

# **INTERIM JOINT COMMITTEE ON HEALTH, WELFARE, AND FAMILY SERVICES**

## **Minutes of the 1st Meeting of the 2020 Interim**

**June 25, 2020**

### **Call to Order and Roll Call**

The 1st meeting of the Interim Joint Committee on Health, Welfare, and Family Services was held on Thursday, June 25, 2020, at 1:00 PM. Representative Kimberly Poore Moser, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Ralph Alvarado, Co-Chair; Representative Kimberly Poore Moser, Co-Chair; Senators Julie Raque Adams, Tom Buford, Danny Carroll, Denise Harper Angel, Alice Forgy Kerr, Morgan McGarvey, Stephen Meredith, and Max Wise; Representatives Danny Bentley, Tina Bojanowski, Adam Bowling, George Brown Jr, Tom Burch, Daniel Elliott, Deanna Frazier, Robert Goforth, Scott Lewis, Mary Lou Marzian, Melinda Gibbons Prunty, Josie Raymond, Steve Riley, Steve Sheldon, Cherlynn Stevenson, Nancy Tate, Russell Webber, and Lisa Willner.

Guests: Nancy Galvagni, President, Jim Musser, Vice President of Health Policy, Kentucky Hospital Association; John Inman, Director of Advocacy and Government Affairs, Kentucky Primary Care Association; Sally Jordan, Chief Executive Officer, HealthPoint Family Care; Michael Stanley, Chief Executive Officer, Grace Health; Bart Hardin, Director, Government Relations, Barry Swanson, Chief Procurement Officer, University of Kentucky Healthcare; Shannon Rickett, Assistant Vice President, Government Relations University of Louisville Healthcare; Paul Brophy, Executive Director for Employer and Individual, Kevin Crawford, External Affairs UnitedHealthcare Kentucky; Dr. Brent Wright, President, Kentucky Medical Association; Sheila A. Schuster, Ph.D. Licensed Psychologist, Executive Director, Kentucky Mental Health Coalition; Donna Veno, Program Manager, Kentucky Telehealth Program, Robert Putt, Executive Director, Office of Health Data and Analytics, Cabinet for Health and Family Services; and Adam Mathers, Inspector General, Office of the Inspector General, Cabinet for Health and Family Services.

LRC Staff: DeeAnn Wenk, CSA, Ben Payne, Chris Joffrion, Dana Simmons, Becky Lancaster, Hillary McGoodwin, and Shyan Stivers.

**COVID-19: Hospital Preparedness and Capacity**

Nancy Galvagni, President, Kentucky Hospital Association (KHA), stated that prior to the pandemic some hospitals were facing financial challenges. Kentucky hospitals collectively have suffered financial losses of \$1.6 billion from March to the end of June 2020. Only 53 out of 118 Kentucky hospitals have received enough federal relief to cover the losses due to COVID-19 to date. Many Kentucky hospitals have resorted to cost-cutting efforts that include furloughing thousands of employees. Despite the hospitals' cost-cutting efforts, 65 Kentucky hospitals have accumulated approximately \$750 million in losses. KHA is working with the United States Department of Health and Human Services (HHS) to send more of the federal relief money to Kentucky hospitals. If hospital losses are not covered it could affect the long-term sustainability of Kentucky hospitals. The behavioral health hospitals have also felt the impact of the federal response.

Ms. Galvagni stated that Kentucky hospitals have approximately 1,350 intensive care unit (ICU) beds available for use. Kentucky was able to surge the number of additional ICU beds to 3,228 for relief during the pandemic. Approximately 40 percent of COVID-19 patients needed ICU care at some point in their hospital stay. Kentucky had approximately 9,959 total staffed beds and was able to surge the number of beds with an additional 10,000 beds. When the shutdown happened in March, Kentucky's inpatient volume dropped an average of 40 percent. The out-patient drop was down as much as 90 percent in some hospitals. In general, patients have been slow to return to the hospitals. As the elective procedures have resumed, hospitals are reporting that the inpatient beds and volume is improving. The emergency department volume is down approximately 50 percent. Hospitals are stating that patients are waiting longer to seek treatment. KHA has partnered with Kentucky Medical Association (KMA) to create public service announcements to let the public know it is safe to come back to the doctors' offices and the hospitals. Telehealth has allowed people to stay in their home and not be exposed to COVID-19. Many of the waivers that Kentucky received during the pandemic were key to allowing hospitals to provide telehealth.

KHA would like to see providers be able to continue to provide telehealth to patients and be paid equal to office visits. KHA would like to see telehealth allowed to be provided in both rural and urban areas because at times telehealth was restricted to only rural areas. KHA would like to see all Medicare and Medicaid providers be able to continue to bill and be paid for telehealth services.

In response to questions and comments from Senator Alvarado, Ms. Galvagni stated that there are approximately 20 hospitals in Kentucky that are in vulnerable situations and fit the criteria of other hospitals in the United States that have closed. It is key that the hospital losses from the pandemic shutdown are covered by the federal government. She has not heard that hospital staff are leaving the state to find work elsewhere. Other states are actively recruiting hospital staff in Kentucky. KHA is planning to do a debriefing to figure how Kentucky hospitals can do things better in the future.

In response to questions and comments from Representative Frazier, Ms. Galvagni stated that one-third of the beds that were created were within the walls of a hospital.

In response to questions and comments from Representative Willner, Ms. Galvagni stated that KHA is reviewing the telehealth statutes in Kentucky to determine if additional legislative changes need to be made. Medicare sets many of the standards but the state laws discuss coverage for private commercial payers.

In response to questions and comments from Representative Marzian, Ms. Galvagni stated that KHA supports keeping coverage in place and the Medicaid expansion.

### **COVID-19: Impact on Rural Health Care Providers**

John Inman, Director of Advocacy and Government Affairs, Kentucky Primary Care Association (KPCA), stated that KPCA includes 51 independent, rural health clinics and 27 federally qualified health centers in Kentucky. Rural health care providers treat over one million patients per year in Kentucky. Over 350,000 of those patients are Medicaid members. Many rural health care providers treat patients regardless of their ability to pay for services. Rural health care providers offer primary care, dental services, behavioral health services, substance use disorder treatments, pediatric care, and obstetrician-gynecologist (OB-GYN) services to communities. Many rural health care providers have set up telehealth services to provide care to patients. Many rural health care providers have seen an 80 percent decline in revenues and have still been able to operate and provide care. KPCA is in favor of keeping the telehealth federal waivers permanently. KPCA has successfully partnered with the Department for Public Health to provide members with personal protective equipment (PPE), guidance, and support throughout the pandemic.

Mike Stanley, Chief Executive Officer, Grace Health, stated that Grace Health serves southeastern Kentucky's most vulnerable population. Prior to the Governor's Executive Order, Grace Health's emergency management team and providers followed the Centers for Disease Control and Prevention (CDC) guidelines and created a protocol with telehealth to care for its patients. Grace Health was able to identify gaps in care and incorporated the inclusion of patient vital signs into the lab-draw visit protocol to insure that providers had additional clinical data for the telehealth visits. Through May 31, 2020, total visits decreased by 24 percent and total patient visit revenue decreased by 32 percent from the previous year. Grace Health did not have a mandatory furlough of staff; however, staff was reduced by 28 percent at the lowest point of the pandemic. Grace Health had to close 41 school-based health sites, because all schools in its districts moved to online instruction. Grace Health received PPE from the state until May when it no longer qualified due to low volume of COVID-19 cases. Additional funds will be need to cover losses beginning on June 1, 2020, because the patient levels are not at budgeted levels.

Sally Jordan, Chief Executive Officer, HealthPoint Family Care, stated that HealthPoint Family Care has six main locations and 20 school-based locations. Eighty-five

percent of HealthPoint Family Care's patients have incomes at or below the federal poverty level. HealthPoint Family Care began modified operations and testing for COVID-19 on March 14, 2020. HealthPoint Family Care has been able to carry on with its mission, but the financial stability has been greatly impacted. The costs of providing services has increased; however, the volume and reimbursements have decreased. Stopping in-person visits had the largest impact on the organization. Telehealth did not address childhood immunizations, and many have been missed during the pandemic. Many patients are reluctant to return to a provider's office. HealthPoint Family Care medical volume dropped 40 percent and the dental volume dropped 20 percent from 2019 volumes. HealthPoint Family Care eliminated 48 positions that equals 25 percent of the total staff. HealthPoint Family Care's revenue is down 17 percent against the same time period in 2019. HealthPoint Family Care received \$2.4 million between federal grants and the direct relief fund. HealthPoint Family Care is concerned with the continued low volume of patients.

In response to questions and comments from Representative Marzian, Ms. Jordan stated that HealthPoint Family Care's bottom line would improve with Medicaid expansion. If the expansion was stopped, HealthPoint Family Care would have some financial risk. She stated that the fear is that if the expansion is cut back many patients would lose coverage and not be able to care for themselves. Mr. Inman stated that the Medicaid population that is treated by KPCA providers runs from 40 percent to 80 percent of all patients. There would be a significant impact if KPCA providers were to lose the Medicaid expansion population.

In response to questions and comments from Senator Alvarado, Mr. Stanley stated that Grace Health did as much research as possible on the patients that had the best test results then decided to go with Solera. Grace Health is not receiving reagents or chemical detection tests, as hoped because they are going to areas with the greater number of cases of COVID-19. He does not have results or information regarding COVID-19 antibody tests. Ms. Jordan stated that HealthPoint Family Care has not tested patients for the COVID-19 antibody. HealthPoint Family Care is waiting for guidelines on how to treat patients and protocols to follow for testing. HealthPoint Family Care has done the Abbott blood test on staff working with COVID-19 patients with all results coming back negative across Boone, Kenton, Campbell, and Jessamine counties.

In response to questions and comments from Senator Meredith, Mr. Inman stated that KPCA has started a network for purchasing PPE from different vendors. KPCA is beginning to stock pile PPE in case there is an increase in COVID-19 cases. The Kentucky Department for Public Health has been great partner to KPCA in supplying PPE and other supplies throughout the pandemic.

In response to questions and comments from Representative Gibbons Prunty, Ms. Jordan stated that HealthPoint Family Care is concerned that payers do not have all of the

patient's information that HealthPoint Family Care has access in order to provide complete care.

### **COVID-19: Pandemic Field Hospitals**

Bart Hardin, Director, Government Relations, University of Kentucky (UK) Healthcare, stated that UK Healthcare has grown into a level one trauma center and is the largest academic medical center in Kentucky. UK Healthcare has 70 clinics that exceed 2 million visits per year. As COVID-19 began to spread in the late 2019, UK Healthcare began to look at estimates and information from many sources to see how it could be impacted. On March 25, 2020, UK Healthcare ran a model to project COVID-19 related spikes, and it was projected that UK Healthcare would have a hospital census of 1,575 patients of which 619 would need an ICU bed for treatment. After much consultation, UK Healthcare made the decision to move forward creating an alternative sight at the UK Nutter Field House with 400 additional beds.

Barry Swanson, Chief Procurement Officer, University of Kentucky Healthcare, stated that in March 2020, it was requested that he and his staff procure the contracts to have the alternative sight operational by mid-April 2020. UK Healthcare signed a 30 day contract with Emergency Disaster Services (EDS) on April 2, 2020, construction began on April 3, 2020, and the alternative site was operational on April 10, 2020. Termination of the contract was issued on May 7, 2020, and the contract was not renewed. Mr. Hardin stated that the total spend on the alternative site project was approximately \$7.3 million of which \$6.7 million went to emergency and disaster relief. UK Healthcare has requested reimbursement from Federal Emergency Management Agency (FEMA). UK Healthcare stands firm that with the information that was given, the correct decision was made to create the field hospital for the citizens within the service area.

Shannon Rickett, Assistant Vice President, Government Relations, University of Louisville (U of L) Healthcare, stated that U of L Healthcare did not play an active role in setting up the field hospital at the Kentucky Fairgrounds in Louisville. U of L Healthcare was aware of the field hospital's location and capability but did not participate in the development or operations of the site. U of L Healthcare understood that if the health systems in the Commonwealth became overwhelmed with patients, the field hospital would be available for use.

In response to questions and comments from Senator Alvarado, Ms. Rickett stated that she does not know when the contracts for the Louisville field hospital were procured. She does not have any detailed information regarding the Louisville field hospital. Mr. Hardin stated that if UK Healthcare is not reimbursed by FEMA that the UK Healthcare system would pay for the loss, not the students of the university. UK Healthcare is a self-sustaining entity and the loss would be an operational loss with no impact to students or tax payers. Adam Mather, Inspector General, Office of the Inspector General, Cabinet for Health and Family Services, stated that the Louisville field hospital was created, and the

cost directly to FEMA was approximately \$2 million with an original plan of \$125 million. He stated that U of L Healthcare did not make any decisions regarding the Louisville field hospital.

In response to questions and comments from Senator Carroll, Inspector General Mather stated that there were very few contracts and no state dollars used for the Louisville field hospital. Many of the beds and materials used were from the Emergency Management field hospitals, and no rent was charged because the fairgrounds are state property.

In response to questions and comments from Senator Raque Adams, Inspector General Mather stated that U of L did not play a part in the Louisville field hospital. He believes that the \$2 million has been paid.

In response to questions and comments from Representative Moser, Mr. Hardin stated that UK Healthcare would not be creating a second field hospital if the number of COVID-19 cases were to spike again. UK Healthcare believes that it can do things internally and within existing facilities to handle the COVID-19 cases.

### **Update on Telehealth**

Robert Putt, Executive Director, Office of Health Data and Analytics, Cabinet for Health and Family Services (CHFS), stated in 2018 the General Assembly required that Medicaid and health benefit plans cover and reimburse a telehealth service at the same rate as an in-person service by July 1, 2019. The mission of the Kentucky Telehealth Program is to implement telehealth services and develop standards, guidance, resources, and education to help promote access to healthcare services in the Commonwealth. A Telehealth Steering Committee was formed and has 22 members representing various associations and departments within CHFS. The Telehealth Steering Committee assists with conducting an assessment and survey of telehealth services and opportunities in Kentucky. There are 10 workgroups charged with addressing specific areas of interest and reporting to the Interim Telehealth Steering Committee.

Donna Veno, Program Manager, Kentucky Telehealth Program, Cabinet for Health and Family Services, gave an overview of several different workgroups that report to the Steering Committee. She discussed the various policies, standards, and developments that each workgroup is working to secure better telehealth outcomes for patients and providers. Mr. Putt discussed how telehealth has benefited inpatient and outpatient services. Telehealth has increased access to substance use disorder treatments and the engagement of family members and significant others in treatment. Ms. Veno reviewed the actions and guidance that Medicaid took to accommodate telehealth visits during the COVID-19 pandemic. Provider services using telehealth during COVID-19 totaled over \$31 million in services compared to about \$1 million prior to COVID-19. The Medicaid telehealth claims that were fee-for-service in the three months prior to COVID-19 totaled \$95,686

and during the three months of COVID-19, the fee-for-service claims totaled \$6,953,575. CHFS will work with professional licensure boards on needed regulatory amendments for post-COVID-19 telehealth use.

Dr. Brent Wright, President, Kentucky Medical Association (KMA), stated that when the pandemic happened it showed that telehealth became PPE. With social distancing in place, providers had to rethink how their practices would function. Kentucky had progressive telehealth legislation in place. When the pandemic started KMA moved quickly to transfer practice to make sure the providers could provide care to patients. In April 2020, KMA conducted a survey of approximately 300 providers that showed a dramatic increase in patient visits conducted by telehealth. KMA found that there are still patients who do not have the technology to allow for a video telehealth visit. The solution was to use a phone call which were not covered by insurance; however, insurers began to lighten the restrictions during the pandemic. KMA is committed to advocating for changes to increase telehealth coverage for better patient care.

Sheila A. Schuster, Ph.D. Licensed Psychologist, Executive Director, Kentucky Mental Health Coalition, stated that she has heard from all areas of behavioral health care with informal findings that community mental health centers (CMHC) could not open due lack of PPE. CMHC went from no patient usage of telehealth services to 70 to 85 percent of the patients using telehealth services. CHMC had service problems with young children, elderly adults, patients with limited technology resources, patients with limited cognitive abilities, and homeless patients. Many patients have limited phone minutes or data usage. There were concerns with patient confidentiality when the patient's computer may be a central home location. There were some billing and reimbursement issues however most problems have been overcome. Telehealth is a critical tool for patient care but not a substitute for all one on one patient care. She is worried about the increased needs for behavioral health post-pandemic. Telehealth has helped to address mental health needs that were not being met because people could not get to their services.

Paul Brophy, Executive Director for Employer and Individual, UnitedHealthcare Kentucky, stated that telehealth is using technology to provide healthcare and services at a distance. At UnitedHealthcare telehealth includes telemedicine, telesite, and telepharmacy services. Prior to COVID-19, UnitedHealthcare had approximately 1,000 doctors using telehealth services and now there are 14,000 doctors using telehealth services. Virtual visits are expected to surpass 1 billion by 2021. UnitedHealthcare has two telehealth methods of connecting with doctors. Early claim data indicates a significant shift in the use of telehealth for behavioral health care. UnitedHealthcare has remote patient monitoring capabilities to allow frequent engagement with people who need more care and may involve sending out equipment to patients to collect health information.

## **Adjournment**

There being no further business, the meeting was adjourned at 3:25 PM.

