NCSL COVID-19 WEBINAR SERIES

Ensuring Financial Stability of Health Care Facilities

MAY 13, 2020
The National Conference of State Legislatures is the country’s most trusted bipartisan organization serving legislators and staff. We promote policy innovation, create opportunities for lawmakers to share knowledge and ensure state legislatures have a strong, cohesive voice in the federal system. We do this because we believe in the importance of the legislative institution and know when states are strong, our nation is strong.
COVID-19 RESOURCES

Information on state policies and responses related to continuity of government, education, fiscal, elections, criminal justice and more.

Go to www.ncsl.org
COVID-19 AND THE U.S. HEALTH SYSTEM WEBINAR SERIES

- Previous COVID-19 webinars (recordings available on NCSL website):
  - Leveraging Medicaid for Coverage, Testing and Treatment – April 21
  - Engaging Private Health Insurance for Coverage, Testing and Treatment – April 29
  - Mobilizing a Safe and Adequate Health Workforce – May 6
Overview of federal actions
Hospital response
Community health center response
State perspective: Minnesota
FEDERAL COVID-19 HEALTH CARE FACILITIES UPDATE

HALEY NICHOLSON- SENIOR POLICY DIRECTOR, HEALTH & HUMAN SERVICES

STATE-FEDERAL AFFAIRS
TOPICS COVERED:

- CARES Act
- Paycheck Protection Program & Health Care Enhancement Act
- HHS Movement
- Resources
CONGRESSIONAL LEGISLATION:
CARES ACT:

- Dedicated funding for health care facilities
- $100 billion for grants to hospitals, public entities, not-for-profit entities and Medicare and Medicaid enrolled suppliers and institutional providers
- For unreimbursed health care related expenses or lost revenue as a result of COVID-19
- Of that funding: $16 billion for the Strategic National Stockpile including for PPE (personal protective equipment), $11 billion for vaccine and diagnostics and $3.5 billion to advance construction, manufacturing and purchasing of vaccines
CARES ACT:

- Along with $250 million to improve the capacity of facilities in order to respond to medical events
- $275 million to expand services and capacity for rural hospitals, telehealth, poison control centers, and the Ryan White HIV/AIDS program through the Health Resources and Services Administration (HRSA)
- Also allows community health centers (CHCs) to use FY2020 funding to maintain or increase staffing and capacity to address COVID-19
PAYCHECK PROTECTION PROGRAM AND HEALTH CARE ENHANCEMENT ACT:

- After the passage of CARES Act, another package passed focusing on Payment Protection Program (PPP) and the health care provider fund
- Provided an additional $75 billion for the fund and is available to reimburse for COVID-19 related expenses and lost revenue
- Includes additional funding set-aside of $600 million for community health centers (CHC) and federally qualified health centers (FQHC)
- $225 million for rural health clinics and $6 million for HHS Inspector General for oversight of the bill’s funds
HHS MOVEMENT:

- HHS awarded $30 billion to providers and went to those that are enrolled in Medicare.
- Facilities and providers were given funding based on their share of 2019 Medicare fee-for-service (FFS) reimbursements.
- Some pushback on these payments on how they overlooked more vulnerable facilities.
- Including those that treat high proportions of Medicaid enrollees, rural areas and other facilities that may not be experiencing the same volume of COVID-19 cases as other areas but have lost needed revenue.
- Hospitals and clinics have received an extra 15 days to confirm if they have received some of this first round of funding.
HHS BREAKDOWN OF FUNDS:

General Allocations:

- $50 billion for general distribution to Medicare facilitates impacted by COVID-19, based on 2018 net patient revenue
- $20 billion of general distribution will be allocated in proportion to a providers’ share of 2018 net patient revenue
- A portion of providers will automatically be sent advance payments based off revenue data they submitted to CMS in cost reports, those without adequate data will need to submit a portal opening this week: https://www.hhs.gov/providerrelief
- There will also be some providers to receive further, separate funding including skilled nursing facilities, dentists and providers that solely take Medicaid
Targeted Allocations:

$10 billion for targeted distribution to hospitals in areas that have been particularly impacted by COVID-19

Will use data received to distribute targeted funds to areas with the greatest impact from COVID-19, including consideration for those serving a significant number of low-income patients
HHS BREAKDOWN OF FUNDS:

- **Uninsured Populations:**
  - A portion of $100 billion of the fund will be used to reimburse healthcare providers, at Medicare rates, for COVID-19 related treatment of the uninsured.
  - Any provider who gave treatment for uninsured COVID-19 patients on or after February 4, 2020 can request claims through the program to be reimbursed at Medicare rates.

- **Allocations for Rural Providers:**
  - $10 billion for rural health clinics and hospitals, with money distributed as early as this week on the basis of operating expenses.

- **Allocation for Indian Health Service:**
  - $400 million for Indian Health Service facilitates, distributed on the basis of operating expenses with funds being distributed as soon as this week.
RESOURCES:

RESOURCES:

- https://www.hrsa.gov/coviduninsuredclaim
- https://www.hhs.gov/about/news/2020/05/07/hhs-awards-more-than-half-billion-across-the-nation-to-expand-covid19-testing.html
- https://www.hhs.gov/about/news/2020/05/07/hhs-extends-deadline-attestation-acceptance-terms-and-conditions-provider-relief-fund-payments-45-days.html
THANK YOU!

Contact Information:

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Health & Human Services
State-Federal Affairs, NCSL DC
Questions and Answers

Please type your questions into the audience chat box.
COVID-19: Ensuring Financial Stability of Health Care Facilities

National Conference of State Legislatures
May 13, 2020
Triple Financial Threat for Hospitals

COVID-19 Preparations & Care

Reduction in non-COVID Care

Investment Losses

American Hospital Association
Advancing Health in America
Hospitals Losing $50 Billion per Month

$202.6B in losses from Mar. 1 – Jun. 30 due to:

- COVID-19 hospitalizations
- Canceled and foregone services
- Acquisition of personal protective equipment
- Support for health care workers, e.g., child care, housing and transportation

Does not include other costs, such as increases in drug and labor costs that have resulted from the pandemic
Particular Vulnerabilities: Rural Hospitals

Emergent
- Opioid epidemic
- Violence in communities

Recent
- Care delivery shifts
- Behavioral health
- Economic and demographic shifts
- High cost of drugs

Persistent
- Low patient volume
- Payer mix
- Patient mix
- Geographic isolation

- Medical surge capacity
- Cyber threats
- Regulatory burden
- Coverage
- Medicaid Expansion
- Health Plan Design
- Workforce shortage
- Aging infrastructure
- Limited Access
Primary Sources of Federal Financial Support

- Public Health and Social Service Emergency Fund
- Medicare Accelerated Payments
- Paycheck Protection Program
- Other:
  - FEMA Disaster Relief Funding
  - USDA Loans
# HHS Emergency Fund

<table>
<thead>
<tr>
<th>Funding</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$175B authorized; $72B distributed:</td>
<td>Intended for <strong>all</strong> providers, not just hospitals, to:</td>
</tr>
<tr>
<td>• All providers ($50B)</td>
<td>• Support COVID-19 preparedness and response</td>
</tr>
<tr>
<td>• Hot spots ($12B, incl. $2B targeted for vulnerable populations)</td>
<td>• Ensure stability for providers experiencing revenue loss</td>
</tr>
<tr>
<td>• Rural ($10B)</td>
<td>• Cover (some) claims for the uninsured</td>
</tr>
<tr>
<td>• Claims reimbursement for uninsured</td>
<td></td>
</tr>
<tr>
<td>• Anticipated soon... Medicaid-providers</td>
<td></td>
</tr>
</tbody>
</table>
HRSA
COVID-19 Claims Reimbursement
to Health Care Providers and Facilities for Testing and Treatment of the Uninsured

$2 billion for testing; coverage for treatment from Emergency Fund

Limited to a subset of treatment claims for the uninsured

- Individuals in limited benefit plans not eligible (short term plans, health sharing ministries)

- Coding rules will make ineligible many COVID cases
## Medicare Accelerated/Advance Payment Programs

<table>
<thead>
<tr>
<th>CARES Act</th>
<th>CMS Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAHs, Children’s, Cancer Hospitals (PPS hospitals already eligible)</td>
<td>Other Medicare Providers Medicare Suppliers</td>
</tr>
<tr>
<td>Up to 100% of payment (125% for CAHs)</td>
<td>Up to 100% of payment</td>
</tr>
<tr>
<td>Up to 6 month time period</td>
<td>Up to 3 month time period</td>
</tr>
<tr>
<td>Recoupment begins after 120 days 100% claims withhold during repayment period</td>
<td></td>
</tr>
<tr>
<td>At least 12 months to repay in full</td>
<td>7 months to repay in full</td>
</tr>
<tr>
<td>Remaining balance subject to interest</td>
<td></td>
</tr>
<tr>
<td>CMS has suspended advance payments for Part B suppliers; “re-evaluating” accelerated payments for other providers</td>
<td></td>
</tr>
</tbody>
</table>

AHA urging for forgiveness of accelerated payments for all hospitals
Looking Ahead... Many Unknowns

§ Subsequent COVID-19 outbreaks

§ Significant coverage losses / increased enrollment in Medicaid

§ Continued delay/cancellation of non-emergent care
State Opportunities

§ Support providers through CARES Act funding for State, Local, Tribal & Territorial Governments

§ Maintain/expand coverage
  § Protect and expand access to Medicaid
  § Help preserve employer & marketplace coverage

§ Engage private payers to support health care system
  § Improve provider cash flow

§ Reduce administrative burdens
Questions and Answers

Please type your questions into the audience chat box.

May 13 | COVID-19: Ensuring Adequate Health Care Facilities
“On the Brink:’
Community Health Centers during COVID-19

Jeremy Crandall
Director, State Affairs
National Association of Community Health Centers (NACHC)
Serving an entire nation...

Health centers currently serve 
over 29 million patients 
including:

- over 13 million people in poverty
- 8.7 million children
- 1.4 million homeless patients
- over 385,000 veterans
- 65,000 patients receiving MAT for opioid use disorder

Health Centers Reach Into America's Most Underserved Communities

There are nearly 1,400 health center organizations operating over 11,000 service delivery locations in every state and territory.

Of these, 45% are Rural Health Centers

1 in 3 People in Poverty
1 in 5 Rural Residents
1 in 5 Uninsured Persons
1 in 6 Medicaid Beneficiaries
Primary Care for the Underserved...

- Health Services:
  - Family Medicine
  - Internal Medicine
  - Pediatrics
  - Obstetrics
- Diagnostic Laboratory and Radiology Services
- Oral Health Care
- Pharmaceutical Services
- Mental/Behavioral Health
- Substance Abuse
- Enabling and Social Services
Health centers on the brink...
COVID’s Direct Impact

COVID-19 Impact on Health Center Visits, Revenue, and Jobs Over 6 Months

- 34 Million Fewer Visits
- $7.6 Billion in Lost Revenue
- 100,500 Lost Jobs


12% of health center staff are unable to report to work due to COVID-19

1,810 health center sites temporarily closed due to COVID-19

Source and Notes: Data presented in this fact sheet come from the Bureau of Primary Health Care, Health Resources and Services Administration, Health Center COVID-19 Survey collected on May 1, 2020. 70% (966) of federally-funded health centers responded. Survey data are preliminary and do not reflect all health centers. Some duplication of patients tested from week to week may occur. For more information, please visit https://bphc.hrsa.gov/emergency-response/coronavirus-healthcenter-data.
### Estimated COVID-19 Impacts on Health Center Revenue, Employment and Visits by State

<table>
<thead>
<tr>
<th>State</th>
<th>Lost Revenue (in millions)</th>
<th>Lost Jobs</th>
<th>Lost Patient Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Total</td>
<td>$7,594</td>
<td>100,499</td>
<td>34,165,790</td>
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<tr>
<td>AK</td>
<td>$203</td>
<td>2,846</td>
<td>163,856</td>
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<td>AL</td>
<td>$34</td>
<td>482</td>
<td>339,899</td>
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<tr>
<td>AR</td>
<td>$46</td>
<td>639</td>
<td>259,907</td>
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<tr>
<td>AZ</td>
<td>$157</td>
<td>2,195</td>
<td>691,087</td>
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<td>CA</td>
<td>$1,514</td>
<td>21,197</td>
<td>6,955,986</td>
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<td>CO</td>
<td>$404</td>
<td>4,843</td>
<td>796,335</td>
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<tr>
<td>CT</td>
<td>$102</td>
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<td>DC</td>
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<td>OK</td>
<td>$42</td>
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<tr>
<td>OR</td>
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<td>UT</td>
<td>$31</td>
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<td>WV</td>
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<td>1,355</td>
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<tr>
<td>WY</td>
<td>$6</td>
<td>84</td>
<td>312,072</td>
</tr>
</tbody>
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**Note:** Estimates are based on a 6 month period and assume 60% decline in visits during this time.

1. Lost health center revenue and jobs analysis conducted by Capital Link, March 2020.
2. Lost health center visits analysis conducted by NACHC using Capital Link data and Uniform Data System, April 2020.
From the front lines...

“As a Family Physician, I knew at some point I would become infected with COVID-19. It was never a question of if, but how sick I would get. I’m grateful to have recovered. But our hours have been cut back as our clinics have limited patient visits, and that leaves me feeling like I am not realizing my full potential as a caregiver.”

-Dr. Christie Thomas, Miami Beach Community Health Center, FL

“I received a call from a worried patient, whose live-in brother had just tested positive for COVID-19. She was already caring for her son with a developmental disability. For her, living together in a cramped two-bedroom apartment in East LA, the medicine she needs most are food, shelter, and access to care.”

-Dr. Ravi Kavasery, AltaMed Health Services, CA

One goes back to what I love most about my patients. I rarely see the worried well. Maybe it goes back to a lack of access to care before West Virginia’s community health center network existed. Rural family doctors need help keeping their doors open.

-Dr. Kimberly Becher, Community Care of West Virginia, WV
Health Center COVID Response

In the past week:

- 59% of patients tested were racial and/or ethnic minorities
- 65% of patients tested positive were racial and/or ethnic minorities

Turnaround Time for Test Results:

- 12 hours or less: 0
- 24 hours: 25
- 2-3 days: 50
- 4-5 days: 50
- More than 5 days: 0

Total Reported as of May 1, 2020:

- 356,517 patients have been tested
- 61,472 patients have tested positive
- 3,976 staff have tested positive

Increases since last week:

- 101,401
- 19,956

88% have the ability to test
65% have walk-up or drive-up testing

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State Actions – Protecting Medicaid

- CHCs serve 1 in 6 Medicaid enrollees

- Right now...
  - Utilize existing tools to protect provider payments

- Next legislative session...
  - Avoiding Great Recession 2.0 impact on Medicaid services

- Codify innovations...
  - Medicaid enrollment and eligibility
  - Social Determinants of Health
State Actions – Telehealth

- Proof positive it is time to end barriers to telehealth care delivery

- Brings care to patients. Addresses social determinants of health. Solves medical management challenges.

- Key priorities...
  - Medicaid FQHC telehealth coverage
  - Audio-Only
  - Coverage for privately insured

- Permanent federal solution...
Looking ahead in the COVID fight

- CHCs doing massive community testing during the COVID-19 recovery

- CHCs key in reaching vulnerable populations hard hit by virus, ready to support getting the American economy back to work

- But we need your help...
  - Need for PPE still extreme & distribution is state-based

- Stable funding and support for policies that protect the health center system of care

- Collaboration with state FQHCs and Primary Care Associations (PCA) on statewide testing and contact tracing plans
Questions?

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Nat’l Association of
Community Health Centers

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(202) 316-1202
Questions and Answers

Please type your questions into the audience chat box.

May 13 | COVID-19: Ensuring Adequate Health Care Facilities
Minnesota Health Care COVID Response
Collaborative Care Is Our Practice

- Minnesota Care Systems
  - Rural
  - Urban
  - Independent
  - Collaborative

- Hospital Regions
  - Regularly coordinating
  - Leadership connections
Practice Makes Better

- From a convention to COVID
- 2006 Republican Convention
- 35W Bridge 2007
  - Excellent coordination
  - “Twin Cities” working together
- Super Bowl 2018
- Final Four 2019
- COVID 2020
Public- Private - Partners

• Top Tier Public Health Lab
• U Of M Medical School
  • World Class Immunology
  • Leading Epidemiologist
• Mayo Clinic
• Top Hospitals (US News & World Report)
Preparation

• Wolstenholme February 27\textsuperscript{th}
• Infectious disease hospital February 28\textsuperscript{th}
• Broad public health support in record time $21 million
• Hospital and Long-Term Care grants $200 million
• Governor COVID Account $200 million
Hospital Impact

• Preparation coordination across regions
• Conserve PPE
  • 3M in Minnesota
• Cancel elective procedures
  • Losses of $3.2 billion
  • Health care providers cut
  • Minnesotans care delayed.
Prepared

- ICU and Isolation beds slightly short
- Vents 1000 over ICU beds
- PPE
  - Short
  - Planned
- Time to train
- Learning from others
Looking Ahead

• Elective procedures resuming
• When will we see peak?
• Hospital finances
  • Closure?
  • Consolidation?
Questions and Answers

Please type your questions into the audience chat box.
ADDITIONAL RESOURCES