

September 24, 2020

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The Honorable Nancy Pelosi,  
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United States House of  
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1236 Longworth House Office  
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Washington, D.C. 20515

The Honorable Mitch McConnell,  
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United States Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

The Honorable Kevin McCarthy,  
Leader  
United States House of  
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2468 Rayburn House Office  
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Washington, D.C. 20515

The Honorable Charles Schumer,  
Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

*Submitted Electronically*

**Re: Legislation to Protect Provider Relief Fund Distributions**

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

On behalf of the American Academy of Physical Medicine and Rehabilitation (AAPM&R), we request that Congressional leadership include legislation in the next COVID-19 stimulus package to ensure that providers receiving Provider Relief Fund payments are not treated inequitably due to their tax status. As Congress considers the next round of pandemic response and economic stimulus legislation, it is critical that the gains realized in past and future rounds of legislation are not negatively impacted by inconsistent tax treatment.

AAPM&R is the national medical specialty organization representing more than 9,000 physicians who are specialists in physical medicine and rehabilitation (PM&R). PM&R physicians, also known as physiatrists, treat a wide variety of medical conditions affecting the brain, spinal cord, nerves, bones, joints, ligaments, muscles, and tendons. PM&R physicians evaluate and treat injuries, illnesses, and disability, and are experts in designing

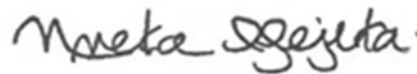


comprehensive, patient-centered treatment plans. Physiatrists utilize cutting-edge as well as time-tested treatments to maximize function and quality of life.

Under previous legislation, Congress has provided significant resources to the Provider Relief Fund (PRF) to support health care providers on the front lines of the COVID-19 pandemic. However, these distributions are currently considered taxable income for taxpaying providers. We do not believe that Congress intended to assist non-profit providers at a significantly higher level than other providers during this unprecedented crisis. Taxpaying providers may lose 21% or more of the benefit from Provider Relief Funds compared to non-profit providers if this is not addressed in the COVID package.

Therefore, we urge Congress to pass legislation to ensure that Provider Relief Fund distributions are not taxable and that expenses attributed to PRF distributions are tax-deductible as standard business expenses. Such legislation would clarify and secure Congressional intent in establishing the PRF to assist healthcare providers during the unprecedented COVID-19 pandemic. The Eliminating the Provider Relief Fund Tax Penalties Act of 2020 (H.R. 7819, introduced by Reps. Cynthia Axne and Neal Dunn and S. 4525, introduced by Sen. Marsha Blackburn) would standardize the treatment of the Provider Relief Fund distributions and ensure that health care providers will be able to realize the full intended benefit of these payments. Including this legislation in the next COVID-19 stimulus package will protect the financial stability of the nation's health care providers as they continue to combat the ongoing pandemic.

Sincerely,



Nneka Ifejika, M.D., M.P.H., F.A.H.A  
Chair, Health Policy & Legislation Committee