Health Care Provider Stabilization Grant Program:
Update and Hospital Awards

September 15, 2020
Vermont Agency of Human Services
Mike Smith, Secretary
Overview

1. Program Review
   a) Description
   b) Conditions of Grant Funding
   c) Application Inputs

2. Program Update

3. Hospital Applicants and Awards

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Program Description

Act 136 of 2020 enables the Health Care Provider Stabilization Grant Program.

- $275,000,000.00 is appropriated from the Coronavirus Relief Fund.

- Must be administered in accordance with Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act governing the permissible use of Coronavirus Relief Funds.

- Creates a needs-based application process.
Program Description Cont.

• A broad array of health care and human service providers are eligible for the program spanning self-employed practitioners to peer services providers to hospitals.

• AHS is administering two application cycles:
  • Cycle I Application Deadline was August 15, 2020 (for the time period March 1, 2020 – June 15, 2020).
  • Cycle II Application is planned for October (for the time period March 1, 2020 – September 15, 2020).
Conditions of Grant Funding

• Grant funds will be expended by December 30, 2020.

• Grant funds will be used to cover costs and lost revenues associated with the Coronavirus Disease 2019 (COVID-19) disaster.

• Grants are subject to the requirements of Single Audit found at 2 CFR §200 Subpart F.

• Where applicable, provider organizations will continue current participation in value-based payment initiatives thru 2021.
Application Inputs

• Revenue
  • Revenue from All Payers (Billed and Paid Amounts for 2019 and Billed Amounts for March 1-June 15, 2020)
  • Non-claims-based revenue (2019 and March 1-June 15, 2020)

• Expenses
  • Gross Staff Wages
  • Operating Costs

• COVID-19 Expenses
  • Federally-Reimbursable
  • Vermont-Expanded Reimbursable
  • Other

• Financial Assistance To-Date
  • Grants (not loans)
Funding Formula

2020 Mar- June15th estimated Loss Revenue
- Savings from Staff Wage Changes
- Other Financial Assistance
  + Reimbursement for COVID-related Expenses
  + (For ACO-participating hospitals) Medicare AIPBP Reconciliation
Funding Formula details

• Estimated Loss Revenue
  • Using 2019 all payer revenue, created a billed-to-paid ratio and calculated average monthly revenue
  • Using 2020 Mar-June 15th billed claims, applied 2019 billed-to-paid ratio, to estimate 2020 Mar-June 15th paid
  • Estimated loss revenue = 2019 monthly avg vs 2020 estimated pd (Mar-June 15th)

• Offset by
  • Savings from staff wages (i.e. furloughs)
  • Other Financial Assistance (PPP, HHS, HRSA, etc) prorated at 35%

• Reimbursement of COVID-related expenses
  • Overtime, PPE, Training, Telehealth expenses, etc.
  • 25% of FEMA eligible expenses and 100% of other expenses
Program update

• Application portal developed by Salesforce aligns with other CRF grant programs across Agencies

• Received 351 applications from eligible providers

• 78% were new to AHS relief, 22% received prior relief

• Applications received were from a broad array of providers types – 22.7% dentists – largest group
Application Review Status

Application Review Status - 9/14/20 5:00

- 0%: Pending Review
- 13%: First Review Complete, Ready for Second Review
- 42%: Second Review Complete, Flagged for Provider Follow-Up
- 45%: Waiting for Provider Info
- 0%: Ready for Third Review or QC
- 0%: All Reviews Complete
## Hospital Applicants and Awards

<table>
<thead>
<tr>
<th>Hospitals Applicants for Cycle I</th>
<th>Award Amount</th>
<th>Must Continue Participation in Value-Based Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Vermont Medical Center</td>
<td>$7,990,772.37</td>
<td>✓</td>
</tr>
<tr>
<td>Copley Hospital</td>
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</tr>
<tr>
<td>Gifford Memorial Hospital</td>
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</tr>
<tr>
<td>Northwestern Medical Center</td>
<td>$5,229,322.18</td>
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</tr>
<tr>
<td>Porter Medical Center</td>
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<tr>
<td>Rutland Regional Medical Center</td>
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<td>Southwestern Vermont Medical Center</td>
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<tr>
<td>Springfield Hospital</td>
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<tr>
<td>University of Vermont Medical Center</td>
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<tr>
<td><strong>Total Cycle I Hospital Awards</strong></td>
<td><strong>$65,624,042.60</strong></td>
<td></td>
</tr>
</tbody>
</table>
Considerations

• The funding formula is needs-based.

• The federal government has provided considerable direct financial relief to health care providers, reducing overall need.

• FEMA is anticipated to cover 75% of new costs/expenses due to COVID-19 therefore hospital award amounts include coverage for only 25% of COVID-19 related expenses.
  • AHS will reserve to cover COVID-19 related expenses in the event FEMA rejects applications for coverage.

• The funding formula uses a ratio of billed to paid claims in 2019 compared to 2020—we recognize that the CY 2019 base period may favor providers differently but needed to apply the formula consistently.

• This financial relief is one-time, retrospective to the eligible period(s), and covers only documented losses and expenses due to COVID-19 in 2020.