COVID-19 IMPACT ON RISK ACCEPTING ENTITY PROVIDER SUPPORT

Executive Summary

Overview: Risk accepting entities (RAEs) contract with Oregon's Coordinated Care Organizations (CCOs) to assume financial responsibility for providing benefits to CCOs' Medicaid beneficiaries. The survey of RAEs summarized here was conducted by the Oregon Health Authority's Actuarial Services Unit. Survey questions assessed RAEs' current financial concerns, modifications to their service delivery models due to COVID-19, and the payment strategies RAEs implemented to support their affected providers. "Affected Providers" are providers who have experienced or are expected to experience a sharp decline in revenue due to COVID-19.

Survey objective: Assess risk accepting entities' financial concerns and identify methods they have used or are using to provide financial support to their affected providers.

Distribution: An online survey was distributed via targeted emails to 51 RAEs in Oregon on Wednesday 7/29/20; follow up emails (8/17/20) requesting survey completion were made to contacts at facilities that did not provide a response.

Response: 18 (of 51) risk accepting entities responded to the survey by 8/25/20 (response rate: 35%).

Results Overview:

- Overall, RAEs reported satisfaction with the support provided by their CCO(s) and the communication regarding the COVID-19 pandemic from their CCO(s).
- Respondents report nearly 60% of their operating budget from CCO/Medicaid which suggests the value of CCO support to them. Concerns around imminent closure and financial distress were low at the time of survey completion.
- 77% of RAEs and 28% of providers were known to have received direct funding from the CAREs Act.
- All responding organizations indicated that they had made at least one change to their service delivery model due to COVID-19 (e.g. eliminating/decreasing in-person encounters or encouraging or requiring staff to tele-work).
- Utilization of six payment strategies to support affected providers was assessed. All but one RAE reported utilizing at least one of these strategies. The most frequent strategies utilized were "relaxing quality metrics performance measurements" (72.2%) and "pre-paid incentive dollars that were originally associated with quality metrics performance" (61.1%).

Additional considerations:

Since the survey closed, another CCO (Trillium Health Plan) entered into the Tri-county region on September 1, 2020. Their RAE relationships in Portland were not included in this survey.

Methods & Results

Distribution

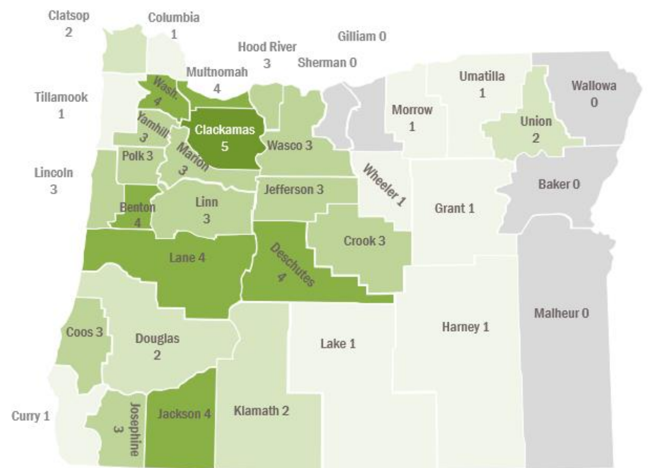
An online survey was distributed via targeted emails to ~50 risk accepting entities in Oregon on Wednesday 7/29/20; follow up emails (8/17/20) requesting survey completion were made to contacts at facilities that did not provide a response.

Survey questions assessed current financial concerns, modifications to service delivery models, and payment strategies RAEs had implemented to support providers.

Respondents

Responses represent the 18 RAEs which completed the survey between 7/29/20 and 8/25/20. The table below shows the breakdown of RAEs by organization category.

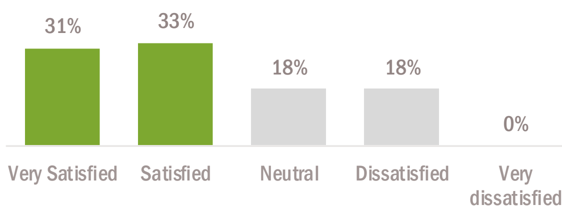
The survey responses showed geographic representation from RAEs with physical locations throughout the state. Responding RAEs reported locations in all but five of Oregon's 36 counties (see map). Note—small numbers of responses do not allow stratification of results by geographical region.



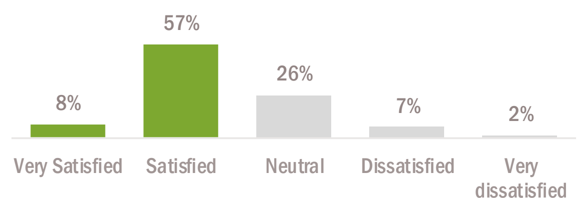
Organization Category	n
Physician Services	1
Behavioral Health Services	5
Hospital and Physician Services	3
Physician and Behavioral Health Services	4
Dental Services	2
Non-Emergent Medical Transportation	1
Other	2

All CCO's had responses from at least one RAE (Range: 1 - 6). Overall, RAEs reported satisfaction with their CCOs support for their providers and communication regarding the COVID-19 pandemic.

64% of RAEs report they are **satisfied or very satisfied** with their CCOs support for their providers since Jan 2020

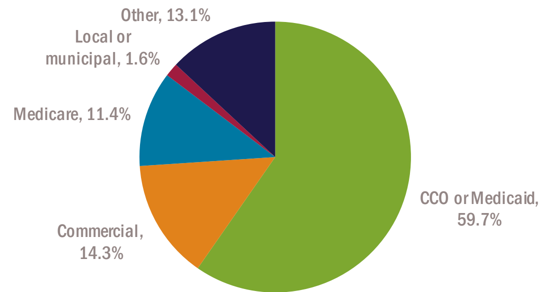


65% of RAEs report they are **satisfied or very satisfied** with how well their CCO has communicated regarding the COVID-19 pandemic



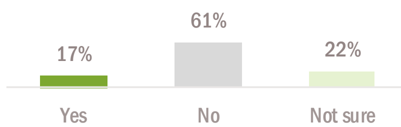
RAE Funding and Financial Concerns

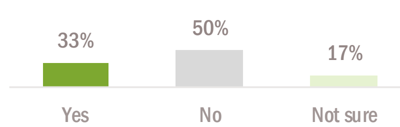
On average, RAEs reported nearly 60% of their funding came from Medicaid payers (See figure to right).

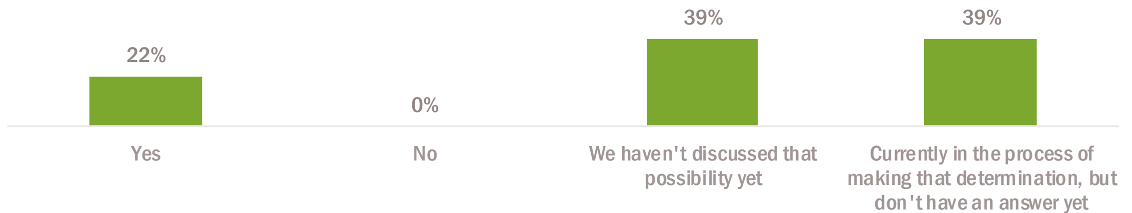


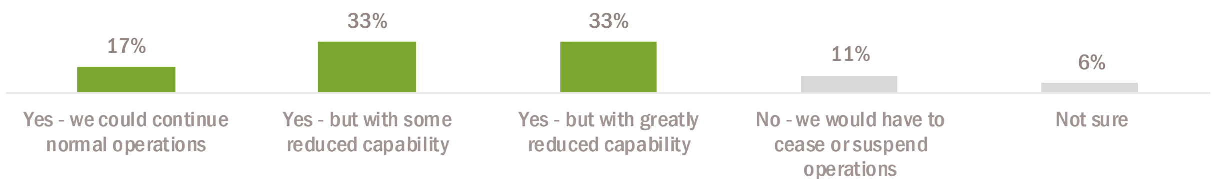
At the time of survey completion, only 17% of respondents reported that they or any of their providers risked immediate closure and only 33% reported 60 - 90 day cash flow concerns (charts below).

83% reported they have adequate reserves to continue operating if there were any interruption of funding in the next 12 - 18 months (Chart at bottom of page).









RAE Funding and Financial Concerns (cont'd)

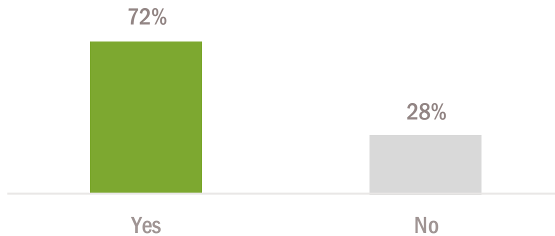
CARES Act funding:

72% of RAEs reported receiving direct funding from the CARES Act. Among the 13 respondents that reported receiving funding, the most common types of funding received were Provider Relief Funding (n=9) or PPP (n=5). Other funding received included HRSA (n=2) and SBA (n=1). (Some respondents indicated receiving more than one type of funding, so numbers do not sum to 13). For those that reported a funded amount, it ranged from $250K to $123M.

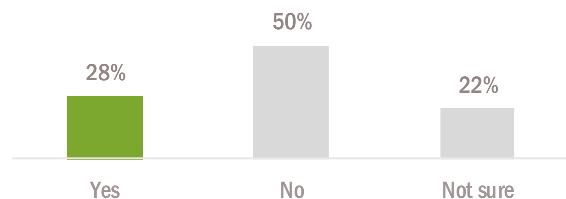
Only 28% of RAEs reported that their providers had received direct funding from the CARES Act, though an additional 22% were unsure whether their providers had received funding.

Note that responses reflect funding received at the time survey was completed (August 2020).

72% of RAEs reported receiving direct funding from the CARES Act

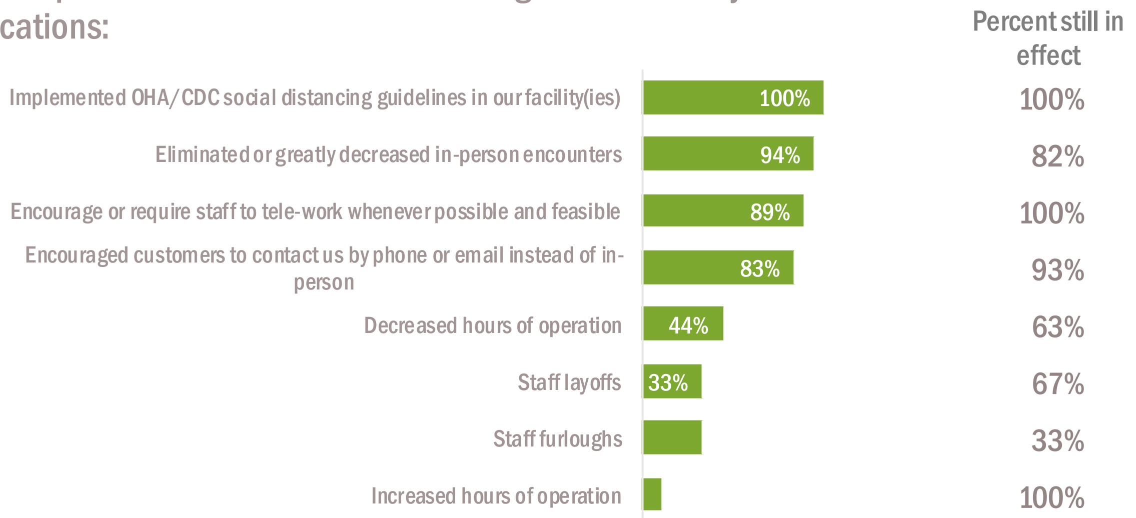


28% of RAEs reported that their **providers** received direct funding from the CARES Act



Service Delivery Model Modifications

The chart below shows the percentage of the 18 RAEs that reported implementing the listed modifications to their service delivery models due to COVID-19. All responding organizations indicated that they had made at least one of the changes to their service delivery model. Most of these modifications were made in March or April of 2020 and remained in effect at the time of survey completion (August 2020). Most RAEs believe these modifications will be in effect at least through 2020.



Other modifications (open response):

- Infrastructure changes
- The checked answers are on behalf of the health plan. Our network of providers experienced all of these things. Changing hours, changing in-person encounters, change to service delivery model, etc.

Payment Strategies to Support Affected Providers

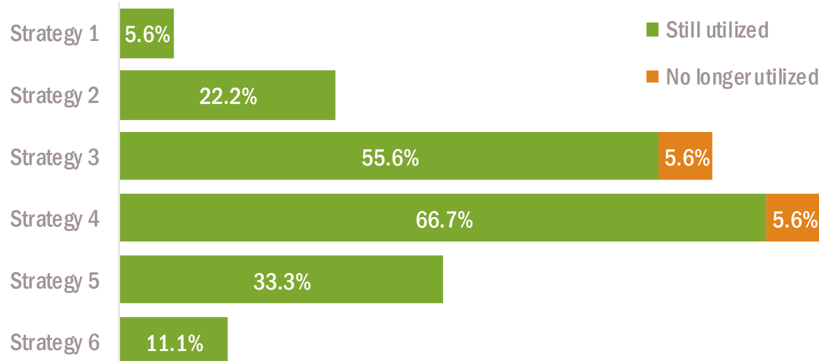
"Affected Providers" are providers who have experienced or are expected to experience a sharp decline in revenue due to COVID-19.

The survey assessed whether RAEs implemented six different payment strategies to support their affected providers (see list below). On average, RAEs reported implementing two of the payment strategies and all but one RAE reported utilizing at least one of the strategies due to COVID-19. (Range: 0-6; Mean: 2.0)

The most frequent strategies utilized were relaxing quality metrics performance measurements (72.2%) and pre-paid incentive dollars that were originally associated with quality metrics performance (61.1%).

Strategies implemented due to COVID-19

Strategy 1: Offered advance payments based on average historical monthly payments (per member per month (PMPM) with required quality metrics
Strategy 2: Offered advance payments based on average historical monthly payments PMPM without required quality metrics
Strategy 3: Pre-paid incentive dollars that were originally associated with quality metrics performance
Strategy 4: Relaxed quality metrics performance requirements
Strategy 5: Modified existing risk-sharing payment arrangements
Strategy 6: Eliminated risk-sharing (while maintaining the shared-savings)



Other strategies utilized (open response):

- Cares Act relief and SBA grants
- We used 2019 and 2020 quality funds as provider sustainability payments for primary care and specialty care providers. We also provided early settlement payments to providers participating in risk arrangements. We also expanded telehealth coverage, with increased reimbursement to be equivalent to in person visits and allowed flexibility in technology platforms. We also suspended performance based programs to provide full payment in our commercial insurance programs.

Payment Strategies to Support Affected Providers (cont'd)

Other strategies utilized (open response) (cont'd):

- The agency allows staff that cannot work at home due to privacy and/or safety issues work from their office location.
- started a free prescription delivery for high risk individuals to reduce exposure. Encourage clients to drive themselves and receive reimbursement.
- Made revenue stipend payments to providers on fee-for-service reimbursement who have been negatively impacted by COVID-19 in amounts equal to the previous year (2019) utilization and claims experience.
- Prepaid for services based upon provider needs.

Appendix 1: What have you been learning about how affected providers are doing?

"Affected Providers" are providers who have experienced or are expected to experience a sharp decline in revenue due to COVID-19. What have you been learning about how affected providers are doing?
Utilizing CARES money resources.
Learning telehealth has been challenging.
We have experienced a sharp decline in program income due to COVID-19. HRSA and CMS have helped greatly with current short-falls. This cannot be sustainable into the future. This uncertainty coupled with the increased hazards of the work are exhausting. The concerns about childcare and school are huge. It is difficult to plan for the unknowable.
We have been sharing State wide results of impact which has been helpful. Some limited information from Public Health. HOSCAP reporting. All have kept us some what informed.
Youth SUD outpatient and youth residential treatment utilization have dramatically declined due to COVID. We believe this is a result of the primary systems normally in place to identify struggling youth have all been affected by COVID (Schools, Athletics, Juvenile Justice, etc) and the kids are not being identified, referred and served as a result. The youth residential referrals we do receive are off the charts with mental health, physical health and behavioral acuity that excludes them from admission to our program as they need a locked facility to ensure their safety. Kids are not getting into to treatment early enough and as a result their SUD and mental health problems escalate to the point that they are finally identified when they are admitted to the Emergency Room for overdose, injury or other behavioral/mental health behaviors. They need to be identified and start treatment earlier; that is the number one predictor of the best long term outcome for youth substance use disorders. Our youth residential programs (and other youth res programs) are sustaining on available COVID relief dollars at this time. Outpatient youth substance use treatment utilization has nearly stopped (which affects the youth residential utilization). Alternatively, outpatient mental health treatment utilization has increased Luckily, last year we expanded our outpatient services from SUD only to providing mental health services and that is keeping us afloat. If we had remained SUD outpatient only we would be closing all of our outpatient programs due to the lack of utilization from COVID.
Many of our providers are struggling financially, and we have pushed out sustainability funds that have helped for now and will be assessing future support. Our provider networks have changed their care delivery model, adjusted the way they engage with their populations, and changed their staffing models. They have been experiencing burnout (and emotional and moral fatigue). The next few months could be quite difficult for primary care in particular to continue being on the front lines without the resources they need, which still includes the lack of adequate testing and PPE in addition to revenue needs for investments like building changes (plexiglass, ventilation systems, etc.) and telehealth equipment, training, and navigation for patients. Some network providers were in the middle of opening new locations/service models right before the pandemic hit so the decrease in patient care is hitting some of these providers harder than a normal ramp up would under "normal" circumstances. Telehealth is still under-utilized b/c of members lack of access to technology and wifi. We financially supported clinics to bridge the gap, we are going to need to do more to address individual member needs. Impacted providers have struggled financially. The reopening of dental offices required structural modifications to physical office space as well as policies and procedures to create a safe clinical environment, social distancing, infection control practices, etc. We do not anticipate dental offices will return to full capacity until after the pandemic.

“Affected Providers” are providers who have experienced or are expected to experience a sharp decline in revenue due to COVID-19. What have you been learning about how affected providers are doing?
We saw a sharp drop in volume/revenue in March/April/May. We are slowly recovering and back to around 70-100% of normal volume depending on the specialty. The biggest barrier is patients reluctance to come in for “elective” procedures such as colonoscopy, mammogram AWVs etc…And there is not complete parity in revenue between in person/video/phone visits. So even if we get back to 100% volume our revenue will not be back.
We have a sub-capitated / assignment model, so providers have done OK.
Like all patient-facing health care workers, providers have found a different level of significant stress than their normal work. COVID-19 required all providers to do things differently, from treatment modalities to use of technology to communicating with patients and families to financial implications with their practice and personal needs with their families. Providence has multiple programs in place through our spiritual care, compassionate care and behavioral health teams that focus on supporting providers through one-on-one services. These programs help providers handle their stress, anger, sadness and frustrations – as well as their educational and physical needs – that we know will continue while we deal with this pandemic.
some provider program(s) are at risk of closure due to inability to work with clients because of inability to do social distancing due to space and acuity of clients
Apply for Payroll Program Protection, furloughing staff, increasing technological service delivery (2nd response: We have seen around a 30% drop in billing.)
affected providers have struggled to remain open with the decrease in transportation needs
We have experienced a decrease in utilization for services which is being translated by the CCO as decreased need. This is concerning as the capitation rate currently being paid is based on utilization and penetration rates.
Providers in our region have significantly increased the utilization of telehealth. Creative solutions to reach individuals with no or limited broadband connection have been implemented in rural/frontier Oregon as well - eg. allowing members/consumers to use company broadband connections or hot spots in the parking lot while delivering telehealth services. Providers of residential services have had to scramble to find Personal Protective Equipment (PPE). This has been a group undertaking and we have helped to support the providers in our region to access vendors and equipment. Some providers have applied for assistance via CMS. GOBHI has provided revenue stipend payments to some providers who are paid on a FFS basis vs. capitation. This funding came from the early release of the withhold to EOCCO, passed to GOBHI for behavioral health providers experiencing revenue challenges.
Dental providers have experienced significantly reduced revenue streams and increased supply costs for masks and other protective equipment. As restrictions are lessened, dental offices are struggling to find adequate staffing as employees are reluctant to return due to the fear of the pandemic and or are unable to find adequate child care.
Fee-for-service payments are down by about 30% so far. Fortunately, we have some all-inclusive PMPM contracts and APMs that have helped us weather this storm. I am becoming more concerned about 2021; we have built a large workforce who concentrate on quality metrics and prevention. We have learned to count on funds related to achieving quality goals. With reduced in-person visits, it will be difficult to achieve goals that would provide revenue in 2021 (for 2020 performance)
I've learned that it is affecting the health care industry across the board.

Appendix 2: Please describe your provider financial support strategies in 1-2 paragraphs. Your summary will be shared online:

We are trying to help the public understand how the health system is supporting providers. Please describe your provider financial support strategies in 1-2 paragraphs. Your summary will be shared online:	
Service Category of RAE	Response
Behavioral Health Services	We are seeking additional financial support from our donors as well as local, Foundation, State and Federal COVID relief grants to help cover new costs associated with the pandemic (including things like Telehealth infrastructure, PPE and facility changes to support social distancing efforts) and to offset lost revenue due to decreased utilization of services.
Behavioral Health Services	providing capacity payments to maintain specialty services for high risk children and youth
Behavioral Health Services	Paying staff for full work hours even though they are taking time off to manage stress. Finding work for staff that have reduced duties since patients are not being seen in the office, so they are paid their regular amount. Making no interest loans available to staff. (second answer: We are not seeing overt financial support from OHA regarding service delivery at this time.)
Behavioral Health Services	We are continuing to support clients using virtual platforms, telephone or telehealth, to remain engaged in mental health and substance use treatment.
Behavioral Health Services	We employ our providers.
Dental Services	Advantage Dental has a sub-capitated payment model for independent contracted providers, and we also have a system of 59 staff model offices throughout Oregon. For our staff model system, we did not layoff or furlough employees. For our sub-capitated providers, we did not modify existing payment arrangements to support network sustainability. Our value based payment model has been modified to provide additional financial support to providers.
Dental Services	We have tried to listen to providers and support them in the way that best meets their needs. We have made early payments and have used our purchasing capabilities to assist providers who have been unable to get supplies they needed to safely provide care to their patients.
Hospital and Physician Services	We did get prepayment for incentives related to quality. The relaxed quality metrics mean we are paid for reporting only for this year which I believe OHA mandated. As patients are not being seen, the CCO is sitting on premium dollars without expense. There should be some reconciliation of this.
Hospital and Physician Services	We held providers harmless for drops in productivity for the first few months of the pandemic. We then have held harmless for not achieving quality metric performance if it was due to COVID 19.
Hospital and Physician Services	During the pandemic, we intentionally continued all salary and benefits in support of our providers, regardless of reduced clinic schedules. Our intent was to provide a predictable source of income. Like most health systems across the country, as we moved from the height of the first wave of this pandemic to recovery of services, we asked providers – based on a sliding scale – to take a temporary reduction in compensation. For all providers, Providence continues to pay for benefits as we navigate the path back to financial stability.
Non-Emergent Medical Transportation	As the transportation needs have become more limited, we are paying more attention to costs and finding the lowest cost providers. We are attempting to spread the number of rides out between the available providers.

We are trying to help the public understand how the health system is supporting providers. Please describe your provider financial support strategies in 1-2 paragraphs. Your summary will be shared online:	
Service Category of RAE	Response
Other	In response to the Public Health Emergency CareOregon has made every effort to stabilize and support our network and member's care delivery. We are aligned with OHA's efforts to and are making every feasible effort to ensure member access and support network capacity. Our efforts to date have focused on: • Stabilizing provider's operations and workforce by prepaying revenue to buffer any disruption to care due to COVID 19. • Addressing health disparities through increased testing support, investing in business infrastructure needs arising from COVID 19, and increasing technology adoption through the early release of Quality Pool Dollars. • Supporting direct and in-person acute services for culturally specific provider workforce through dedicated funding and increased engagement of Traditional Health Workers. • Reducing administrative burden through simplification of contracts and reporting deliverables. During this extended period of uncertainty we are continuing to identify and support our member, provider, and network needs.
Other	Most of the behavioral health funding that we manage is paid out in capitation payments to Community Mental Health Programs (providers). Under this financing model, providers have not experienced a decline in revenue. Residential SUD and children's psychiatric services are paid on a fee-for-service reimbursement model. We made revenue stipend payments to providers operating on fee-for-service reimbursement who have been negatively impacted by COVID-19 based upon an analysis of previous year (2019) utilization and claims experience.
Physician and Behavioral Health Services	Providers continue to provide services and receive compensation for services.
Physician and Behavioral Health Services	Our providers are paid a salary regardless of their patient panels. Our providers do have incentive arrangements based on quality performance. We have relaxed these targets due to the pandemic.
Physician and Behavioral Health Services	KHP has made the commitment that their providers and staff will not suffer financially through this pandemic. We have created a PTO bank that can be accessed if time is lost due to COVID-19 illness or isolation. We are providing equipment, software and support for telehealth and home use. KHP is providing alternate schedules when possible and providing the ability to cash in PTO if needed. We will continue to pay full wages as long as possible in the face of reduced productivity and reimbursement.
Physician and Behavioral Health Services	As an FQHC, we have received support from HRSA in dealing with the public health emergency.

We are trying to help the public understand how the health system is supporting providers. Please describe your provider financial support strategies in 1-2 paragraphs. Your summary will be shared online:	
Service Category of RAE	Response
Physician Services	We have appreciated the rapid response from OHA in releasing funds for quality performance we would not normally have received for 6 more months. It has been essential in keeping providers and staff employed and available to care for our patients during this pandemic. As we move toward alternative payment methods that reward how well we take care of patients rather than how many visits occur, we will be better prepared in the future to handle this type of disruption. Our teams are becoming more nimble and able to focus on non-traditional ways to take good care of our patients. Payment reform is essential in order for this to happen, and OHA has been leading that change.