



Congress has finalized the 2020 end of year legislative package that addresses a number of issues the American Osteopathic Association (AOA) has been working on throughout the year. This package is the result of lengthy negotiations between House and Senate leaders, committees of jurisdiction, and the White House. The package includes:

#### **Federal Funding**

- FY21 appropriations legislation which funds federal agencies and programs, including public health programs that support research and provide grants to state and local health departments through September 30, 2021;
- An estimated \$900 billion COVID-19 emergency relief package which includes:
  - More than \$284 billion for first-time and second Small Business Administration Paycheck Protection Program (PPP) loans with eligibility for physician practices as well as both 501(c)(3) and 501(c)(6) nonprofits;
  - \$20 billion for procurement of vaccines and therapeutics;
  - \$9 billion for vaccine distribution to states and \$3 billion for the strategic national stockpile, including \$300 million directing distribution to high-risk and underserved areas; and,
  - \$22 billion in direct funding for states for testing, contact tracing, and mitigation, including \$2.5 billion for grants targeting underserved areas;

#### **Surprise Medical Billing Legislation**

- The *No Surprises Act* is included, which contains important changes the AOA has been advocating for, including:
  - An independent dispute resolution (IDR) mechanism that does not require a threshold and allows the batching of claims;
  - A prohibition on Medicare and Medicaid rates from being included among the factors considered in the IDR process, which can include the median in-network rate in the geographic area, a physician's training and experience, market share, prior contracted rates, and complexity of case;
  - An increase in the time that a physician would have to request IDR from two days to four days;
  - Flexibility in establishing the "90 day cooling off period" in a manner that ensures all claims are eligible for arbitration;
  - Requires a report to Congress one year after implementation to ensure that the IDR process is functioning as intended; and,
  - Removal of potentially burdensome requirements for "timely billing."

#### **Medicare Payment**

- Addresses Medicare payment cuts, by:
  - Adding \$3 billion in new funding to the CY21 Medicare Physician Fee Schedule, resulting in an across-the-board payment increase for all services by 3.75 percent throughout 2021;



- Delaying for three years a new code established in the CY21 fee schedule, reducing the required across-the-board budget neutrality cut; and
- Delaying for three months the 2 percent sequester cuts scheduled to resume on January 1, 2021.
- Continues the current Alternative Payment Model (APM) threshold for two additional years, allowing more providers to qualify for the 5 percent APM payment who would otherwise have been disqualified because of statutory increases in the threshold amount.
- Extends the Independence at Home demonstration through December 31, 2023, expands the size of the demonstration from 15,000 beneficiaries to 20,000 beneficiaries;
- Enacts the Keep Physicians Serving Patients Act of 2019, which establishes a permanent extension of geographic payment adjustments for physicians based on services furnished on or after January 1, 2020.

#### **Graduate Medical Education Funding**

- Reauthorizes important public health and graduate medical education programs, including:
  - A three-year reauthorization and funding for the Teaching Health Center Graduate Medical Education (THCGME) and National Health Service Corp (NHSC) programs;
- Funds 1,000 new residency slots, which will be prioritized to support training programs at rural hospitals, hospitals that are already above their Medicare cap for residency positions, hospitals in states with new medical schools, and hospitals that serve Health Professional Shortage Areas will be eligible for these new positions; and,
- Allows hospitals to host a limited number of residents for short-term rotations without being negatively impacted by a set permanent full time equivalent resident cap or a per resident amount.

#### **Tax Provisions**

- Clarification of Tax Treatment of Paycheck Protection Program (PPP) Loans: The bill specifies that forgiven PPP loans will not be included in taxable income. It also clarifies that deductions are allowed for expenses paid with proceeds of a forgiven PPP loan, effective as of the date of enactment of the CARES Act and applicable to subsequent PPP loans. This same tax treatment also applies to EIDL grants and certain loans and loan repayment assistance.
- Students: Emergency financial aid grants made under the CARES Act will not be included as gross income to the student and will hold students harmless against their eligibility for certain education related tax benefits.

It is important to note that the AOA, osteopathic specialty and state associations, and AOA grassroots advocates have advocated on most, if not all, of these issues this year. The inclusion of much of this funding and the improvements made to specific provisions in this legislation is a byproduct of our collective efforts and will hopefully provide support for physicians and their patients.