

# Policy Brief: Ensuring Access to Primary Care during the Coronavirus Disease Pandemic of 2019-2020

*A look at its effects on Community Health Centers and the key actions needed to sustain them.*

## Key Points:

- Maintaining access to the primary care safety net is a priority during the COVID-19 pandemic;
- Federal relief funds are important resources to support Health Center Partners' Community Health Centers to rapidly mobilize outbreak and community COVID-19 testing and response;
- Additional federal relief and long-term funding stability is still needed to mitigate financial losses for nonprofit health centers during the crisis; and,
- Telehealth and telephonic care have been overwhelmingly successful during the crisis offering patients access to integrated primary and behavioral health care. Both telehealth and telephonic care need to be supported and maintained going forward.

Community Health Centers (CHCs) have been on the front line in responding to the COVID-19 pandemic and ensuring access to care for underserved and vulnerable populations. The pandemic has upended health care delivery systems and is leading CHCs to rapidly transition services to meet the needs of their communities.

This report offers a brief review of how the COVID-19 pandemic is impacting the network of Federally Qualified Health Centers (FQHCs) in San Diego, Riverside and Imperial Counties and what resources and policy changes are needed to sustain these critical providers throughout the course of the crisis, and beyond. Health Center Partners of Southern California (HCP), is a family of companies, includes a 16-member organization of Federally Qualified Health Centers, Indian Health Services Organizations, both urban and sovereign, and Planned Parenthood of the Pacific Southwest, which collectively serve 858,757 patients each year for 3.6 million patient visits annually, at 160 practice sites.

Since March 2020, HCP has been responding to the rapidly emerging needs of its member CHCs, including addressing the catastrophic impact on patient revenue and financial stability. Working with local, state and federal policy leaders and advocacy partners, HCP has helped to lead policy change efforts to ensure this vital network of comprehensive CHC's and safety net providers is able to maintain access to care for vulnerable populations and be key partners in pandemic response.

## Emerging Policy Issues: How the COVID-19 Pandemic Has Impacted the Safety Net Delivery System

Three key policy issues dominated during the initial pandemic response period, beginning in March 2020, including resources to mitigate the tremendous financial impacts of the crisis, regulatory changes required for the mobilization of CHCs in pandemic response, continuity of

care, and the rapid transition to telehealth and telephonic care.

## Mitigating Financial Impacts

California Governor Gavin Newsom's shelter-in-place (SIP) orders brought a catastrophic drop in CHC revenue. Patients and prospective patients stayed home, as did school-aged children. CHC practice sites, while deemed essential, suspended all non-emergent oral health services to help reduce the spread of the virus. Shortages in personal protective equipment (PPE), and staffing and resource constraints, forced the closure of many CHC practice sites. By mid-March, Health Center Partners member CHCs had closed more than 50 of their 160 practice sites. Concerns over the financial viability of these CHCs in the face of such losses was immediate.

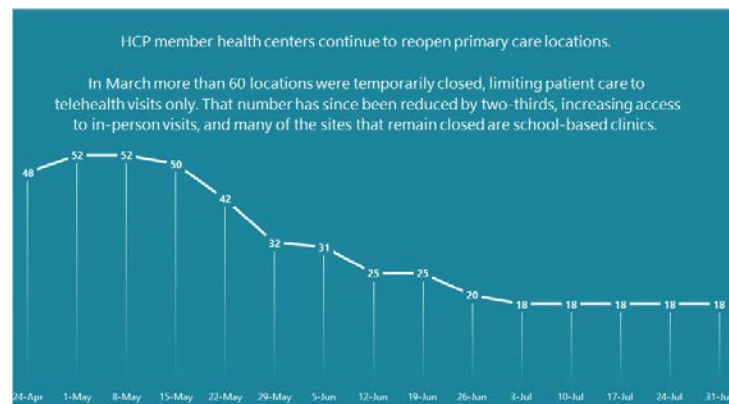
*“Community Health Centers are experiencing declining Medicaid revenue at the exact same time they are making significant unbudgeted outlays for emergency equipment and supplies. Early data from our members in San Diego, Riverside and Imperial counties indicates a decline of between 50 and 70 percent of their net patient service revenue. This represents a loss of \$40M per month, or \$120M for the next 90 days.” ~ Henry Tuttle, President and CEO, Health Center Partners of Southern California<sup>1</sup>*

While hospitals, particularly Emergency Departments (EDs) and Intensive Care Units (ICUs), were the settings where many COVID-19 patients were being treated, CHCs were on the front line conducting COVID-19 testing in their communities and maintaining patient access to chronic disease management, preventive and primary health care, and integrated behavioral health care. This continuity of care was critical to keeping vulnerable CHC patients out of EDs and isolated from COVID-positive patients.

HCP responded quickly to understand and advocate for the necessary resources needed to sustain member CHCs during this crisis, including:

- Mobilizing staff to survey CHCs on the effects of the pandemic and SIP orders;

- Assessing economic impacts, site closures, staffing impacts, and drop in patient visits and aggregating those across the HCP CHC network;
- Hosting weekly calls with more than 40 representatives of state and federal legislative offices and local CHCs to share how the crisis was impacting health centers and identify immediate and emerging needs to inform relief packages and legislative action;
- Spotlighting the impact on CHCs through engagement with regional and national media;
- Partnering with the California Primary Care Association (CPCA) and the National Association of Community Health Centers (NACHC) to call for state and federal leadership in providing the resources required to sustain the CHC safety net through the crisis;
- Advocating for CHCs through letters to HHS Secretary Alex Azar and through calls with legislative leaders including Speaker Pelosi's office, Leader Schumer's office, and the Energy and Commerce Committee members;
- Partnering with local elected officials, including Congressman Mike Levin (D-49) who authored a letter to HHS Secretary Azar which was signed by 72 other House members asking for federal funding specifically for CHCs.



### Key Policy Changes:

Policy responses to mitigate losses among health care delivery systems included a series of federal relief packages passed by Congress to direct resources for pandemic response:

- Coronavirus Preparedness and Response Supplemental Appropriations Act (signed

<sup>1</sup> <https://hcpsocal.org/wp-content/uploads/2020/06/HCP-Letter-to-Leadership-March-20-2020.pdf>

March 4), provided funds for FQHCs<sup>2</sup> for COVID-19 response. A total of \$13.8M was awarded to support 178 California health centers (about \$2.78 per patient). While helpful in providing resources to support testing, this did little to mitigate significant financial losses.

- CARES Act (signed March 27), established the Provider Relief Fund, including funding for FQHCs to support COVID-19 response and sustain capacity and staffing<sup>3</sup>. A total of \$193M was awarded to support 180 California health centers. The Act also appropriated funding to hospitals and health care providers through the Public Health and Social Services Emergency Fund. Funding was allocated based on Medicare claims, resulting in health centers receiving less assistance given their focus on serving Medi-Cal patients.

In addition to relief funds, small business loans were offered to employers with fewer than 500 employees. However, this left large CHCs with greater than 500 employees (there are over 100 nationwide) few options to maintain staffing levels. This included five HCP members.

*“Local CHCs only received \$1 million of that first \$30 billion, according to Henry Tuttle, president and chief executive of Health Center Partners of Southern California. That amount barely makes a dent in the loss of revenue those health centers are facing, he explained in a letter addressed to Department of Health and Human Services (HHS) Secretary Alex Azar.”<sup>4</sup>*

These federal relief packages, while important, focused primarily on directing relief funds to hospitals. The primary care delivery system was left out though it provided the front line community health response to the crisis. The primary care delivery system, which includes CHCs, is essential in ensuring patients have access to care, particularly patients with complex

overlapping chronic conditions, and works to ensure patients receive the right care, at the right time, in the right place – helping to keep vulnerable patients out of hospital EDs and ICUs.

### ***Flexibility to Adapt and Stand-Up COVID-19 Testing Sites in the Community***

CHCs needed the ability to rapidly establish walk-through or drive-through testing outside of their established practice sites - in parking lots and driveways - so that they could continue to provide care to their established patients while offering COVID-19 testing in a safe manner.

Licensing flexibility for mobile or temporary practice sites was granted through state action in Executive Order N-35-20<sup>5</sup>, which authorized the California Department of Public Health to waive licensing and staffing requirements for CHCs and other types of health care facilities working to combat COVID-19. State action helped to remove barriers for CHCs to set up temporary practice sites outside of their facilities to triage patients and provide necessary care.

HCP responded quickly to support members to better understand the regulatory changes and advocate for needed flexibility. HCP:

- Provided daily communication updates on regulatory relief provided by state and federal action;
- Mobilized peer network infrastructure already in place to share strategies for setting up outdoor testing facilities on CHC campuses; and,
- Partnered with local county agencies to co-locate testing operations in the community.

### ***Evidence of Impact: Health Centers Testing Capacity Surged by 435%***

CHCs played a critical role in increasing the capacity for community COVID-19 testing, including offering testing for CHC patients and community members at their practice sites and operating mobile strike teams to conduct outbreak testing in their communities.

<sup>2</sup><https://www.congress.gov/116/bills/hr6074/BILLS-116hr6074enr.pdf>

<sup>3</sup><https://www.congress.gov/116/bills/s3548/BILLS-116s3548is.pdf>

<sup>4</sup> <https://thecoastnews.com/without-funding-community-health-centers-face-grim-future/>

<sup>5</sup> <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.21.20-EO-N-35-20-text.pdf>

**Between April 24 and May 22, the total number of tests performed by HCP members increased by 435%. By July 31, 2020 nearly 38,000 COVID-19 tests had been performed.**



The four-week moving average of weekly test volume increased by 250% from 1,500 in May to 3,750 tests-per-week in July. Increased capacity for testing enabled HCP member health centers to identify greater numbers of community members diagnosed with COVID-19 (4,014 total positives to date). **The cumulative positivity rate among HCP member health centers through July 31 was 10.6%, compared to 4.86% for San Diego County, and 6.25% for California.** The cumulative positivity rate among HCPs health centers in the U.S. border region is even higher at 20.6%.

### ***Rapid Transition to Telehealth and Telephonic Care: CHCs are Increasing Access to Care During a Public Health Crisis***

The unprecedented nature of this public health crisis has required CHCs to adopt rapid and transformational shifts in how technology is used to deliver care. Telehealth and telephonic care have been delivered by HCP member health centers for many years, though on a much smaller scale (only 1-2% of all patient visits pre-COVID-19). However, the shifts CHCs have made in transitioning delivery systems at large scale have required significant policy changes at the state and federal level. HCP has taken a leadership role in advocating for changes that are needed in telehealth and telephonic care to allow for the types of patient and provider interactions required to meet today's community health needs.

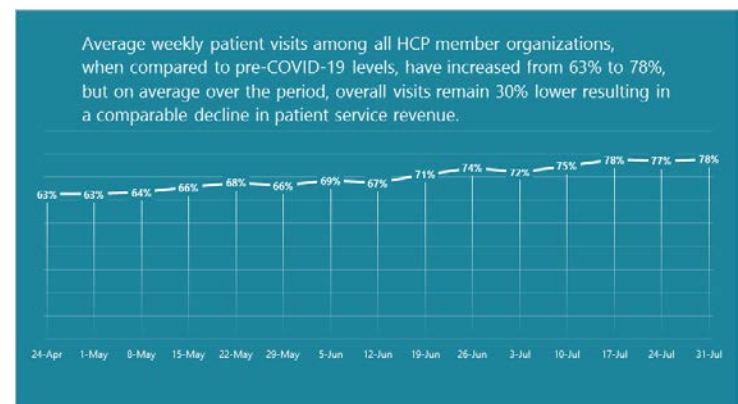
### ***Key Policy Changes:***

State action allowed for reimbursement for telehealth and telephonic care delivered to patients not physically present at CHCs' practice sites.

- On March 19, DHCS issued guidance articulating how FQHCs, Rural Health Centers and Tribal Health Centers can deliver and bill for telehealth and telephonic services<sup>6</sup>.
- On April 3, California Governor Gavin Newsom signed Executive Order N-43-20 allowing providers to leverage technology to provide care. The Order is a result of CPCA, HCP and other major provider associations' advocacy and collaboration with state policy leaders.

### ***Evidence of Impact: Telehealth and Telephonic Utilization Bolster Visits to Nearly Three-Quarters of pre-COVID-19 Utilization***

HCP member health centers utilized the resources and new flexibility offered through regulatory changes to quickly transition services into a virtual environment. Patient encounters, which had dropped significantly at the start of the crisis, increased to nearly three-quarters of pre-COVID-19 utilization as a result of this transition to telehealth and telephonic care.



In April, telehealth and telephonic encounters represented 69% of patient services conducted. As CHCs were able to bring staff and providers back to work and practice sites reopened, telehealth and telephonic care have stabilized and currently represent nearly half of all patient encounters.

<sup>6</sup> <https://www.gov.ca.gov/wp-content/uploads/2020/03/3.21.20-EO-N-35-20-text.pdf>



Patient encounters remain about 30% below pre-COVID-19 utilization resulting in a measurable decline in patient revenue for CHCs.

*“Telehealth and telephonic care have been the saving-grace for community health centers and patients during this public health crisis.” ~ Michelle Gonzalez, President & CEO, North County Health Services*

## Key Policy Issues Ahead: Emerging from the COVID-19 Crisis with a Community Health Approach Aimed at Building Health Equity

### Near Term: Navigating the COVID-19 Crisis

In the near term, the primary focus for HCP’s policy and advocacy efforts will be to:

- Ensure permanency of appropriate federal and state funding levels for telehealth and telephonic care in the delivery of health care;
- Urge California Governor Gavin Newsom and the state legislature to take urgent action to adopt trailer bill language to allow telehealth and telephonic care flexibility; and, to extend PPS reimbursement for this care indefinitely;
- Advocate for continuing extension of the Federal Public Health Emergency Declaration; and,
- Build business continuity for CHCs through collaboration at the local level on COVID-19 response.

### Mid-Term: Sustaining Critical Health Center Funding

In the mid-term, some critical issues that are tied to long-term sustainability for CHCs are at play:

- **Reauthorization of Community Health Center Program funding.** The funding cliff threatens to undermine the health care safety net which has been vital in response to this pandemic. CHC funding expires on November 30, 2020. For HCP member health centers, depending upon size, this represents between 10% - 50% of their operating revenues. Considering

the declines in patient revenue already sustained, additional funding losses are untenable.

- **Loss of 340B Pharmacy Program Savings:** Additionally, FQHCs are at risk of losing resources due to state and federal actions affecting the 340B Pharmacy Program. Savings from this program represent important resources that help keep the cost of medication affordable and are reinvested directly into patient care.

### Long-Term: Increasing Health Equity, Envisioning Health Centers of the Future

In the long-term, the significant economic impacts resulting from the COVID-19 pandemic will be at the forefront of HCP policy efforts. CHC patients represent communities that will sustain the greatest economic impacts due to job losses, resulting loss of health care coverage, and increased need for community resources and supports. The implications of an additional projected 10 million Medicaid enrollees nationally are tremendous. California’s health care safety net is already stretched to meet current demand. Large-scale investment in CHC infrastructure and telehealth and telephonic care technology will be required to mitigate the economic impacts to come.

Despite the challenges ahead, HCP’s CHCs remain optimistic about the opportunities this public health crisis offers to build a vision for community health that takes the best of what has been learned to redesign health centers for the future. HCP will continue to work with local, state and federal legislative partners to explore how innovations in alternative payment models and patient care approaches can bring equity in health and health care to the communities served. HCP’s member CHCs won’t be able to do this alone. Help from government partners in the form of infrastructure investment and payment reform will be required. Support from philanthropy will be needed to understand the lessons learned from this crisis and build strategies to improve and sustain community health care.