

## Reopening Medical Practices



Practices will eventually reopen and must address the following to create a sustainable operation and to define the new normal:

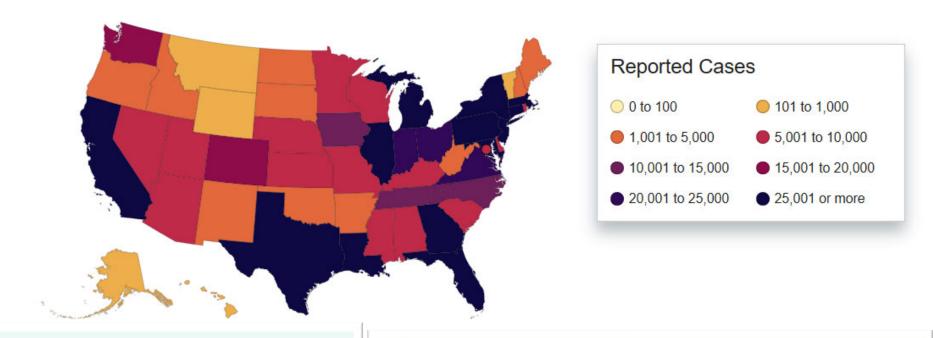
- Deciding to reopen
- Operational changes
- Financial considerations and planning
- Finding the opportunities



## **Current State of COVID-19**



21 states report more than 10,000 cases of COVID-19.

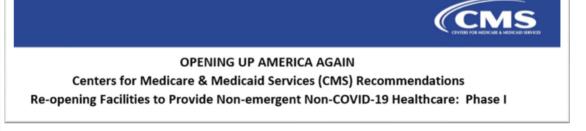


TOTAL CASES

1,193,813
22,303 New Cases\*

\*Compared to yesterday's data

TOTAL DEATHS
70,802
2,523 New Deaths\*



As of May 6, 2020

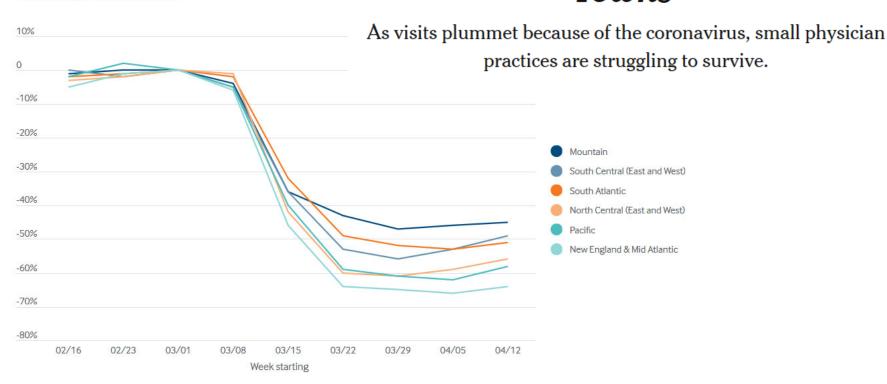
## **COVID-19 Impact on Physician Practices**

Percent change in visits from baseline



## The New Hork Times

# Doctors Without Patients: 'Our Waiting Rooms Are Like Ghost Towns'

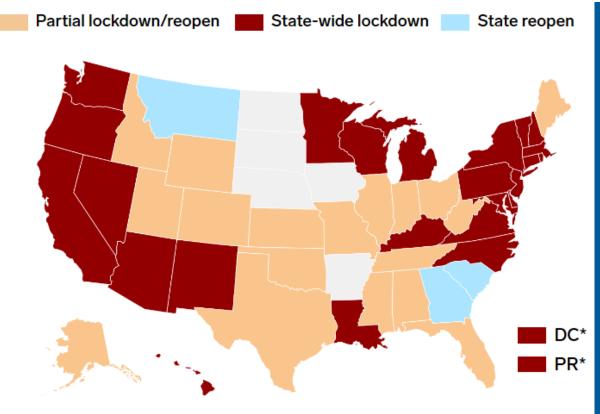


Source: https://www.commonwealthfund.org/publications/2020/apr/impact-covid-19-outpatient-visits

## Can You Reopen?



#### Status of US stay-at-home orders



- While healthcare facilities are considered essential facilities, whether your state is under lockdown will significantly impact the timeline to "steady state".
- Some states have specific directives.
- AMA has issued an overview of each state's current regulations.

<sup>\*</sup>Puerto Rico and Washington DC issued "stay-at-home" orders that went into effect March 30 and March 27, respectively.

## Should You Reopen?







## Open Does Not Mean Busy



- Make volume assumptions
  - > Tabulate the number of unseen appointments during shutdown
  - Know that a percentage of these appointments will no longer be needed
    - ➤ Some of these appointments will not be accessible: Decline in ambulatory site visits was largest among school-age children (71% of visits for these ages were canceled)\*
  - Prioritize your appointments based on patient need and categorize for your planning
- Factors that will impact volumes:
  - > Patients may be afraid
  - > Patients may be afraid of the cost
  - > Patients may have found alternatives
    - > You may have offered alternatives: Telehealth

## **Facility Layouts**



- Examine your physical space to determine needs for social distancing
- Install barriers such as plexiglass between staff and patients if possible
- Consider utilizing the parking lot as a waiting room
- > Other areas to consider:
  - Breakrooms for staff
  - ➤ Workstations, especially if you have historically co-located staff
- Determine additional FF&E needed
- Remain aware of waivers



## Staffing



- Determine how many staff you have available considering layoffs, furloughs and reassignments
- Consider a rotating team model
  - Rotate through days or shifts as appropriate:
    - > Week 1: Team A works 3 days; Team B works 2 days
    - ➤ Week 2: Team A works 2 days; Team B works 3 days

Doc A
Nurse A
Medical Assistant A
Front Desk/PSR A

Doc B
Nurse B
Medical Assistant B
Front Desk/PSR B

- Purpose: if one member of a team goes down, your ability to isolate exposure increases and ensure continuity
- Consider staff absences and alternative coverage (See: <u>CDC: Mitigating Staff Absences in COVID</u>)

## Other Staffing Considerations



#### At-risk personnel

- Identify personnel who are 60 years of age or older and/or have underlying health issues
- Legal considerations for reasonable accommodations

#### Staff testing

- Set up and enforce a temperature-check policy
- Create policies for handling symptomatic and asymptomatic staff with COVID-19 positive test (See: CDC Criteria for HP Return to Work)

#### Non-patient staffing

- Staff who can work remotely should be supplied with proper equipment and training
- Develop metrics for monitoring staff performance
- Understand that performance may not be as productive as in the office, but set measurements
- Patients may need more education regarding financial payment policies, directing to Medicaid or gaining coverage through the exchanges, which may create staffing needs

### Create a Schedule



- Know you are best served by a "soft opening"
- In addition to the time per patient developed by workflows, consider adding time for the following:
  - Avoiding high volume/density
  - > Longer hours to allow for gaps between visits to avoid backups
- Create written scheduling policy the prioritizes patients with the most needs
- Scripting needs
  - Phone scripts and care advice messaging to determine who should be seen in office versus virtually
  - > Educating patients on safety requirements
    - ➤ Potential parking lot check-in
    - > Limit non-patient companions
    - > Require masks

## FINANCIAL CONSIDERATIONS



## Create a Revised Budget



#### Determine **Project** Adjust Start Start with your Determine Adjust historical **Project** collection ratios historical anticipated payments on numbers volumes telehealth Patient services responsibility will be more difficult to • Expect that while collect – adjust bad telehealth will debt assumptions likely continue, the and accounts current payments receivable at parity for in-• Payer mix will shift person will not substantially to (many are COBRA, self-pay, projecting a Medicaid eligible maximum adjusted rate of 85%)

## Changes in Expenses



- Bringing back furloughed employees
- Supplies increased needs for PPE, reduced drugs and other needs due to volumes
  - ➤ What critical supplies can you afford to stock up before reopening (this also reduces disruption during the day for deliveries)?
  - Check your vendor contracts for minimum order requirements
  - Identify backup vendors
- Technology
- Medical malpractice
- "Upgrade" expenses making the patient feel that the practice is hyper-clean\*
  - > Advertising and marketing

## Cash Is Still King



- Based on the revised budget, update cash flow projection
- Consider the timing of any deferments you may have made:
  - > Rent
  - Utilities
  - Vendors
  - Lines of credit
  - What payments have you received?
    - Commercial payers
    - SBA-funded Paycheck Protection Program
    - Ensure that you put measures in place to track repayments, forgivable, and unforgivable portions

## Patient Payments



- > Insurance verification is a must
  - Examine your local unemployment rates to gain insight into increases in self-pay, COBRA, etc.
  - Reach out to major employers to determine if they have changed carriers
- Consider necessary adjustments for payment plans for patients
  - ➤ Have you been enforcing your current policy? Many practices set a fixed period to not send out patient bills.
  - ➤ Determine what documentation will be required depending on the type of payment plan (i.e., patient employment status, length of unemployment, etc.)

## Revenue Cycle Changes



- While payors have not intentionally changed policies, they may have inadvertently impacted auto adjudicators (computerized claims processing) while trying to keep pace with the many changes resulting from the COVID-19 Public Health Emergency (PHE)
  - Educate billers aware that edits and denials may be inaccurate
  - Develop processes to ensure denials are not accepted without the proper research and approval
- Determine who is appending modifiers and condition codes required by PHE and how they are being evaluated
- Many of the more recent PHE waivers are based on providers impacted by patient surges. Does your facility have a process to determine what constitutes a surge and how schedulers and billers should respond to the guidelines?

# **OPPORTUNITIES ABOUND**





## **Alignment Opportunities**



- Practices will consolidate
  - Supergroups, private equity, and non-traditional providers (Amazon, Walmart, Google Health, etc.) will scoop up practices risking bankruptcy at greatly discounted pricing
- Hospitals need to determine how to unlock alignment opportunities with practices when they are also strapped for cash
  - ➤ Leveraging their designation opportunities can provide them access to significant increased revenue opportunities including uncapped cost-based reimbursement and 340B opportunities (See: <a href="Strategies for Peak Financial Performance">Strategies for Peak Financial Performance</a>)
- Practices with greater capitation revenue are faring better partners that are willing to move aggressively toward value-based care will be highly sought after
- Consider your ancillary partners (ASCs, rehab, labs, etc.) and involve them in your planning process your ramp-up impacts theirs

## **Questions and Discussion**





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