

NATIONAL OUTLOOK



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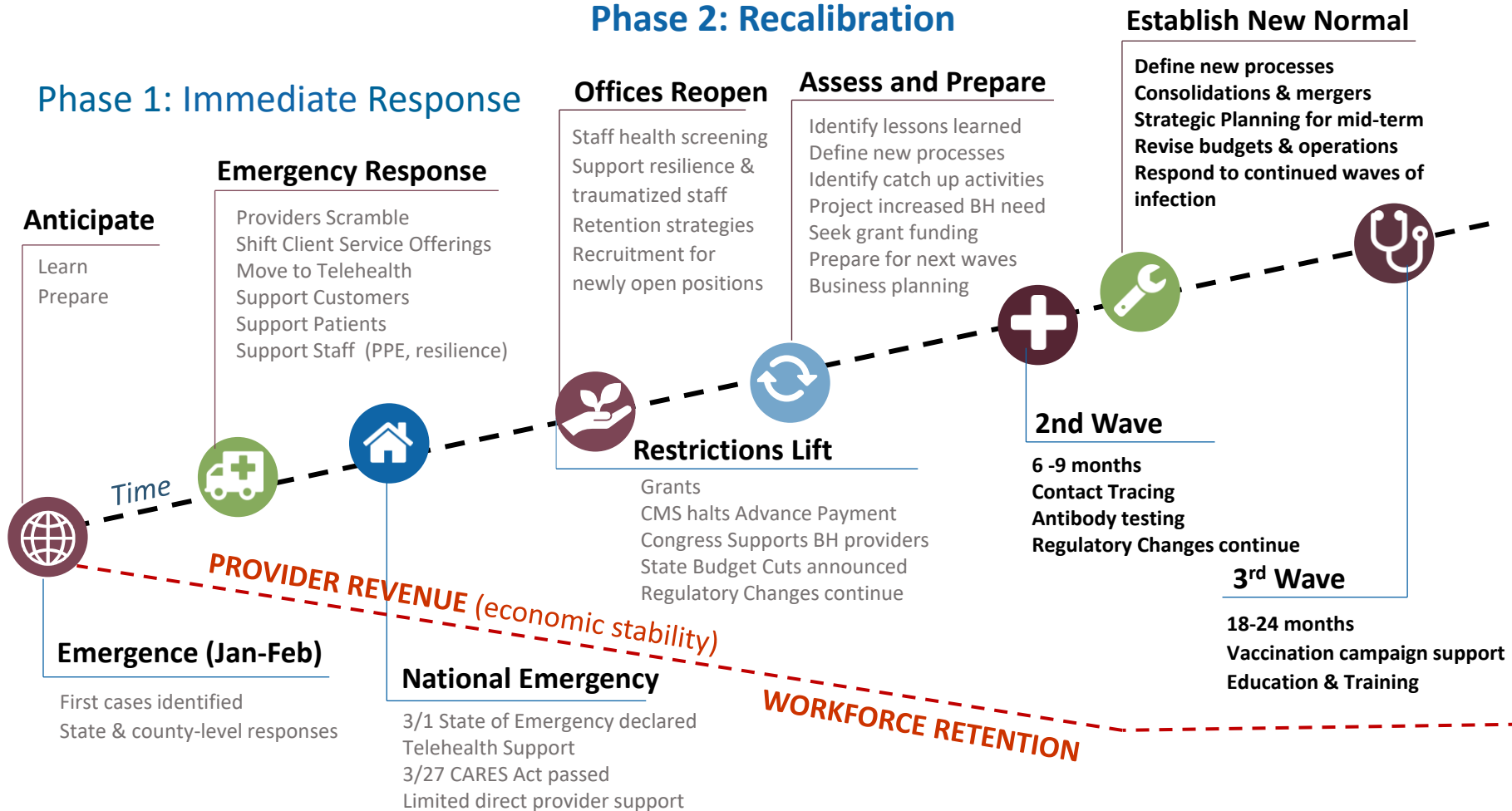
Health Management Associates

COVID TRAJECTORY: DIFFERENT PHASES IN DIFFERENT PLACES

Phase 3: Systems Change & Continued Response

Phase 2: Recalibration

Phase 1: Immediate Response



NATIONAL TRENDS



Partnerships and Consolidation

Alternative Payment Arrangements

Virtual/Remote Care and Telehealth

Emphasis on Social Determinants

PARTNERSHIPS

- + **Provider/Provider**
 - + Accountable networks
 - + Joint Ventures
 - + Mergers and Acquisitions
- + **Provider/Payer**
- + **Community-Based Organizations including Faith-based Organizations**
- + **Government**
- + **Health/Behavioral health**



Financial Strain is Driving Consolidation and Providers to.....

**Review existing
partnerships for
ROI and relevance**

**Identify gaps in
care –
community's and
yours**

**Leverage
associations and
networks for
advocacy support**

**Consider
community fabric
of care (CBOs)
worn thin by crisis**

The background of the slide is a collage of US dollar bills, including \$100 and \$10 bills, with a green tint. The bills are overlapping and slightly blurred, creating a textured effect.

**NOW, MORE THAN EVER
BEFORE, WE REALIZE A FEE-
FOR-SERVICE SYSTEM IS
NOT FINANCIALLY
SUSTAINABLE**

Participation Options

The CHART Model consists of two tracks for rural communities to implement APMs to improve access to high quality care and reduce costs.

Cooperative Agreement Award Recipients of the Community Transformation Track may not participate in the ACO Transformation Track



Community Transformation Track

Communities receive **upfront funding**, **financial flexibilities** through a predictable capitated payment amount (CPA), and **operational flexibilities** through benefit enhancements and beneficiary engagement incentives.

This track builds on lessons learned from:

- *Maryland Total Cost of Care Model*
- *Pennsylvania Rural Health Model*



ACO Transformation Track

Rural ACOs receive **advance shared savings payments** to participate in one-sided or two-sided risk arrangements in the Medicare Shared Savings Program (Shared Savings Program).

This track builds on lessons learned from:

- *ACO Investment Model (AIM)*

WAVES OF FEDERAL FUNDING



The Families First
Coronavirus
Response Act
(Public Law 116-
127) was signed
into law on March
18, 2020



The Coronavirus
Preparedness and
Response Supplemental
Appropriations Act (Public
Law 116-123) was signed
into law on March 6, 2020



The Coronavirus
Aid, Relief, and
Economic Security
Act or “CARES Act”
(Public Law 116-
136) signed into
law on March 27,
2020



Paycheck Program
and Health Care
Enhancement Act
(Public Law 116-
139) was signed
into law on April
24, 2020



Other existing,
expanded, or
extended federal
funding

In Medicare, telehealth grew exponentially during COVID-19:

Telehealth Users

- 11,000 beneficiary users (early March)
- 1.3 million beneficiary users (mid-April)

Telehealth Visits

- 19,000 visits (February)
- 2.1 million visits (April)

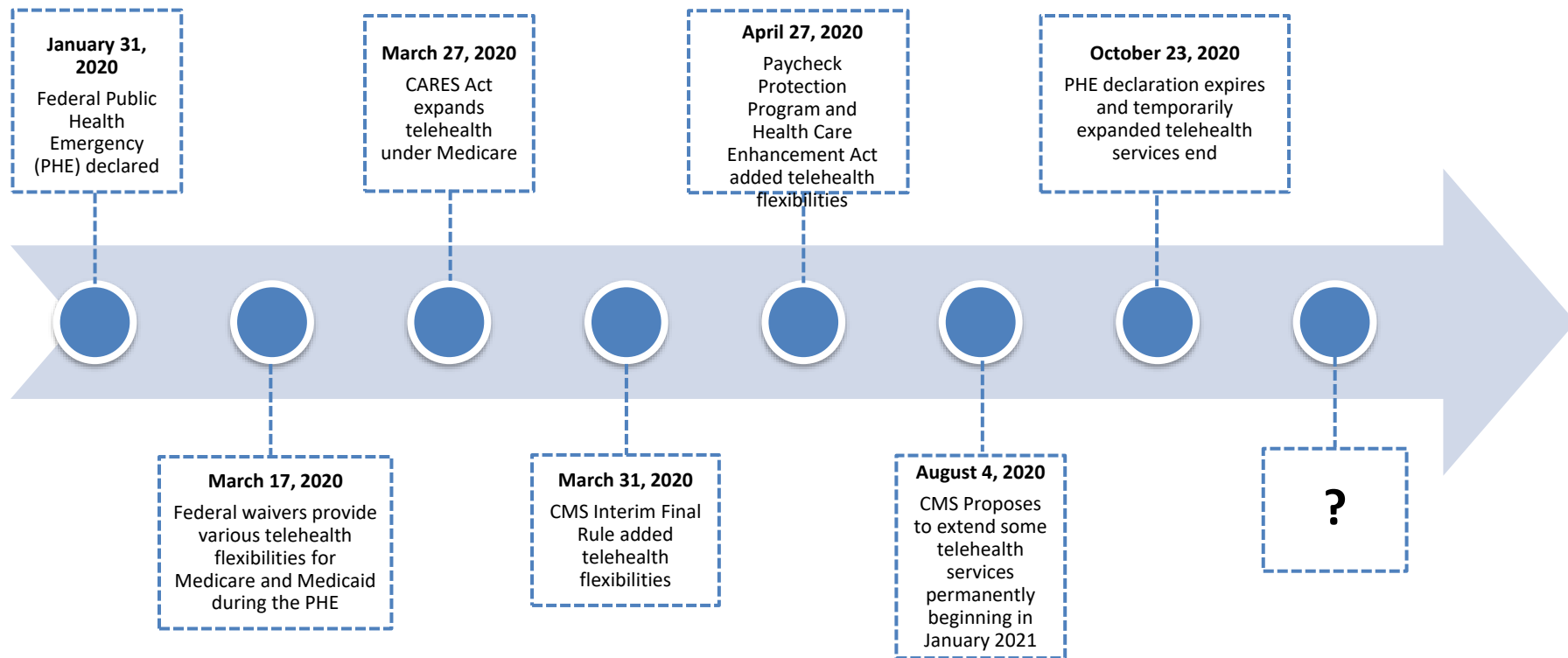
Nearly half of all Medicare primary care visits were via telehealth in April, compared with less than 1% in February before the start of the COVID-19 pandemic.

Source: HHS Assistant Secretary of Planning and Evaluation, July 28, 2020 and www.healthcarediver.com

HEALTH MANAGEMENT ASSOCIATES



Medicare and Medicaid telehealth coverage expanded numerous times in early months of COVID-19 pandemic



■ SOCIAL DETERMINANTS AND ADDRESSING EQUITY IN TELEMEDICINE

Disparities in the use of telehealth is not a new concept.

Telehealth does not increase access to everyone equally.

Consider: English language literacy, health literacy, technology limitations and connectivity issues.



NYSARH 2020

Karen Roach
Healthcare Association of New York State





NYS Budget

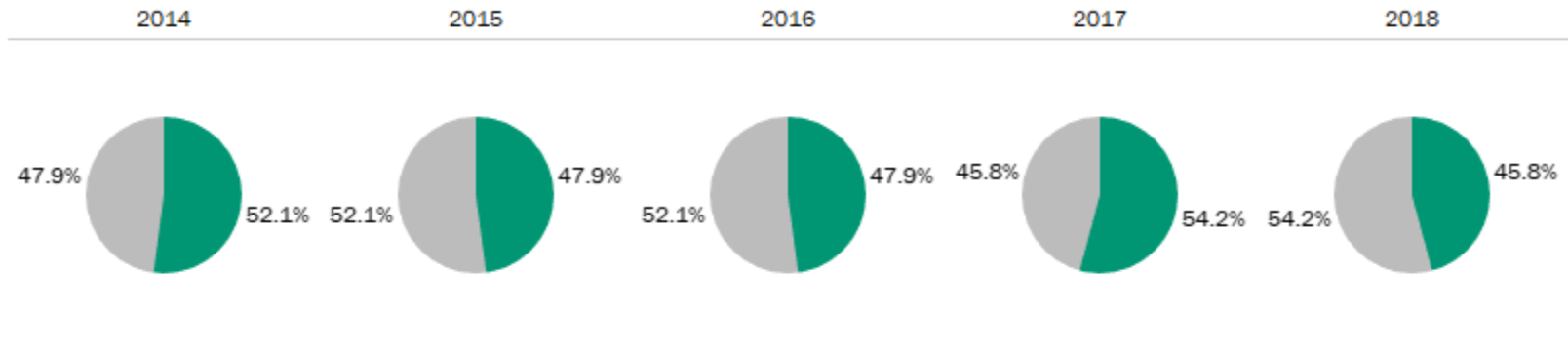
Current budget year (SFY 2020-2021)

- \$2 billion in ongoing Medicaid reductions recommended by MRT
 - Provides DOB with authority to make mid-year budget reductions
 - Revised shortfall is about \$14 billion
 - Additional current year cuts of up to 20% may be announced by end of September
-

Upcoming budget year (SFY 2021-2022)

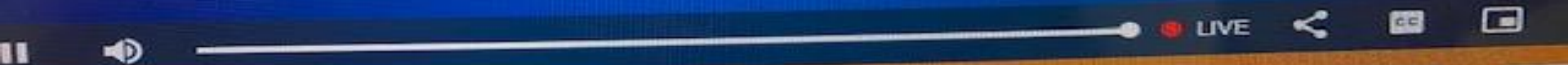
- DOB projects next year budget shortfall of ~ \$16 billion

Pre-COVID - NY Rural Hospitals with Negative Margins



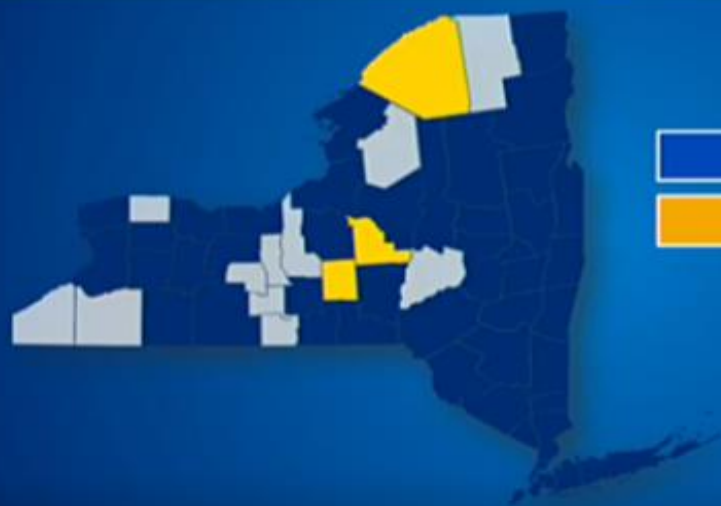
Structural Challenges

- High percentage of fixed costs (80-90 percent for Critical Access Hospitals)
- Population is older, sicker and poorer
- Geographic isolation
- Workforce shortages
- Lack of leverage with private payers
- High Medicare and Medicaid caseloads



ame Email Zip

Counties with Confirmed COVID-19 (get new)



COUNTIES WITH EXISTING CASES

COUNTIES WITH NEW CASES TODAY

Cortland County

Madison County

St. Lawrence County

STAY HOME. STOP THE SPREAD. SAVE LIVES.

CUOMO: ALL ELECTIVE SURGERIES IN NEW YORK STATE TO BE CANCELED



BOB JOSEPH | Published: March 22, 2020

Image: ny.gov

LIVE

The Washington Post

Democracy Dies in Darkness

PowerPost • Analysis

The Health 202: Hospitals must start paying back billions borrowed from government during pandemic



By Paige Winfield Cunningham

August 3, 2020 at 7:48 a.m. EDT

+ Add to list

with Paulina Firozi

U.S. hospitals are on the hook starting this week to pay back billions in federal loans that helped tide them over when they had to scale back services amid the pandemic's initial surge in the spring.

But hospitals say the repayments, which are to be docked from their regular Medicare payments until they're fully paid back, could put **rural and low-income-serving facilities underwater – particularly in areas where the coronavirus [continues to surge](#).**

National

As coronavirus spreads, rural hospitals are running out of money

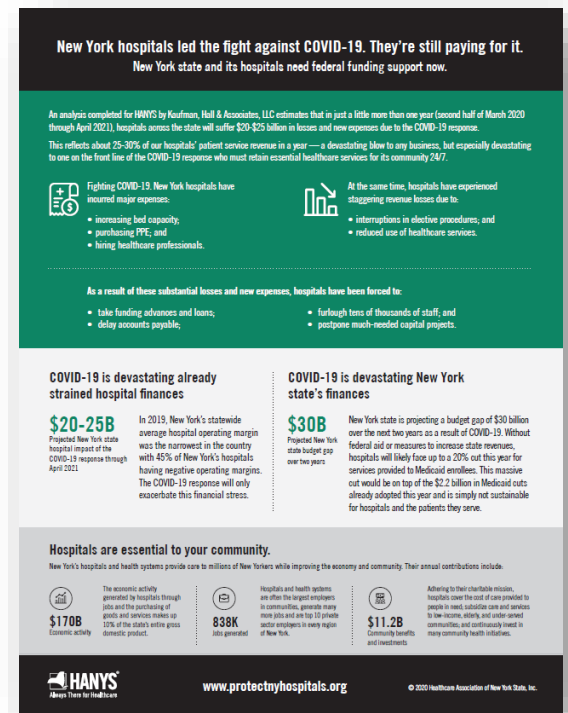
March 24, 2020 | 5:28 PM EDT

Three Rivers Hospital in rural Washington state doesn't have any coronavirus patients yet, but the outbreak has put the facility in financial straits. The cancellation of elective procedures means there's no revenue coming in; without financial relief, the hospital says it could be unable to meet payroll in a matter of weeks.



COVID-19's impact and budget next steps

- **\$20 - \$25 billion** in COVID-19 related losses and expenses through April 2021
- **Reflects 25% - 30%** of our hospitals' patient service revenue in a year
- **\$30 billion:** Projected New York state budget gap over two years





**New York hospitals led the fight
against COVID-19.
They're still paying for it.**

ProtectNYHospitals.org



Long-Term and Post-Acute Care in the Wake of COVID- 19

Presentation to the
NYS Association for Rural Health

Klipson@leadingageny.org
www.leadingageny.org

Karen Lipson, EVP for Innovation Strategies
LeadingAge New York

ABOUT LEADINGAGE NEW YORK

- Representing the continuum of not-for-profit, and public continuing care statewide
- Home and community-based services, adult day health care, nursing homes, senior housing, continuing care retirement communities, adult care facilities, assisted living, hospice, and Managed Long Term Care/PACE plans.
- 400-plus members serve an estimated 500,000 New Yorkers of all ages annually.

LONG-TERM/POST-ACUTE CARE PRE-COVID: VIBRANT FACILITIES AND COMMUNITY-BASED CARE

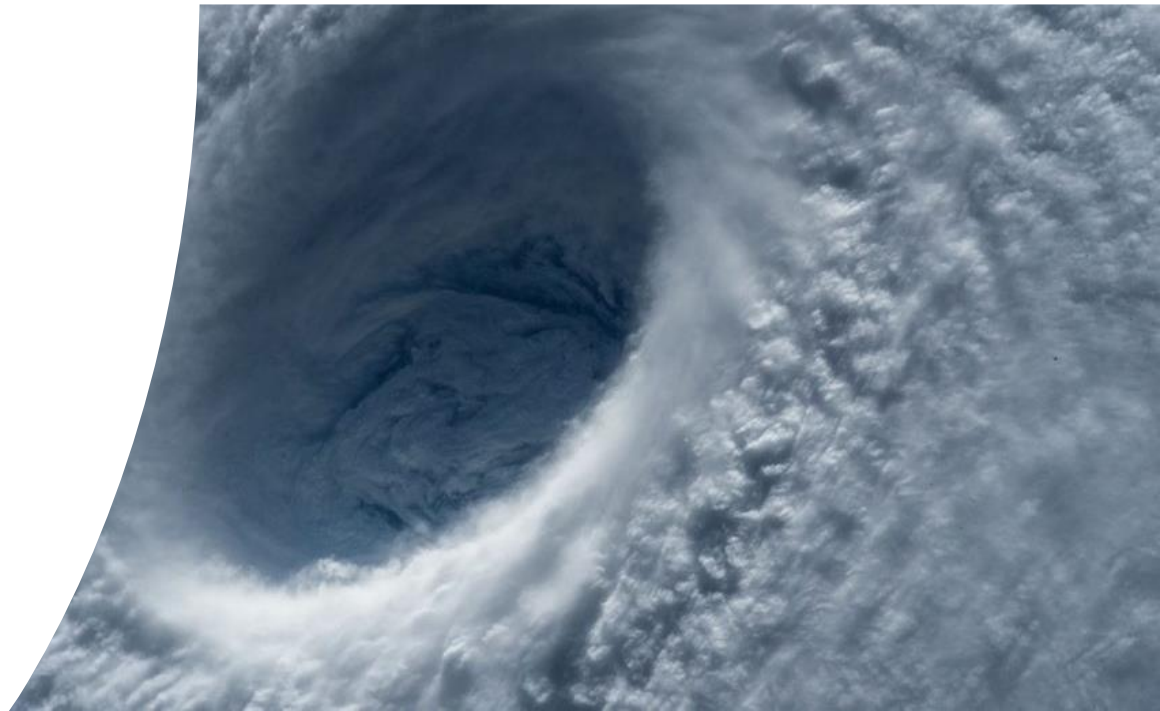
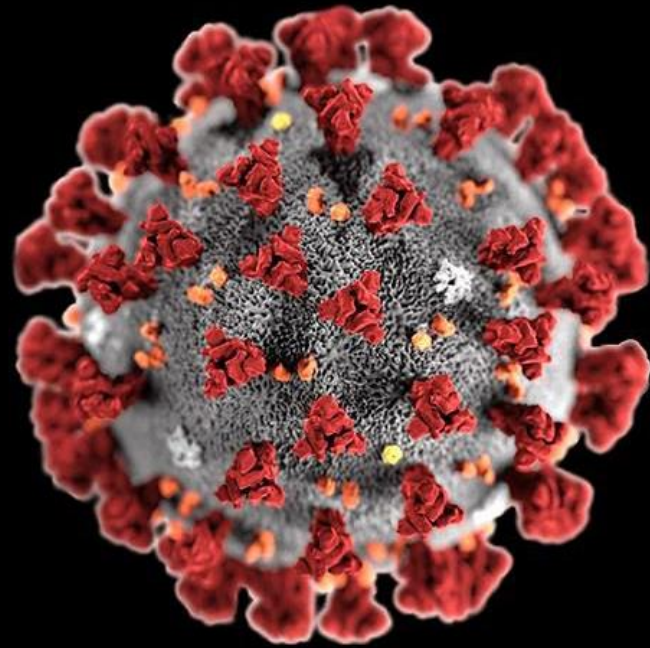


PRE-COVID CHALLENGES

- Growing population of older adults
- Workforce shortages
- Deep Medicaid cuts; no inflation adjustment since 2007; little public investment
- Rural LTPAC challenges:
 - Wage/benefit expenses; competition for staff with hospitals, state institutions, and retail/fast food; lack of public transportation and vast geography; inability to spread fixed costs
 - Competition with local hospitals and urban health systems for post-acute patients
- Nursing homes, ACF closures.

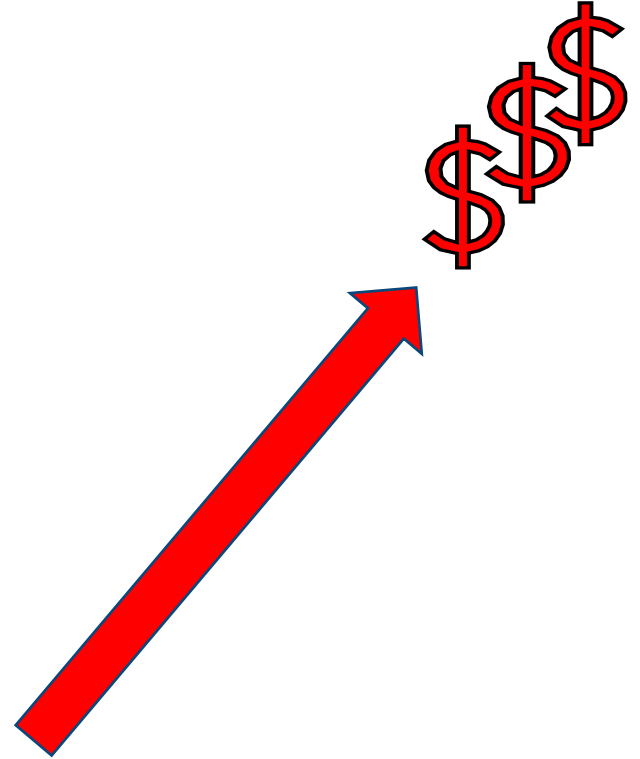
COVID AND NURSING HOMES

- Vulnerable population
 - Congregate environment
 - Atypical presentation
 - Unique needs of people with Alzheimer's or dementia
- Lack of resources and public support
 - PPE
 - COVID tests
 - Staffing challenges



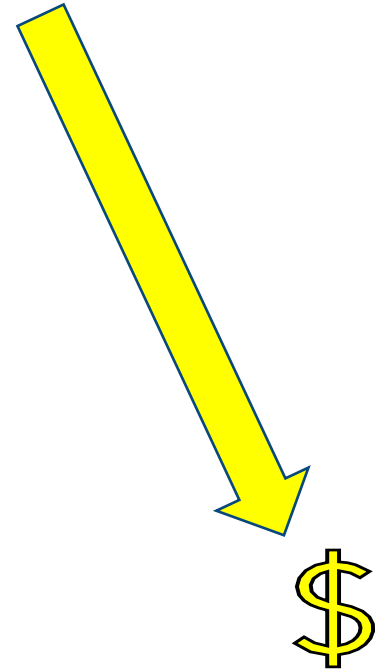
COVID-19 FINANCIAL IMPACTS

- Costs skyrocket
 - PPE, disinfectant and hand sanitizer
 - Staff and contractor testing
 - COVID sick leave
 - Hazard pay
 - Additional staff
 - Screening, testing, virtual social engagement, visitation
 - Digital devices, subscriptions



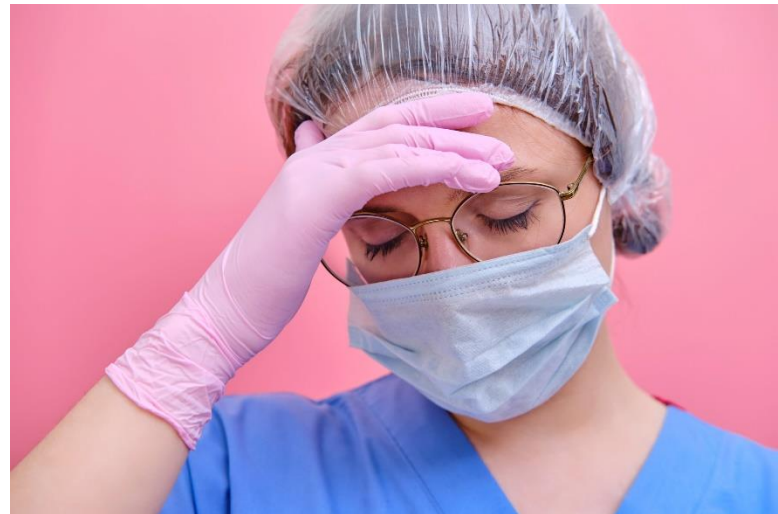
COVID-19 FINANCIAL IMPACTS

- Revenues plummet
 - Cessation of elective surgeries; Medicare rehab revenue declined
 - Overall census down
 - Adult Day Health Care closure
 - Medicaid 1% ATB cut in January; 1.5% in April



PSYCHOSOCIAL IMPACTS

- Stress and grief across organizations and communities.
- Social isolation causing physical, emotional, cognitive decline among older adults.
- Staff are disproportionately affected.





OPERATIONAL IMPACTS

- Screening, testing, recording
- Cohorting
- Telehealth
- Digital socializing
- Restricted visitation
- Socially-isolated dining
- Loss of salon, barber services
- PPE stockpiles
- Repeated surveys and audits

NEW NORMAL?

- **Opportunities:**

- More telehealth and virtual training
- Stronger collaborations along continuum
- Regulatory flexibilities
- Workforce growth?

- **Challenges**

- *Financial distress*
- Balancing infection control with quality of life
- Workforce
- Transportation

VALUE-BASED PAYMENT AND LTPAC

Medicare \$



Medicaid \$

Sustainability:

Behavioral Health Providers

James Button, MSW



JAMES BUTTON, MSW ***CEO OF CITIZEN ADVOCATES***

Mr. Button began his healthcare career as a clinical social worker and has held various positions at Citizen Advocates. Pursuing his passion for public policy, he left the organization briefly in 2015 to work closely with state healthcare agencies in Albany. He returned to Citizen Advocates as COO in 2017 and was elevated to CEO in July of 2020.



BEHAVIORAL HEALTH SUSTAINABILITY LANDSCAPE: PRE-COVID

- Care Model
 - Rise in innovation
 - Increased complexity
- Financial Structure
 - Shifting payment mechanisms
 - Diminishing reimbursement
- Regulatory Standards
 - Enhanced scrutiny
 - Limitations on sharing PHI





BEHAVIORAL HEALTH SUSTAINABILITY LANDSCAPE: IMPACT OF COVID

- Care Model → Transformed
 - Fully embraced telehealth (clients and workforce) with little time for planning
- Regulatory Standards → Relaxed
 - Accelerated flexibility in policies to meet the needs of the community
- Financial Structure → Reduced/Strained
 - 20% across the board cuts from OMH, OASAS, OPWDD



BEHAVIORAL HEALTH SUSTAINABILITY LANDSCAPE: VOLUME INCREASED

- Behavioral Health Providers see increased demand 
- Mental Health an emerging crisis of COVID 

“Demand for mental health and addiction treatment services has increased significantly just as the COVID-19 pandemic continues to weaken the financial viability of behavioral health organizations and reduce the availability of lifesaving treatment and services”

- National Council for Behavioral Health



BEHAVIORAL HEALTH IMPACT ON PROVIDERS AND PATIENTS: A MIXED BAG

- Shifting Care Model



- Transportation barriers removed
- Stigma somewhat mitigated
- Reduced no show rate
- Expanded populations served



- New needs emerging/Access to internet
- Disparities remain/Not a one size fits all

- Staffing



- Telecommuting flexibilities for staff
- Expansion of recruitment opportunities



- New stressors for the workforce



BEHAVIORAL HEALTH SUSTAINABILITY LANDSCAPE: A MIXED BAG

- Financial Structure



- Reduced need for fixed assets



- Less funding

- Regulatory Standards



- Relaxed and flexible regulations



- Geopolitical uncertainty/November elections



BEHAVIORAL HEALTH SUSTAINABILITY LANDSCAPE

While the partisan politics in Washington continue to reflect a country divided, there are a few items that have bipartisan support....

- *Moving away from Fee For Service*
- *Telehealth is here to stay*
- *Integrated care models have tremendous value*





Thank You!