



Important !!! What's trending - hot issues that HomeTown is gearing around the state

1 message

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To: theleadershipgrp@mindspring.com

Fri, Jul 10, 2020 at 8:34 AM

HomeTown Health CEO's and Senior Staff:

Reference: Important !!! What's trending - hot issues that HomeTown is hearing around the state

HomeTown has been spending a lot of its time working virtually all over the southeast. In so doing we are seeing and hearing a lost of critical issues . HomeTown is a committed to working to help you solve the problems and issues of your rural hospitals

The top six issues and trends that we are hearing this week include the following:

1. **Corvid 19**

a. Totally dominate most conversations with high points as follows:

- i. We must accept the fact that this may be a very long pandemic, such as years
- ii. We must learn to live safely with it

1. Major steps to safely living with it include

- a. Masks , masks, masks , masks; now to rival cash as king
- b. Personal temperature screening – probably the best virus controlling measure that is being used in that hospitals and nursing homes have developed extremely rigorous temperate screening
- c. Hand washing is no longer a sign of weakness but an absolute must to flatten the corvid 19 curve
- d. Hospitals are using rigorous other screenings that includes a health questionnaire for all entrances into the hospital

2. Testing (<https://kfor.com/news/booked-testing-sites-days-long-waits-for-results-unknown-rapid-test-prices-covid-19-test-frustrations-continue/>)

- a. It seems to be a very confusing tool to control the virus because
 - i. The turnaround time if 3-5 days is too long to be currently effective
 - ii. Using the test can waste a lot of productive employee time in industry
 - iii. Using the test can confuse the families and groups and employees as to how to handle the quarantine tine
 - iv. In small hospitals with limited staff, the infection of critical staff can shut down the hospitals
 - v. Thus, Senior leaders, hospital C-suites, and industry an educational leaders become

very confused as indicated in this link - <https://apple.news/AgqjCYIGpR6KRjCj3BFj1AQ> - **Employers Find Testing Employees More Trouble Than It's Worth**

vi. However this may
the only way to determine virus host spots

2. **State Budget and legislative session closure**

- a. The 2021 legislative session budget year closed out without any furloughs or terminations among the state employees
- b. There were no Medicaid rate cuts
- c. There was a safety net budget item of about \$15 million that was approved for rural hospitals.
 - i. It is designed specifically as a safety net item for later in the year or when cash becomes so limited due to resumption of losses due to the impact of the Covid19, reduction of elective surgery and the variable expectation of surges and the inability to project when they will occur

d. Passage of surprise medical billing

2. **Federal cash infusion**

- a. At a time when at least half dozen rural hospitals faced insolvency due to inability to make payroll, the federal government came to the rescue in providing several sources of cash including
 - i. Relief Funds in a couple of infusions
 - ii. PPP Funds (Payroll Protection Program)_
 - iii. Accelerated Medicare Advantage funds
- b. Received several silos of cash each of which carries possible penalties in problems of repayment (See the HomeTown attached email on this subject)
 - i. Critical to use cash judiciously if at all to avoid claw back penalties
 - ii. <https://apple.news/AAXLpqOuqRhKn4kUHhN17eg>

4. **Newly announce competition to rural hospitals**

- a. Walgreen announces physician office to be installed in hundreds of Walgreens drugstores - <https://www.kcci.com/article/walgreens-to-add-doctors-offices-to-hundreds-of-stores/33251585>
- b. Walmart
 - i. getting into Medicare
 - ii. Opening in medical clinics in the big boxes
 - iii. Walmart jumps into health insurance market, including Medicare - <https://www.healthcarediver.com/news/walmart-launches-medicare-insurance-agency/581243/>

5. **Major Indictment for alleged lab screening program**

- a. <https://khn.org/news/hospital-executive-charged-in-1-4b-rural-hospital-billing-scheme/>

6. **Hospital Vegetable Farm to Hospital Table project**

- a. Already about three months into it, the latest effort to link small farms to hospital dietary has now accomplished its third major shipment of produce and several other minor shipments to rural hospitals. Another 6-8 HomeTown rural hospitals are in the pipeline to start within the month. If your hospital is interested to get in on the pilot phase just let us and or Matt Kirk know.

Also, back by popular demand, please make note that HomeTown will have a face to face Fall Meeting at Callaway on October 22-23. We are designing the meeting to accommodate any and all safety features for protection of the attendees. We will publish the agenda and the screening requirements for the

meeting to insure full safety protocols in place. Details will be out in next couple of weeks.

Tell us what you think by responding to this email! Your input is highly valuable.

Thanks,

Jimmy Lewis

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"The Voice of Georgia's 55+ Rural Hospitals"

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From: <theleadershipgrp@mindspring.com>

To: <theleadershipgrp@mindspring.com>

Cc:

Bcc:

Date: Tue, 16 Jun 2020 15:54:28 -0400

Subject: Urgent!! Managing Hospital Cash during this pandemic said one CEO "My hospital is broke but has five million dollars in the bank! How can that be and what to do???"

HomeTown Health CEO's and Senior Staff:

Reference: Urgent!! Managing Hospital Cash during this pandemic said one CEO "My hospital does not have money but has five million dollars in the bank! How can that be and what to do???"

Urgent to read!!! The sources of this information are a product of dozens of field trips to your hospitals and town hall meetings, phone calls with you , webinars, and crisis management workshops with you to generate cash for payroll so these accounts and analytics are authentic and a product of boots on the ground visiting in your hospital.

Given:

1. During January 2020 rural hospital's cash days on hand started a dramatic fall in many cases to near zero days cash on hand
2. February – March 2020 continued the fall and HomeTown helped 8-10 rural hospitals make payroll by identifying cash sources not normally tapped into
3. Cash Projections showed that unless help came by 2nd week in April, a number of rural hospitals in Georgia would face insolvency with possible closure
4. Then in mid-April the relief money began to come as a surprise on the night of April 10 when cash started showing up in rural hospital's bank accounts from the Federal Government
5. As a Godsend, that money came as an answered prayer to prevent closure and insolvency
 - a. Insolvency means there is no money to pay bills but the hospital cannot declare bankruptcy
6. That euphoria lasted a couple of weeks, then suddenly a form of fear set in because the cash had major stipulations placed on it to spend it
7. Said one rural hospital CEO "My hospital is broke but has five million dollars in the bank! How can that be and what to do???"
8. That reality came as a result of the confusion and many stipulations that were place on the cash infusions.
9. HomeTown's Sandy Sage began an investigation into these cash positions and spending requirements to start to educate the rural hospitals and make cash flow projections that would result from the pandemic
10. Several futuristic events began to unfold that included the following:
 - a. There were major cash flow problems due to underpayments beginning in January 2020
 - b. Then the pandemic hit
 - i. Elective surgeries were dropped on top of the underpayment problem
 - ii. Major withdrawals for patient hospital care occurred where people quit going to the hospital for care with growing major uncared problems that will blowup late
 - iii. There were few staffing adjustments (while anticipating the surge, which in many cases never came) made during April although the volumes were falling drastically . This accelerated the ongoing P&L losses.
 - c. Then the big cash infusions came with euphoria.
 - d. Then fear of spending too much based on probable federal claw backs that could be devastating as exemplified by the Medicaid Advantage Accelerated Payment Program
 - e. Then comes now as rural hospitals have a moment to forecast the future as the result of the cash on hand and a very strange thing is seen in the future.
 - f. That is, by late August or September, the cash infusion monies could be gone due to the need to spend the cash infusion money to start cash stability, all the while returning to the loss days of January through March 2020
10. Now comes the time for new fear for lack of cash in September 2020 that can lead to major losses that can force rural hospitals into near insolvency again with no Phase Four money coming to rural hospitals
 - a. Unfortunately, because the rural hospital operation's basis that was losing so much money in January through March was so deep , that when it returns in September 2020, it can wreak havoc on the rural health care system again leading to closures and insolvencies
 - b. Further exacerbating the problem is the fact that most of the delayed hospital stays that were postponed in March and April 2020 will start to come backout of necessity and will be traumatic events instead of regular care visits and that will accelerate losses to rural hospitals.

What to do?? What to do?

1. Understand the complexity of the many sources of cash infusion and translate the stipulations placed on the cash and the administrative attestations placed on the money before it is spent.

- a. Study the summary below that Sandy Sage has prepared and use it as a guide to spend or not to spend. That thought process MUST occur NOW!! Before it is too late.
- b. Develop a cash flow plan around what to pay off for sustainability, such as payables versus bond payments versus bank loans, and what to keep in reserve
- c. Develop a plan to spend based on the individual loan or cash program payback and or claw back time line of the various 7-9 silos of cash as depicted below in Sandy's summary.
2. Control expenses as never before. Cut! Cut! Cut!!! Save! Save! Save! Cash is king! Cash is king!
3. Maximize new and enhanced revenue streams such as telemedicine, geriatric care
4. Educate all billers and revenue cycle associates with HomeTown Health University to insure even better proper billing
5. Attend every webinar that HomeTown conducts with the team including Dale Gibson and his cohorts and the CMO/insurance specialists
6. Employ Quadax and Dashboards being developed by the HomeTown Special Dashboard projects with SunLink Health Care Technology projects as employed by Kerry Trapnell at Elbert Memorial
7. Be prepared to flex, furlough, and adjust as needed otherwise by end of year unless there is a Phase Four Federal stimulus package which currently is looking slim for rural hospitals.
 - a. While there are several other great revenue cycle and billing improvements and collection programs as HomeTown Business Partners, the Quadax (Denial Management and Contract management Program) and SunLink Dashboard projects are absolutes before doing anything else.
8. Engage Draffin and Tucker fully in all aspects of cash management and attestation management because they know how it will affect the cost report and the balance sheet and the Profit and loss statement as well as Morris Manning in helping avoid penalties that may be ascribed to a cash infusion package.
9. Contact HomeTown Health for an in-depth review of your cash flow projects and your billing and revenue cycle.
10. **Save the date and plan to come the to the Fall Meeting October 21-23, face to face are Callaway Gardens**
 - a. The Fall Meeting Agenda will necessarily focus on the events that will have unfolded by then and with action plans to adopt to survive including examples, case studies, testimonies, and status reviews of these Cash Infusion programs listed below. See you there!! Face to face!!
With masks 😊

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FY 2020 Coronavirus Supplemental Funding Guidance: Reporting Requirement for Health Centers CARES Act Provider Relief Funds

Funds should not be used for duplicate expenses. Track and record what funds are used from which source of funding.

Provider Relief Funds

- First received April 10, 2020 automatic deposit
- **Must sign attestation** confirming receipt of funds within 90 days (1st by July 9, 2020)
- Must agree to **terms and conditions** within 90 days of receiving first funds.
- o Certifies that payment will be used to prevent, prepare for and respond to coronavirus.
- o the payment will only reimburse healthcare related expenses or lost revenues attributable to coronavirus.
- o Certifies that monies will remain separate for each individual fund receipt.
- o Reports to be submitted in a form yet to be determined by the Secretary
- o Maintain appropriate records and cost documentation including copies of records and documentation to be submitted on request.

- o Certifies that no out of network costs will be requested from the patient during the PHE
- Providers must provide HHS with an [accounting of annual revenues](#) by submitting tax forms or financial statements and estimates of lost revenue for March and April 2020

Targeted Rural Fund Distribution

- Hospital and CAH base payment of \$1 million with additional payment based on 2% of operating expenses
- RHCs received a base rate of \$100,000 plus an amount based on operating expenses
- Worksheet G-3 Line 4 was used to determine operating expenses for the calculation for hospitals
- Track all revenues lost due to coronavirus including increase or decrease in operating revenue.

Payment Protection Program

- Recent changes to requirements were approved by Congress June 4, 2020 and signed by the President
- Funds must cover 60% of payroll costs and 40% of other approved costs.
- Spending has been extended to December 31, 2020
- Loan maturity extended to 5 years
- Track payroll receipts with benefits and other expenses covered by PPP

SHIP Funding

- \$84,000 to all SHIP eligible hospitals
- Template not yet available for reporting but will be due July 31, 2020

Supporting documentation includes (but is not limited to):

- Invoices (vendor, date and amount paid);
- Receipts (confirmation of payment);
- Purchase dates should fall within the grant period
- Copies of cancelled checks that show the amount actually paid;
- Connection to the grant (cost center, fund type code, budget) – in general ledger;
- Sub-recipient agreements or contracts (signed and dated);
- Detailed travel logs.

Recipients can identify which supporting documentation is relevant to the category of spending.

Accelerated Advanced Medicare Payments

- Not a grant, must be paid back
- Funds will be recouped via future Medicare remits at 100% until paid beginning 120 days after payment.
- Hospitals have a 210-day repayment period and CAHs have 365 days
- HTH has requested through Senator Loeffler that a more revenue friendly repayment schedule be implemented, i.e. not 100% of total receipts. Requested a 50% or less payment recoupment and extended time for repayment
- No funds available program suspended

COVID-19 Uninsured Reimbursement

- Providers can request reimbursement for uninsured patients with a positive COVID-19 diagnosis through the program and agree to accept Medicare rates.
- Corrected claims, late charges, voided claims and appeals will not be accepted.
- Patients may NOT be balance billed after payment through the portal.

Other Funding and Opportunities Available

- IPPS 20% add-on payment for COVID-19 inpatients
- Sequestration has been suspended
- Employee retention tax credits
 - o Credit is equal to 50% of qualified wages, up to a maximum of \$5000 of credit per employee. Credit is against the 6.2% of employer portion of Social Security taxes
- Charitable Deduction expansion
 - o 100% of charitable contributions deductible for 2020
- Social Security Tax deferrals
 - o Not for those receiving PPP
 - o Employer portion of SS Tax of 6.2% can be deferred until the end of 2020

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Stay tuned to all of the above through HomeTown Health webpage because this guidance is subject to change on a daily basis.

Sandy Sage RN

Revenue Analyst

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HomeTown Health, LLC

Compliments to Sandy for developing this schedule of cash infusions. Since this a work in progress, comments, ideas, and new information is welcomed and will be posted on the HomeTown website. Tell us where you agree and where you may disagree .

Thanks,

Jimmy Lewis

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