CALIFORNIA ASSOCIATION of PUBLIC HOSPITALS AND HEALTH SYSTEMS

CALIFORNIA HEALTH CARE SAFETY NET INSTITUTE

COVID-19: Impact on Public Health Care Systems' Programs

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Play recording

June 9, 2020

Agenda

- Before COVID
- Emergency authorities
- Impact of COVID on State priorities
- Extension of current Section 1115 (Medi-Cal 2020) waiver
- Modifications to current waiver and other statewide programs
  - PRIME
  - QIP
  - GPP
  - WPC
- Telehealth flexibilities

Before COVID…

- Preparing for the transition to CalAIM, starting January 2021

Global Payment Program

- Ends June 30, 2020
- Seeking extension from CMS (July – December 2020), no SNCP
- Seeking renewal via **new** Section 1115 waiver (2021-2025)

PRIME

- Ends June 30, 2020
- Integration of PRIME/QIP metrics and financing in QIP PY3.5
- Integration of financing with QIP PY4-8

QIP

- Integration of PRIME/QIP metrics and financing in QIP PY3.5
- Continues with adaptations, developing a proposal for QIP PY4-8 (with a new metric set)

Whole Person Care

- Ends December 31, 2020
- Continues via CalAIM in managed care – Enhanced care mgmt (ECM) and In-lieu of Services (ILOS) begin Jan 2021

Declaration of National Emergency

- Declaration of National Emergency
  - As of March 1, 2020
  - Declaration allows access to emergency funding and additional flexibilities from HHS
    - Flexibilities end at the end of the emergency or some specified time period after the end of the emergency
    - Multiple legal authorities to grant these emergency flexibilities
      - CMS Medicaid Disaster Preparedness Toolkit
  - Unknown know when the national emergency will end

Emergency Authorities

- Section 1135 waivers
  - Blanket 1135 waivers allow CMS to address common requests, such as telehealth flexibilities
    - COVID-19 Emergency Declaration Blanket Waivers & Flexibilities for Health Care Providers
  - California's 1135 waiver (approved on 3/23/20) also addressed items such as Medicaid FFS prior authorization, and provider enrollment
- 1115 Emergency waiver
  - California submitted proposal 4/3/20 to CMS with nine requests, including:
    - Request for the January-June 2020 time period in QIP PY3 and PRIME DY15 to be converted to pay-for-reporting (CMS rejected this portion of the proposal)
    - Reimbursement for temporary, emergency housing within Whole Person Care (WPC)
  - CMS is still reviewing the request (as of 6/5/20)
- Emergency State Plan Amendment (SPA)
  - Approved by CMS 5/13/20
  - Modified to address California's face-to-face requirement for benefits/services to be provided via all forms of telehealth and telephone, regardless of originating or distant site. Allows for PPS rate if the service meets requirements of a face-to-face visit.

Important Congressional Actions

- Some changes to address COVID required Congress to change the law
- Several laws* passed in March-April 2020 that include:
  - Provider Relief Fund to offset provider COVID costs and lost revenues
  - Coronavirus Relief Fund for state and local governments to offset COVID costs
  - Increased FMAP for states
  - Delay of DSH cuts
  - Telehealth flexibilities
  - Coverage of testing and treatment for uninsured patients
  - Waiving of patient copays for testing
- Many of these provisions are time limited or have finite funds

*See Public Laws 116-123, 116-127, 116-136, 116-139

Impact of COVID on State Priorities

- State Budget
  - Governor's May Revision outlines a $54B deficit
  - Total estimated loss of ~$343M on an annual basis for PHS
    - Incremental cuts across Medi-Cal managed care
    - Pharmacy carve-out
    - Prop 56 funding
- Legislature pushing back on funding cuts
- Withdraws major health proposals
  - CalAIM (all components postponed except pharmacy carve-out)
  - Medi-Cal expansion to undocumented seniors
  - Office of Health Care Affordability

Current Section 1115 Waiver (Medi-Cal 2020)

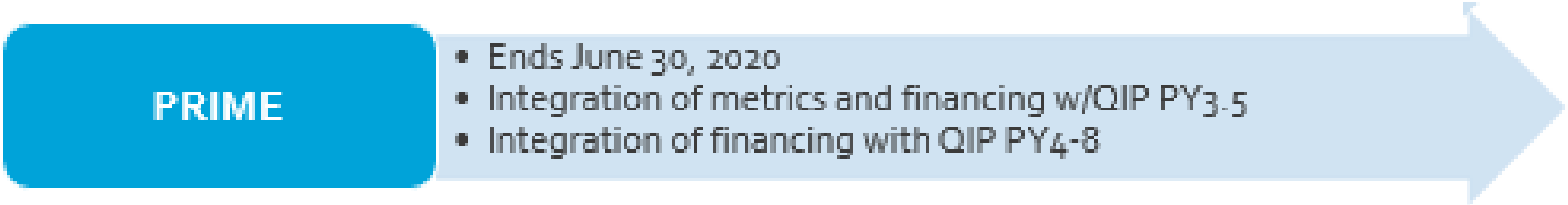
- Currently expires December 2020
- Seeking an extension
  - CalAIM delayed
  - Need waiver programs to continue in the meantime
- Paths to seek an extension
  - DHCS negotiations with CMS
  - Stimulus package language
- Likely to request
  - WPC (more to come)
  - GPP (more to come)
  - NOT PRIME (PRIME will move into QIP)

Modifications to current waiver and other statewide programs

PRIME DY15 (July 2019 – June 2020)

- DY 15 performance significantly impacted by COVID
- Proposal submitted by DHCS to CMS: **Use DY14 performance to draw down DY15 funding**
  - Use % of DY14 allocation earned (higher of the individual entity performance **OR** the DPH average performance) and apply to DY15 allocation
  - Then use the % of funds earned through reclaiming mechanisms and High Performance Pool (HPP) in DY14 to determine DY15 funding
    - E.g., if entity earned 5% of DY14 HPP, it would earn 5% of DY15 HPP
  - More details on SNI Link here
- Current status:
  - CMS requested the proposal be submitted through edits to STCs. DHCS submitted on 5/22. CMS now reviewing.

PRIME – What's next?

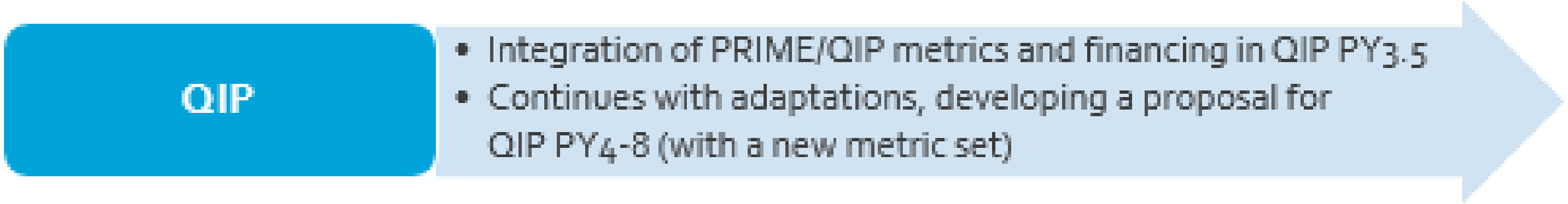


- Initial plan (above) continues
- PRIME metrics and financing integrated into QIP PY 3.5 (see next slides on QIP)
  - Note: CMS is reviewing the funding request associated with PY3.5 (submitted in 2019). While CMS has not formally approved the PY 3.5 metrics, questions from CMS on the pre-print were all related to financing.
- PRIME financing will be integrated into QIP PY4 starting January 2021 (see next slides on QIP)

QIP PY3 (July 2019 – June 2020)

- PY3 performance significantly impacted by COVID
- CMS is less flexible about using performance entirely outside of the rate year (July 2019-June 2020) to determine PY3 funding
- In collaboration with DHCS, developed a proposal:
  - Performance period = March 1, 2019-Feb 29, 2020
  - Performance target = 25%ile/minimum performance benchmark (instead of a gap closure methodology)
- Current status: CMS requested proposal be submitted through amendment to the PY3 pre-print. DHCS drafting. SNI to review prior to submission to CMS.

QIP – What's next?



- Initial plan (above) continues with some modifications
- PY3.5 will continue with PRIME and QIP metrics
  - But, PY3.5 uses performance as of December 2020 which is highly impacted by COVID
  - Initiated conversations with DHCS to develop a proposal for PY3.5 funding that reflects the realities of the COVID crisis
- QIP PY4-8
  - Design of metric set TBD

GPP PY5 (July 2019 – June 2020)

- PY5 utilization significantly impacted by COVID
  - Systems reporting decreases in outpatient, ER and inpatient services in March and April
  - In discussion with DHCS to pursue reduction of GPP point thresholds in PY5 to align with the reduction of services (see next slide)

GPP – What's next?

Global Payment Program

- Ends June 30, 2020
- Seeking extension from CMS (July – December 2020), no SNCP
- Seeking renewal via **new** Section 1115 waiver (2021-2025)

- Initial plan (above) modified
- CMS is still reviewing GPP extension proposal for July – Dec 2020 (submitted in early 2020 before COVID) – request will move forward as is
- Exploring with DHCS how to request the following of CMS in the near future
  - Reinstatement of Safety Net Care Pool (SNCP), which is $236 FFP annually
  - Reduction of GPP point thresholds in PY5 and in any extended period in 2020

WPC PY5 (Jan 2020 – Dec 2020)

- Pilots playing significant role in counties' COVID response
  - Redeployed staff and resources
  - Special focus on emergency housing -- Project Roomkey
- Impact on WPC operations
  - Enrollment decreasing
  - Shifting intensive case management to virtual platforms
- Impact on WPC budget
  - Maximize flexibility within current guidelines (e.g., expand target population criteria, shift FFS to PMPM bundles)
  - Seek additional flexibilities via emergency 1115 waiver
    - Includes payment for emergency housing
    - With CMS for review

WPC – What's next?

Whole Person Care

- Ends December 31, 2020
- Continues via CalAIM in managed care – Enhanced care mgmt (ECM) and In-lieu of Services (ILOS) begin Jan 2021

- Initial plan (above) no longer possible with the postponement of CalAIM
- 1115 waiver extension request
  - WPC would continue through 2021 at current funding levels
  - "Rollover Strategy"
    - Preempt no cost extension by maximizing budget flexibility, spending down all remaining funds
  - Communicating importance of WPC
    - Blog series on role of WPC in COVID response, need for continued funding through 2021

Recap: Before COVID

PRE-COVID WORLD

2020		2021
WPC		**ECM/ILOS**
GPP	**GPP Extension (w/o SNCP)**	**GPP 5-Year Renewal (w/o SNCP)**
PRIME DY15	**PRIME--> QIP PY 3.5**	**QIP PY 4**
QIP PY3	PRIME $ and metrics added to QIP	**(PRIME $ added, new metric set)**

Blue tones = waiver programs

Orange tones = managed care programs

Recap: Potential After COVID

POTENTIAL POST-COVID WORLD

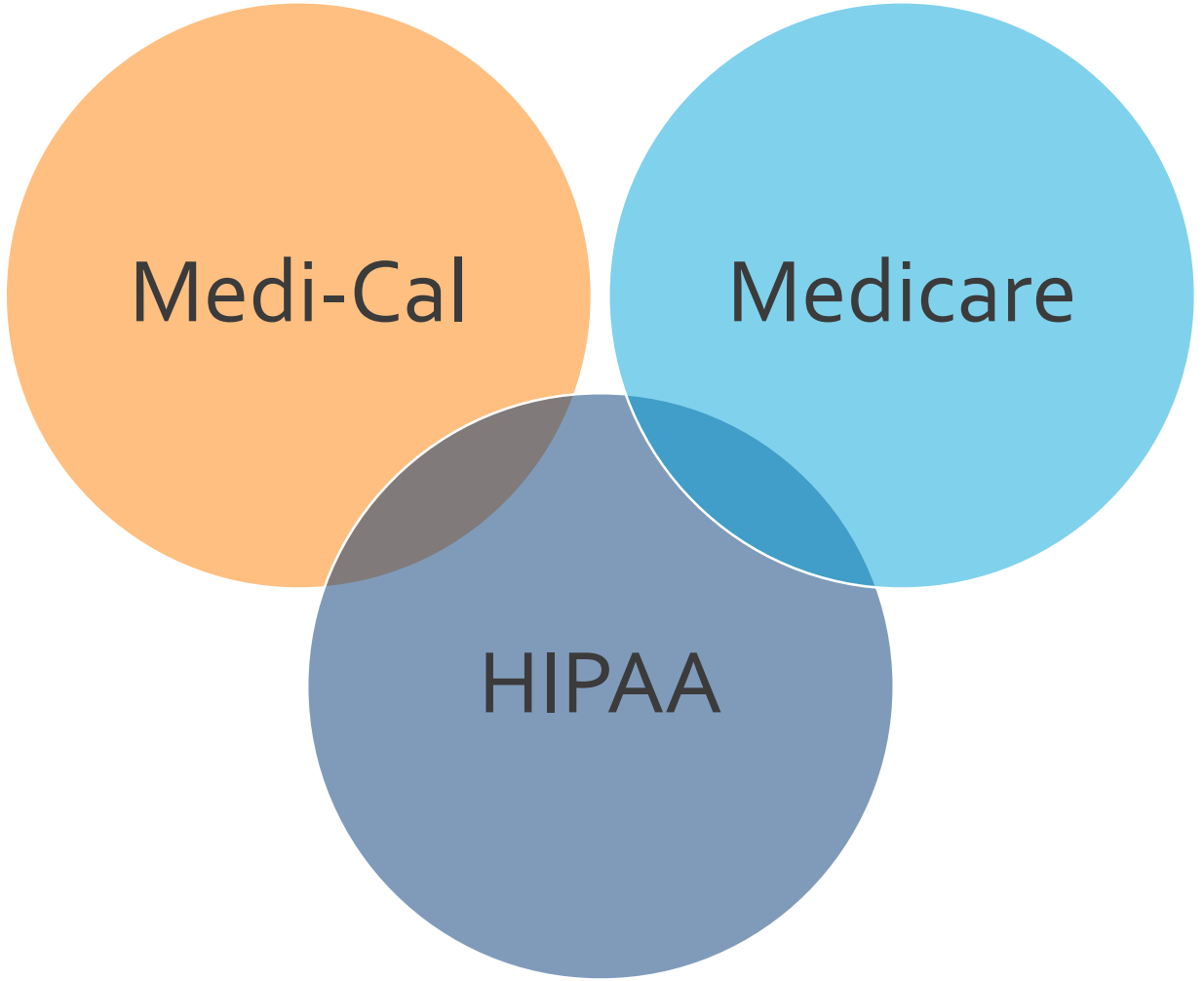
<table>
<tr><th colspan="2">2020</th><th>2021</th></tr>
<tr><td colspan="2">WPC with flexibilities</td><td>WPC extended 1 year*</td></tr>
<tr><td>GPP</td><td>GPP Extension (with SNCP)*</td><td>GPP Extension/Renewal (with SNCP)*</td></tr>
<tr><td>PRIME DY15 with performance flexibilities</td><td rowspan="2">PRIME--> QIP PY 3.5
PRIME $ and metrics added to QIP with performance flexibilities</td><td rowspan="2">QIP PY 4
(PRIME $ added, metric set TBD)</td></tr>
<tr><td>QIP PY3 with performance flexibilities</td></tr>
</table>

*Via 1115 waiver extension (not yet submitted to or granted by CMS as of 6/9/2020)

Red text = PROPOSED changes from Pre-COVID plan, no modifications have been approved yet by CMS

Telehealth Flexibilities

Key Areas of Telehealth Flexibility



HIPAA Flexibility

- Pre-COVID
  - Video visits were reimbursable by Medicare and Medicaid under certain circumstances, but compliance with HIPAA prevented wider adoption

- During the COVID-19 Public Health Emergency
  - The Office for Civil Rights (OCR) at the Department of Health and Human Services is exercising its enforcement discretion and **will waive penalties for HIPAA violations against health care providers that serve patients in good faith through everyday communications technologies**.
    - Providers may use popular applications that allow for video chats, including Apple FaceTime, Facebook Messenger video chat, Google Hangouts video, Zoom, or Skype
    - Providers **may not** provide telehealth on any platforms that are "public-facing" — like Facebook Live, Twitch, and TikTok.

OCR Guidance - https://www.hhs.gov/hipaa/for-professionals/special-topics/emergency-preparedness/notification-enforcement-discretion-telehealth/index.html

Key Medicare Flexibilities

Effective March 1 through the end of the public health emergency

SUBJECT AREA	POLICY DURING COVID-19	POLICY FOR FQHC
Geographic/Site Location for Patient	No geographic restrictions, patient allowed to be in home during telehealth interaction	No geographic restrictions, patient allowed to be in home during telehealth interaction
Location of Provider	Provider able to provide services when at home	Provider able to provide services when at home
Modality	Telephones with audio and video capability can be used to provide telehealth services. Some services can be billed for audio-only encounters (i.e. E/M and behavioral health counseling).	Telephones with audio and video capability can be used to provide telehealth services. Some services can be billed for audio-only encounters (i.e. E/M and behavioral health counseling).

Key Medicare Flexibilities cont.

Effective March 1 through the end of the public health emergency

SUBJECT AREA	POLICY DURING COVID-19	POLICY FOR FQHC
Type of Provider	Qualified telehealth providers expanded to physical therapists, occupational therapists, and speech language pathologists Remote evaluation and virtual check-in expanded to LCSWs and clinical psychologists	Per the CARES Act, FQHCs are authorized to provide telehealth services during the PHE. Can be furnished by any health care practitioner working for the FQHC within their scope of practice.
Services	Expanded. Approximately 180 different codes available for reimbursement if provided via telehealth. List available HERE. Allowed for both new and established patients.	Same as previous column
Amount of Reimbursement	Same as if provided in-person	$92.03

Medicaid & Telehealth

- From the beginning of the pandemic, CMS reiterated how the use of telehealth in Medicaid has always been up to the states to decide.

- States have the option to determine whether (or not) to utilize telehealth; what types of services to cover; where in the state it can be utilized; how it is implemented; what types of practitioners or providers may deliver services via telehealth.

- States do not need CMS approval to start paying for services via telehealth, unless
  - The Medicaid program does not want to pay in the same manner as when the service is furnished face to face
  - The state has built a limitation into its Medicaid SPA that needs to be changed
    - For example, CA's definition of an FQHC encounter as being face to face, precluded telephonic visits pre-COVID

Medi-Cal & Telehealth

Pre-COVID

- Medi-Cal already covered:
  - Video visits
  - E-Consult
    - Not billable by FQHCs
  - Remote Evaluation
  - Virtual Check-in

During COVID

- DHCS pursued 1135 waiver and emergency SPA to **temporarily allow telephone visits**
  - So long as all of the other elements of a covered service are met, payment is at the same rate as if the visit had been in person
  - Must document circumstances that prevent the visit from being face to face
  - Providers include Place of Service Code "02" on the claim and add the appropriate telehealth modifier
  - **FQHCs may provide telehealth to all patients** ("established patient" restriction waived)

Telehealth in a Post COVID World

- CAPH/SNI advocacy underway to maintain payment for Medi-Cal phone visits after the public health emergency ends
- Unclear if CMS will make any of the Medicare telehealth flexibilities permanent
- Unclear if and how relaxation of HIPAA may continue
  - Total waiver of enforcement unlikely long term
  - Could prompt permanent changes to HIPAA to balance privacy/security concerns with the need to maintain increased use of video visit apps

Resources

- For CAPH/SNI Members
  - Medi-Cal and Medicare Telehealth Billing During the COVID-19 Emergency: A table summarizing telehealth payment flexibilities, including CPT codes, qualified practitioners, and billing guidance.
- State Guidance from DHCS, including FAQs
  - Medi-Cal Payment for Telehealth and Virtual/Telephonic Communications Relative to the 2019-Novel Coronavirus (COVID-19)
  - COVID-19 guidance for specialty mental health and Drug Medi-Cal providers
- Federal
  - HHS Telehealth website
  - CMS Guidance for FQHCs on COVID-19 Flexibilities
  - CMS COVID-19 Frequently Asked Questions (FAQs) on Medicare Billing

Q&A

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