

California Hospital Leaders Meet with Members of Congress

April 11 – 22, 2022





Provider Relief Fund

- Extend spending deadline for previously distributed federal funds; relieve financial strain of Delta, Omicron variants

Access to Care

- Preserve access to care with additional funding and to reduce pandemic impact on communities

Medicare Repayment Terms

- Adjust repayment terms for accelerated and advance repayments, suspend repayment for 6 months, allow 25% recoupment on claims after suspension and for 12 months

Hospital at Home

- Post-COVID, continue Hospital at Home waiver program and critical telehealth flexibilities

Health Care Workforce

- Support federal funding for health care workforce; include training, violence prevention





Behavioral Health

- Support federal funding for behavioral health; include provider training, access to care

Hospitals need help to address the tremendous financial strain caused by Delta and Omicron variants. Extend deadline for spending previously distributed federal funds.

As Pandemic Persists, Hospitals Need State, Federal Support

Throughout the deadly global pandemic, California's hospitals have responded with an unyielding commitment to care for their communities. Their unprecedented response came with unprecedented costs:

-  **78%** Increased staff turnover at 78% of hospitals
-  **Billions in emergency loans**
-  **↓ 86.2%** Operating margins down 86.2%
-  **↑ 11%** Expenses per adjusted day up 11%



Since the pandemic began, California hospitals have cared for an average of

 **5,300 patients a day,**

including a daily average of

 **1,400 ICU patients**

To continue caring for all Californians who need them, hospitals need:

- Additional federal funds for COVID-19 relief
- Equitable distribution of Provider Relief Funding for hard-hit areas
- Rapidly available state flexibilities to help mitigate the workforce crisis and any future surges
- A full-year extension of the moratorium on the Medicare sequester, which could cost California hospitals **\$200 million in 2022**

Federal funds fall short of the relief California hospitals need

California's hospitals have lost an estimated **\$16.3 billion** due to the pandemic in 2020 and 2021.




The pandemic will continue to impact our communities for years to come. Hospitals need additional funding to preserve access to care for Californians.

Who Will Care?

Depleted hospital resources and decimated workforce threaten Californians' access to care

California hospitals have been beacons of hope during the state's darkest hours. Now, as the pandemic enters its next phase and the impact of hospitals' tremendous sacrifice is apparent, they must not be forgotten by leaders who hold the power to bring them back from the brink.

Since March 2021, California hospitals have received **NO FEDERAL PANDEMIC RELIEF FUNDS**, even though they have:

 Cared for **338,000** patients with COVID-19

 Delivered **25,000** monoclonal antibody treatments

 Treated **85,000** Medicare patients

Additional resources must be allocated to ensure hospitals can continue caring for all Californians who need them, as they have since the pandemic began:

Unprecedented Response	Unprecedented Sacrifice
Caring for Patients <ul style="list-style-type: none"> 1,400: daily average of ICU patients 700,000 lives saved 	Financial Losses <ul style="list-style-type: none"> More than \$20 billion lost in 2020 and 2021 51% of California hospitals now operate in the red
Protecting Workers <ul style="list-style-type: none"> Housing and childcare Financial bonuses Counseling and wellness programs 	Devastated Workforce <ul style="list-style-type: none"> 20% decrease in health care workforce 98% increase in staff vacancy rates 60% say their mental health has suffered since the pandemic began
Shouldering Expenses <ul style="list-style-type: none"> Purchasing PPE, testing supplies Training, hiring additional staff Converting space 	Skyrocketing Costs <ul style="list-style-type: none"> Doubling of contract labor costs Supply expenses up 20% Drugs costs increased by 41%

“Staff are exhausted. The pandemic might have clinically ended, but the economic disaster is still continuing and even more severely today. We are worried about running out of funds to keep the hospital operational. We will have to re-evaluate programs — especially those that are not sustainable, like maternity services. We are the last available resort for our community when it comes to health care needs.”

ROGER SHARMA, President and CEO, Emanate Health, San Gabriel Valley

Stand with your hospitals. Without them, who will care for our communities in moments of greatest need?

- Adjust repayment terms for Medicare accelerated and advance repayments
- Suspend repayment for 6 months
- Allow for recoupment after repayment suspension of 25% of Medicare claims payments for following 12 months

Continue the Hospital at Home waiver program and other critical telehealth flexibilities after the COVID-19 public health emergency (PHE).

- CHA [supports](#) the bipartisan Hospital Inpatient Services Modernization Act (H.R. 7053/S. 3792)
 - Would extend the existing Acute Hospital Care at Home waiver for two years beyond the end of the COVID-19 PHE
 - Extension would allow these innovative programs to continue delivering high-quality care to patients in their own homes and to provide for collection of data to inform the development of a permanent version of the program



March 22, 2022

Subject: Hospital Inpatient Services Modernization Act

Dear Members of the California Congressional Delegation:

California hospitals' experiences with the acute hospital care at home (AHCAH) waiver have provided a unique opportunity to demonstrate that at-home hospital care can be a reliable and impactful way to deliver effective care and a meaningful part of the continuum of patient care. As we prepare to move beyond the current public health emergency (PHE), the continued operation of AHCAH will contribute to an essential transformation of patient care.

On behalf of our more than 400 hospitals and health systems, the California Hospital Association (CHA) is pleased to support the Hospital Inpatient Services Modernization Act (H.R. 7053/S. 3792), which will provide for an extension of the Centers for Medicare & Medicaid Services (CMS) AHCAH waiver.

The current AHCAH model was developed in the context of the COVID-19 PHE, as the Department of Health and Human Services Secretary took steps to provide hospitals and health systems with greater flexibility to ensure the continued delivery of safe and effective care in our communities. Specifically, CMS waived certain nursing requirements in the hospital conditions of participation. Waiving these requirements using a provider-specific approval process has allowed qualified patients the opportunity to receive care in their homes while maximizing inpatient bed capacity at hospitals and limiting potential COVID-19 exposure for practitioners and non-COVID-19 patients.

Under the AHCAH waiver, CMS developed a comprehensive and detailed set of requirements to address critical components of hospital care, including patient eligibility criteria, frequency of on-site and virtual clinical visits, and patient and caregiver communication with the medical team. Hospitals interested in providing AHCAH must receive prior approval from CMS and must demonstrate how they will meet these requirements for patients in their homes. CMS has also established a regular reporting process to ensure that the quality of patient care and outcomes are not adversely affected.

The programs established during the PHE have demonstrated their ability to provide safe and effective care, while maintaining optimal outcomes and high patient satisfaction. For example, one CHA member was among the first health systems in the country to receive CMS approval for AHCAH and has been operating AHCAH in six hospitals throughout the state since early in the pandemic. This health system reports that, between May 2020 and December 2021, it has cared for more than 1,000 patients, while reducing 30-day re-admission rates and maintaining high patient satisfaction.

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Support federal funding for health care workforce, including training and violence prevention.

Ensuring Care for All Californians Requires Strengthening the Health Care Workforce

The health care system for all Californians does not have enough nurses, physicians, pharmacists, behavioral health professionals, lab scientists, home health aides, and more.

11 million+

Californians live in an area without enough primary care providers.



The state's nursing shortage gap won't be closed **until 2026**.

500,000

New allied health care professionals — medical assistants, imaging specialists, and other non-nursing staff — are needed in CA by 2024.



People of color will be a majority of Californians by 2030 but are woefully underrepresented in the health workforce.



COVID-19 has pushed many health care workers to leave their profession, and hospitals now struggle with the worst staffing shortages in memory.

1 in 5 physicians and **2 in 5** nurses intend to leave practice within two years.

78% of CA hospitals report an increase in staff turnover from pre-pandemic to Q2 of 2021.

The staff vacancy rate in California hospitals has jumped **98%** since the end of 2019, just before the COVID-19 pandemic.



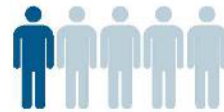
Closing the health care workforce gap requires:

- Retaining the current health care workforce
- Eliminating barriers to entry for in-state and out-of-state health care workers
- Building a pipeline for a more robust and diverse future workforce

Support federal funding for behavioral health, including training providers and expanding access to care.

Investments, Coordination Needed to Tackle Behavioral Health Crisis Made Worse by COVID-19

Exacerbated by COVID-19, millions of Californians are not getting the care they need for mental health or substance use disorders.



1 in 5

Prior to the pandemic, an estimated **1 in 5 adults** experienced mental illness each year. During the pandemic, **33% of Americans** experienced high levels of psychological distress.



Nationally,

13% of adults







reported new or increased substance use due to pandemic-related stress. Drug overdose deaths increased sharply during the pandemic in California,

rising 51%

from January 2020-March 2021. Nationally, drug overdose deaths

rose 34%.

California should establish a baseline dataset to track key behavioral health indicators and monitor progress, aiming to achieve 10% improvement each year in the following:

-  Reduce the delay from the onset of symptoms to engagement in treatment for mental health and substance use disorder needs
-  Reduce the disparities in behavioral health service utilization among racial, ethnic, and sexual orientation/gender identity populations
-  Reduce the proportion of individuals with mental health and substance use disorder needs in jails and prisons
-  Reduce the rate of re-hospitalization following a psychiatric hospitalization
-  Increase the number of children and youth receiving screenings for behavioral health needs
-  Improve the satisfaction of consumers and families with the behavioral health care services they receive

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