



CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Office of the Secretary

September 16, 2021

Carmela Coyle
President & Chief Executive Officer
California Hospital Association
1215 K Street, Suite 700
Sacramento, California 95814

Dear Carmela,

I am grateful to all the hospitals and health care delivery systems across California for their continued commitment and dedication to providing high-quality, timely care despite the uncertainty of the COVID-19 pandemic. I also appreciate the opportunity to share how the State has, and will continue to, support our hospital partners as we work together in response to the evolving nature of the pandemic.

I have appreciated the opportunity, since the beginning of the pandemic but especially over the last few months, to meet regularly with hospital leaders throughout the State to better understand their needs and challenges. This engagement has been critical in helping us gain real-time information to ensure that we tailor our response based on local conditions.

Over the course of the past 18 months, California has taken an around the clock, whole-of-government approach. We have marshalled the resources of the Governor's Office of Emergency Services (CalOES), the Government Operations Agency, all of the Health and Human Services Agency's departments but primarily the Department of Public Health (CDPH), Emergency Medical Services Authority (EMSA), the Department of Managed Health Care (DMHC), the Department of Health Care Services (DHCS) and the Office of Statewide Health Planning and Development (OSHPD) to support our hospital partners holistically.

Since the beginning of the pandemic, and especially during surges, the State has taken proactive steps to support hospitals. This included: (1) deploying over 1,000 staff to hospitals across the State; (2) making the State's COVID-19 testing laboratory available for low-cost molecular testing; (3) building surge bed

capacity both within and outside of hospitals; (4) securing and distributing medical supplies and equipment including personal protective equipment (e.g., respirators, gowns, and gloves) and durable medical equipment (e.g., oxygen and ventilators); (5) establishing surge capacity among Skilled Nursing Facilities to further decompress hospitals; (6) decompressing full hospitals by moving patients to lower levels of care when clinically appropriate; (7) deploying the Army Corp of Engineers to build out space and replace medical equipment; and (8) facilitating patient transfers to hospitals with capacity. Together, these actions looked to address in real-time the very unmet needs that have been raised by our hospital partners.

To provide specifics, and to respond to your letter, here are current actions we are taking to support our hospitals and health care delivery systems:

1. Supporting hospitals with staff and surge capacity.

As hospitals responded to surges in COVID-19 admissions, the State stepped up in an unprecedented way through a robust cost sharing program. Furthermore, the State has established a cost share program with hospitals designated as 'state surge hospitals.' This allows the State to provide technical assistance and staff (at full cost to the State) to make additional beds available to support the region. We intend to further leverage this program in COVID-19 impacted regions with a particular focus on the small, independent, not-for-profit, hospitals we have been hearing from during our collective calls who are unable to compete at the national market rates for staff. To further support hospital decompression efforts and ensure critical care patients have access to the appropriate acuity of care, the State has similar partnerships with skilled nursing facilities to serve as regional decompression sites when a patient is medically-appropriate to discharge. By adding more staffed beds and removing barriers that help support timely discharge of clinically appropriate patients, we anticipate improved capability to provide care to acutely ill patients within the service areas of supported hospitals.

2. Engaging with health plans on preauthorization and payment of services.

In January 2021, DMHC issued an emergency regulation prohibiting health plans from imposing any prior authorization requirements on transfers of patients when the transfer is pursuant to a public health order. Likewise, over the course of the pandemic, the DMHC has issued numerous All Plan Letters (APLs) directing health plans to take steps necessary to ensure plan enrollees have timely access to needed care, including hospital services. In addition, in June 2020 DHCS issued an All Plan Letter requiring Medi-Cal Managed Care Plans to waive prior authorization requirements for COVID-19 related testing and treatment services. Managed care plans are strongly encouraged to implement expedited authorization procedures for other services during the COVID-19 public health emergency. DMHC

and DHCS will issue follow-up All Plan Letters reminding health plans of the current flexibilities related to prior authorizations that remain in effect. The departments will also engage the relevant health plan associations and remind them of the obligations health plans have pursuant to the state requirements. DMHC and DHCS are also willing and able to investigate specific issues a facility may have with a health plan or number of health plans to bring a resolution to issues. We want to support the focus of impacted facilities to be on patient care and this specific attention to these matters will help do that.

3. Prioritizing patient safety while reducing administrative barriers.

CDPH has an obligation to protect patient safety, and CMS has requested that California resume survey activities and provide a plan about how we intend to address the backlog of complaints that CDPH has accrued. Hospitals are currently able to submit a simple, email request to CDPH to postpone the recertification surveys. Once submitted, CDPH can work with federal Centers for Medicaid and Medicare Services (CMS) on a case by case basis and only when necessary to postpone recertification surveys. CDPH will continue to prioritize complaints based on egregiousness of the report and act immediately on issues that are of immediate jeopardy.

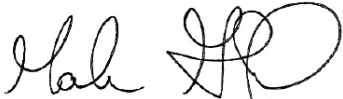
4. Streamlining program flexibilities to expedite implementation.

It is important to leverage all the tools in the toolbox. Program flexibilities can be important but should not replace attempts to fully staff a facility based on patient volumes. However, facilities that have demonstrated sufficient efforts and are unable to meet state mandated staffing levels, flexibilities to allow implementation of team nursing models will be supported when requested. Furthermore, in certain significantly impacted regions where available ICU capacity is low and other parts of hospital operations are significantly strained, a regional team nursing waiver will be considered. To help streamline this process, CDPH has created a provisional waiver approval process so that hospitals can make the request for team nursing flexibilities, and be provided the provisional approval to implement this team nursing model immediately, while gathering all the sufficient documentation necessary to demonstrate how the model will be implemented over the course of the approved time period. We will continue to prioritize patient safety and quality of care by supporting hospitals in the staffing of their inpatient services.

Our response throughout the pandemic has been, and will remain, nimble in order to address changing needs. We will continue to work to ensure that hospitals have adequate capacity to not only care for those with COVID-19, but also those who need urgent and life-saving medical care for other conditions. In this spirit, we will continue to iterate our response with our hospital partners to

ensure that they can continue to provide high quality care to all patients in communities across California.

In partnership,

A handwritten signature in black ink, appearing to read 'Mark Ghaly', written in a cursive style.

Mark Ghaly, MD, MPH
Secretary

cc:

Tomás Aragón, Director, Department of Public Health
Mary Watanabe, Director, Department of Managed Health Care
Michelle Baass, Director, Department of Health Care Services
Dave Duncan, Director, Emergency Medical Services Authority