

# MEMORANDUM

1411 East 31 st Street Oakland, CA 94602

TO:	AHS Board of Trustees
FROM:	Terry Lightfoot, Director of Public Affairs and Community Engagement
DATE:	May 21, 2020
SUBJECT:	Public Affairs and Community Engagement Report: Government Relations – P

SUBJECT:Public Affairs and Community Engagement Report: Government Relations – Policy and<br/>Legislative Updates, Community Engagement Activities, Print / Broadcast / Online Media<br/>Coverage, and Social Media Coverage

# **Government Relations – Policy and Legislative Updates**

# FY 2020-21 State Budget May Revision Summary

On May 14<sup>th</sup>, 2020, Governor Newsom released his May FY 2020-21 Budget Revision, which assumes that California is heading into COVID-19 recession and must erase a \$54.3 billion deficit by reducing or eliminating an array of government program expansions and services, and/or proposing efficiencies. State fiscal year begins on July 1<sup>st</sup>, and the legislature has until June 15<sup>th</sup> to pass a balanced budget. For health care services, the May Revision assumes that the Medi-Cal caseload will peak at 14.5 million in July 2020, which is about 2 million above what caseload would have been absent the COVID-19 pandemic.

## Medi-Cal Managed Care (\$273.6M General Fund Reduction in FY 2020-21)

The May Revision proposes various changes to the way that managed care capitation rates are determined. These changes which include various acuity, efficiency, and cost containment adjustments will yield General Fund savings of \$91.6 million in 2020-21 and \$179 million in 2021-22, growing thereafter. Additionally, the May revision assumes a 1.5% rate reduction for the period July 1, 2019 through December 31, 2020, for General Fund savings of \$182 million in 2020-21.

Proposals withdrawn from the Governor's Budget (\$638M General Fund Reduction in FY 2020-21)

- California Advancing and Innovating Medi-Cal (CalAIM) delayed implementation and removes funding for the Behavioral Health Quality Improvement Program
- Full-Scope State-only Medi-Cal to undocumented older adults (65 years old and over), including In-Home Supportive Services expansion to this population
- Medi-Cal expansion to aged, blind, and disabled individuals with incomes between 123% and 138% of the federal poverty level and implementation of the aged, blind, and disabled Medicare Part B disregard
- **340B Supplemental Payment Pool** to provide payments to non-hospital clinics for 340B pharmacy services
- **Postpartum Mental Health Expansion within Medi-Cal** to post-partum individuals who are receiving health care coverage and who are diagnosed with a maternal mental health condition
- **Hearing aids** to assist with the cost of hearing aids and related services for children without health insurance coverage in households with incomes up to 600 percent of the federal poverty level, for a savings of \$5 million General Fund.

• **Reverts and reduces funding from various augmentations** that were included in the 2019 Budget Act - behavioral health counselors in emergency departments, Medi-Cal enrollment navigators, the Medical Interpreters Pilot Project and augmentation for caregiver resource centers

## Reductions without Additional Federal Funds

Absent additional federal funds, the COVID-19 Recession makes the following reductions necessary to balance the State budget. These reductions will be triggered off if the federal government provides sufficient funding to restore them:

# • Medi-Cal reduction for adult dental and other optional benefits:

- $\circ$  reduce adult dental benefits to the partial restoration levels of 2014
- eliminate audiology, incontinence creams and washes, speech therapy, optician/optical lab, podiatry, acupuncture, optometry, nurse anesthetist services, occupational and physical therapy, pharmacist services, screening, brief intervention and referral to treatments for opioids and other illicit drugs in Medi-Cal, and diabetes prevention program services
- Federally Qualified Health Centers (FQHC) payment adjustments—eliminates special carve outs
- Shift of \$1.2B in Proposition 56 Adjustments from providing supplemental payments for physician, dental, family health services, developmental screenings, and non-emergency medical transportation, value-based payments, and loan repayments for physicians and dentists to support growth in the Medi-Cal program. About \$67 million in Proposition 56 funding would continue to support rate increases for home health providers, pediatric day health care facilities, pediatric sub-acute facilities, AIDS waiver supplemental payments, already awarded physician and dentist loan repayments, and trauma screenings (and associated trainings).

#### Augmentation

**Skilled Nursing Facilities (SNFs)**—To support COVID-19 response in SNFs, the May Revision maintains the nursing facility reform framework proposed in the Governor's Budget and assumes a 10% rate increase for SNFs for four months during the COVID-19 pandemic and in 2020-21. The State is waiting for approval from the federal Centers for Medicare and Medicaid Services to implement this increase. General Fund cost would be \$114M over the 16-month period.

# Revenue Reductions (\$6.991B decrease in FY 2020-21 General Fund)

- Enhanced Federal Funding—A decrease of \$5.1 billion General Fund, associated with the assumed receipt of an enhanced Federal Medical Assistance Percentage (FMAP) through June 30, 2021.
- Managed Care Organization (MCO) Tax—A decrease of \$1.7 billion General Fund in 2020-21 associated with the April 2020 federal approval of a revised MCO tax.
- **Drug Rebate Reserve**—A decrease of \$181 million General Fund due to not restoring a drug rebate volatility reserve.
- E-cigarette Tax—A decrease of \$10 million General Fund in 2020-21, and \$33 million General Fund ongoing beginning in 2021-22, associated with shifting unallocated revenues from the proposed e-cigarette tax increase to support growth in Medi-Cal costs.

## Homelessness and Local Government

During the COVID-19 pandemic, the State developed Project Roomkey, which is a multi-agency state effort to provide safe isolation motel rooms for vulnerable individuals experiencing homelessness. This occupancy program is currently supported by the Federal Emergency Management Agency (FEMA) through May 31, 2020. The State will request 30-day extensions as necessary. The May Revise indicates:

The State is not in a fiscal position to expand programs given the drastic budget impacts of the COVID-19 Recession. Instead of General Fund, the May Revision proposes \$750 million in federal funding and directs the use of these funds to purchase hotels and motels secured through Project Roomkey, to be owned and operated by local governments or non-profit providers. The state will also use these funds to provide significant technical assistance to local jurisdictions or other parties seeking to purchase and operate former Project Roomkey hotels and motels to address homelessness in their localities. The state has worked with local governments to include purchase options where feasible. These purchases are necessary to protect public health and stop the spread of COVID-19 in the homeless population. These efforts also help to maintain hospital and emergency room capacity in the event of a surge of critically ill COVID-19 patients.

In addition to Project Roomkey, the State will continue to work with local governments and service providers to maximize federal funding to provide safe interim housing options, rapid rehousing opportunities and rental subsidies for individuals and families experiencing homelessness.

## **HEROES** Act

On May 15<sup>th</sup>, 2020, the House passed a \$3 trillion coronavirus relief package, aka HEROES Act, which would delay MFAR implementation, extend Medicaid Waiver through Dec 2021 and increase DSH payments. It would also provide an additional \$100 billion into the provider relief fund, nearly \$1 trillion for states and cities, hazard pay for essential workers and a new round of cash payments to individuals. The bill now heads to the Senate which potentially will wait until after Memorial Day to act. Here are some key provisions on health:

#### Medicaid

- **Delay MFAR implementation** Prevents the Secretary of Health and Human Services (HHS) from finalizing the Medicaid Fiscal Accountability Regulation (MFAR) until the end of the COVID-19 public health emergency.
- Extend Waiver through Dec 2021 Authorizes states with section 1115 demonstration projects that expire on or before February 28, 2021 to extend them through December 31, 2021.
- **Increase DSH payments** Temporarily increases Medicaid disproportionate share hospital (DSH) allotments by 2.5 percent.
- **FMAP increase by 14%** Increases Federal Medical Assistance Percentage (FMAP) payments to state Medicaid programs by a total of 14 percentage points starting July 1, 2020 through June 30, 2021.
- No cost-sharing for COVID-19 treatment Eliminates cost sharing for Medicaid beneficiaries for COVID-19 treatment and vaccines during the COVID-19 public health emergency.
- **Covering the uninsured for COVID-19 treatment** Ensures that uninsured individuals whom states opt to cover through the new Medicaid eligibility pathway will be able to receive treatment for COVID-19 without cost-sharing during the COVID-19 public health emergency.

#### Medicare

• Medicare hospital inpatient prospective payment system expanded outlier payment for COVID-19 Patients - Provides an outlier payment for inpatient claims for any amount over the traditional Medicare payment to cover excess costs hospitals incur for more expensive COVID-19 patients until January 31, 2021.

#### <u>SNF</u>

- Skilled nursing facility incentive payments Provides incentives for nursing facilities to create COVID 19-specific facilities and includes safety and quality protections for patients.
- **Nursing home strike teams** Directs HHS to allocate money to the states to create strike teams to help facilities manage outbreaks when they occur.
- **Infection control in nursing facilities** Requires the Secretary of HHS to provide additional assistance to facilities struggling with infection control through Medicare's Quality Improvement Organizations (QIOs).
- Nursing homes demographic data reporting Requires HHS to collect data on COVID-19 in nursing homes and to publicly report demographic data on COVID-19

## Provider Relief Fund, Local Government Relief and Social Services Programs

• **Provider Relief Fund** – Provide an additional \$100 billion into the provider relief fund and includes *clear guidance* to ensure that funds are distributed to providers in the most equitable and efficient way. Providers will be reimbursed on a quarterly basis for all COVID-19-related expenses and a portion of their lost revenues.

- **State Fiscal Relief** \$500 billion in funding to assist state governments with the fiscal impacts from the public health emergency caused by the coronavirus.
- Local Fiscal Relief \$375 billion in funding to assist local governments with the fiscal impacts from the public health emergency caused by the coronavirus.
- **Supplemental Nutrition Assistance Program (SNAP)** Provides \$10 billion to support anticipated increases in participation and to cover program cost increases related to flexibilities provided to SNAP by the Families First Coronavirus Response Act.
- Special Supplemental Nutrition Program for Women Infants and Children (WIC) Provides an additional \$1.1 billion to provide access to nutritious foods to low income pregnant women or mothers with young children who lose their jobs or are laid off due to the COVID-19 emergency

# COVID-19 Reporting

• **COVID-19 reporting portal -** Requires the Secretary of HHS, within 15 days, to establish and maintain an online portal for health entities to track and transmit data regarding their inventory and capacity related to COVID-19. This portal will enable hospitals and long-term care facilities to report their inventory related to PPE, medical supplies (like available ventilators and beds), and facility capacity (like number of needed doctors, nurses, and lab personnel). Facilities should be required to report these figures on a biweekly basis

## Public Health - Vaccine, Strategic National Stockpile (SNS), & Testing

- Vaccine manufacturing and administration capacity Requires the Secretary of HHS to award contracts/grants to expand and enhance manufacturing capacity of vaccines and vaccine candidates to prevent the spread of COVID-19. It also requires a report on the vaccine supply necessary to stop the spread of COVID-19, the manufacturing capacity to produce vaccines, activities conducted to enhance such capacity, and plans for continued support of vaccine manufacturing and administration.
- **Study on SNS user fee agreement** Requires the Government Accountability Office (GAO) to conduct a study to investigate the public sector procurement process for single source materials from the SNS.
- **COVID-19 testing strategy** Requires the Secretary of HHS to update the COVID 19 strategic testing plan. The updated plan shall identify the types and levels of testing necessary to monitor and contribute to the control of COVID-19 and inform any reduction in social distancing. In addition, the updated strategic testing plan must include specific plans and benchmarks with clear timelines to ensure sufficient availability and allocation of all testing materials and supplies; sufficient laboratory and personnel capacity; and specific guidelines to ensure adequate testing in vulnerable populations and populations at increased risk related to COVID-19. This plan must also involve testing capacity in non-health care settings in order to help expand testing availability and make testing more accessible, as well as how to implement the testing strategy in a manner that will help to reduce disparities with respect to COVID-19.
- Centralized testing information website Requires the Secretary of HHS to establish and maintain a public, searchable website that lists all in vitro diagnostic and serological tests used in the United States to analyze critical specimens for detection of COVID-19 or antibodies for the virus. The website will also list relevant information about the tests, including the sensitivity and specificity of the test and the numbers of tests available.
- **COVID-19 National Testing and Contact Tracing (CONTACT) Initiative** Requires CDC to coordinate with State, local, Tribal, and territorial health departments to establish and implement a national evidence-based system for testing, contact tracing, surveillance, containment and mitigation of COVID-19, including offering guidance on voluntary isolation and quarantine of positive COVID-19 cases. Requires CDC and other relevant agencies to establish clear communication pathways for State, local, Tribal, and territorial health departments for the establishment and maintenance of their testing, contact tracing, surveillance, containment, and mitigation systems.

Community Engagement Activities: May 2020 2020 – June 2020					
Date/Time	Activity	Location	Summary		
Due to COVID-19, we've received notification that most community events have been canceled May – June 2020. These included programs/events with Chambers of Commerce, OUSD, ACPHD, etc. The events listed are subject to change.					
05/09/2020 through 05/16/2020	Healing Hearts Virtual 5K for Suicide Prevention	Virtual 5K can be done anywhere	AHS- John George Psychiatric Hospital sponsored and participated in this annual event that raises awareness and funds for the Crisis Support Services of Alameda County.		
05/20/2020 1:30 pm – 2:30 pm	San Leandro Chamber of Commerce Online Business Forum: 10 Weeks Into the COVID-19 Pandemic	Zoom Meeting https://sanleandrocha mber.chambermaster. com/eventregistration /register/13089	Terry Lightfoot, Director of Public Affairs and Community Engagement will participate in this forum and provide an update on the impact of COVID-19 to AHS/San Leandro Hospital.		
06/20/2020 9 am – 11 am (tentative)	Highland Hospital Neighborhood Clean-up	Highland Hospital 1411 E. 31 <sup>st</sup> Street Oakland	In partnership with Oakland's Adopt-a-Spot Program, employees and volunteers will pick up debris in the neighborhood surrounding Highland Hospital. Event is dependent on the City of Oakland's SIP restrictions.		
Highlighted sections reflect additions and changes since previous report					

Print, Broadcast and Online Media Coverage Highlights: April 16, 2020 – May 17, 2020					
Media Outlet:	<b>Topic Category:</b>	Headline:	Summary:	Link:	
East Bay Times	COVID-19: Healthcare	Opinion: Coronavirus radically alters doctor contact with patients	But social distancing of the COVID-19 pandemic has radically altered the way we connect with each other physically – and the way doctors interact with their patients.	https://www.eastbaytime s.com/2020/05/15/opini on-coronavirus- radically-alters-doctor- contact-with-patients/	
Beckershospitalr eview.com	COVID-19: Operation	The tech needed for more contactless hospitals, healthcare	Hospitals in many regions across the U.S. are beginning to resume elective surgeries and develop a strategy to return some remote workers to the hospital. But it won't be an instantaneous move and CIOs will be at the forefront to make processes in the hospital as contactless as possible.	https://www.beckershos pitalreview.com/digital- transformation/the-tech- needed-for-more- contactless-hospitals- healthcare.html	
San Francisco Chronicle	COVID-19: Financial	Coronavirus costs Bay Area hospitals millions, crippling those that serve low- income patients	Bay Area medical centers have spent millions to prepare for a huge COVID-19 surge that hasn't materialized, delayed thousands of nonemergency surgeries, and put off countless other in-person appointments. Now, health care providers of every kind are struggling to balance the books.	https://www.sfchronicle. com/health/article/Coro navirus-costs-Bay-Area- hospitals-millions- 15259414.php	
SFGATE.com	COVID-19: Gratitude	First Responders Honor Health Care Workers	Dozens of East Bay firefighters, law enforcement officers and other first responders participated in a vehicle procession to hospitals in Oakland and Berkeley on	https://www.sfgate.com/ news/bayarea/article/Fir st-Responders-Honor- Health-Care-Workers- With-15255782.php	

		With Procession	Thursday to show their appreciation for health care workers on the front lines during the coronavirus pandemic.	
KPFA-FM	COVID-19: PPE	Oakland Nurse fighting for his job back after protesting lack of PPE at Highland Hospital	COVID-19: Why some people get sicker than others, with Dr James Hamblin; Plus: Oakland Nurse fighting for his job back after protesting lack of PPE at Highland Hospital	https://kpfa.org/episode/ upfront-may-4-2020/
Daily Californian Online, University of California- Berkeley, The	COVID-19: PPE	Bay Area hospitals conserve personal protective equipment to prepare for possible surge in COVID-19 cases	Hospitals in the Bay Area are conserving personal protective equipment, or PPE, to protect against a lack of resources in the event of a future surge in COVID- 19 cases Mawata Kamara, a registered nurse at San Leandro Hospital, alleged that nurses have to "cut corners" to meet current exacerbated health care needs and that getting supplies to protect themselves is still a lengthy process.	https://www.dailycal.org /2020/04/22/berkeley- hospitals-conserve- personal-protective- equipment-to-prepare- for-possible-surge-in- covid-19-cases/



#### **Top Facebook Posts:**

By Lifetime Engagements

Tue 4/21/2020 8:		(f) Alameda H Thu 5/7/2020 4:0	1823 C.	() Alameda He Thu 4/23/2020 2:5	
A Huge THANK YOU to Lynch aka " <b>#BeastMod</b> @ <b>jeremycastro</b> 's TMas	le" and	Thank you to Oakland Fi Police departments for y support, for honoring th	/our	"My interest in supportin with breastfeeding came own early struggles I had	through my
BEAST	MOBILE				
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	2979	Total Engagements	2348	Total Engagements	393
Total Engagements		Total Engagements Reactions	2348 827	Total Engagements Reactions	393 47
Total Engagements Reactions Comments	2979				
Total Engagements Reactions	2979 1169	Reactions	827	Reactions	47
Total Engagements Reactions Comments	2979 1169 97	Reactions	827 59	Reactions Comments	47 36

#### **Top Twitter Posts:**



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Likes

@Replies

Retweets

Post Link Clicks

Other Post Clicks

Other Engagements

**Total Engagements** 

😏 AlamedaHealth Wed 5/13/2020 9:50 am PDT

Amazing! Thank You to the California National Guard for recognizing the men and women that are working tirelessly to take care of all of us during this pandemic. We will on the look-out for the jets flying overhead. #HospitalWeek #WeServeAll

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N/A

87

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Our Highland Hospital staff were feeling the love from East Bay first responders during the "First Responder Salute to Health Care Workers"



Total Engagements	62
Likes	13
@Replies	0
Retweets	4
Post Link Clicks	N/A
Other Post Clicks	44
Other Engagements	1
	•••

😏 AlamedaHealth Thu 5/7/2020 4:04 pm PDT

Thank you to Oakland Fire and Police departments for your support, for honoring the men and women who are on the frontline of this



Total Engagements	60
Likes	9
@Replies	1
Retweets	2
Post Link Clicks	N/A
Other Post Clicks	48
Other Engagements	0
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2 Comments

African-American women are dying from pregnancy-related complications at a much higher rate than other races. This Black Maternal Health Week (#BMHW20) we want to sound the alarm and raise awareness of t ...see more



000 23 🖒 Like 🖃 Comment Be the first to comment on this Organic impressions: 953 Impressions Hide stats ~ Organic stats () Targeted to: Al 953 23 1.68% Click-through rate Impres Reacti 4.62% 5 16 Shares Clicks Engag rate