March 8, 2021

Tami Perriello
Acting Administrator
Small Business Administration
409 3rd St., SW
Washington, DC 20416

Dear Ms. Perriello:

On behalf of our members, the American College of Emergency Physicians (ACEP) and the Emergency Department Practice Management Association (EDPMA) would like to request a change to the eligibility criteria for the second draw of the Paycheck Protection Program (PPP).

As background, ACEP is the national medical society representing emergency medicine. Through continuing education, research, public education and advocacy, ACEP advances emergency care on behalf of its 40,000 emergency physician members, and the more than 150 million Americans they treat on an annual basis. EDPMA is one of the nation’s largest professional physician trade associations focused on the delivery of high-quality, cost-effective care in the emergency department (ED). EDPMA’s membership includes emergency medicine physician groups, as well as billing, coding, and other professional support organizations that assist healthcare providers in our nation’s EDs.

Emergency physicians and the groups they work in are facing significant financial constraints due to the COVID-19 public health emergency (PHE). While EDs in hot spots have experienced a surge of patients with possible or actual cases of COVID-19, many other EDs across the country have actually experienced a significant reduction in volume since the COVID-19 pandemic began. Based on data from the Centers for Disease Control and Prevention (CDC), ED volumes dropped by around 40 percent in April 2020 compared to what they were in April of 2019. Comparing 2020 to 2019 for the rest of the year, ED volumes started to pick back up, but the monthly averages were still down roughly 10 percent. This reduction initially was caused in part by government calls to stay at home, which in turn led to fewer accidents and other traumatic injuries. However, unfortunately, we have also seen that individuals that needed to seek immediate care for medical emergencies either delayed care or avoided care altogether.

The volume reductions have been particularly difficult as these group practices have struggled to maintain adequate staffing levels. The PPP and the Provider Relief Fund have been invaluable during this time and have allowed many group practices to keep their EDs staffed so that they could continue to provide care during the pandemic.
Despite some improvement, volumes have not returned to pre-COVID levels and some group practices anticipate another year of reduced revenue in 2021. If they continue at current levels, some group practices will have to consider reductions in ED staffing in the midst of a pandemic. A second draw PPP loan would again be invaluable in preventing layoffs or furloughs.

The second draw of the PPP currently requires a reduction in revenues of 25 percent for one quarter in 2020 as compared to 2019. Unfortunately, medical practice revenues lag behind professional billing by 30 to 90 days, and sometimes more. Thus, most group practices saw their greatest drops in volume in April and May 2020, but did not realize their drops in revenue until June and July.

Some emergency physician group practices have faced the following problem in applying for the second draw of the PPP. Their revenues for the second quarter dropped significantly in 2020 but not quite to 75 percent. However, their revenues in a slightly different three-month period (for instance May, June, July) did drop below 75 percent. Thus, if they were able to report a quarterly revenue by any three contiguous months (and not by the calendar year quarter), they would qualify for the PPP. Unfortunately, under the current rules of the program, it appears they do not qualify.

Therefore, we would like to request that the Small Business Administration provide some additional flexibility to allow practices to report losses in three contiguous months rather than a defined calendar year quarter and still be eligible to receive a PPP second draw loan.

For those who have been working on the front lines, and who continue treating patients with Covid-19, receiving additional funding from the PPP is vitally important.

Thank you for your time and attention to this issue. If you have any questions, please contact Jeffrey Davis, ACEP’s Director of Regulatory Affairs at jdavis@acep.org or Elizabeth Mundinger, EDPMA’s Executive Director at emundinger@edpma.org.

Sincerely,

Mark S. Rosenberg, DO, MBA, FACEP  
ACEP President

Bing Pao, MD, FACEP  
Chair of the Board, EDPMA