From: Georgia Maheras
To: Georgia Maheras
Subject: Bi-State Business Implications Bulletin
Date: Friday, June 19, 2020 12:00:44 PM

Dear CFOs and CEOs,

This email contains financial/business-focused information. As you know, Bi-State has also been sending COVID-19 bulletins to CEOs and Medical Directors for the past couple months (archive of past bulletins can be found here).

Thank you to all the CFOs and CEOs who have been attending our CFO drop-in meetings. We have discussed the Paycheck Protection Program, the HHS Provider Relief funding, ECT Budgeting, and several other topics. We are grateful that Mary Dowes, CPA (Senior Manager and BerryDunn) has been on the line to provide some great analysis. Notes from the meeting on 6/12/2020 are included at the bottom of this bulletin. We plan to hold these meetings every other week moving forward (e.g., next meeting on 6/26/2020).

Earlier on in COVID-19 response, we provided you with information regarding how liability, workers' comp, reimbursement, and other business operations were changing as part of the Public Health Emergency (PHE). As you know, there is increased flexibility (1135 waivers in each state for example) during a PHE. There will be a time in the future when the PHE is no longer in place (there is one for federal, one for NH, and one for VT) and we encourage you to think about the 'pandemic rules' as they relate to 'usual business rules' now to prepare for the eventual shift. We at Bi-State are continuing to remind policymakers that it will be many, many months before we are no longer in an emergency, but a shift is inevitable.

Bi-State has developed a few resources to track the state and federal funding/business resources. This powerpoint is a summary of the federal funding released to-date. This summary and this table provide both federal and state-specific information. These are google docs and they will always have the most up-to-date information we can find.

Toplines include: SBA releases PPP guidance, HHS continues to update their Provider Relief Fund website, and the NH and VT Legislatures are closing in on final legislation (for now). Finally, things change, so we encourage you to click the links for updated guidance.

Today's PSA: There has been a LOT of hubbub about masks. One of the most compelling arguments in favor is in this Washington Post article. Pro tip: lightweight ski buffs do a great job for wearing a mask on your puppy walks (they also launder easily when said puppy decides to nibble on them).

Thanks for all that you do and please let us know if you have any questions or comments,

Georgia

GENERAL

Vacation/Travel Guidance

Just a reminder that VT and NH have slightly different takes on non-essential travel and quarantine. However, both states note that the White and Green mountains make lovely vacation spots and encourage you to go there.

VT Policy: VT requires travelers coming to (or returning to) Vermont to quarantine for 14 days.

(Alternatively, travelers can quarantine for 7 days, receive a test, and, if negative, end their quarantine.) Exceptions to the quarantine requirement include:

- People traveling for essential purposes do not need to quarantine.
- Travelers from select counties do not need to quarantine. (Travelers from counties in New York and New England with low numbers of active infection per population do not need to quarantine when they arrive in Vermont if they travel to Vermont in a personal vehicle and make no stops along the way. Read the Travel Guidance and check the map of approved counties).
- People who regularly commute to or from Vermont do not need to quarantine.
- People hosting travelers do not need to quarantine.

Full information can be found here. There is no VT travel policy that particularly addresses or provides greater flexibility to essential workers or health care workers. At this time, the general policy applies.

NH Policy: DHHS has shared this guidance for anyone traveling outside of NH. The guidance, which requires quarantine for 14 days says: “Any persons traveling internationally (including Canada), on public conveyances outside of NH, VT, or ME, or on a cruise, should quarantine for 14 days after return, which is consistent with CDC guidance. Occupational Medicine and businesses should screen staff for such travel before returning to work. Other domestic travel risk can be assessed by Occupational Medicine on a case-by-case basis.”

Podcast: Policy in Plainer English

Check out Policy in Plainer English (or subscribe to it on the usual podcast sources) for our own Helen Labun’s Season Two telehealth series. Available telehealth podcasts include:

- Telehealth Reimbursement & COVID-19
- Telehealth and the Telephone
- Telehealth and the Telephone Epilogue – CCM
- Broadband for Telehealth
- Telehealth Reimbursement & COVID-19 Part Two
- Teledentistry
- Telehealth and Provider Consultations

Season One is all about value-based care.

Weekly Health Center Survey

Each week HRSA (BPHCAnswers@hrsa.gov) sends an email to the Health Center Project Director that includes a link to the weekly survey. The link for the survey is actually the same every week. Health centers can use that link to quickly access the survey during the open period (Fridays beginning at 5:00 p.m. ET-Tuesdays at 11:59 p.m. ET).

FEDERAL FUNDING RELATED:

Economic Injury Disaster Loan (EIDL) Program – Open for all sectors now

We talked about the EIDL Program at the CEO meeting on June 9th. A question was raised about whether these funds are available for non-agricultural businesses. As of June 15th, the SBA has opened up a new application process for small businesses. They continue to process

applications received prior to June so it is worth double-checking on an application you may have submitted in the past. These are $10,000 loans are reviewed on a first come, first serve basis (and there are lots of terms and conditions to consider).

Paycheck Protection Program

The SBA released the new guidance (including the long and short versions of the forgiveness application – similar to the 1040 and 1040-EZ), which updates the program requirements to reflect the most recent Congressional extension and changes. Additionally, this program is subject to the federal Uniform Guidance. Please reach out to your auditor/commercial lender/financial advisor with questions.

HHS Provider Relief Fund

The CARES Act includes a $100 billion provider relief fund (and Stimulus #3.5 added $75B to this fund). s you know, HHS released FAQs, found here, that have additional guidance around calculating this lost revenue. The main website for this program continues to be updated and we encourage you to review it frequently, but maybe not as often as Georgia does. The latest disbursements were to those Medicaid/CHIP providers who had not yet received any disbursement from the fund and safety net hospitals.

Using HRSA Funds for Minor Alterations and Renovations (A/R)

HRSA has permitted health centers to use funding from H8D (up to $500,000) and funding from H8E (aka ECT, up to $150,000) to be spent on "minor A/R." A health center that would like to spend funds in this manner can do so for one or more in-scope sites and would need to submit a detailed budget narrative, the environmental information and documentation checklist, schematics and/or floor plans, and the "Other Requirements for Sites" form. The total cost for each site-specific project must be less than $500,000 (excluding the cost of moveable equipment). A health center theoretically can combine funds from H8D and H8E (ECT) into a single project (though on the Q&A webinar, HRSA called a proposal of this sort "challenging"), provided the project supports the health center's testing strategy (which is a requirement of the H8E/ECT funds) and provided that the total cost of the project is still less than $500,000 (otherwise it is no longer "minor"). The recording of the ECT Q&A webinar answers several questions about minor A/R, starting at minute 47.

Additionally, H.R. 2: The Moving Forward Act, was just released in the House in D.C. and includes infrastructure funding for FQHCs. Hopefully, this bill will pass swiftly.

HRSA Progress Reports – Due 7/10/2020

There is no new information, but this is just a reminder that FQHCs will need to submit quarterly progress reports for each of the separate funding streams (H8C, H8D, and H8E/ECT), starting in July. More details can be found in the HRSA's Coronavirus-Related Funding FAQs.

NEW HAMPSHIRE- GENERAL RESOURCES:

General Reopening Guidance

On June 15th and under Emergency Order #52, New Hampshire transitioned from a "Stay at Home Order" to a "Safer at home Advisory Status." Granite Staters (under age 65 and with no underlying health conditions) are now offered more leeway to leave their homes, with the advice to practice social distancing to the extent possible. Those over 65 or who have

underlying health conditions are strongly advised to stay home, leaving only for essential needs.

EO 52 also requires all businesses and organizations within NH to comply with Universal Business Guidelines, laid out in Exhibit A of Emergency Order #52. The guidelines are effective immediately, include requirements for both employers and employees, and are based on recommendations from the US Centers for Disease Control and Prevention (CDC), Equal Employment Opportunity Commission (EEOC) and Occupational Safety and Health Administration (OSHA).

EO 52 also provides Industry Specific Guidelines in an Exhibit B. Many industries are singled out including Hospitals, elective procedures (Section D), and Dental (Section G).

Most businesses are now allowed to be open, with some limitations, using universal guidelines for cleaning. Most will be able to open at 50% capacity with six feet of social distance between groups and individuals. Here is a quick reference listing of all business sectors.

Liability

The NH Attorney General issued an opinion at the end of May about immunity for employers from personal injury suits by employees who contract COVID-19.

General NH COVID-19 Business Resources:

COVID-19 NH business resources can be found here. Information about your insurance coverage, unemployment insurance, loans, etc. are all on this page.

NEW HAMPSHIRE-FUNDING RESOURCES:

NH CARES Act Allocations

On June 11th Governor Sununu announced that more of the $1.2 billion in federal CARES Act funding will go to a number of sectors of the economy impacted by COVID-19. This funding must be spent by the end of December and is intended to offset COVID-19-related losses. You can view COVID Expenditures on GOFERR's website.

- $35M Housing Relief: Emergency protections from evictions will terminate on July 1; however these one-time grants will be available to the households which are threatened by eviction in a short-term rental assistance program.
- $50M Broadband: The funding will allow more to get connected, especially in rural areas.
- $15M To Homeless Shelters: This funding will increase the number of beds and meals that can be provided to the 1,000+ Granite Staters who are homeless or have insecure housing situations.
- $2M for Chambers of Commerce: These dollars will fund a state partnership to help NH communities with business and tourism information.
- $10M To Private Colleges: This funding will assist colleges and private universities in recovering COVID costs and expenses they had to bear because of the crisis.
- $30M To Long-Term Care: These grants will help nursing homes and other long-term care facilities survive the COVID-19 crisis.
- $60M To Nonprofits: This money will be allocated through the Community

Development Finance Authority and the New Hampshire Charitable Trust. This allocation of $60M does not preclude future allocations.

Medicaid Stabilization Payment Request to NH DHHS

Medicaid stabilization funds will flow through MCO contracts over the next few months. All entities eligible for the Medicaid stabilization payments, aka Medicaid directed payments, should have received a letter from NH DHHS via USPS detailing the amount to which each entity is entitled. There are steps that the health care organization must take in order to receive payments from the MCOs. Please contact Kristine Stoddard if you have not received your notice or if you have any questions.

NH Health Care System Relief Fund – still open

Organizations must make clear in your application the impact of the COVID-19 has had on your finances, how it affects your ability to provide services, and what the impact will be to your patients and your community if you do not receive financial assistance. Providers can download an application for the COVID-19 Emergency Healthcare System Relief Fund at https://www.dhhs.nh.gov/documents/covid19-relief-fund-app.docx. Applications should be submitted by email to healthcarerelieffund@dhhs.nh.gov.

VERMONT-GENERAL BUSINESS:

FQHCs serving as testing sites

Thanks for the quick feedback about your testing site capacity. Bi-State is working with VDH and others on the next iteration of testing site planning.

Health Care Provider Reopening Testing Protocol Requirement

Dr. Levine has indicated that VDH is requesting that health care providers that are reopening/open develop a staff testing protocol- this includes FQHCs. At this time, there is no formal requirement to submit this plan to the State, but you should have one on file.

DVHA Enrollment and Eligibility: Special Enrollment Period Extended through 8/14/2020

Due to the COVID-19 Emergency, Vermont is facilitating initial and continuous health care enrollment by:

- Temporarily waiving financial verifications required for those seeking to enroll in health insurance;
- Extending Medicaid coverage periods (meaning DVHA is not processing the annual “reviews” that could result in loss of Medicaid) until after the emergency ends;
- Not ending Medicaid coverage during the Emergency period unless the customer requests it;
- Temporarily waiving Dr. Dynasaur premiums, beginning with the April bills for the premium due in May;
- Offering a Special Enrollment Period for those who do not currently have health insurance to enroll in a qualified health plan and receive premium and cost-sharing assistance, if eligible. (Eligible Vermonters can continue to apply for, and enroll in, Medicaid at any time). This Special Enrollment Period is currently open through August 14, 2020.

For more information on Vermont Health Connect, follow the link here.

VERMONT-FUNDING:

CARES Act Funds

As was discussed previously, the Scott Administration and Legislature are working together to define a way to use the State's federal funding to support the health care sector. The House passed a large package and now it is in the Senate for discussion. Thank you for your advocacy on this! Once this bill has passed, we will have information to share about how/when/if you all can access these funds.

Reimbursement for asymptomatic tests

Bi-State is working with DFR and other associations to get clear guidance regarding when it is appropriate to bill commercial insurance and Medicaid for asymptomatic tests.

MEETING NOTES:

CFO Meeting Call Notes (6/12/2020)

Georgia Maheras (abbreviated GJM) began the call by calling attention to a few key points:

1. The Paycheck Protection Program has been extended to 24 weeks. The SBA will be issuing new rules and a new forgiveness application [see above for that new guidance]. There was a component of the statute that said that the SBA may be able to choose to use the old rules. Health centers should talk with their financial advisors.
2. We have been working under Public Health Emergency Declarations since March. The usual rules for liability and reimbursement and many other topics don't really apply during declared emergencies; we are under "pandemic rules" now. However, these orders in each state expire periodically, and then they get renewed. In NH, this happens every 21 days; in VT, every 30 days; and federally, every 90 days. At this time, all of the Public Health Emergency Declarations are still in effect. Bi-State is monitoring this. Someday, these emergencies will expire, and we won't be under pandemic rules anymore. Bi-State is working to make sure that some of the allowances made during this emergency become permanent rules (e.g., telehealth reimbursement).
3. In NH, the Health Care System Relief Fund has been expanded. It is now $100M (including $30M in for LTC). Currently it is still a loan program. We are pushing hard for this to be converted into a grant program. The CARES funding is based on treasury guidance, which has some restrictions. We have included information on this topic in the business bulletin above.

Georgia also thanked the call's participants for testing some Zoom polling features with us.

Mary Dowes (abbreviated MD) of BerryDunn was also on the call to provide an auditor's perspective.

The discussion opened up into a Q&A, which are grouped thematically, below.

Billing for testing

Q (FQHC): We are doing asymptomatic testing of our employees. Can we bill for those tests? Quest seems to think we can.

A (FQHC): I don't think payers will pay unless there is a diagnosis to support it.
A (GJM): You do need a diagnosis code for payers to pay. You can use your ECT funding.

Reporting/tracking

Q (FQHC): We are curious what other people are doing for time and effort tracking for your grants?
A (FQHC): For administrative people, we do an allocation (e.g., 50% of CEO's time is spent on COVID-19). For other staff, we do daily activity reports related to their tasks. This is a paper form. Every day is identified on a spreadsheet, and we record their hours across different tasks. A finance admin does the data entry, and the staff validate their hours.

Provider Relief Fund

Mary Dowes informed the group that there has been expanded clarification by HHS on the definition of lost revenue for the Provider Relief Fund. You can use provider relief for costs that otherwise would have been paid for by the lost revenue. This is more limiting than was previously understood, and health centers will need to ensure they are not double-dipping with other new funding streams.
Q (FQHC): Can you say that every visit has a cost-driven charge?
A (MD): Yes, but with the exception that you can't double-dip (b/c some providers will be covered by 330 funds, PPP, etc.). The costs that you are using the provider relief funds to pay for have to be costs related to preventing, preparing for, and responding to COVID-19. All of your medical care programs are related to COVID-19. But that same argument may not be true of dental programs. If you shut down your dental program, you have lost a lot of revenue. You can't use provider relief funds to pay for a dentist's salary b/c that dentist is not responding to COVID-19.
Q (FQHC): Could we argue that our dental clinics have been instrumental to our community's response b/c they are keeping people out of the ER and not taxing the overburdened health care system?
A (MD/GJM): That is a valid argument. The provider relief funds are subject to the Uniform Guidance, so you'll want to have that conversation with your auditors and have it documented.
Q (FQHC): How can the federal government give us money with one set of rules and then keep changing the rules?
A (GJM): Unfortunately, "pandemic rules" mean that the rules can be changed. The federal government's priority was to get money out the door quickly, knowing that the rules would follow.
Mary Dowes also informed the group that Provider Relief Funds can be used to support expenses related to lost revenue dating back to January 1st. Mary further stated that it has not yet been clarified how far into the future these funds will go. The federal government will likely be using the quarterly report process to understand need and help with this future planning. The first of these reports will be due on 7/10 (for the period through 6/30); we don't know yet what the reports will look or require.
Q (FQHC): Do we need to record expenses against these allotments we've received?

A (MD): You'd do the same thing you do for other grants in your general ledger to prove you are not double dipping.
Q (FQHC): Can we use the Provider Relief Fund to cover those expenses not usually covered by other grants?
A (MD/GJM): Yes. Also, you can potentially use these funds to cover some of the capital needs you may have, if related to your COVID-19 response.
Q (FQHC): Can you talk about Revenue Recognition and Deferred Income in relation to these stimulus funds?
A (MD): The stimulus funds are restricted funds. If you record restricted usually as deferred revenue, that is what you should do with these. You can only recognize the revenue when you have the expenses. We think that this means that if you try to recognize provider relief funds for a month before you have expenses and this trips you into a positive net income situation, that would not be okay. You can recognize them up to a breakeven. This is still a fluid situation.
Q (FQHC): But we are still seeing patients and generating patient revenue…
A (MD): You can use Provider Relief Funds to pay for costs that otherwise would have been paid by lost revenue. This might be tricky because you've received so many other sources of revenue that need to be backed out.
Q (FQHC): If you have a bottom line that is positive, you should not recognize the Provider Relief Fund dollars?
A (MD): That is an interpretation.
Q (FQHC): Are you talking about only the HHS Provider Relief Funding, or should we be managing to a break even each month?
A (MD): This is really just focusing on the Provider Relief Funds. We are meeting internally at BerryDunn to discuss this further. This is subject to your interpretation. You want to be cautious in these times to not be showing too much margin.
Q (FQHC): But you'd need a margin to pay your debt service…
A (MD): Good point.
Q (FQHC): I am estimating each month what our contractual allowances will be because telehealth reimbursement is so uncertain. This is just an estimate at this point. It is hard to start with estimates and land at a breakeven.
A (MD): Yes, you would be estimating. A lot of you have had surpluses for the last couple of years, so in theory you had revenue that didn't pay for expenses. It doesn't seem fair to say you can't have any surpluses moving forward. NACHC/HRSA is having a call today (6/12/2020) to address order of spending (Office Hours: Understanding Your Federal Funding Streams and Appropriate Stewardship) (As of 6/19/2020, no recording of the call had been posted.)
Q (FQHC): When will HHS want us to show them that we've spent the funds?
A (MD): They will monitor how you are spending through the quarterly reports (first one, covering the time period through 6/30/2020 will be due on 7/10/2020).
A (GJM): Some of the CARES Act funding (of which the Provider Relief Fund is one piece) are using the end of the 2020 as a time horizon. But this is unknown for the Provider Relief Fund.

We are trying to work with Congress to get a longer horizon for all of the funding streams given the length of the pandemic response.
Georgia again shared the link to her favorite website (HHS Provider Relief Fund website) and noted that there is a data analysis feature that will show how much funding your organization has received.

Public Health Emergency

Georgia spoke more about the Public Health Emergency as it relates to telehealth reimbursement. She reminded participants that FQHCs and RHCs can bill Medicare as distant site providers through the duration of the federal public health emergency. This expires in late July (it will likely be extended after that). Bi-State is working with the Congressional Delegation to try to make this permanent and to get the PPS rate for these services, but those changes have not been made.
Q (FQHC): CMS Administrator Seema Verma said she doesn't have intentions on extending. Is there any more news on using telephone and getting more than $13?
A (GJM): It is a statutory decision (not Administrator Verma's), which is why we are working with Congress.
A (Helen Labun): Administrator Verma has also walked back those comments. Also, no one should be paying you only $13 right now. Medicare extended audio-only reimbursement for FQHCs, so you will be paid at $92 rate.

NH Medicaid Stabilization Payments

Mary Dowes spoke about the NH MCO stabilization payments. She relayed that the MCOs have confirmed that these are "rate enhancements." It is an increase in your rate; it is not at risk of having to be repaid. It can be recognized as revenue immediately. There are no restrictions on the use of funds because it is an enhancement in your rates.
Q (FQHC): NH DHHS says it won't be extending the contracts with health centers to provide care for the uninsured and will roll this into Medicaid. What is going on?
A (GJM): In a show of forward thinking, NH planned for these NH DHHS contracts back in March. Then the CARES Act passed, and within the CARES ACT there are two different mechanisms to take care of the uninsured: (1) HRSA portal, and (2) flexibility for Medicaid programs to use Medicaid dollars to reimburse care for the uninsured. NH pursued this Medicaid authority and was granted it, and this gives NH their federal match (so it is financially more advantageous for NH than the DHHS contracts). But this should process as a regular claim rather than a separate billing structure; however we don't quite know what the claims processing will look like. VT has not pursued this Medicaid path at this time.

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