

# COVID-19 Impacts on Primary Care Practices

The coronavirus pandemic and resulting shelter-at-home orders have had a profound impact on businesses across the country. Many businesses have had to lay off employees, and ongoing revenue losses are threatening their continued viability. Among businesses that have been hard-hit, primary care medical practices and doctors have seen dramatic shifts in business. This report describes recent impacts on primary care medicine and efforts to help this segment of the medical community.

Note that this report does not attempt to address issues in primary care from a patient's perspective. Rather, the information is focused on the business of primary care practices.

## PRIMARY CARE

"Primary care" typically is the first care provided by a doctor when a person has an undiagnosed health concern. Physicians in a "primary care practice" often are a patient's "personal physician" and generally include doctors specializing in family medicine, internal medicine, or pediatrics. Primary care practices routinely provide diagnosis and treatment of acute and chronic illness, disease prevention, health promotion and maintenance, and patient education within the practice, while consulting with or referring patients to specialists when needed.<sup>1</sup> According to the Kaiser Family Foundation, there were 486,405 primary care physicians in the United States in March 2020. Data from the Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute show that there are 1,425 primary care physicians in Montgomery County in 2020 (or one for every 743 residents).<sup>2</sup>

Physicians in the United States most commonly work as part of a small, independent practice. In 2018, over half of physicians nationally worked in independent practices, many of which were small businesses. In 2017, 89 percent of the 1,007 physicians' offices (of all types) in Montgomery County had 19 or fewer employees.<sup>3</sup>

# IMPACT OF COVID-19 ON HEALTH CARE VISITS<sup>4</sup>

Coronavirus disease 2019 (COVID-19) is a highly contagious virus and currently there is no vaccine to prevent COVID-19. The virus spreads mainly from person-to-person through respiratory droplets produced when infected individuals cough, sneeze, or talk.<sup>5</sup> Recent studies show that infected individuals can spread the virus before they develop symptoms and some infected and contagious individuals never develop symptoms at all.

To contain the spread of the virus in the United States, a majority of states' public health officials have issued stay-at-home orders, recommended that people work from home if they can, and closed nonessential businesses, parks and recreation areas where people may gather. To help prevent transmission, the U.S. Centers for Disease Control and Prevention (CDC) recommends people wear cloth masks in public, wash hands frequently, and avoid close contact with others.

In March 2020, the CDC also recommended that "healthcare systems prioritize urgent visits and delay elective care to mitigate the spread of COVID-19 in healthcare settings," leading people across the U.S. to cancel or skip health care appointments.<sup>6</sup> To provide care without having patients physically come to a doctor's office, physicians across the country have begun providing care through or increased their use of "telemedicine" – with health care providers and patients "meeting" via video or over the telephone ("televisits").

The following statistics come from data collected by Phreesia, a health technology company that helps practices with patient administration, from its client base representing over 50,000 providers nationwide. Data collected between mid-February and mid-May include more than 12 million patient visits.<sup>7</sup> From these data, researchers found:

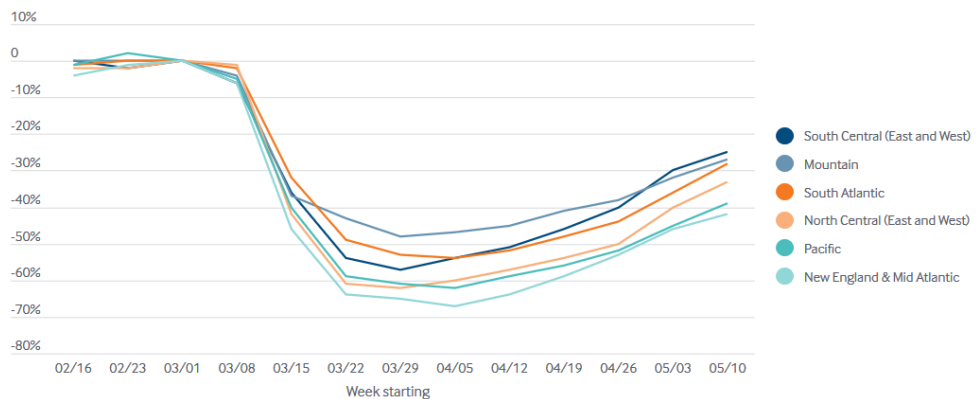
- Outpatient visits declined by almost 60% by early April;
- Telemedicine visits increased by 14% by mid-April;
- Outpatient visits are rebounding but still about one-third lower than before the pandemic; and
- A subset of outpatient visits, primary care visits were down 51% the week of April 5 and down 25% the week of May 10.

The chart to the right shows the decrease in health care visits from mid-February through mid-May 2020. The data show that while visits initially declined significantly; in late March, health care visits began to rise again.

Source: <https://www.commonwealthfund.org/publications/2020/apr/impact-covid-19-outpatient-visits>

## The rebound in visits is occurring in all areas of the U.S. but appears largest in the South Central census division.

Percent change in visits from baseline



Download data

Note: Data are presented as percentage change in number of visits in a given week from the baseline week (March 1–7). Distribution of states across U.S. census divisions is available at the [Census website](#). The South Central census division is composed of Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, and Kentucky.

Source: Ateev Mehrotra et al., "The Impact of the COVID-19 Pandemic on Outpatient Visits: A Rebound Emerges," *To the Point* (blog), Commonwealth Fund, May 19, 2020. <https://doi.org/10.26099/ds9e-jm36>

## IMPACT OF COVID-19 ON HEALTH CARE VISITS (cont.)

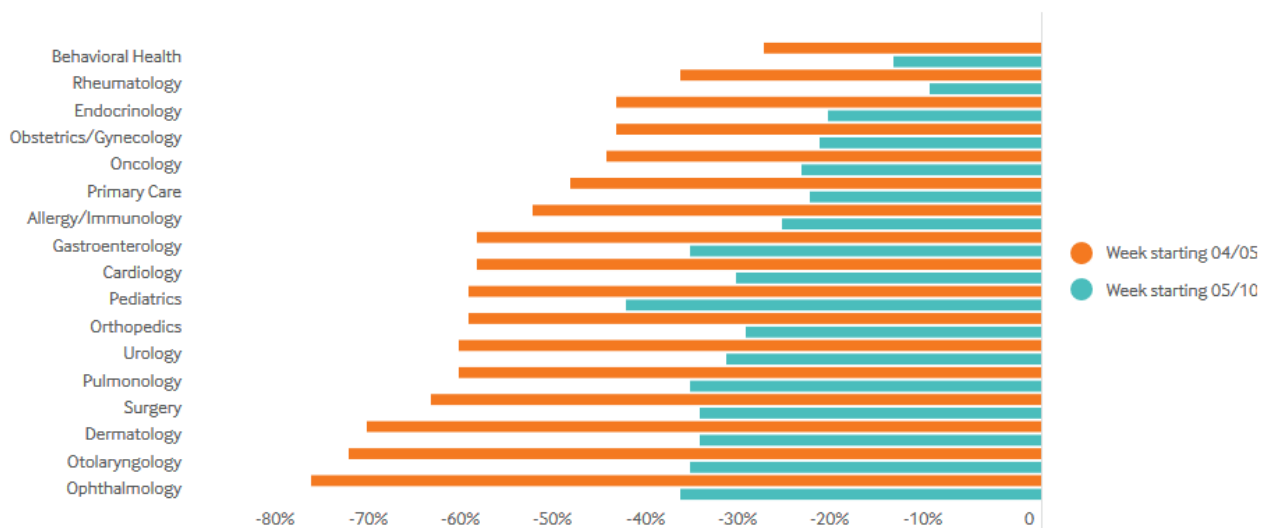
In recent years, many types of physician practices, including primary care, have seen mergers and acquisitions of practices and industry consolidation.<sup>8</sup> Some analysts observe that physicians employed during the pandemic through a healthcare system are in better financial situations than independent, private practices.<sup>9</sup>

Some health care facilities report that they expect to work in a COVID environment for the next year or more.<sup>10</sup> One source estimates that beginning in March 2020, primary care practices in the United States will experience around six to eight weeks where patient volume is down 50-60%, another four to six weeks with volume down 20-30%, with volume climbing to only 80-90% of pre-pandemic volume for the rest of the year.<sup>11</sup> According to a recent Kaiser Family Foundation poll, 82% of the public expects to visit a doctor or dentist in person in the next three months.<sup>12</sup>

The data in the next chart show changes in the percentage of patient visits for a variety of health care fields – comparing visits from the week beginning April 5 and the week beginning May 10.

**The rebound in visits has occurred across all specialties. The relative decline in visits remains largest among surgical and procedural specialties and pediatrics. The relative decline is smaller in other specialties such as adult primary care and behavioral health.**

Percent change in visits from baseline



Download data

Note: Relative decline in visits between baseline week of March 1 and weeks of April 5 (nadir of visit decline) and May 10 (last week of data). Data only for select specialties shown. Decline shown is reflective of all visit types (in-person and telemedicine). Visits from nurse practitioners and physician assistants are not included.

Source: Ateev Mehrotra et al., "The Impact of the COVID-19 Pandemic on Outpatient Visits: A Rebound Emerges," *To the Point* (blog), Commonwealth Fund, May 19, 2020. <https://doi.org/10.26099/ds9e-jm36>

Source: <https://www.commonwealthfund.org/publications/2020/apr/impact-covid-19-outpatient-visits>

## EFFORTS TO ASSIST PHYSICIANS' PRACTICES DURING THE PANDEMIC

The federal government and many private insurance companies have taken steps to help physicians financially during the pandemic. For example, before the pandemic, the Center for Medicare and Medicaid Services (CMS) and many private insurers limited physicians' ability to be reimbursed for televisits. CMS and private insurers have loosened these restrictions significantly. Many states, including Maryland, have changed also state regulations to allow physicians more flexibility to use telemedicine.<sup>13</sup>

Before the pandemic, many private practices were not set up to provide care via telemedicine.<sup>14</sup> A 2019 American Medical Association survey found that only 15% of physicians were using telemedicine to provide patient care.<sup>15</sup> Many practices that did not provide telemedicine options before the pandemic have had to move quickly to set up telemedicine systems.

### MEDICARE

Beginning March 6, 2020, CMS expanded options for televisits with doctors, nurse practitioners, and other health care providers. Before this time, Medicare paid for telemedicine visits only in limited circumstances. CMS made these temporary, emergency changes acknowledging that "there is an urgency to expand the use of technology to help people who need routine care, and keep vulnerable beneficiaries and beneficiaries with mild symptoms in their homes while maintaining access to the care they need."<sup>16</sup> CMS expanded the types of televisit services for which providers can bill, the list of clinicians that can bill for these services, and began paying for televisits at the same rate as in-person visits.<sup>17</sup>

Analyzing changes in Medicare reimbursements for televisits and CY2018 Medicare claims, Avalere, a health care consulting firm, estimates that 96% of primary care fee-for-service payments are now eligible for reimbursements when conducted via telemedicine. Before the pandemic changes, approximately 77% of the payments were eligible for reimbursement.<sup>18</sup>

### CareFirst BlueCross BlueShield

Beginning March 16, 2020, CareFirst BlueCross BlueShield began encouraging members to use telemedicine for services, including waiving copays, coinsurance, and deductibles for members receiving services from in-network providers.<sup>19</sup> CareFirst also expanded the types of claims for which providers can seek payment when provided through telemedicine. These changes apply to services from primary care providers, obstetricians and gynecologists, specialists, and behavioral health providers.

For providers that are a part of CareFirst's Patient-Centered Medical Home (PCMH) program, CareFirst is accelerating payment of funds to practices that typically would not have been paid until later in 2020 or 2021.<sup>20</sup> CareFirst is also providing:

- Advance lump-sum payments;
- Increased fee schedules; and
- Monthly cash advances for qualifying PCMH panels.

### OTHER PRIVATE INSURERS

Kaiser Permanente and UnitedHealthCare have made similar changes, including expanding reimbursements for care provided through telemedicine and accelerating claim payments to providers.<sup>21</sup>

### DISCOUNTS ON LIABILITY INSURANCE

The Medical Mutual Liability Insurance Society of Maryland provides medical liability insurance for Maryland physicians.<sup>22</sup> Medical Mutual is providing a 25% "pandemic credit" for all medical professional liability policies between April 1 and December 31, 2020 to help reduce costs for physicians in the state.<sup>23</sup>

## FEDERAL RELIEF FUNDS FOR PHYSICIANS/PROVIDERS

The federal CARES Act established the Public Health and Social Service Emergency Fund and provided \$50 billion for the fund to distribute grants to Medicare facilities and providers impacted by COVID-19.<sup>24</sup> Providers were eligible if they billed Medicare fee-for-service in 2019. The first \$30 billion was distributed in April “to health care providers proportionately, based on the providers’ share of total Medicare payments in 2019.” The next \$20 billion is being distributed based on providers’ 2018 revenue data. Some note that while this approach quickly provided needed funding to many physicians and practices, it completely excluded physicians who provide services through Medicaid, federal healthcare for low-income individuals.<sup>25</sup>

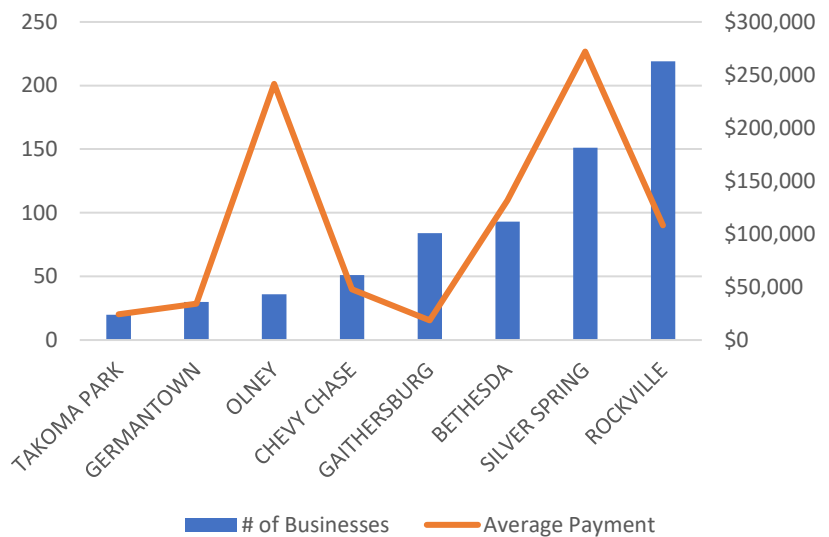
Based on program data released by the federal government, in Montgomery County, 754 providers received a total of \$106 million in grant funding through May 13, 2020. The data in the chart below show the number of providers by location in the County and the average funding received per practice – in areas where 20 or more providers received funding. The data in the chart include 91% of providers in the County who received funding and 86% of grants given to County providers.<sup>26</sup>

The CARES Act also allows providers to seek funds through the federal Payroll Protection Program (PPP)<sup>27</sup> (up to \$10 million) and the Small Business Administration’s Economic Injury Disaster Loan and Grant programs<sup>28</sup> (up to \$10,000). Generally, these programs are available for businesses with fewer than 500 employees. The federal government has not released data on which businesses have received funding through these programs.

## OTHER RELIEF FUND SOURCES

OLO found many examples of COVID-19 relief funding from private funding sources.<sup>29</sup> Only some of this funding is directed specifically to medical practices or primary care practices. OLO did not find examples of COVID-19 relief funding from state or local jurisdictions targeted to the medical community or the primary care community.

**Montgomery County Grant Recipients from HHS Provider Relief Fund, by Location and Amount of Average Grant**



### QUESTIONS? COMMENTS?

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# ENDNOTES

- <sup>1</sup> <https://www.aafp.org/about/policies/all/primary-care.html>, <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/access-to-primary>
- <sup>2</sup> “County Health Rankings and Roadmaps,” Robert Wood Johnson Foundation and the University of Wisconsin Population Health Institute (2020). <https://www.countyhealthrankings.org/app/maryland/2020/overview>
- <sup>3</sup> U.S. Census Bureau
- <sup>4</sup> [https://www.washingtonpost.com/health/small-doctor-practices-struggle-to-survive-amid-coronavirus-pandemic/2020/05/14/328984e6-9390-11ea-91d7-cf4423d47683\\_story.html](https://www.washingtonpost.com/health/small-doctor-practices-struggle-to-survive-amid-coronavirus-pandemic/2020/05/14/328984e6-9390-11ea-91d7-cf4423d47683_story.html)
- <sup>5</sup> <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/prevention.html>
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- <sup>7</sup> <https://www.commonwealthfund.org/publications/2020/apr/impact-covid-19-outpatient-visits>
- <sup>8</sup> <https://revcycleintelligence.com/features/how-covid-19-imperiled-physician-practices-and-how-to-save-them>
- <sup>9</sup> <https://www.medicaleconomics.com/news/physician-practices-reeling-covid-19-financial-losses>
- <sup>10</sup> [https://www.washingtonpost.com/health/how-risky-is-it-right-now-to-get-non-coronavirus-medical-care/2020/05/08/ac80c644-8a1f-11ea-ac8a-fe9b8088e101\\_story.html](https://www.washingtonpost.com/health/how-risky-is-it-right-now-to-get-non-coronavirus-medical-care/2020/05/08/ac80c644-8a1f-11ea-ac8a-fe9b8088e101_story.html)
- <sup>11</sup> <https://www.medicaleconomics.com/news/physician-practices-reeling-covid-19-financial-losses>
- <sup>12</sup> <https://www.kff.org/coronavirus-covid-19/press-release/poll-as-states-start-to-ease-coronavirus-restrictions-few-americans-expect-to-stay-in-hotels-or-fly-this-summer-though-most-plan-to-visit-a-doctor-get-a-hair-cut-and-dine-out/>, [https://www.kff.org/coronavirus-covid-19/report/kff-health-tracking-poll-may-2020/?utm\\_campaign=KFF-2020-polling-surveys&utm\\_medium=email&hsmi=2&hsenc=p2ANqtz-8zsZyE3Haf57W62aUolmlaGMZSp0lr9nRJG-wujcLFDrsFuSfqBoHg6fmPkCeitu7WzFCSAEsMGQaiV2z3eLXias-HQ&utm\\_content=2&utm\\_source=hs\\_email](https://www.kff.org/coronavirus-covid-19/report/kff-health-tracking-poll-may-2020/?utm_campaign=KFF-2020-polling-surveys&utm_medium=email&hsmi=2&hsenc=p2ANqtz-8zsZyE3Haf57W62aUolmlaGMZSp0lr9nRJG-wujcLFDrsFuSfqBoHg6fmPkCeitu7WzFCSAEsMGQaiV2z3eLXias-HQ&utm_content=2&utm_source=hs_email)
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- <sup>15</sup> <https://mhealthintelligence.com/news/ama-survey-finds-medical-practices-are-slow-to-embrace-telehealth>
- <sup>16</sup> <https://www.cms.gov/newsroom/fact-sheets/medicare-telemedicine-health-care-provider-fact-sheet>, [https://www.providers.kaiserpermanente.org/info\\_assets/cpp\\_mas/mas\\_Medicare\\_Telehealth\\_Frequently\\_Asked\\_Questions\\_March\\_17\\_2020.pdf](https://www.providers.kaiserpermanente.org/info_assets/cpp_mas/mas_Medicare_Telehealth_Frequently_Asked_Questions_March_17_2020.pdf)
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- <sup>21</sup> [https://www.providers.kaiserpermanente.org/info\\_assets/cpp\\_mas/mas\\_2020\\_Claims\\_FAQs.pdf](https://www.providers.kaiserpermanente.org/info_assets/cpp_mas/mas_2020_Claims_FAQs.pdf), <https://www.uhcprovider.com/en/resource-library/news/Novel-Coronavirus-COVID-19/covid19-telehealth-services.html>, see also <https://www.healthaffairs.org/doi/10.1377/hblog20200421.921521/full/>
- <sup>22</sup> Medical Mutual was created by the Maryland General Assembly in 1975 as a mutual insurance company. It is owned by the physicians in the State of Maryland. <https://www.mmlis.com/content/about-us>; <https://www.mmlis.com/data/general/MM%20Annual%20Report%20READER%20PDF.pdf>

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<sup>24</sup> CARES Act Provider Relief Fund Information, U.S. Department of Health and Human Services.  
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<sup>25</sup> <https://gop-waysandmeans.house.gov/latest-updates-on-the-cares-act-public-health-and-social-service-emergency-fund/>, <https://www.npr.org/sections/health-shots/2020/05/18/856888156/medicaid-clinics-and-doctors-have-been-last-in-line-for-covid-19-relief-funding>

<sup>26</sup> <https://data.cdc.gov/Administrative/HHS-Provider-Relief-Fund/kh8y-3es6/data>. Distribution of funds as of May 13, 2020. These distributions include the \$50 billion general distribution plus an additional \$22 billion in targeted funds.

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<sup>28</sup> <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loan-emergency-advance>

<sup>29</sup> <https://nyshealthfoundation.org/grantee/covid-19-response-and-relief-efforts/>,  
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