

# Wellforce Q&A Session: Economic Sustainability Strategies

June 10<sup>th</sup>, 2020



# Featured Panelists

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# Agenda

- Opening Remarks – Jeff Gross
- Pivoting our Focus – Dr. Michael Wagner
- Practice Reactivation – Phase 2 Guidelines – Meg Costello
- Federal Updates – Courtney Pasay & Nate Gagne
- Q&A Session - All

# Pivoting our Focus

## What we've done...

In response to the COVID-19 pandemic, expert leaders from across the system came together to create a financial sustainability pathway for our private practice physician colleagues.



## Where we're going...

Now that we've reached a critical juncture in the point that we are at in the surge, we are broadening our scope to focus on goals that are inclusive of both the private and employed physicians of Wellforce to help them be successful in the future.

We have a unique opportunity to bring the attributes of our system's culture together to provide the highest-level quality and value, most accessible, most compassionate care to our patients through creation of a physician and caregiver community that provides clinical practices with:

- *the right tools, space, staffing and resources,*
- *a voice in governance and decision making,*
- *advance their academic and professional goals; and*
  - *provide a competitive compensation model.*

# Areas of Focus

There are four core areas that we will organize this work around:

## ➤ Economics

- Sustainability
- Cost / Overhead Management
- Revenue Enhancement for Providers

## ➤ Physician Network Retention and PCP Recruitment

## ➤ Mental well-being of Provider Community

## ➤ Innovation

*A dedicated team lead, group of team members, list of deliverables and measures by which to measure our success will be assigned to and created for each key area.*

# Practice Reopening

## Phase 2 Updates

- Additional Policies and Attestation
  - **Prioritization policy** for scheduling and delivery of non-urgent care must be established and applied consistent with healthy equity principles; the provider must attest that they are utilizing this policy in their determination of which patients should be seen in person.
  - **Non-essential elective invasive procedure** volume must be monitored to ensure it is not endangering PPE supply for essential procedures and services.
  - In addition to the infection control requirements of Phase 1, **procedure rooms must be left empty in between procedures** for a specified time frame necessary for sufficient air changes to occur to remove possible airborne contaminants, before disinfection
    - New Phase 2 attestation form must be signed by senior person designated as compliance officer for the practice and posted in public area of practice (not submitted to DPH)
    - <https://www.mass.gov/doc/phase-2-reopening-attestation-form-non-acute-care-hospitalproviders>
  - **Please refer to NEQCA Website for template policies and copy of DPH guidelines and attestation**
    - <https://www.neqca.org/Newsroom/COVID-19>

## Federal Update

1

### HEROES Act (May 15):

Senate is in session this week and the House is out. Action by Congress is pushed back into July. Passage of the PPP Flexibility Act likely removed one lever to force quicker action on a larger package. |

2

### HHS Provider Relief Fund:

HHS anticipates distributing roughly \$15B to eligible providers that participate in state Medicaid and CHIP programs **and** have not received a payment from the Provider Relief Fund General Allocation. Starting June 10, 2020, providers will be able to access a Payment Portal to report annual patient revenue. HHS will use submitted data to determine each providers' prospective payment. The payment to each eligible provider will be at least 2% of reported gross revenue from patient care.

3

### PPP Flexibility Act:

The Act was signed into law by President Trump on June 5, 2020. The Act makes several critical changes to the Paycheck Protection Program (PPP), which was created under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

# PPP Flexibility Act

## Changes to the PPP Flexibility Act

Provision	Former	New
<b>Maturity Period</b>	Minimum maturity was 2 years	Minimum maturity is 5 years*
<b>Covered Period</b>	8 week period beginning on disbursement of the loan	The earlier of (i) the 24 weeks after the origination of the loan or (ii) December 31, 2020
<b>Employee Rehiring Date</b>	Must be rehired by in order to achieve maximum forgiveness by June 30	Must be rehired by in order to achieve maximum forgiveness by December 31
<b>Exemption Based on Employee Availability</b>	Loan forgiveness impacted by a reduction in FTE headcount or a reduction in compensation	Borrower can document (i) an inability to rehire individuals who were employees on February 15, 2020, and (ii) an inability to hire qualified employees for unfilled positions on or before December 31, 2020 OR The borrower can document an inability to return to the same level of business activity as it was operating at prior to February 15, 2020
<b>Payroll to Non-Payroll Cost Ratio</b>	Borrowers must use at least 75% of the loan amount for payroll and 25% for nonpayroll	Borrowers must use at least 60% of the loan amount for payroll and 40% for nonpayroll
<b>Extended Deferred Period</b>	No comparable language	Payment of principal, interest and fees are deferred until forgiveness is remitted to the lender
<b>Employer Payroll Taxes</b>	A subsection of the CARES Act prevented a taxpayer from delaying employer payroll taxes if the taxpayer has indebtedness forgiven under the PPP	This subsection was stricken. PPP borrowers can take advantage of delayed employer payroll taxes even if they are seeking forgiveness

# Questions?