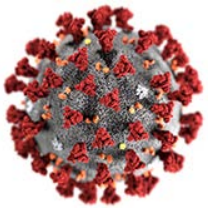
COVID-19 Statewide Hospital Huddle Summary Tuesday, July 28, 2020



Tom Bell welcomed everyone to the call, reviewed the agenda and introduced our guest speaker.

Office of Recovery SPARK Update – Vjay Ramasamy, Policy Coordinator, Kansas Governor Laura Kelly
Vjay is the primary staff person working with the SPARK Committee that is distributing the CARES Act monies sent to the State. The Office of Recovery was established to oversee the distribution of these funds. Kansas received $1.25 billion. Of that money, $250 million went directly to the two largest counties, Johnson and Sedgewick. The SPARK Committee was created to make distribution recommendations. There are two subcommittees, Executive and Steering. The Steering Committee is made up of public and private leaders to develop priorities and proposals, considered the working engine of the group. The Executive Committee makes final determinations, provides feedback and guidance to the implementation arm of the Office of Recovery. The Office of Recovery is hiring new staff. Secretary Julia Lorenz, Dept. of Transportation, will have a dual role with work in the Office of Recovery. There will be three rounds of distributions.

Round 1 included funding to counties. A per resident formula was used to determine the amount given to Johnson and Sedgewick counties. That same per resident formula was used to distribute $350 million to the other counties across state. Another $50 million was distributed to counties with high unemployment as well as number of COVID cases. Round 1 provided for reimbursement for existing expenses during pandemic and some flexible funds for critical investments in communities. The caveat is the CARES Act funds are not as flexible as hoped and must be necessary due to public health emergency/pandemic. All Round 1 monies have been dispersed to counties. Now counties are dispersing to hospitals, schools and cities. The counties have a directive to reimburse public entities for expenditures incurred from pandemic. They should then develop a direct aid plan to create budget for the remaining money to spend moving forward. Some are using for business grants, nursing home grants and direct transfers to schools so they can reopen. The budget deadline is August 15. He suggested working with counties if you have unreimbursed expenses or progressive ideas.

Round 2 is entirely handled at the State level with funds of $314 million. Round 2 was developed through initial survey to the Steering and Executive Committees to determine what the priorities are to combat the pandemic and larger investments to further public health infrastructure. He encouraged people to visit covid.ks.gov under meeting materials. The July 20 materials has a full book of proposals and what has been approved. It must now be approve by the State Finance Council, hopefully tomorrow. Items included:

- Increase testing from 1,000 to 5,000 samples per day;
- Health departments;
- Essential workers and medical expenses;
- Nursing home $20/day for 120 days for all beds which equals about $38.4 million;
- $60 million for small business grants and retention, investments to entice companies with pandemic functions to come to Kansas;
- Broadband; and
- Higher education reopening costs for community colleges, entities under the Board of Regents, and early childhood centers.

Round 3 should include proposals from outside entities, but also shore up the existing program to handle spikes in certain areas such as PPE, small business, etc. The timeline for Round 3 is mid-August to September.

On federal level, a Stimulus 4 package is being negotiated. The Governor's goal for this one-time money is to support public health infrastructure but to also support businesses and to make public institutions whole again.

Questions may be sent to recovery@ks.gov or go to www.covid.ks.gov for resources.

The phone line was opened for questions for Vjay Ramasamy:

Q1: The County has told the hospital that Round 1 funds are priorities for school districts and cities which seems different from what heard today.
A1: The actual resolution states which entities are required for consideration but counties can go beyond the public entities and have been encouraged to work with hospitals.

Q2: Are only government (city, county) hospitals eligible for county CARES Act funds?
A2: Counties have been encouraged to look at the eligible expenditure and not the institution making the request. Hospitals are eligible and counties have been encouraged to include them.

Q3: At this point, many expenses are already allocated to other funds the hospital has received, but they were told by the county that expense report would be due July 31 for the first round. Are they able to skip the first round and report on the next round reporting period?
A3: If unable to report expense in this period, you can submit to next period. The reason it has been split between reimbursements vs direct aid is that moving forward is to encourage counties to think about what they will need in the next few months. You might provide feedback to your county that it might be easier to provide a transfer of money to buy PPE without having to go back with each reimbursement. The county submits monthly.

Statistics Relative to COVID – Sally Othmer
KDHE reports 2,838 new cases in Kansas since our huddle last week, the 14-day trend of infections by population continued its upward trend and the state reported 335 deaths as of yesterday. Hospitalizations per infection remained about the same. We added positivity rates to our dashboard and, per the KDHE site, the percentage of positive tests rose from 8.9 to 9.4 since last Monday. You may have noted the number of negative tests decreased from Friday to Monday. We reached out to KDHE and they indicated that as part of their quality assurance process, they recently updated their coding to reflect new testing platforms that are becoming much more widely used. One of the areas affected is the number of people tested and the number of negative test results. KDHE has assured us that the updated codes do not affect any of the Kansas Re-open Metrics or the number of cases. At a regional level, we saw a rise in the 14 day trending of percent of population in the NW, SW and SC while the other regions remained about the same. Johnson, Wyandotte and Sedgwick Counties demonstrate the highest upward trends. See the KDHE Latest Public Update for additional information.

Updates to Dashboard
In addition to the new display of positivity rates, we have also pared down the trending data. Trend reports had gone back to the first COVID-19 case in Kansas, March 9, but now begin at May 22, when the state entered Phase 2. We made this change based on member feedback, so please continue to send me your thoughts and recommendations relative to the KHA COVID-19 Dashboard. The dashboard also now displays a message regarding hospitalized COVID-19 patient activity, hospital capacity and supply availability reporting. With the July 13 announcement by the Department of Health and Human Services establishing TeleTracking as the reporting mechanism and data repository for COVID-19 data and the retirement of the NHSN COVID-19

modules for acute care hospitals, KHA had to pause reporting that information. We continue to work with HHS and KDHE to secure access to the data reported by our hospitals into TeleTracking so we can include this information in the near future.

COVID-19 Preparedness and Response Update – Ron Marshall
Regarding PPE, some of our hospital have submitted letters with details on PPE shortages and a list of questions for Nick Taylor of the White House COVID-19 Supply Chain Task Force who has forwarded them to the appropriate people to answer. He thanked the group for the great questions and feedback. Some questions are "rather robust" and cannot be answered quickly but Nick will do his best to stay in the loop and keep KHA updated.

Regarding lab reagents, FEMA/CDC have no control of manufacturers production or allocations. Most manufacturers feel current allocations will remain the same through 2020. There is growing concern that test reagents availability is becoming a greater challenge and there are bottlenecks which is causing longer testing result days.

The CDC has announced several changes related to COVID guidance, as a result KDHE has made some change. In two cases KDHE chose not to make changes in Kansas at this time. For clarification – CDC issues guidance and KDHE requirements are mandates and super cede CDC guidance. The 7/20 CDC new guidance changes the isolation period for symptomatic cases. KDHE is NOT changing the mandated isolation for symptomatic cases which will remain at 10 days from symptom onset, 72 hours fever free without use of medications and significant improvement of symptoms. CDC updated isolation recommendation for cases with severe to critical illness or severely immunocompromised to at least 20 days have passed since symptoms first appeared AND 72 hours without fever reducing medications and other symptoms such as cough and shortness of breath. CDC changed the definition of close contact to within 6 ft. for 15 minutes or more. KDHE is NOT changing the Kansas definition which remains at within 6 ft. for 10 minutes or more. KDHE updated their Person Under Investigation (PUI) list with new clinical features which now include congestion, runny nose and nausea or vomiting.

Future KHA COVID-19 Hospital Huddles - New Format – Cindy Samuelson
Today is our 21st COVID-19 Hospital Huddle. We have been hosting these calls since March 17. Starting August 1, we will change the format of these calls. The new platform will include a link and phone number. Visuals will be shared as needed. Members will use the chat feature on the new platform to ask questions or they can continue to email questions to csamuelson@kha-net.org. There will not be a way to ask questions on the phone line. The new link and new phone number will be promoted each week in our daily COVID-19 emails.

Federal and State Update – Audrey Dunkel and Landon Fulmer
Senate Republican Leadership yesterday released details of their proposals for a fourth COVID-19 relief bill. Titled the Health, Economic Assistance, Liability Protection, and Schools (HEALS) Act, it proposes to spend roughly $1 trillion on various programs ranging from COVID-19 testing and vaccine development, health care provider assistance, and liability protections to unemployment benefits, economic stimulus programs, and school re-opening protocols. The HEALS Act represents the Republican counteroffer to the Democrats' HEROES Act, which passed the House of Representatives in late May.

Full text and/or section-by-section outlines of the various committee sections of the bill can be found here:
Senate Finance Committee Legislative Text
Senate Finance Committee Section-by-Section

Senate Appropriations Committee Legislative Text
Senate Appropriations Committee Section-by-Section
Senate Health, Education, Labor, and Pensions Section-by-Section

We at the Kansas Hospital Association have been talking with our congressional delegation about a number of issues, and most of them were addressed in some form or fashion in the HEALS Act. The bill would add $25 billion to the Public Health and Social Services Emergency Fund created by the CARES Act, bringing the total amount of funding available directly to hospitals through this fund to $200 billion. For reference, the House-passed HEROES Act included $100 billion in additional funding for a total of $275 billion, lining up with our and AHA's initial request. The HEALS Act contains strong liability protections for diagnosing and treating COVID-19 for the period beginning Dec. 1, 2019 and extending through the length of the public health emergency; the only exceptions to these protections are intentional discrimination, gross negligence or willful misconduct. The HEROES Act does not contain any liability protections.

As it concerns Medicare, the HEALS Act would extend the beginning of the repayment window for any advance payments from 120 days to 270 days and extend the repayment schedule from 12 to 18 months. The HEROES Act begins the repayment windows at 365 days from the original advance payment and allows 24 months to complete repayment; it also reduces the interest rate from a maximum of 10 percent to 1 percent. And on telehealth, the HEALS Act extends the period in which current telehealth waivers would be in effect until Dec. 31, 2021 at the earliest while the HEROES Act adds another $2 billion for the Rural Health Care program through the FCC to help with the cost of providing telehealth services.

While both bills speak to many of the same matters, their differences are in many cases quite profound. Both the HEALS Act and the HEROES Act are partisan bills, but the fact is that neither can become law without the help of the other party. As a practical matter, Republicans are more divided than Democrats since some GOP senators have already signaled their opposition to the HEALS Act. While this may strengthen the Democrats' bargaining position, whatever bill passes Congress will require President Trump's signature, so negotiations will be intense over the next few weeks. Leaders in both parties have indicated their willingness to work until a new COVID-19 relief bill is done, so it is likely that something passes before the traditional August recess. What will make it into the final bill, however, is far from certain at this point. For our part, we will be working with our congressional delegation to make our positions on these different issues known as the negotiating intensifies.

Federal COVID-19 Vaccine Allocation Methodology Meeting – Karen Braman
A national committee, called The Committee on Equitable Allocation of Vaccine for the Novel Coronavirus, has been created as an ad hoc committee of the National Academies of Sciences, Engineering, and Medicine to develop an overarching framework for vaccine allocation to assist policymakers in planning for equitable allocation of vaccines against COVID-19. The first meeting of the Committee was held Friday, July 24. Sponsors of the Committee are the CDC and the NIH. It is anticipated that the national framework to be developed by this committee will inform decisions by health authorities, including the Advisory Committee on Immunization Practices (ACIP), which advises the CDC on immunizations, as they create and implement national and/or local guidelines for COVID-19 vaccine allocation. As part of this effort, the committee will consider criteria that would be used in setting priorities for equitable allocation of vaccine. These questions are listed on the project page, as well as the meeting recording, on the National Academies website.

Dr. Francis Collins, Director, NIH; Dr. Robert Redfield, Director, CDC, and Dr. Victor Dzau, President, National Academy of Medicine all spoke at Friday's committee meeting. In their comments, it was stated that initial vaccine doses will be limited, thus the need for creation of a committee to develop an allocation methodology based on science and equity; with a focus on the most vulnerable, health care providers, first line responders,

and ensuring transparency. The Committee plans to release a draft framework for public comment late Aug/early Sept; and expect final recommendations in late Sept/early Oct. Committee plans to meet weekly. Dr. Francis Collins, Director of the NIH stated in Friday's meeting that at least four vaccines will move to clinical trials. You may have seen in the news yesterday that the Phase 3 clinical trial has started for the Moderna vaccine. Other clinical trials will start in August for the Oxford/Astra Zeneca vaccine that KU will be participating in; September for the Johnson & Johnson vaccine, and October for the Novovax vaccine. Additionally Pfizer has begun conducting their own trial for their vaccine product. Dr. Collins emphasized that the vaccines will be tested in trials with at least 30,000 participants, and diversity across participants will be ensured. Dr. Collins also stated that by the end of 2020 we are likely to have one or more vaccine showing safety and efficacy.

Finance and Reimbursement Updates – Tish Hollingsworth

HHS Shares Post-Payment Reporting Requirements for CARES Act Funding

On July 20, The Department of Health and Human Services (HHS) shared additional information on the reporting requirements for recipients of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and Provider Relief Funds and the Paycheck Protection Program and Health Care Enhancement Act (PPPHCE). Specifically, HHS said recipients that received one or more payments exceeding $10,000 in the aggregate from the Provider Relief Fund will be required to submit reports to HHS on how the funds have been expended using a portal that HHS will open on October 1, 2020. HHS also indicates that detailed instructions regarding these reports will be released by Aug. 17, 2020. The Health Resources and Service Administration (HRSA), the Agency in charge of administering the distribution of the payments, will host education sessions for providers. HHS says the reporting system will be available for reporting on October 1, 2020. Below is a high-level summary of the reporting:

- All recipients must report within 45 days of the end of calendar 2020 (or no later than Feb. 15, 2021) on their expenditures through the period ending Dec. 31, 2020.
- Recipients who have expended funds in full prior to Dec. 31, 2020 may submit a single final report at any time during the window that begins Oct. 1, 2020, but no later than Feb. 15, 2021.
- Recipients with funds unexpended after Dec. 31, 2020, must submit a second and final report no later than July 31, 2021.

RHC Productivity Standard Exception Requests for RHCs Impacted by COVID-19

Due to the recent COVID-19 pandemic, it is understood that some RHCs may have seen changes in the utilization of their services and the staffing of their clinics. As a result, it is understood that some of these RHCs may have difficulty in meeting the productivity standards. If your clinic believes it will not be able to meet the productivity standards for any cost reporting period that spans the public health emergency period, which started on Mar. 13, 2020, your clinic may request an exception. A request checklist has been developed for these submissions. Please send the completed checklist to the Audit Advisement email address at audit.advisement@wpsic.com so they can begin the review. The Cost Report Audit section of the WPS GHA website contains information on the Rural Health Clinic (RHC) Productivity Standards Exception.

CMS Announces COVID-19 Long-Term Care Funding and Testing Requirements

The Centers for Medicare and Medicaid Services announced that HHS is directing $5 billion from the Provider Relief Fund to Medicare-certified long-term care facilities and state veterans' homes. The goal is to build nursing home skills and enhance their response to COVID-19. Uses for the funding include addressing critical needs that include hiring additional staff, implementing infection control "mentorship' programs with subject matter experts, increased testing and services like technology to assist residents in connecting with their families who cannot visit. In order to be eligible, nursing homes must participate in the Nursing Home Covid-19 training laid out in the announcement. This new funding is in addition to the $4.9 billion previously

announced in May for Skilled Nursing Facilities to offset revenue losses and to assist with additional costs related to COVID-19.

Impact of SBA PPP on Medicare Cost Reports
Last week, KHA received an email from Tom Bruce, the Director of J5 Audit for WPS, concerning a recent response the Medicare Administrative Contractors received regarding how the funds received under the Small Business Administration's Paycheck Protection Program would be reported on the Medicare Cost Report. What Tom shared is that CMS has indicated providers must offset the amount of the SBA PPP loan forgiveness from the operating expenses they report on their Medicare cost report to prevent duplication of benefits from the federal government. This will ensure that Medicare's reasonable cost principles as set forth in the Social Security Act are upheld and that providers are reimbursed for Medicare costs actually incurred. While this response is what we may have been anticipating, it is concerning because of the significant impact on Medicare cost reports, especially for the critical access hospitals. KHA will be working with the Kansas hospital accounting firms to discuss this CMS interpretation and discussion recommendations for a legislative strategy that should be considered. WPS will post information on their website soon.

Discussion on Cost Report Implications from CARES Act
During next week's KHA Hospital Huddle call, on Tuesday, Aug. 4, Jason Barb, Partner, BKD will provide additional thoughts and considerations of the Medicare Cost Report due to the receipt of the COVID-19 funding.

Today's KHA Clinical Call – Jennifer Findley
Jennifer Findley reminded members that clinical calls are being offered every other Tuesday at noon. These calls offer updates on clinical issues related to COVID-19, sharing of best practices and a forum for question and answers.

Upcoming calls have been scheduled for the following dates:

- July 28 – pediatric issues
- Aug. 11 – updates on treatment modalities and testing
- Aug. 25 – infection prevention best practices

If you (or someone in your organization) would like to receive notifications of COVID-19 clinical related educational offerings and other resources, please add your name to our distribution list by clicking on the following link: https://www.surveymonkey.com/r/YQKVR2S

Member Questions – All Topics
Q4: In regard to the data reporting, is KDHE still not allowing KHA to have access to the data? Is it an administrative thing or issues with KHA having the data?
A4: We continue to speak with KDHE and hope to get access soon. We will let everyone know when we receive the access. We are not the only state association not having access to the data in TeleTracking.

Q5: We're running into issues regarding CARES restrictions on spending, would like more guidance. Is it possible to get those involved at the federal level to loosen up parameters? The way things are now, we might not be able to spend the funds by the deadline
A5: We're hearing that from many of our hospitals. HHS has been vague to allow for spending but realize it could be an issue down the road. Suggest using your best judgement making sure it's truly a COVID

related expense and document, document, document. Work very closely with your accounting firm. Policy makers are aware of the concerns and are looking at the programmatic issues will probably come up in committees. General consensus that more direction is needed.

Q6: Question to Landon Fulmer concerning the latest CMS clarification concerning SBA PPP program and it's need to be offset instead of a grant, what is the possibility that could be changed to an offset.

A6: PPP loans should be separate category from other funds. Original wording of CARES Act would have different pots of money available to hospitals but all would end up in the general calculation of what hospitals would receive. He hasn't heard any talk about changes in those funds.

Next Hospital Huddle Call

During the next KHA COVID-19 Hospital Huddle, Jason Barb, Partner, BKD will provide additional thoughts and considerations of the Medicare Cost Report due to the receipt of the COVID-19 funding. Please email your question for next week's huddle to Cindy Samuelson. **Our next call will be Tuesday, Aug. 4 at 10:00 a.m.**