

# PAYERS & PROVIDERS

## CALIFORNIA EDITION

### A View From The Front Lines Of California's COVID-19 Battle

By Anna Maria Barry-Jester, Kaiser Health News

Medical personnel put on protective equipment before taking samples from a person at a drive-thru Coronavirus COVID-19 testing station at a Kaiser Permanente facility on March 12 in San Francisco. On Tuesday, Dr. Jeanne Noble devoted time between patient visits to hanging clear 2-gallon plastic bags at each of her colleagues' workstations. Noble is a professor of emergency medicine and director of the UC-San Francisco medical center response to the novel coronavirus that has permeated California and reached into every U.S. state.

The bags were there to hold personal protective equipment — the masks, face shields, gowns and other items that health care providers rely on every day to protect themselves from the viruses shed by patients, largely through coughs and sneezes. In normal times, safety protocols would require these items be disposed of after one use. But just weeks into the COVID-19 pandemic, supplies of protective gear at UCSF are already so low that doctors and nurses are wiping down and reusing almost everything except gloves.

"It is not a foolproof strategy at all; we all realize the risk we are taking," Noble said. But as supplies dwindle, she increasingly finds herself asking the folks in charge of infection control at the hospital if they can make changes to protocols. "As days go by, one regulation after the other goes out," she said.

Noble is among the Bay Area physicians applauding the decision this week by seven Bay Area counties and multiple others across California to order residents to shelter in place for the foreseeable future, directives that are upending life for millions of people and shuttering schools and businesses across the state. Without swift and dramatic changes to curb transmission of the virus, hospital officials say, it is just a matter of time before their health systems are overwhelmed.

Interviews with California physicians on the front lines of COVID-19 offer a sobering portrait of a health care system preparing for the worst of a pandemic that could be months from peaking. In the Bay Area, the battle is being waged hospital by hospital, with wide variations in resources. The tent where Noble tended to patients this week was set up to deal with a recent rise in people showing up with respiratory illness. Even without the coronavirus threat, UCSF's emergency room is a busy one, and doctors frequently see patients in hallways and other spaces. But the current outbreak makes that close contact unsafe. So instead, everyone who comes to the hospital is being triaged. Most people with fever, cough or shortness of breath are diverted to the tent, which is heated and has negative air pressure to prevent the spread of infection. For now, the pace is manageable, but Noble fears what's ahead.

Farther south, in Palo Alto, Stanford Medical Center was testing patients with respiratory problems in its parking garage. The private university hospital has more protective gear than the public one in San Francisco; a global scavenger hunt several weeks ago bolstered supplies, though Stanford, too, has adapted protocols to be more sparing with some items. "We don't have an unlimited supply," said Dr. Andra Blomkalns, professor and chair of the Stanford School of Medicine's Department of Emergency Medicine. "But at least we're not looking at our last box." The entire country is short on protective gear, a result of both the surging demand for such equipment as the virus spreads and the implosion of supply chains from China, where much of the equipment is manufactured. Noble believes some equipment will need to be made locally. "If the [federal] government doesn't step in and force manufacturing of these products here now, we are going to run out," she said.

Empty supply closets affect everyone who needs care, including heart attack victims and people in need of emergency surgery, said Dr. Vivian Reyes, president of the California chapter of the American College of Emergency Physicians and a practicing emergency physician in the Bay Area. "I know it's really hard for us Americans because we're never told no," she said of the shortfall of supplies. "But we're not in normal times right now." And protective equipment isn't the only thing in short supply.

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# COVID-19 in California By The Numbers

(Source: CDPH)

March 17th	March 10th	March 4th	
11,900	10,300	9,400+	Number of people self-monitoring who returned to U.S. from travel
598	157	53	Positive cases
574	133	29	Cases not related to repatriation flights
253	24	3	Cases currently under investigation
142	29	4	Community transmission cases
91	50	12	Travel-related cases
88	30	10	Person to person cases
49	49	49	Number of local health jurisdictions involved in self-monitoring
24	24	24	Cases of positive tests related to federal repatriation flights
21	19	14	Labs with test kits
13	4	1	Deaths



## A View From The Front Lines continued

Until a few days ago, UCSF had to rely on the San Francisco Department of Public Health for coronavirus testing, and a shortage of test kits meant clinicians could test only the most critically ill. The situation improved March 9, when the university started running tests created in its own lab. First, there were 40 tests a day. By Tuesday, there were 60 to 80. But a new shortage looms: The hospital has just 500 testing swabs left. Stanford pathologist Benjamin Pinsky built an in-house test that has been approved for use by the federal Food and Drug Administration. Since March 3, Stanford has used it to test more than 500 patients, 12% of whom had tested positive as of Tuesday. The university has been running tests for other hospitals as well, including UCSF. It's a dramatic improvement from a few weeks ago, when Stanford relied on its county lab.

Blomkalns saw a sick patient in mid-February, before the hospital had its own test kits, who had symptoms of COVID-19 but didn't qualify for testing under the narrow federal guidelines in place at the time. He went home, only to return to the hospital after his condition deteriorated. This time, he was tested and it came back positive. In Santa Clara County, home to Stanford, 175 people have tested positive for COVID-19 and six have died. Late last week, the medical center's emergency department saw the highest number of patients in one day in its history. Blomkalns doubts it's because there are more cases in her area. "If you don't test, you don't have any cases," she said. Blomkalns worries about staffing shortages as health care workers are inevitably exposed to the virus. As of Tuesday, one doctor in the Stanford ER had tested positive. At UCSF, six health care providers had.

Not all Bay Area hospitals are seeing a flood of patients. In fact, some have fewer patients than usual, as they have canceled elective surgeries in anticipation of a COVID-19 surge. The doctors treating COVID-19 patients say nearly all who test positive have a cough. They complain of fatigue, body aches, headaches, runny noses and sore throats. While most people are well enough to recover at home, those who get critically ill tend to do so in their second week of symptoms, and can deteriorate very quickly, several doctors noted. "We are recommending that patients get intubated a little earlier than they might otherwise," said Reyes.

Gov. Gavin Newsom said Tuesday that rough projections suggest the state could need anywhere from 4,000 to 20,000 additional beds to treat patients with serious cases of COVID-19. The testing problems worry Noble, as do the equipment shortages, but not nearly as much as the potential for a lot of sick people. "I'm mostly worried about a tsunami of very ill patients that we're not equipped to take care of," said Noble. Blomkalns isn't sure whether or when Stanford might exceed capacity, saying the caseload trajectory may hinge on how aggressively state and national authorities move to cut off routes of community transmission. "It all depends on what happens in the coming weeks and days," she said. "We know what we need to do, and we're doing the job."

*KHN Senior Correspondents JoNel Aleccia and Jenny Gold contributed to this report. Kaiser Health News is a nonprofit news service covering health issues. It is an editorially independent program of the Kaiser Family Foundation, which is not affiliated with Kaiser Permanente.*

## The Battle Against COVID-19 at Blue Shield of California

Blue Shield of California reports they have taken the following measures in responses to the coronavirus pandemic:

- Blue Shield has waived prior approval and testing costs associated with COVID-19.
- Announced it was monitoring prescription drug supplies and said members can request early refills of their prescriptions.
- Provided information on the mental health challenges in coping with the outbreak.
- Waived costs for use of Teladoc and telehealth: online, telephone and smartphone tools used for consulting with doctors and other providers without a trip to an office or hospital.
- Created a dedicated COVID-19 website to inform members of their coverage under specific plans.
- Announced a new digital tool for its network hospitals at no additional cost to help them triage the influx of patients seeking advice on coronavirus or other medical care. (Blue Shield has 347 hospitals in its preferred-provider network.)
- By mid-February the plan's business leaders were planning for what could be a major disruption. A working group, the Coronavirus Business Continuity Task Force – an extension of the group that deals with how to keep Blue Shield running during disasters and emergencies – was formed and began meeting daily.

Blue Shield has seven major offices. It's headquartered in Oakland, but operates locations in El Dorado Hills, Lodi, Monterrey Park, Rancho Cordova, Redding and Woodland Hills, with just 10 percent of employees having work-from-home capability before the virus arrived in California. Blue Shield shares that their challenge was "how to get nearly 7,000 employees to work from home without disruption for members – at a time when members may tax Blue Shield's call centers and other customer-facing operations" and that "not everyone – roughly 2,000 employees – had a portable device, such as a laptop, to make the transition easily."

But by this Tuesday, March 17, "all but a handful of employees were at-home workers – with secure connections to protect sensitive data, if they handled it. Just 50 employees were considered essential for coming into the office."

## Guidance on Application of eConsults During Pandemic

San Diego-based AristaMD, a digital econsult company connecting primary care providers with specialists, in a statement released the following insights and guidance to health systems, providers and payors on the application of eConsults during the COVID-19 pandemic.

First and foremost, guidelines from the U.S. Centers for Disease Control and Prevention (CDC) should be regularly followed. Individuals should adhere to guidelines and avoid unnecessary exposure. High-risk immunocompromised and elderly individuals in particular should remain at home, be screened virtually, and only be seen in person if they are at high suspicion for COVID-19 and need potential hospital care and testing. The full resource guide can be found at the CDC website.

Patients with chronic conditions are not only at higher risk for complications arising from COVID-19, but they are also in need of ongoing support for these conditions, which can lead to poor outcomes if left unattended. These patients can frequently be supported with input from specialists in the form of eConsults. More than 40% of the U.S. population has one or more chronic conditions, accounting for 81% of hospital admissions, 91% of all prescriptions filled, and 76% of all physician visits. Additionally, patients with chronic conditions contributed to nearly 60% of all annual U.S. emergency department visits in 2017.

Alternative health care solutions must be implemented to deliver ongoing care amid this crisis in order to decrease the strain on the nation's physical clinics, hospitals and staff. The U.S. is already facing a provider shortage, which will only be compounded as specialists are called to treat those with the virus, further exacerbating the problem and limiting access to others who need specialty care. More than a third of patients are referred to a specialist each year, and eConsults are an effective way to address these referrals without requiring that the patient be seen face-to-face.

AristaMD advises Health Systems that "eConsults are a tool to continue delivering specialty care to patients remotely to: Increase specialist capacity to aid in this crisis; Decrease the use of physical space on-site; and Ensure non-respiratory cases are attended to in a timely manner, and not impacting emergency departments, which would further exacerbate the strain on the healthcare system.

They remind Providers that: "Patients still have specialty care needs. Delaying treatment will only lead to later admissions and emergency department visits. The ability to more efficiently coordinate and deliver specialty-informed care will be critical towards freeing up the higher acuity settings for those who need it most during this crisis." And they call on Payors to match specialist supply with demand by enabling widespread adoption of all solutions that help deliver care remotely.

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# The High Cost Of Being Trump's Enemy

by Rachel Bluth, Kaiser Health News

The ongoing feud between President Donald Trump and California's Democratic leaders is costing the Golden State hundreds of millions of health care dollars — with billions more at stake. It's not cheap being one of Trump's favorite enemies. And nowhere is that more apparent than in health care. State Attorney General Xavier Becerra has spent millions of dollars challenging the Trump administration more than a dozen times on health care issues. The state's total tab for its feud with the Oval Office is at least in the hundreds of millions, with billions more at stake. Here are three major ways California is losing health care money:

## Title X Funding

In February 2019, the U.S. Department of Health and Human Services changed the rules for Title X, a program that funds family planning services. Under the previous rules, federal funds couldn't pay for abortions. Now, these funds cannot even go to providers that refer patients elsewhere for abortions. Clinics like Planned Parenthood affiliates, which refuse to abide by the new regulations, have surrendered their Title X money. In California, that means the funding has been cut by millions of dollars. Essential Access Health, which runs the Title X program in California, said it couldn't put a dollar figure on exactly how much funding has been lost. But according to the group, more than 366 health centers in 38 California counties received Title X funds in 2018. Today, that's down to 251 centers in 19 counties. While disputes over contraception coverage can be ideological, they also boil down to dollars and cents, according to Priscilla Smith, a reproductive law expert at Yale Law School. "For California, that means more and more people who don't have access to the coverage of their contraception will be using state resources both for contraceptive coverage and for health issues that result from their lack of access," Smith said. Essential Access Health, along with the state of California, Planned Parenthood and other plaintiffs, took the Trump administration to court over the regulations. A federal appeals judge sided with the administration in late February.

## Medicaid Tax

Another big loss for the state could come from wonky tax policy. The managed care organization (MCO) tax is a surcharge on the managed-care plans that provide coverage to about 10 million enrollees on Medi-Cal, California's public health insurance program for low-income people. The tax has been around for several years but expired in July. Gov. Gavin Newsom's administration asked for federal approval to extend it for three years — a request that seemed like such a sure thing. "Based on the recent federal approval of a similar tax in Michigan, federal approval of a reauthorized California MCO tax package appears likely," according to a February 2019 report by the state Legislative Analyst's Office. No such luck. In February, federal officials rejected California's request. Though it doesn't affect the state this year, it will cost Medi-Cal up to \$2 billion in lost revenue in the 2021-22 fiscal year. "Michigan got something very similar — how come we didn't?" asked Edwin Park, a research professor with Georgetown University who is based in California. California would have to wipe out its reserves in the next two fiscal years to keep the Medi-Cal program whole, said Scott Graves, director of research at the California Budget & Policy Center. "It creates a big hole down the road in the forecast," he said. The state plans to resubmit its request later this year, but the federal government isn't racing to do California any favors. "Because California is California, the concern is the Trump administration won't approve," Park said.

## Boosting The Affordable Care Act

One of the Trump administration's pet projects has been to repeal, replace or otherwise dismantle the Affordable Care Act. Take the simple issue of advertising for Obamacare health insurance plans. In 2017, the Trump administration announced it would slash the federal budget for advertising during open enrollment season by 90%. California responded by increasing its advertising budget. For the 2020 open-enrollment season, the state budgeted \$121 million in marketing and outreach. The federal government budgeted \$10 million. And when the Trump administration eliminated the Affordable Care Act tax penalty for not having health insurance, California created one — and offered state-funded subsidies to help some people pay for insurance. This year, the state is spending about \$430 million to subsidize the premium costs for about 625,000 people. "Obviously it would be great if the administration was doing its fair share, as they did in the old administration," said Anthony Wright, executive director of Health Access California, a consumer advocacy group. California can absorb the costs of bolstering the Affordable Care Act, Wright said. What it can't do, he said, is make up the difference if the Trump administration adopts other items on its health care wish list, such as making big cuts to the Medicaid program.

In his preliminary 2020-21 federal budget, Trump proposed cutting \$920 billion from the program over the next decade — although that's unlikely to fly in the Democrat-controlled House of Representatives. "The things that keep me up at night are the broad Medicaid changes that are in the billions of dollars," Wright said. "That is stuff that's on a whole other level."

*Kaiser Health News is a nonprofit news service covering health issues. It is an editorially independent program of the Kaiser Family Foundation, which is not affiliated with Kaiser Permanente.*

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## Molina Healthcare Enrollment and Utilization Table as of 12/31/2019

QUARTERLY STATEMENT AS OF December 31, 2019 - Molina Healthcare of California, Inc.

ENROLLMENT AND UTILIZATION TABLE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Source of Enrollment	Total Enrollees At End of Previous Period	Additions During Period	Terminations During Period	Total Enrollees at End of Period	Grandfathered Enrollees (also included in Column 5)	Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period - Physicians	Total Member Ambulatory Encounters for Period - Non-Physicians	Total Member Ambulatory Encounters for Period	Total Patient Days Incurred	Annualized Hospital Days/1000	Average Length of Stay	
1. Large Group Commercial				0					0		0		
2. Medicare Risk	2,005	28		2,033		6,110	9,670	579	10,249	431	846	5.50	
3. Medicare Supplement				0					0		0		
4. Medi-Cal Risk	437,525	32	8,321	429,236		1,298,971	626,581	42,836	669,417	28,167	260	9.72	
5. Individual	49,254		820	48,434		145,939	30,746	2,322	33,068	1,391	114	4.15	
6. Point of Service - Individual				0					0		0		
7. Point of Service - Small Group				0					0		0		
8. Point of Service - Large Group				0					0		0		
9. Small Group Commercial				0					0		0		
10. Healthy Families				0					0		0		
11. AIM				0					0		0		
12. Medicare Cost				0					0		0		
13. ASO				0		N/A	N/A	N/A	0	N/A	N/A	N/A	
14. PPO Individual				0					0		0		
15. PPO Small Group				0					0		0		
16. PPO Large Group				0					0		0		
17. Aggregate Contracted from Other Plans	95,599	0	4,207	91,392		279,205	78,088	3,815	81,903	3,446	N/A	N/A	
18. Aggregate Other Source of Enrollment	0	0	0	0		0	0	0	0	0	N/A	N/A	
19. Total Members	584,383	60	13,348	571,095	0	1,730,225	745,085	49,552	794,637	33,435	N/A	N/A	

Source: Quarterly Statement 12/31/2019 Molina Healthcare, Enrollment and Utilization Table

Partnering with MA and Medicaid Plans  
**Opportunity Zone Funds and SDoH Investment**  
Tuesday - 3/24/20 - 1pm Eastern

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