

Physician Practice Reactivation

Financial planning amidst uncertainty

Presented by

Nate Gagne, MBA, NEQCA

Courtney Pasay, Esq., Lowell General PHO

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Dr. Michael Wagner, Chief Physician Executive



Featured Speakers



Nathan Gagne, MBA

Chief Financial Officer
NEQCA

ngagne@neqca.org

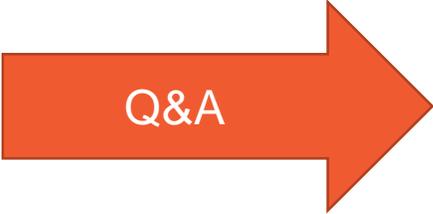


Courtney Pasay, Esq.

Contracting, Compliance, and
Regulatory Affairs
Lowell General, PHO

Courtney.Pasay@lowellgeneral.org

Agenda



Q&A

- Stimulus Updates
- Macro Practice Reactivation Financial Guidance
- Practice Reactivation – Revenue Considerations
- Practice Reactivation – Expense and Cash Flow Considerations
- **Additional Q&A**

Stimulus Update

Week in Review

1

HEROES Act:

On Friday May 15, the House passed the \$3 trillion package by a vote of 208-199

2

CMS Waivers:

There are numerous CMS blanket waivers in effect (retro to March 1, 2020) through the end of the emergency declaration

3

CMS IPPS Rule:

CMS released its annual Inpatient Prospective Payment System (IPPS) Proposed Rule May 11

4

Uninsured Reimbursement: \$2B from the HHS Provider Relief Fund to reimburse providers for COVID-related testing or treatment of the uninsured at Medicare rates on or after February 4, 2020

Macro Practice Reactivation Financial Guidance

1

Understand how the market is changing; How is your competition adjusting to changing patient expectations?

2

Build short, intermediate, and long term financial plans; this will help to challenge your assumptions

3

Partner with your operations and finance experts; they have skills that will be greatly appreciated in these times

4

Don't underestimate building strong relationships; banking, vendor, employee relationships can be key strategic assets, treat them well and they will be respond in these uncertain times.

Practice Reactivation Revenue Considerations

1

Research your top billing codes and procedures by volume and by average collections

2

Build short, intermediate, and long term assumptions related to both volume and reimbursement rates

3

Create specific assumptions around telehealth volume and reimbursement rates and adjust on a regular basis as more clarity emerges from the payers.

4

Work with your operations professionals to plan an optimal way to segment your business to allow for optimal scheduling and throughput

5

Schedule regular reviews of your revenue cycle metrics & assess how your assumptions are materializing often.

Practice Reactivation Expense and Cash Flow Considerations

1

Build assumptions around the sourcing of personal protective equipment and the expense associated into your short and intermediate financial plans

2

Think creatively about decreasing overhead expenses through shared infrastructure arrangements

3

Build contingency cash flow plans if your revenue assumptions are overstated

4

Account for end dates of temporary funding received; be sure to factor repayment schedules for any prepayments into your financial projections.

5

Consider phased reactivation approach to better match variable expenses with revenue assumptions and cash flow needs.

Please visit neqca.org to view the webinar featuring this presentation, as well as other resources to Sustain and Reactivate Private Medical Practices

NEQCA
New England Quality Care Alliance
Affiliated with **Tufts** Medical Center

[ABOUT NEQCA](#) [PROGRAMS & SERVICES](#) [NEWSROOM](#) [CAREERS](#)

HELPFUL COVID-19 INFORMATION

 [Click here to learn how your organization can participate in our SAFE campaign to reassure your patients and staff.](#)

Last updated: 5/18/2020

In collaboration with our colleagues at **Tufts Medical Center** and **Tufts Medical Children**, NEQCA is closely following the spread of COVID-19. We encourage you to use this page as a resource to stay informed.

NEQCA's priorities include: providing **clinical support** to our providers with COVID-19 protocols and telehealth, **reassuring** staff, patients, and families, **safely and effectively ramp-up practice operations**, **weathering the financial impact of COVID-19**, and **ensuring the well-being** of our staff, taking a toll on everyone, especially caregivers.

PRACTICE REACTIVATION GUIDELINES

NEQCA has developed guidelines to help our Network safely and effectively ramp-up practice operations. Please visit this section regularly for new and updated information.

- **NEW: DPH Guidance: Reopen Approach for Health Care Providers - May 18, 2020**
- **NEW: Reopening Massachusetts Phase 1 Recommendations - May 18, 2020**

COMING SOON: NEQCA Medical Practice Reactivation Guide (full resource guide)

- **NEW: Quick Start Overview - May 18, 2020**
- Infection Control
- Office Space Reconfiguration and Workflows
- Telehealth
- Reassuring Staff, Patients, and Families
- Human Resource Considerations
- Financial Sustainability
- Additional clinical considerations
- **What You Can Do Now: Top 10 Checklist**
- **Key Practice Restoration Considerations**

Appendix

“HEROES” Act

House Democratic leaders published the “Health and Economic Recovery Omnibus Emergency Solutions Act,” or “HEROES Act” (H.R. 6800 (116)). The publication of this legislation launches what is anticipated to be a complex legislative process to achieve consensus on a fourth COVID-19 relief package. The bill contains provisions including improvements to the Accelerated and Advance Payment Program and additional grants for providers impacted by the COVID-19 pandemic.

On Friday May 15, the House passed the \$3 trillion package by a vote of 208-199. It is not likely the Senate will take up the package as currently drafted. The next round of negotiations will likely bring material changes to the current content

Key “HEROES Act” Provisions	Details
Medicare Improvements to the Accelerated and Advance Payment program	<ul style="list-style-type: none">• Reduces the interest rate from 10.25% to 1%• Extends the start of the repayment period to 1 year after claims are offset and gives providers 2 years for full repayment• Caps the recoupment of payments to 25% of the amount of the loan
Grants for hospital and healthcare providers & testing provisions	<ul style="list-style-type: none">• \$100 billion in grants for hospital and healthcare providers to offset related expenses or lost revenue directly attributable to the public health emergency• \$75 billion for testing, contact tracing, and other activities to monitor and suppress COVID-19

“HEROES” Act

Key “HEROES Act” Provisions	Details
State and Local Relief Funds	<ul style="list-style-type: none"> • \$500 billion for state governments • \$375 billion for local governments • \$20 billion for Tribal governments • \$20 billion for Territories
Medicaid Related Provisions	<ul style="list-style-type: none"> • A temporarily increase in Medicaid disproportionate share hospital (DSH) payments by 2.5% • A 14% increase in Medicaid Federal Medical Assistance Percentages (FMAP) from July 1, 2020 through June 30, 2021 • An extension of existing section 1115 demonstration projects through December 31, 2021 • A prohibition on implementing the Medicaid Fiscal Accountability Regulation (MFAR) until the end of the COVID-19 public health emergency
Payments / Cost-sharing Provisions	<ul style="list-style-type: none"> • Outlier payments for inpatient claims for any amount over the traditional Medicare payment to cover excess costs hospitals incur for more expensive COVID-19 patients until January 31, 2021 • No cost-sharing for certain COVID-19-related services in Medicaid, Medicare, Medicare Advantage and private insurance

“HEROES” Act

Key “HEROES Act” Provisions	Details
Substance Abuse and Mental Health Services Administration (SAMHSA)	<ul style="list-style-type: none">• \$3 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA), including \$1.5 billion for Substance Abuse Prevention and Treatment Block Grant and \$1 billion for Community Mental Health Services Block Grant
Nursing Homes	<ul style="list-style-type: none">• Assistance for nursing homes including funding to develop strike teams to manage outbreaks, incentives to create COVID-19-specific facilities and additional help for facilities struggling with infection control through Medicare's Quality Improvement Organizations (QIOs)
COBRA	<ul style="list-style-type: none">• Protections for Americans from losing their employer-provided health insurance by providing COBRA subsidies to help them retain their coverage and creating a Special Enrollment Period for Health Insurance Marketplaces -- Nine months of COBRA coverage

“HEROES” Act

Key “HEROES Act” Provisions	Details
Worker Safety	<ul style="list-style-type: none">• Requires OSHA to issue strong, enforceable standard within 7 days to require all workplaces to develop and implement infection control plans based on CDC expertise, and prevents employers from retaliating against workers who report infection control problems
Payroll Protection	<ul style="list-style-type: none">• Enhances the new Employee Retention Tax Credit that encourages employers to keep employees on payroll, allowing 60 million Americans to retain their paychecks and benefits
Miscellaneous provisions	<ul style="list-style-type: none">• Supply chain provisions aimed at preventing drug and device shortages and price gouging, as well as increasing domestic manufacturing• Provisions to bolster the Strategic National Stockpile• \$130 million for public health data surveillance and analytics infrastructure modernization• \$1.3 billion for the Federal Emergency Management Agency• Additional funds and support for broadband

COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers



Numerous CMS blanket waivers are in effect, with a retroactive effective date of March 1, 2020 through the end of the emergency declaration. The waivers released since April 30, 2020 are listed below:

[Full Text: COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers](#)

- Expanded Ability for Hospitals to Offer Long-term Care Services (“Swing-Beds”) for Patients Who do not Require Acute Care but do Meet the Skilled Nursing Facility (SNF) Level of Care Criteria as Set Forth at 42 CFR 409.31
- Hospitals Classified as Sole Community Hospitals (SCHs)
- Hospitals Classified as Medicare-Dependent, Small Rural Hospitals (MDHs)
- Physician Services - Paid Feeding Assistants
- Allow Occupational Therapists (OTs), Physical Therapists (PTs), and Speech Language Pathologists (SLPs) to Perform Initial and Comprehensive Assessment for all Patients
- Expanding Availability - Furnishing Dialysis Services on the Main Premises
- Specific Life Safety Code (LSC) for Multiple Providers



Proposed Inpatient Payment Rule for 2021

CMS released its annual Inpatient Prospective Payment System Proposed Rule May 11

- **Payment rate update**
 - 3.1% increase in Medicare rates in FY 2021
- **Disproportionate Share Hospital payment**
 - Rule would distribute \$7.8B in DSH payments
- **Price transparency**
 - Rule would require hospitals to list their median payer-specific negotiated rates for inpatient services
- **New DRG**
 - Rule would create a new DRG for CAR T-cell therapy
- **Add-on payments**
 - For certain antimicrobials approved under the FDA's LPAD
- **Graduate medical education policy**
 - Rule would expand the definition of who is considered a displaced resident
- **Inpatient Quality Reporting Program**
 - Rule would impose several changes to the Inpatient Quality Reporting Program
- **Comment period through July 10**

Information provided in this presentation is for educational purposes only and should not be relied upon as professional advice. The information contained in this presentation was timely as of the initial date of publication and Wellforce or the members of Wellforce have no duty to update this information. You are encouraged to consult your own financial and legal advisors for specific advice about your particular situation.

