, are updated frequently with regards to content, and have been found to be "user friendly" and intuitive.

### Medicare Advance Payments Program

The Centers for Medicare and Medicare Services (CMS) recently expanded the Accelerated and Advance Payments Program. Surgeons and others may request advanced Medicare payments to address cash flow issues based on historical payments. You may request up to 3 months of Medicare payments by sending a request form directly to your MAC. These forms vary and will be found on your MAC's website. To qualify, you must have billed Medicare for claims within 180 days and you may not be in bankruptcy, under active medical review or program integrity

investigation, or have any outstanding delinquent Medicare overpayments. MACs have been directed to process requests within 7 days.

These payments are essentially an interest free loan against future Medicare claims. Applicants who receive advance payments will continue to bill and receive payments normally for 120 days, after that, all billed claims will automatically be used to offset their advance payment balance. The entire balance must be repaid within 210 days of when it was received.

More information about this program can be found [here](#).

## Economic Injury Disaster Loans

Among the provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES) Act was a significant shoring up of resources and expanding of availability of loans via the Small Business Administration (SBA). One of these is the Economic Injury Disaster Loan program.

The SBA's Economic Injury Disaster Loan program provides small businesses with working capital loans of up to \$2 million that can provide vital economic support designed to help overcome the temporary loss of revenue. In response to the COVID-19 pandemic, small business owners in all 50 states, Washington DC, and U.S. territories are eligible to apply. Note that these loans may have favorable terms, but they are not forgiven.

Fellows may learn more about Economic Injury Disaster Loans and apply [here](#). This program is administered through the Small Business Administration.

This is an [article](#) describing one entrepreneur's experience in applying for an Economic Injury Disaster Loan.

## The Paycheck Protection Program

The Paycheck Protection Program or PPP is an expedited loan program intended to help businesses keep their doors open and their staff on payroll. If used for the allowed purposes such as payroll, mortgage interest, rent or utilities, up to the full amount may be forgiven.

According to recent SBA guidance, starting April 3, 2020, small businesses and sole proprietorships can apply. Starting April 10, 2020, independent contractors and self-employed individuals can apply. The SBA encourages eligible entities to apply as quickly as possible due to the funding cap.

The application for the PPP will be submitted through your local SBA affiliated bank or financial institution, but regardless of where you apply you are likely to be asked for the following documentation. Having this information ready will expedite the process:

- 2019 IRS tax documents such as quarterly 940, 941 or 944 payroll tax reports.
- The most recent 12 months of payroll information including gross wages for all employees and officers, paid time off, vacation pay, FMLA, and State and local tax information.

- 2019 IRS form 1099s for any independent contractors that would otherwise be considered an employee.
- Health insurance premiums cost for you and your employees (the portion paid for by the proprietor)
- Cost of company funded contributions to retirement plans such as 401K or IRA plans.

[Application form](#)

More information about the Paycheck Protection Program may be found [here](#).