

November 24th, 2020

We are a physician owned S Corporation with over 100 providers. Our health care professionals consist of Intensivist (ICU physicians), outpatient pulmonologists, APPs, and hospitalists. We provide the ICU care and hospitalists care for four hospitals in the Denver metropolitan area. On March 15th we cared for our first COVID patient and by April 9th we were caring for 170 COVID and PUI patients per day in our hospitals. About 50 COVID positive patients were in our ICUs. Our outpatient pulmonary practice became a quarter of its prior volume, the sleep labs where we provide service nearly closed, and elective admissions of patients we care for in the hospital general medical and surgical units decreased by at least 40%. Over this three and one half weeks we planned, with our hospital administrative team, how to accommodate a further surge in patient volume, expand and staff additional hospital ICU beds, care for these complicated patients, and work through contingencies for overall bed expansion. Throughout April, May, and early June in our busiest two hospitals we expanded ICU beds to areas outside of traditional ICU areas by over 2 additional ICUs in one hospital and 1 in another hospital. We staffed all of these patients with our existing intensivists. During that first surge in COVID about 45% of patients ended up on ventilators with a 45% mortality.

Our providers took great personal risk in caring for these patients. Our intensivists worked much longer hours and more days than usual. Our hospitalists cared for many Covid patients however, paradoxically their volume of patients overall decreased and the number of shifts required for hospitalists to work decreased during this first wave. Our office staff was left with a fraction of its normal work.

With this tremendous uncertainty of work force needs, type of work force needed, risk of work force loss due to COVID infection, and reduction in volume for hospitalists and office staff, we applied for and received the Payroll Protection Loan with the intent of forgiveness. We followed the rules of the program for payroll attribution, rent, and benefits which applied to our practice. We kept our office staff, billing staff, hospitalists, and allied health professionals employed, paid for sick time off for those who contacted COVID and acted within the requirements of the PPP loan to loan forgiveness requirements.

Physicians are not paid as hourly employees unless contracted as locum tenens providers. Our providers are paid per shift: day, admitting, or night for example. During this COVID first wave we asked our intensivists and intensivist owners, to work much longer hours, with greater risk and anxiety over this period. There was no additional pay per shift in their monthly wages or only pay for additional shifts. However, if we had hired locum tenens physicians or changed our pay structure to pay for overtime hours our payroll requirements would have reflected the increased work provided. Thus, our payroll over this period did not reflect our true work based on an hourly formula for compensation. Nor was there a reason to change our compensation model based on PPP requirements required at that time. In addition, we cared for many underinsured and uninsured patients during this first wave since individuals who were required to work were the most vulnerable to the infection. Our physicians put in extremely long days over this surge interval each increasing their daily hours worked by about 25% per shift.

However, the new OMB Form 3245-0407 implies a change in rules and qualification for PPP loan forgiveness raising red flags about late changes to this program. The new questions regarding dividends do not account for how many medical practices pay their physician owners and their non-owner

physicians. It can therefore give a false impression of how the money may have been used which is grossly unfair and viewed through a retrospective lens.

This questionnaire creates uncertainty for us at a particularly vulnerable time. Colorado and much of the nation is now going through a third wave of COVID. For example, on November 23rd we cared for 166 patients with COVID in our hospitals—the same number as in early April. Unlike during the first surge many elective surgeries have not been cancelled and patients with other conditions are still coming into the hospital. Patients health insurance status is more precarious. Practices like ours have no additional revenue stabilization, such as PPP coming to our business as we continue to try to keep all our providers and employees employed.

I urge you to not change the rules for PPP loan forgiveness away from that originally stated and modified in June. We have used these funds in accordance with the stated requirements of PPP at the time these funds became available. As originally presented PPP provided safety for our workforce despite an unpredictable change in work for intensivists, hospitalists, or office staff. Throughout this uncertainty we kept our employees and provided care for the many COVID patients requiring our services. This work continues.

Joseph M Forrester, MD FCCP

President and CEO

Critical Care & Pulmonary Consultants, P.C.