



Practices

Primary care practices could close in a matter of 'weeks not months' without financial support

by Heather Landi | May 28, 2020 11:13am



Despite the shift to telehealth and telephonic visits, practices are facing major financial losses due to longstanding policies that favor in-person care, according to the Primary Care Collaborative. (Getty Images/PRImageFactory)

Without immediate financial support, a large number of primary care practices could close in a matter of weeks as a result of the strain from the COVID-19 pandemic, industry stakeholders say.

"The COVID-19 pandemic has put our chronic underinvestment in primary care on full display," said Rebecca Etz, Ph.D., co-director of The Larry A. Green Center and associate professor of Family Medicine and Population Health at Virginia Commonwealth University, in a statement. "Without immediate financial support, we are looking at a matter of weeks—not months

—that patients' fears about primary care [closing] will turn into reality.”

Some financial support is making its way to primary care, but not enough, according to a **recent survey** from the Larry A. Green Center in partnership with the Primary Care Collaborative.

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In response to the COVID-19 pandemic, Congress appropriated \$100 billion in the CARES Act and \$75 billion through the Paycheck Protection Program (PPP) and Health Care Enhancement Act for health care providers, including physician practices.

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The survey found that 38% of primary care practices say their practice received help through the PPP, while 12% received help through another Small Business Administration loan, 8% got assistance through their state government and 10% from a parent organization.

Still, the number reporting layoffs and furloughs (45%), deferred or skipped salaries (28%), and temporary closures (14%) remains constant, according to the survey.

Such financial hardship risks impacting clinicians and patients alike as 83% of patients say they would feel distressed by the loss of a relationship with their doctor, the survey found.

"The federal government has taken some steps to help and some practices have received financial support, but unfortunately, it is not sufficient. There has yet to be a program in any of the stimulus packages that have made their way through the legislative gauntlet focused exclusively on primary care and we think there needs to be," Ann Greiner, president and CEO of the Primary Care Collaborative, told FierceHealthcare.

In a recent op-ed, Farzad Mostashari, M.D., co-founder and CEO of Aledade, and former CMS Administrator Andy Slavitt made the case for policymakers to target more relief funding to independent primary care practices.

"We need to target assistance directly to small independent physician practices. They should not be competing with multibillion-dollar health systems and other businesses for the same funds. The Department of Health and Human Services and the Trump administration should turn most of the loans that practices have received into grants," Mostashari and Slavitt wrote in an article for **Stat**.

The Medical Group Management Association reported that 97% of medical practices have experienced a negative financial impact directly or indirectly related to COVID-19. On average, practices have seen a 55% decrease in revenue and a 60% decrease in patient volume since the beginning of the COVID-19 crisis, MGMA reports.

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"By any traditional business metrics, thousands of primary care practices should be closing their doors right now—but they stay open for us, their patients," said Christine Bechtel, patient advocate and co-founder of 3rd Conversation, a community of physicians and patients.

"The fact that, in the middle of a pandemic, our health professionals are struggling to keep their doors open is not just a frightening prospect, it is unacceptable. Lawmakers must act to provide immediate relief targeted to primary care practices," Bechtel said.

Primary care physicians are helping patients navigate the current crisis and will play an essential role in healthcare in the months ahead as states begin to reopen, Greiner noted. Patients will turn to these physicians for COVID-19 diagnosis and testing and for information as they transition back to work and school.

Primary care physicians also are critical to delivering chronic and preventive care, including health screenings and vaccinations.

A separate survey of 2,250 patients conducted by the Primary Care Collaborative found that many patients are delaying care, which could lead to negative downstream health outcomes. Nearly a quarter of surveyed patients say they were sick or injured but actively avoided medical care.

And 42% say they plan to delay care until they have a serious concern.

This delayed and avoided care—both for existing chronic conditions and new mental health strain—is posing a looming threat of deferred illness. A fifth of patients say they are overdue for chronic care visits, and a third of patients say they are overdue for wellness visits and preventative care, the survey found.

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Clinicians have rapidly shifted to virtual care during the pandemic to care for patients remotely. Beginning in March, the Centers for Medicare & Medicaid Services (CMS) made sweeping, but temporary, changes to telehealth reimbursement policies.

Despite the shift to telehealth and telephonic visits, practices are facing major financial losses due to longstanding policies that favor in-person care, according to the Primary Care Collaborative.

The COVID-19 pandemic has highlighted the need to provide payment parity for different modalities of care, whether its an in-person visit or virtual care, Greiner said.

"On a going-forward basis, I do think that both public and private payers are

going to need to figure out how to move away from a payment system that is based on face-to-face encounters and toward a payment system that is agnostic on how you receive care. We need a payment system that incentivizes the best possible care for the patient," she said.

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