August 25, 2020

The Honorable Cindy Axne
United States House of Representatives
Washington, DC 20515

The Honorable Marsha Blackburn
United States Senate
Washington, DC 20510

The Honorable Neal Dunn, MD
United States House of Representatives
Washington, DC 20515

Dear Representative Axne, Representative Dunn and Senator Blackburn:

The 29 undersigned organizations write to express our support and appreciation for your leadership on the introduction of the Eliminating the Provider Relief Fund Tax Penalties Act (H.R. 7819 and S. 4525). As you know, healthcare professionals have faced significant challenges during the COVID-19 public health emergency (PHE), caring for patients under new, emergency circumstances. Financial instability and uncertainty has become commonplace for many Americans, including our members and their employees.

Congress’ allocation of $175 billion in financial relief to healthcare professionals through the Public Health and Social Services Emergency Fund (PHSSEF) has been very necessary and greatly appreciated. This vital funding, when fully and appropriately allocated, has the potential to help many healthcare professionals avert practice closures and loss of access to care for our nation’s patients. Yet issues have arisen around the tax implications associated with accepting those funds distributed by the Department of Health and Human Services. Currently, PHSSEF assistance is taxable, resulting in a 21% or more reduction to the benefit for taxpaying healthcare professionals as compared to non-taxpaying healthcare professionals.

This negative impact penalizes those who care for our nation’s most vulnerable. The passage of H.R. 7819/S. 4525 would remove the negative tax implications for PHSSEF recipients by ensuring that all Provider Relief Fund assistance is not taxable, while maintaining that expenses tied to this assistance are tax-deductible. This programmatic change is essential to continuing to support our members and their employees during this unprecedented national health crisis.

As healthcare professionals continue to face new challenges every day, H.R. 7819/S. 4525 would deliver crucial relief and help ease the burden on our nation’s healthcare system. Offering all healthcare professionals, regardless of tax status, the ability to fully utilize the PHSSEF assistance is a laudable goal and is one that we collectively support. We look forward to working together to continue to advance this critical bill.

Sincerely,

Ambulatory Surgery Center Association
American Academy of Dermatology Association
American Academy of Family Physicians
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Orthopaedic Surgeons