

## Supporting Health Care Providers During and After the Pandemic: A COVID-19 Health Care Resilience Program

### **Problem: New Payment Approaches Needed for Health Care Providers During & After COVID-19**

Clinicians, hospitals, and other health care providers are being called upon to do three extraordinary things: (1) support critical efforts to contain the pandemic; (2) meet the demand for needed services delayed during the pandemic; and (3) redesign care to protect high-risk individuals and improve care for the future. Meeting these urgent health care needs is extremely challenging for most providers because of steep declines in fee-for-service (FFS) revenue. While many providers have implemented an unprecedented increase in telemedicine visits, this has only partially offset the significant revenue reductions. These financial difficulties have been particularly challenging for primary care, mental health care, and many specialists, as well as those in rural areas and those serving individuals on Medicaid or without insurance. Despite substantial Congressional relief spending, providers are receiving only limited support for modifying their care models and helping their patients avoid COVID-19 spread.

### **Solution: A COVID-19 Health Care Resilience Program**

This two-part program would begin with upfront payments and potential COVID-19 loan forgiveness, while being linked to providers transitioning to non-FFS alternative payment models (APMs) in the near future. These upfront payments would enable providers to strengthen the health care response to COVID-19 now, while participation in future alternative payment reforms would increase confidence that needed investments that are not presently well supported in FFS will be financially viable. The conditions for receiving these payments will differ across provider type, but could include:

- Implementing care models to manage more COVID-19 patients at home;
- Attesting to or otherwise demonstrating active participation in regional COVID-19 public health containment activities, such as through timely data sharing and assistance with contact tracing;
- Providing care for a larger share of patients with chronic disease through home-based care;
- Addressing unmet health needs in the pandemic by redesigning clinical care in line with recent regulatory flexibilities, while reducing use of ineffective or excess services

Medicare, private payers, and states could all implement such two-part models to support relief, response, and resilience. Payment amounts would address the investment and operating cost for additional care coordination, information technology updates, telehealth platforms, staff training, public health collaboration, or other feasible redesign activities. Many of these activities are already underway in the public health emergency, so that costs for provider participation will be partially offset by existing or planned payment reforms and assistance programs. Payments could include a per-practice component plus a component based on the number of publicly-insured patients for which the practice provides care. If implemented for public providers, we estimate a cost of \$30 to \$50 billion for the upfront payment portion of the program. Up-front spending would be partially offset by reductions in hospitalizations and complications for COVID-19 patients and for other patients who receive better and more efficient care, and by enhanced and sustained migration to virtual, home- and community-based care. After these upfront payments, the savings or costs would be those associated with increased participation in existing and emerging APMs, such as Medicare's Primary Care First, Pathways to Success, or Direct Contracting.

### **Next Steps: Congressional, CMS, and Private Sector Action**

Congressional action to legislate a health care resilience program would enable these efforts to reach the greatest number of providers as quickly as possible. The payments could be rolled into any further legislative relief for health care providers, and could also be achieved through loan forgiveness for providers who participate in the COVID-19 resilience activities. CMS could also reinforce these efforts through a COVID-19 response and resilience payment via CMMI or other programs to assist providers who join APMs or shift to more advanced APMs in 2021, and encourage similar steps by private insurers and states.