



# COVID-19 Funding Sources Update and How to Overcome Obstacles to Access Relief

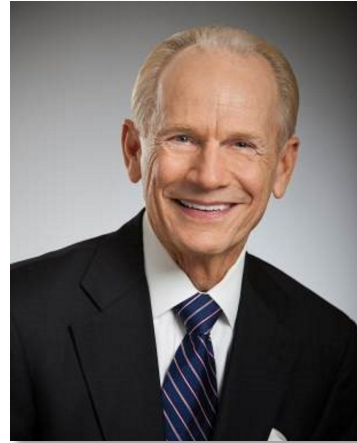
April 17, 2020

# Introducing Our Facilitator and Presenters

## Facilitator



**Allen Miller**  
Principal and  
Chief Executive Officer  
COPE Health Solutions



**C. Duane Dauner**  
Executive Advisor  
COPE Health Solutions



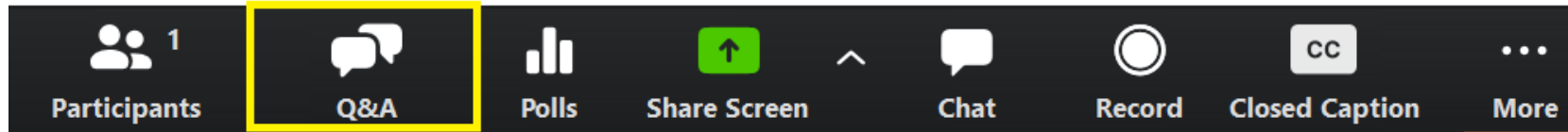
**Andrew Snyder, MD**  
Principal and  
Chief Medical Officer  
COPE Health Solutions



**Elizabeth DuBois, DNP**  
Vice President  
COPE Health Solutions

# Housekeeping

- Please enter questions through the Q&A feature in Zoom (screenshot below), and we will answer questions at the end
  - You may also email questions directly at [info@copehealthsolutions.com](mailto:info@copehealthsolutions.com)



- Attendees will receive a PDF copy of the presentation, a link to the recording and a written Q&A
- After the presentation, COPE Health Solutions will send out a brief survey—we'd greatly appreciate you sharing any comments or feedback!

# Agenda

1. Introductions and Overview
2. COVID-19 Emergency Relief Funding Opportunities
3. What Does This Mean for Health Systems and Hospitals?
4. What Does This Mean for Physician Groups and Physicians?
5. What Does This Mean for FQHCs?
6. In Summary
7. Questions & Answers (Q&A)

# Overview

There are currently multiple grant and loan funding opportunities, including the **Coronavirus Aid, Relief and Economic Security (CARES) Act**, to aid health care providers facing increased expenses and lost revenues due to the COVID-19 pandemic.

It is anticipated that **additional federal funding** will become available, and state and local legislators, as well as payors, have already and will continue to take actions to provide relief.

Providers need to be strategic while dealing with the emergent challenges created by COVID-19 in order to **ensure access to care, maximize revenue and reduce costs.**

1

Provide updates and options for **funding, cost reduction** and **revenue opportunities**

2

Share **best practices** and lessons learned

# COVID-19 Emergency Relief Funding Opportunities

# What Funding Has Been Distributed?

The following funds have been (or soon will be) distributed to providers:

## All Providers

- \$30 billion of \$100 billion distributed through the Public Health and Social Services Emergency Fund
- 20% add on to select Medicare DRGs related to COVID-19
- \$51 billion has been dispersed via Accelerated and Advanced Medicare Payments

## Hospitals

- \$50 million to be distributed to state hospital associations through the Hospital Preparedness Program by end of April

## FQHCs

- \$100 million awarded to 1,381 health centers (average award \$70,000)
- \$1.3 billion released (average award \$950,000)

## Small Companies

500 people or less

- Small Business Administration (SBA) Paycheck Protection Program (PPP) distributed more than \$349 billion and approved 1.66 million applicants
- Economic Injury Disaster Loan (EIDL) distributed advances up to \$10,000

# Immediate Available Funding – Overview

There are many funding opportunities that providers qualify to receive such as:

**CARES Act  
Grants  
and Loans**



**FEMA**



**Hospital  
Preparedness  
Program**



**Private Payors**



**Private Grants**



**Government  
and State  
Opportunities**





# Immediate Available Funding – FEMA

Federal Emergency Management Agency (FEMA) – funds for pandemic preparedness related to threats to public safety and emergency medical care and directed to state, local, tribal, and territorial government entities and certain private non-profit organizations

## How Much is Available

- \$45 million available for FEMA Disaster Relief Fund accompanied by \$42 million in existing Disaster Relief Funds

## Permitted Use of Funds

- Supplies (PPE) and capital directly for COVID-19 medical care
- Excludes broader areas of hospital personnel costs and funding for lost revenues

## Cost Sharing

- 75% Federal cost share and the remaining 25% must be covered by organization and cannot be covered with other Federal grants or loans

## Exclusions

- Organizations that receive funding will not be eligible for duplicate assistance provided by HHS, CDC or other federal agencies

# Immediate Available Funding – CARES Act (PL116-136)

Coronavirus Aid, Relief and Economic Security (CARES) Act

## CARES Act Loans



Employer Payroll Tax Delay



Small Business Loans/  
Paycheck Protection Program (PPP)



Economic Inquiry  
Disaster Loan (EIDL)



Corporate Relief Fund

## CARES Act Grants



Telemedicine



Hospital Preparedness Program



Cooperative Agreement for  
Emergency Response



Capital Payments for Extraordinary  
Circumstances

# Future Distribution of Remaining CARES Act Funds

Within the CARES Act, \$70 billion remains to be distributed to providers. Targeted funding areas include:



Areas that are **COVID-19 hot spots**

Providers with lower shares of Medicare reimbursement, who **predominantly serve Medicaid or serve uninsured (including children's hospitals)**

**Rural providers**

**Medicare Advantage**

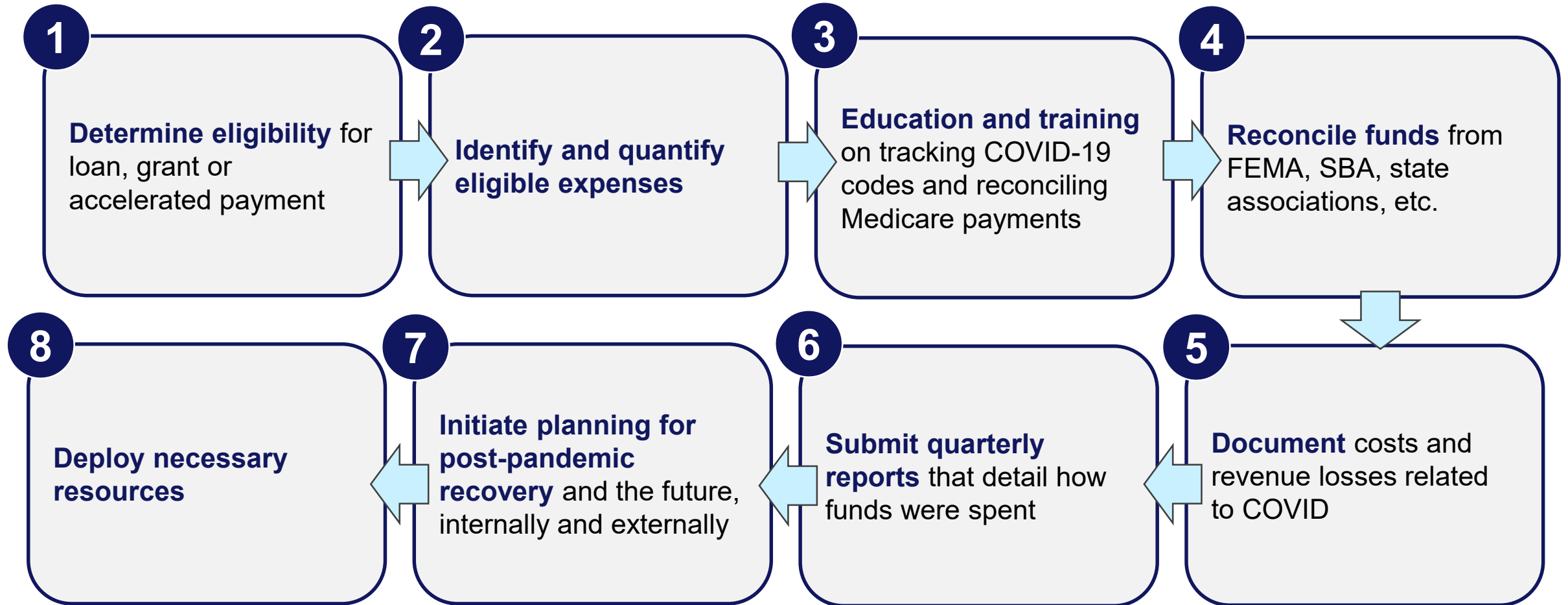
# What Does This Mean for Health Systems and Hospitals?

# Emergency Relief for Health Systems and Hospitals

	Hospital Preparedness Program	Public Health and Social Services Emergency Fund	Corporate Relief Fund	Paycheck Protection Program	FEMA Public Assistance Program	COVID-19 Telehealth Program
Type	Federal grant	Federal grant	Federal loan	Federal loan	Federal grant	Federal grant
Available Amount	\$50 million	\$100 billion <i>*\$70 billion remaining</i>	\$500 billion	\$350 billion from CARES Act  <i>*Pending additional funding through future legislation</i>	\$45 million in FEMA disaster relief  \$42 million existing disaster relief	\$200 million
Eligible Providers	<ul style="list-style-type: none"> <li>Hospitals</li> <li>Health systems</li> </ul>	<ul style="list-style-type: none"> <li>Public entities</li> <li>Medicare/ Medicaid suppliers and providers</li> <li>Physician practices</li> <li>Hospitals</li> <li>Long-term care facilities</li> </ul>	<ul style="list-style-type: none"> <li>Large hospitals</li> <li>Health systems</li> </ul>	<ul style="list-style-type: none"> <li>Small physician practices</li> <li>Medical groups</li> <li>Community hospitals</li> <li>Smaller hospitals with &lt;500 employees</li> </ul>	<ul style="list-style-type: none"> <li>Hospitals</li> <li>Outpatient facilities</li> <li>Rehabilitation facilities</li> <li>Long-term care facilities</li> </ul>	<ul style="list-style-type: none"> <li>All nonprofit providers</li> </ul>

# Accessing Emergency Funds

Access available funds and prepare for additional upcoming funds while strengthening network



# Managing Through the Crisis

How health systems and hospitals can stay in front of potential problems

## Internally:

- Document existing costs and revenue losses related to COVID-19 and prepare for reporting and audits
- Issue regular reports and expressions of appreciation from CEO/COO (and occasionally the board chair) to workforce
- Enforce temporary policies to protect patients and workforce including infection control
- Make special arrangements for employees while at work, quarantined or ill

## Externally:

- Conduct regular informative communications to the community (including virtual town halls)
- Collaborate with neighbors and competitors while supporting physicians, physician groups, rural health clinics and FQHCs
- Communicate with payors
- Create outreach sites for testing, diagnosis and treatment
- Be aware of potential vulnerabilities and wild cards

# Improving Revenues and Care Delivery

Coordinating revenues and provider relationships to improve care delivery

## Revenues



- Prepare for reduction in commercial payor mix
- Maximize care management revenue
- Expand telehealth services, improve coding
- Include recovery and disaster preparedness in negotiations with health plans
- Develop new ambulatory, home care and outreach services
- Incorporate population health management strategies

## Partnerships



- Coordinate services, use of supplies, etc. with neighboring health care providers
- Ask insurance and utility companies for discounted rates/refunds
- Conduct fundraising campaigns to cover COVID-related losses
- Identify ways to acquire funds for affiliated physicians and ambulatory facilities
- Support engagement with health centers and clinics

## Networks



- Prepare for surge in Medicaid (particularly in Medicaid expansion states) and exchange patients
- Leverage Stark Law Blanket Waivers to align with physicians and other hospitals
- Engage with FQHCs
- Consider potential to formalize a network of community-based organizations (CBOs) to support patients with needs exacerbated by COVID
- Options for the future



# Transitioning from Crisis to the “New Normal”

Preparing for recovery/reopening and the “new normal”



## End of State of Emergency

- Implications for national, state, regional, local jurisdictions
- Rolling transition/reopening
- Local/regional coordination and collaboration-testing, prevention and care
- Delivery system restructuring



## Reopening Health Care

- Return/revision of previous rules and payment policies
- Data submission and reconciliations
- Workforce and medical staff recovery and changes
- Network enhancement
- Patient trust and utilization



## Financial Considerations

- Insurance, pooling or self-reliance
- Liquidity, bond covenants, loans, advances and donations
- Mix of uninsured, Medicaid, exchange and private patients

# What Does This Mean for Physician Groups and Physicians?

# Emergency Relief for Physicians and Physician Groups



**CARES Act**  
Public Health  
and Social  
Services  
Emergency  
Fund

**CARES Act**  
Small Business  
Loans / Paycheck  
Protection  
Program (PPP)

**CARES Act**  
Economic Injury  
Disaster Loan  
(EIDL)

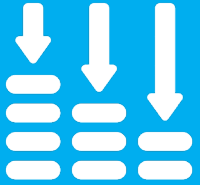
**Federal  
Emergency  
Management  
Agency  
(FEMA)**

**Hospitals or  
Health Systems**  
through new  
blanket waivers

**Large Medical  
Groups and  
MSOs offering  
financial support**

# Accessing Emergency Funds

How physician groups and physicians can access emergency funds and remain in business



Document existing costs and revenue losses related to COVID-19



Prepare common financial documents for loan application



Prepare for reporting



Complete or get help to complete the SBA Borrower Application Form & Attestation and EIDL



Prepare for other loan and grant opportunities (if applicable)



Document average payroll

# Immediate Strategies for Long Term Growth

Physicians have an opportunity to increase revenues and grow their medical groups

Immediate	Short Term Strategic	Long Term Strategic
Maintain payroll, staffing, and office infrastructure	Attract more physicians and advanced practitioners to grow practice or group	Reinvest into infrastructure for “next generation” care models (e.g., telehealth)
Approach hospitals/systems for direct support (e.g., Stark Waivers)	Coordinate hospital, ASC, ambulatory, and virtual services across the communities	Partner with FQHCs, RHCs, CHCs, CBOs

# Leveraging Blanket Waivers to Engage Hospitals

Providers can leverage the new framework set by Stark Law Blanket Waivers to engage in new partnerships

## What Can Hospitals or Health Systems Do for Physicians?



- Consider strategy to engage as many community providers, groups and IPAs once thought “not available”
- Develop concrete financial options including potential employment, income guarantees to recruit new physicians or advanced practitioners, payments for COVID-19 related services, as well as a package of available value-add services

## How Can Providers Engage with Hospitals and Health Systems?



- Approach system of choice and discuss capital and infrastructure support needed to improve access and care for patient populations
- Discuss new value propositions to grow business and improve performance on value-based payment arrangements
- Consider longer term clinical integration strategy

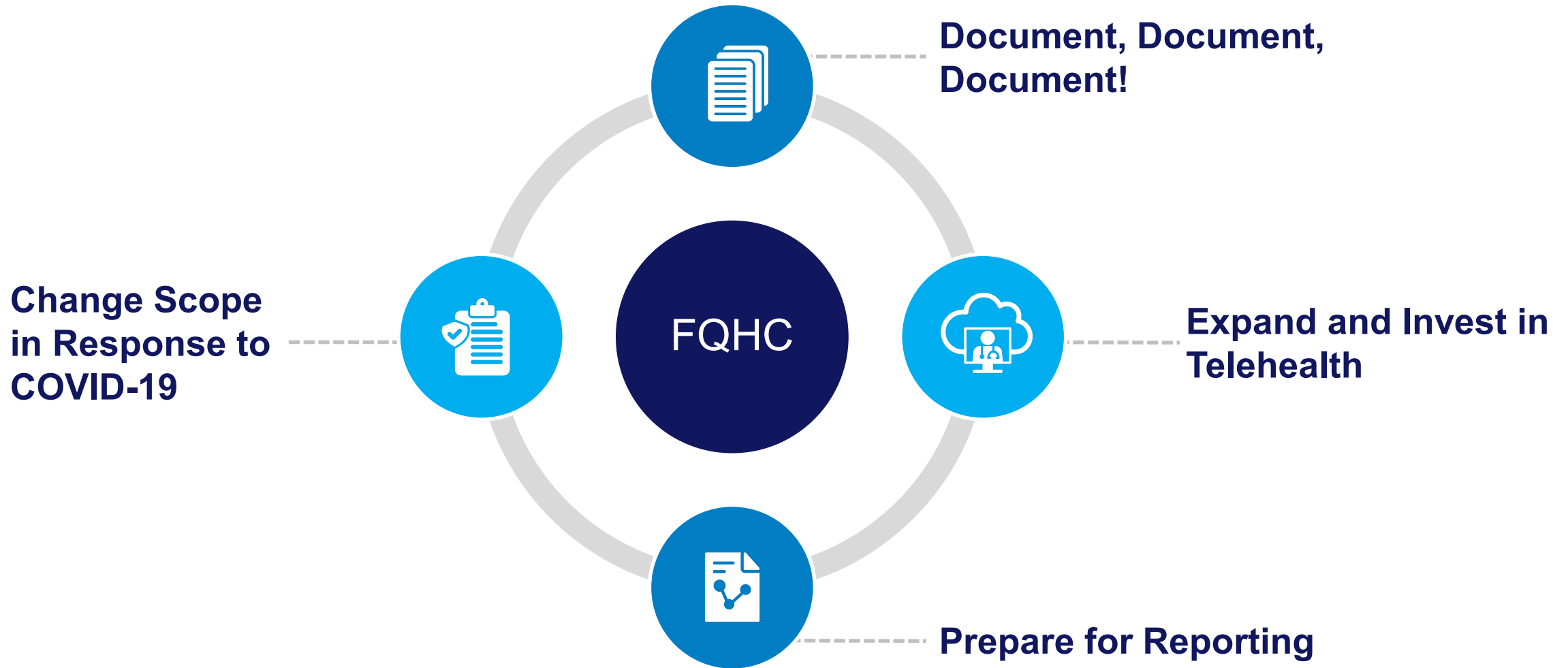
# What Does This Mean for Federally Qualified Health Centers (FQHCs)?

# Emergency Relief for FQHCs

	Coronavirus Preparedness and Response Supplemental Appropriations Act	Coronavirus Aid, Relief, and Economic Security (CARES) Act	The COVID-19 Telehealth Program
Type	Federal grant	Federal grant	Federal grant
Available Amount	\$100 million	\$1.3 billion	\$200 million
Description	<ul style="list-style-type: none"> <li>Funding is available for immediate use, and pre-award costs are permitted for COVID-19 prevention, preparedness, and response-related expenses dating back to January 20, 2020</li> </ul>	<ul style="list-style-type: none"> <li>HRSA has made funds immediately available and will collect budget and activities/ costs to be supported by the funding</li> <li>CARES Act funding must be used for in-scope services at in-scope sites</li> </ul>	<ul style="list-style-type: none"> <li>Funding cap limited to \$1 million per applicant</li> <li>Provides support to purchase telecommunications, information services and connected services to provide services in response to COVID-19</li> </ul>



# What Actions Should FQHCs Take Now?



# Strategic Use of Funds

## Workforce

Staff augmentation or temporary coverage



## Medical Care

Testing, laboratory services, supplies, PPE or other devices/tools



## Renovation Activities

Physical infrastructure or maximizing isolation precautions



## Technology

Telehealth services, clinical decision tools and website and social media enhancement



# New Value Propositions to Payors and Health Systems



## Data Sharing and Transparency

- Data communication and exchange with medical groups and hospital/health system partners
- Purchase or upgrade EHR
- Tie back to quality metrics for additional revenues



## Addressing Social Determinants

- Partner with local CBOs, medical groups and hospital/health systems to approach health plans
- Increase enabling services that address social risk factors amplified by the public health emergency



## Expanding Ancillary Services

- Radiological equipment like X-rays to help with remote diagnostic testing and reading

# In Summary

# So, So What?

What can you do now to receive the most emergency relief funds, maximize short term revenues and reduce costs? How can you help your key network providers and partners?

How can you best utilize cash, coupled with regulatory relief, to build a foundation for managing population health, including both traditional medical needs and social determinants of health, amidst the COVID-19 effects on providers and patients?

- Tackling COVID-19 related challenges, accessing federal and other emergency relief dollars and coming out the other side with a strong foundation for success is not a solo effort
- Document, document, document; organize and prepare information early; have a dedicated team ready to submit applications as soon as they are available – money will often be first come first serve – and help your key partners access funding to ensure they're still there to work with you in the future
- It is critical to support and collaborate deeply with your local hospitals, physicians and FQHCs, as well as other key providers and CBOs, in order to have the network access and financial sustainability needed to succeed during and after this initial wave of the COVID-19 crisis
- ***Thinking out of the box, creating new collaborations, updating and optimizing networks and developing different delivery models will be essential for future success***

For more information on how COPE Health Solutions can provide quick, prepared and valuable services during a critical time of need, please contact our team at [info@copehealthsolutions.com](mailto:info@copehealthsolutions.com) or [213-259-0245](tel:213-259-0245).

[www.copehealthsolutions.com](http://www.copehealthsolutions.com)



*This document is proprietary and confidential to COPE Health Solutions and is protected under the copyright laws of the United States and other countries as an unpublished work.*

*Any other reliance or disclosure in whole or in part of this information without the express written permission of COPE Health Solutions is prohibited.*