Joint Commission on Health Care

November 16, 2020

JULIE DIME & BRENT RAWLINGS
VIRGINIA HOSPITAL & HEALTHCARE ASSOCIATION

VHHA – About Us

Vision

Through the power of collaboration, the Association will be a recognized driving force behind making Virginia the healthiest state in the nation.

Mission

Working with our members and other stakeholders, the Association will transform Virginia's health care system to achieve top-tier performance in safety, quality, value, service and population health. The Association's leadership is focused on: improving access to care; continuing to improve health care safety, quality, and service; promoting a vibrant, high-value health care system; and, advancing population health to promote health and economic opportunity for all Virginians.

Virginia Hospital & Healthcare Association – 501(c)(6) Founded in 1926

Affiliates

VHHA Foundation (501(c)(3)) - VHHA Shared Services (for-profit) – HOSPAC (state PAC)

Headquartered in Glen Allen, Virginia

26 Hospital and Health Systems Members

55 Associate Members

30 VHHA Staff Members

VHHA – Our members

Augusta Health

BalladHealth
It's your story. We're listening.

Carilion Clinic

Bath Community Hospital

Bon Secours Mercy Health

LifePoint Health

Sheltering Arms
Physical Rehabilitation Centers

BGH
Buchanan General Hospital
Best of Care, Close to Home.

Children's Hospital of The King's Daughters

INOVA

Chesapeake Regional Healthcare

HCA Va
Health System
An HCA affiliate

SENTARA

Lake Taylor
Transitional Care Hospital
The Future of Health Care for a World in Transition™

Virginia Hospital Center

VCU Health

University of Virginia Health System

CENTRA

Encompass Health

Novant Health

Mary Washington Healthcare

ValleyHealth
Healthier, together.

Riverside

Vibra Hospital of Richmond

UHS Universal Health Services, Inc.

Key Stats

110 community, psychiatric, rehabilitation and specialty hospitals

18,881 hospital beds

17 designated trauma centers

49% are rural hospitals

51% are urban hospitals

77% of Virginia hospitals are not-for-profit

Hospitals are Major Economic Engines…

TOP EMPLOYER IN LOCALITIES ACROSS THE STATE

DIRECTLY PROVIDE 130,000+ JOBS

$40 BILLION ECONOMIC CONTRIBUTION TO THE COMMONWEALTH

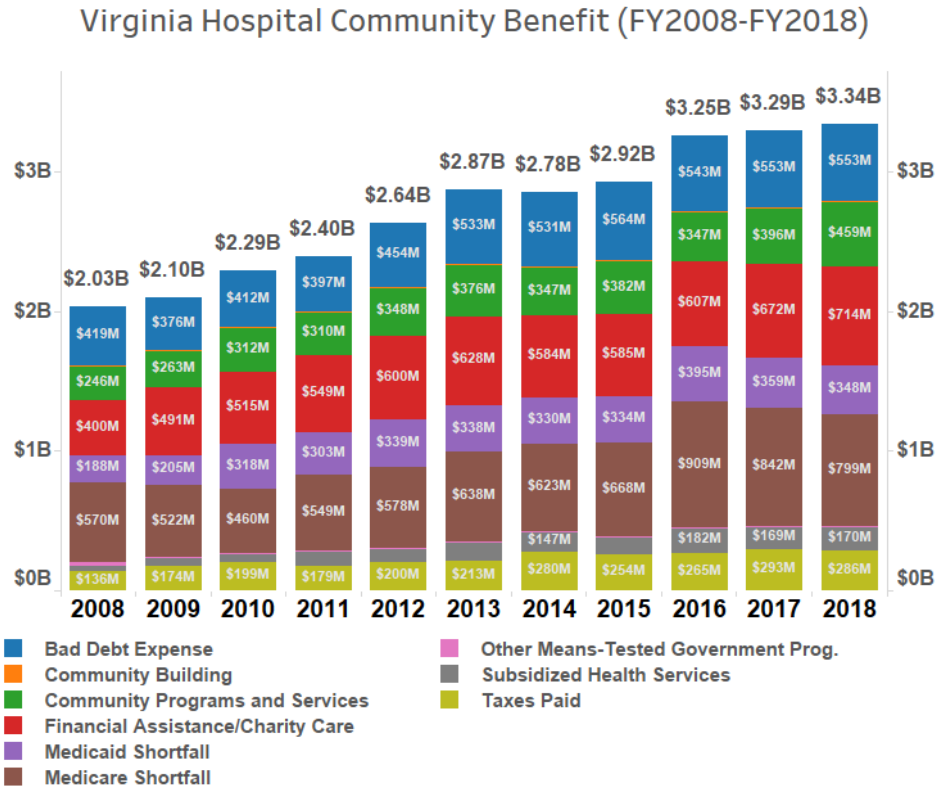
...That Provide Substantial Community Benefits

Virginia hospitals have been partners in increasing health care access in Virginia by supporting a bipartisan, fiscally-responsible Medicaid expansion plan approved in 2018 that has enabled more than 464,711 Virginians to gain health care coverage.

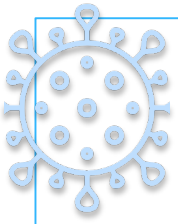
Community benefit investments include free care and financial assistance to people in need, Medicaid program losses, subsidized health services such as trauma care, behavioral health, and community programs that improve the health of people in communities across Virginia.

Community benefit, as defined by the IRS, totaled $1.7 billion in 2018. With other forms of community support, including Medicare losses, taxes paid, and bad debt expenses absorbed by Virginia hospitals, the **total benefit to Virginia communities in 2018 is $3.34 billion.**

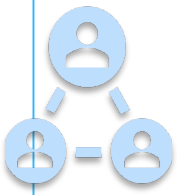
In 2019, Virginia hospitals directly provided more than 132,000 good-paying jobs. Hospitals support payroll and benefits exceeding $8.5 billion, and contribute roughly $40 billion in economic activity, according to 2016 data.



Pressing Priorities and Initiatives

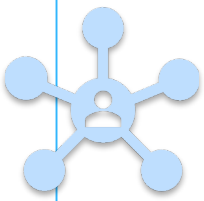


COVID-19: Response and Recovery

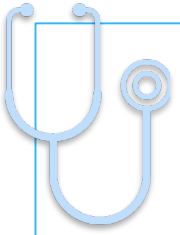


Managing Patient Care and Costs

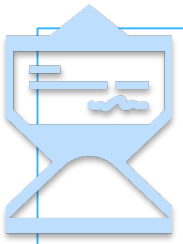
COPN: Reform Implementation



Health Equity and Population Health



Access to Care: Medicaid Expansion and Insurance Marketplace

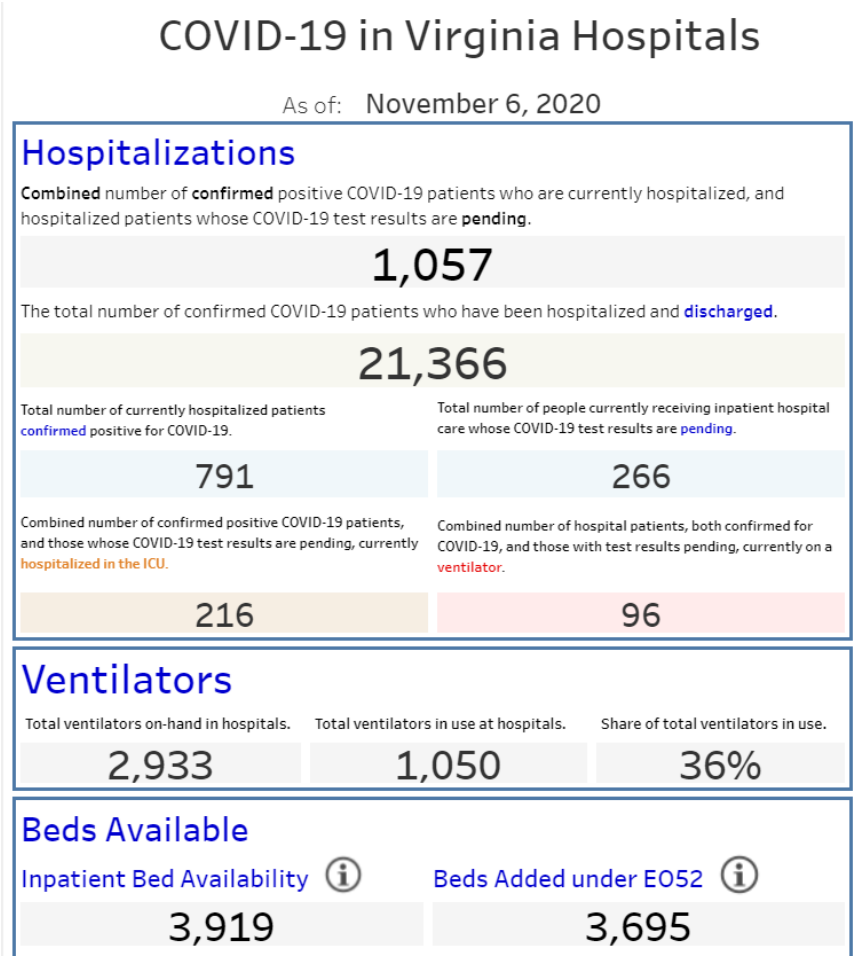


Insurance and Billing Practices

COVID-19: Response and Recovery

Hospitals' Role in Virginia's COVID-19 Response

Care	Prepare	Respond	Invest
Serving as the frontline healthcare providers for COVID-19 medical care (average of 1,300 COVID-19 hospitalized patients per day March thru June)	Rapidly expanding bed capacity and staffing to prepare for patient surge (added 3,695 beds under EO52 avoiding costly state investment in ACFs)	Operating Regional Healthcare Emergency Prepared-ness Coalitions, plus 20 working committees in partnership with VDH	Investing in unprecedent-ed amounts of PPE, ventilators, and supplies and rapidly expanding testing capabilities (currently in excess of 2,000 tests per day)



COVID-19: Response and Recovery
Impact on Hospital Finances

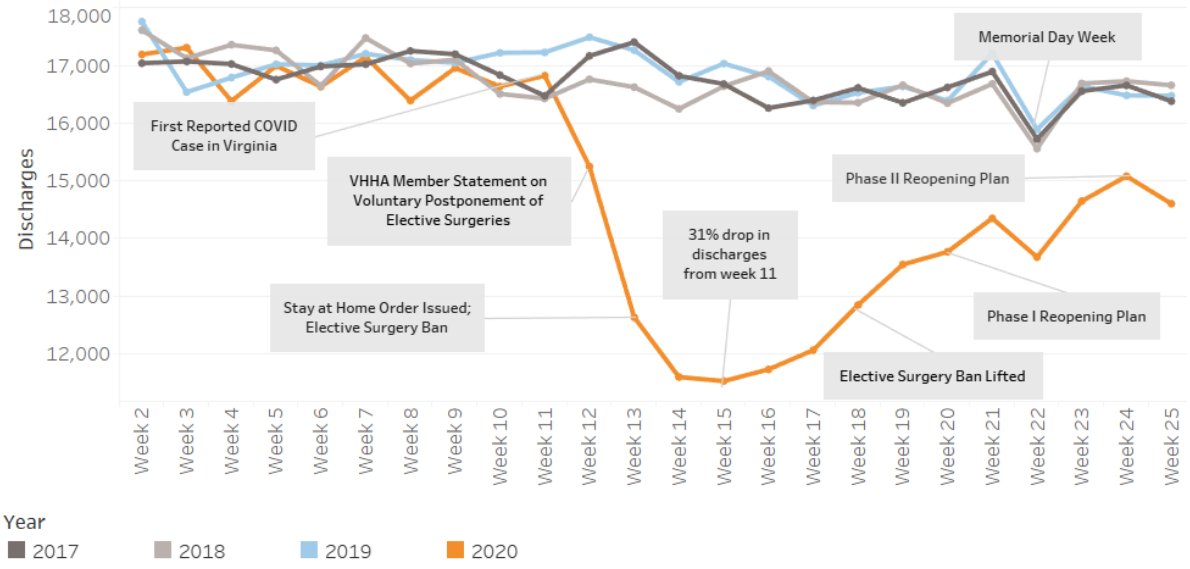
Patient volumes down 50%
Suspended non-urgent surgeries for 2 months
Virginians hesitant to seek care = lower ER volume but more urgent care needs
Unplanned costs: surge capacity planning, investments in staffing, testing, ventilators, supplies, PPE
Increased uncompensated care as more Virginians become unemployed and uninsured

COVID-19: Response and Recovery
Inpatient Volumes Down 11% YTD

Total Inpatient Discharges by Quarter (Q1 and Q2 2017-2020)

2017		2018		2019		2020	
Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2
218,301	214,610	217,618	214,583	218,825	215,599	209,923	175,848
432,911 YTD		432,201 YTD		434,424 YTD		385,771 YTD	

Inpatient Discharges by Week (Q1 and Q2 2017-2020)



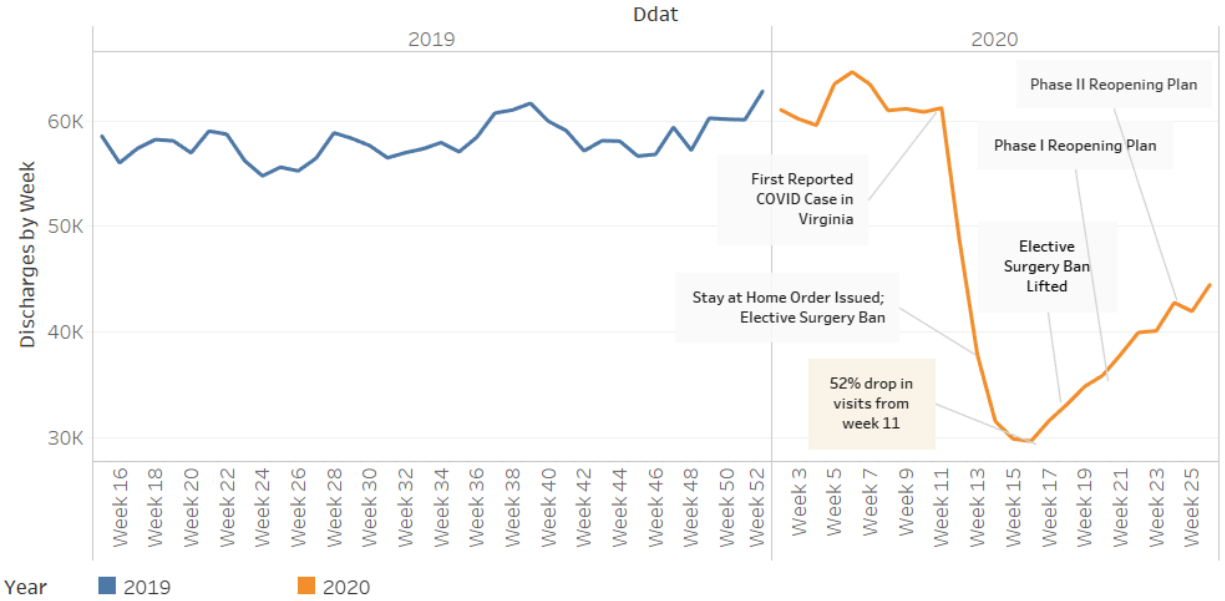
COVID-19: Response and Recovery

ED Visits Down 38% YTD

Virginia ED Visits by Quarter (Q2 2019 to Q2 2020)

2019			2020	
Q2	Q3	Q4	Q1	Q2
692,911 *	768,549	748,794	717,369	459,428

Emergency Department Visits by Week (Q2 2019 to Q2 2020)



* Begining of ED data collection at VHHA. Not all facilities submitted 100% of ED records.

2020 COPN Reform Bill – SB 764 Barker

- Provide access to care for uninsured and underinsured Virginians
- Protect availability of essential health services in all regions of the Commonwealth
- Provide quality of care oversight and accountability
- Train the future health care workforce
- Prepare resources for public health emergencies and natural disasters

COPN makes it possible.

COPN: Reform Implementation
2020 COPN Reform Bill – SB 764 Barker

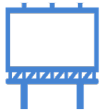
The current system has well-documented issues that have been studied extensively.
The 2020 General Assembly passed SB 764 to enact much-needed reforms.

EFFECTIVE JULY 1, 2020

- Consensus product of two different multi-stakeholder work groups spanning two administrations
- Updates the State Health Services Plan (formerly SMFP) and sets up ongoing task force
- Removes outmoded and non-contested projects (lithotripsy, MSI, obstetrics, nuclear medicine, stereotactic radiosurgery/therapy)
- Modernizes the COPN review process

COPN: Reform Implementation
2020 COPN Reform Bill – SB 764 Barker

Key Dates for Implementation

				
Develop a plan to reduce the average application review cycle period to not more than 120 days	Create an online inventory of capacity authorized by current certificates	Establish a public education and outreach program designed to improve public awareness of COPN	Form the State Health Services Plan task force to update the SHSP	Implement a timely and reliable data analytics system
Report due December 1, 2020	By January 1, 2021	By January 1, 2021	By November 1, 2022	By January 1, 2023

Access to Care: Medicaid Expansion
Continued Success, but Growing Expense for Hospitals

Benefits

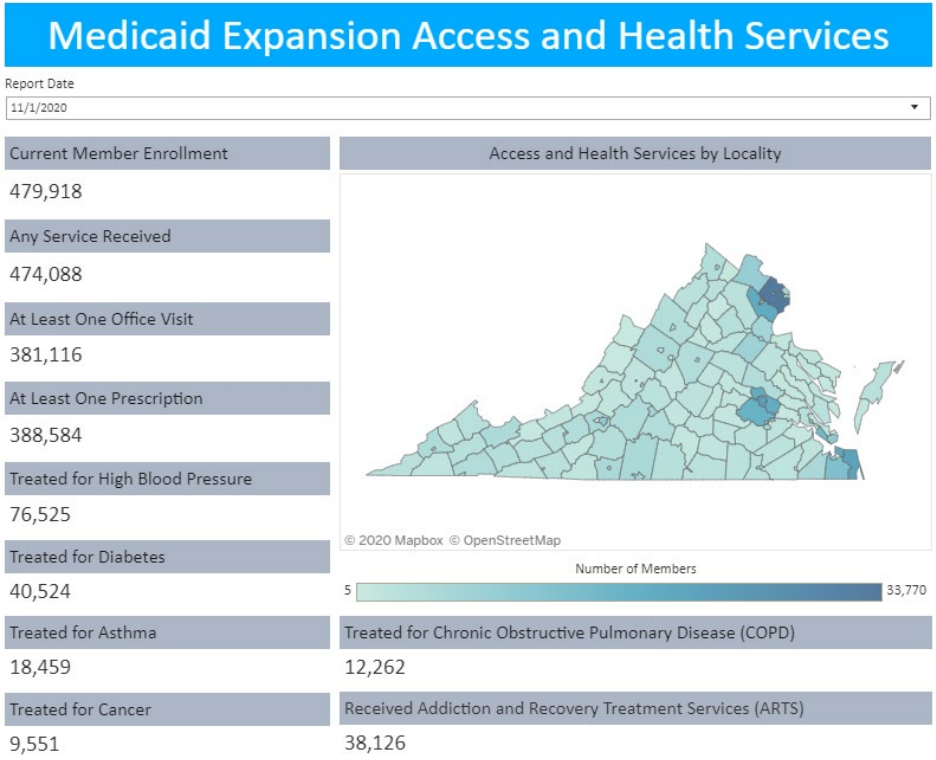
Nearly 480,000 Virginias now have coverage through Medicaid expansion and DMAS estimates that enrollment will grow to more than 550,000 members over the biennium.

According to the DMAS dashboard, 474,000 current Medicaid expansion members have received at least one service, including critical treatment for cancer, diabetes, and addiction recovery.

The Investment

Private acute care hospitals cover the state share of Medicaid expansion. In FY2021 hospitals will pay $370 million, a 30% increase over FY2020 assessment totals due to higher enrollment.

Medicaid supplemental payments are highly dependent on utilization of hospitals' services which has been greatly impacted by COVID.



Access to Care: Insurance Marketplace
State-Based Exchange and Reinsurance Promote Coverage

VHHA participated in the 2019 and 2020 Marketplace Stability and Reinsurance Working Group

Goal 1:
Increase the availability of quality, affordable, and comprehensive health care coverage for Virginians

Goal 2:
Establish a plan for and funding source for a reinsurance program to reduce the cost of health plans

Goal 3:
Ensure policy recommendations strengthen and protect the ACA market

✓ 2019 – Passage of Medicaid Expansion – 474,000 + covered Virginians

✓ 2020 – Passage of a State-Based Exchange – Ensure Network Adequacy

Recommendation for 2021 Session: Establish Reinsurance Pool and Funding Mechanism. The investment in funding determines the amount of savings.

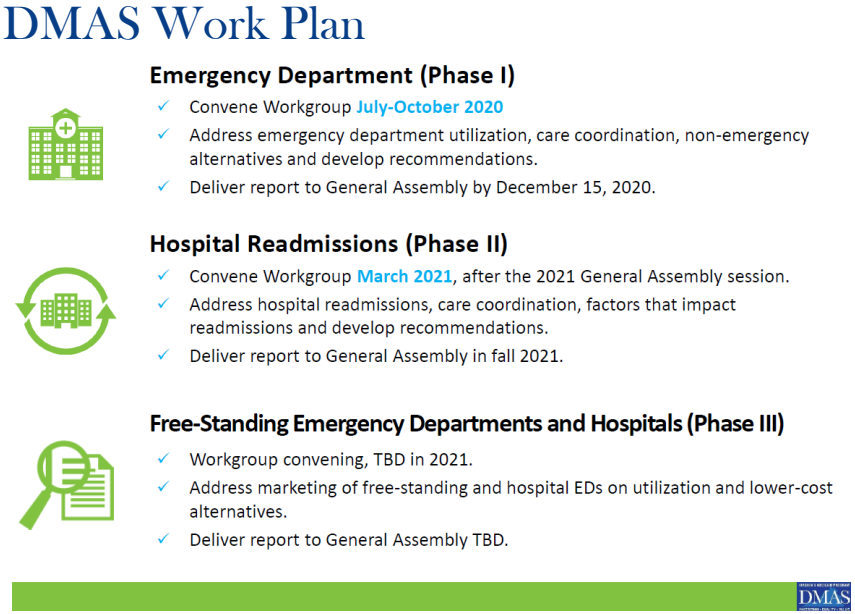
Managing Patient Care and Costs
Medicaid Payment Policies and Care Coordination Work Group

DMAS to convene a work group to "*evaluate and develop strategies and recommendations to improve payment policies and coordination of care in the Medicaid program to encourage the effective and efficient provision of care by providers and healthcare system serving Medicaid members.*" Item 313YYY (2020)

- Focus is emergency department (ED) utilization and readmissions.
- VHHA actively participating.

  Oct. 27th meeting – VHHA presented data on ED utilization trends across payors and demographics

  Nov. 19th meeting – VHHA to present information care coordination processes/activities for emergency department care and hospital discharges/readmissions

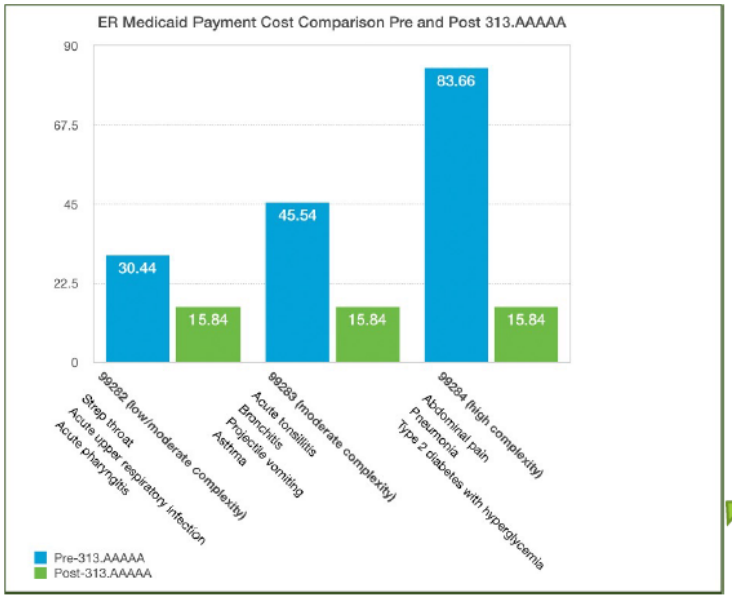


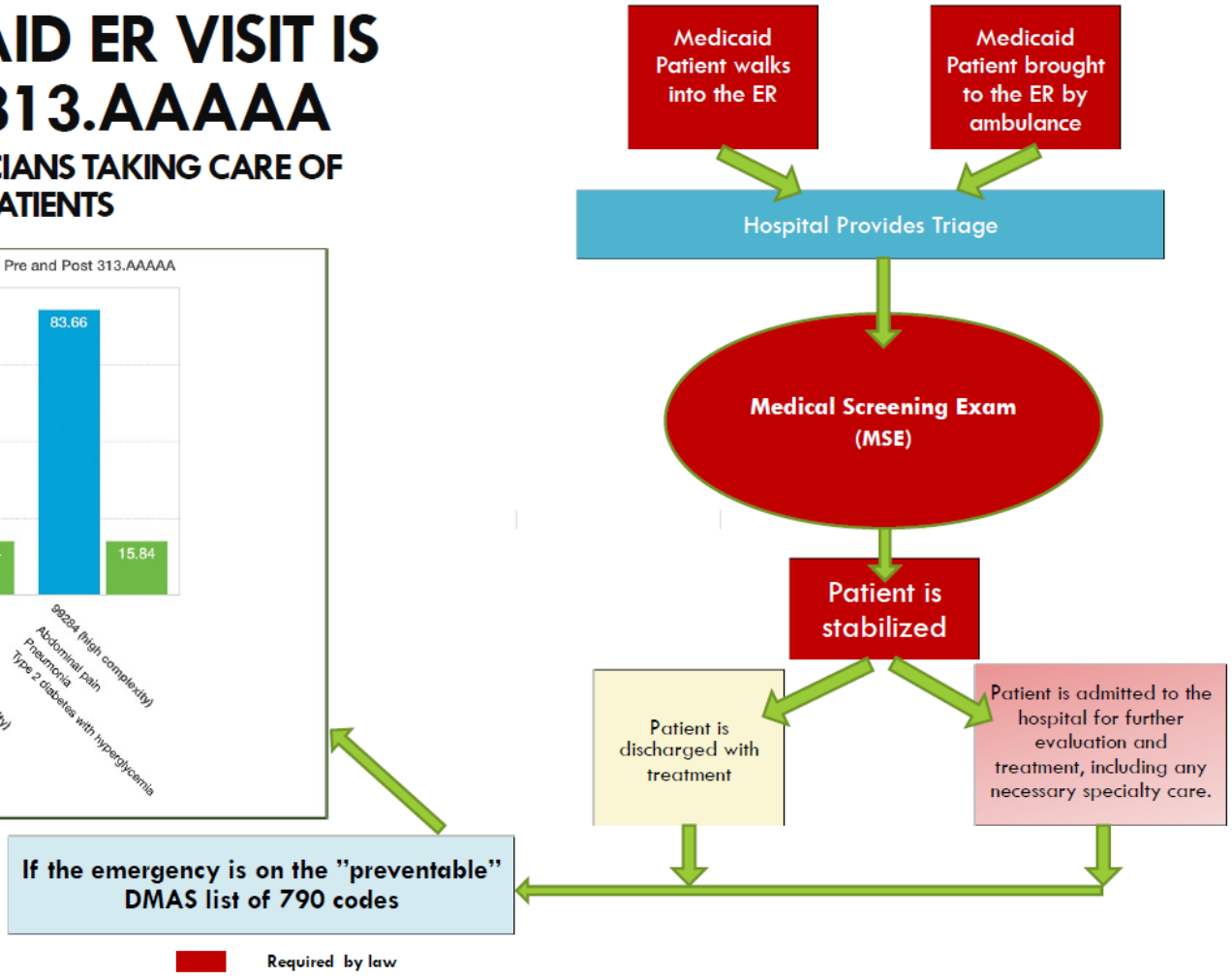
Initial report due to Joint Subcommittee for HHR Oversight by Dec. 15, 2020.

Managing Patient Care and Costs
ED Utilization Penalties Shown to be Ineffective

HOW A MEDICAID ER VISIT IS PAID UNDER 313.AAAAA

THE IMPACT ON THE PHYSICIANS TAKING CARE OF MEDICAID PATIENTS





Managing Patient Care and Costs
Promote Proven Strategies to Reduce Reliance on EDs

"Experience and research suggests that narrow strategies to reduce ED usage by attempting to distinguish need on a case-by-case basis have had limited success in reducing expenditures to date, due in part to the very reasons for higher rates of utilization by Medicaid beneficiaries including unmet multiple health needs and the limited availability of alternative health care services." CMS Informational Bulletin (2014)

Strategy 1: <u>Broaden</u> Access to Primary Care Services
Ensure network adequacy
Two-thirds of emergency visits occur after business hours (weekdays 9am-5pm)

Strategy 2: <u>Focus</u> on Frequent ED Users – "Super-utilizers"
5% of the Medicaid "super-utilizers" = 40% of resources
Enhance and integrate the Emergency Department Care Coordination (EDCC) program

Strategy 3: <u>Target</u> needs of people with behavioral health challenges
Invest in outpatient community resources – fully fund STEP-VA
Execute Behavioral Health Enhancement (DBHDS and DMAS led)

Drivers of ER Utilization

<u>Leverage existing programs seeking to address social determinants of health including:</u>
Unite Us Program - public health infrastructure that connects health and social care
Partnering for a Healthy Virginia – VDH and VHHA partnership

Health Equity and Population Health
Maternal Health

- **18-month Maternal Health Collaborative** in partnership with VDH.
  - Guide hospitals in identifying contributing factors in the variation in maternal morbidity among their patient populations
  - Identify root causes of poor maternal outcomes
  - Translate knowledge into replicable action plan to include patient and community-centered approaches to drive cost-effective, innovative improvements in maternal care.
- **Monthly VNPC Webinar Series** hosted by VHHA Center for Healthcare Excellence

Maternal Outcomes Dashboard to assess factors that drive outcomes:

Current data on:

  - Incidence of severe maternal morbidity (SMM), and mortality, chronic disease, length of stay, and birth outcomes by race, zip code, payer type, parity and applicable social determinants of health ICD codes (z-codes).
  - Neonatal Abstinence Syndrome (NAS) incidence by zip code, payer type, income, race and any SDOH indicators
- **VHHA** technical support and guidance on the VNPC Steering Committee, Maternal Mortality Review Team, and State Agency Maternal Health Workgroup.

This material is produced as a result of the Maternal Health Collaborative awarded to VHHA Foundation supported by the Virginia Department of Health, Office of Family Health Services.

Health Equity and Population Health
Hospital-Based Violence Intervention Programs (HVIPs)

A health-centered model to reduce community and intimate partner violence

- Trained staff provide support and wraparound services to victims of violence in hopes of preventing reinjury and promoting individual health
- May 2019 – VHHA Foundation awarded Victim of Crime Act (VOCA) funds allocated to DCJS to support HVIP efforts in communities with significant need
- Local experts at VCU Health organize and facilitate training around HVIP and victim advocacy
- Five hospitals participating:
  - Bon Secours Mercy Health – Richmond
  - Sentara Norfolk General Hospital
  - Riverside Regional Hospital
  - VCU Health
  - Chesapeake Regional Medical Center

Accomplishments

- 867 victims of violence served in first year (goal was 200)
- Increased hospital and community awareness and training around HVIPs
- Recruitment, hiring, and onboarding of program coordinators and many frontline intervention specialists
- Trainings were adapted to meet the challenges of the COVID-19 pandemic
- #ViolenceIsAHealthcareIssue and Gun Violence Awareness Month Campaign
- Year 2 underway!

This project was supported by Award No.20-A4739VP18 awarded by the Department of Criminal Justice Services' Victim Services Grant Program, Department of Justice. The opinions, findings, and conclusions or recommendations expressed in this publication/program/ exhibition are those of the author(s) and do not necessarily reflect the views of the Department of Justice or grant-making component.

Health Equity and Population Health
Partnering for a Healthy Virginia

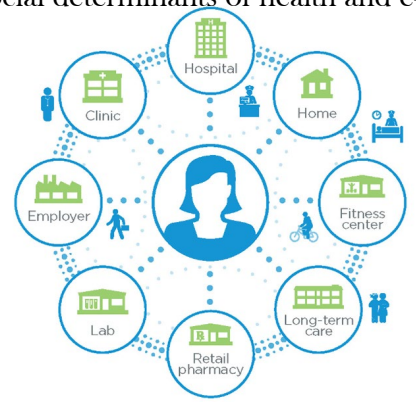
VHHA partnership with VDH, local health departments, local jurisdictions, the medical community, and other stakeholders to address population health

While access to medical care certainly affects personal health, it is now widely understood that the environment in which a person lives, works and plays accounts for 80% of health outcomes.

Partnering for a Health Virginia (PHV) conducted assessment of screening tools for social determinants of health and e-referral systems was conducted and found the following:

1. Screening for social determinants of health is happening in pockets and with no standardization.

2. No statewide e-referral system that helps connect Virginians, particularly vulnerable populations, with needed resources. This creates multiple barriers to achieving health equity including lack of transportation, food insecurity and lack of employment.



When COVID-19 hit the Commonwealth, this lack of public health infrastructure became painfully obvious and the need for that infrastructure became more apparent.

As more and more families were asked to quarantine themselves, few had access to healthcare professionals, food or jobs. This made quarantining difficult for those at greatest risk.

Now, Virginia is experiencing the highest rates of unemployment in decades, so the need for residents to be connected to support services continues to grow.

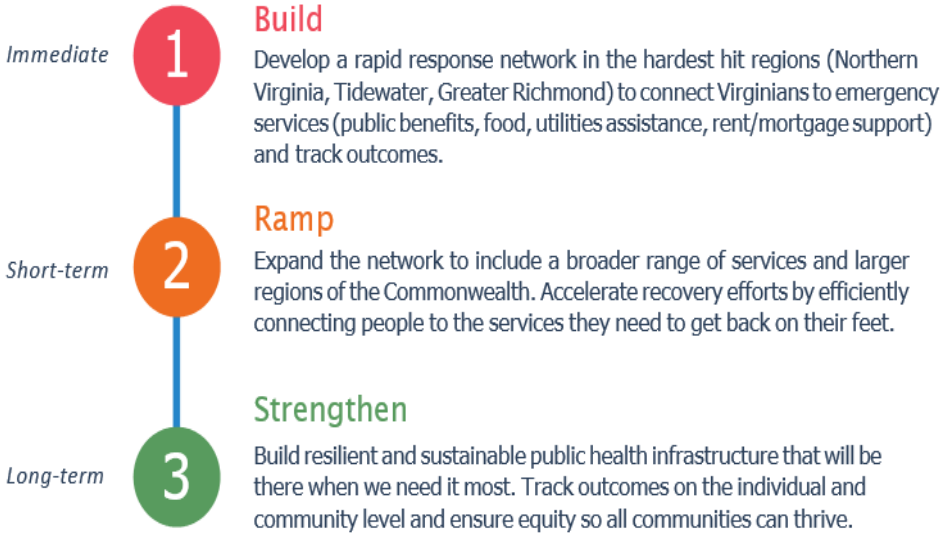
Health Equity and Population Health
Unite Us

Outcome-focused technology to support coordinated care networks of health and social service providers to address social determinants of health

Unite Us creates public health infrastructure that connects health and social care and assists states in their effort to address the social determinants of health.

Public health experts work deeply with each community to build coordinated care networks of health and community services.

Through these networks, the state can connect Virginians to critical services, track the outcomes delivered, evaluate the gaps in services, and direct resources where they're needed most.



The Governor has committed $10M in CARES Relief Act (CRF) funds to initiate the implementation of an IT platform designed to link vulnerable members of society to needed social services to aid the Commonwealth in its response to and recovery from the COVID-19 pandemic. The $10M investment covers the initial strategic implementation plan for the network and training. No additional state support will be necessary.

Insurance and Billing Practices
GA Passes Landmark Legislation to End Surprise Billing

The 2020 General Assembly passed SB 172/HB 1251 to prohibit balance billing for emergency services and out-of-network services at an in-network facility

DELAYED IMPLEMENTATION JANUARY 1, 2021

- After three years of stalled efforts, hospitals, physicians, and insurers were able to reach consensus on a workable approach
- Payment based upon commercially reasonable amount; caps patient responsibility at the in-network cost-sharing amount
- Establishes an arbitration process in the event an insurer and provider are unable to agree on a "commercially reasonable amount"
- Standard template for a notice of consumer rights and other transparency requirements for providers and insurers

Insurance and Billing Practices
Updates to Fair Business Practices Act

HB 1384 (Robinson) seeking to make various updates to the Fair Business Practices Act carried over to 2021

- Prohibit unilateral amendments to material provisions of provider contracts; streamline process for coverage and payment policy updates
- Require provision of a complete fee schedule in machine-readable format at the time of contracting
- Update timeframe for claims submission and payment
- Clarify the role of the State Corporation Commission in enforcing the law and include greater transparency on compliance

2021 Legislative and Budget Priorities

- Strengthen Liability Protection for Health Care Providers and Employers
- Updates to the Fair Business Practices Act
- Maternal Health Data Collection
- Behavioral Health Initiatives
- Removal of the Emergency Department Utilization and Readmissions Penalty
- Reduction of the Provider Assessment Administrative Fee
- Measures to protect the coverage assessment from uncontrolled growth in the Medicaid program and original intent/purpose
- Trauma Fund Sustainability
- Reallot funding for Nurse Preceptor Program

Questions?