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MEMORANDUM

To: Representative Kitty Toll, Chair, House Committee on Appropriations

From: Representative Bill Lippert, Chair, House Committee on Health Care

Cc: Representative Mitzi Johnson, Speaker of the House

Date: June 10, 2020

Subject: Health care-related Coronavirus Relief Fund (CRF) spending

The House Committee on Health Care would first like to extend our deep appreciation for and gratitude to Vermont's health care providers, the individuals and organizations who stood up a system for responding to the COVID-19 pandemic almost overnight and whose preparation and dedication to providing high-quality health care services during these challenging times has been truly inspiring. We also recognize that health care providers have had to change their care delivery models, cancel or suspend elective procedures and surgeries, reduce patient volume, acquire additional equipment and supplies, obtain appropriate technology to provide services through telehealth, and make other modifications to their practices in order to respond to and mitigate the effects of the COVID-19 public health emergency.

An unfortunate result of these modifications and health care business disruptions has been significant losses to our health care providers. Vermont hospitals have lost approximately \$100 million per month in net patient revenue during the COVID-19 pandemic and an estimated 20–30% of independent physician practices fear they may be forced to close as a result of their COVID-19 financial losses. The federally qualified health centers (FQHCs) have seen a significant drop in their patient visits, despite transitioning quickly to telemedicine. Adult day services had to close in mid-March because their clients are in the most at-risk demographic for adverse outcomes from COVID-19; they have been incurring costs of almost \$1 million per month. Dental practices also closed for elective and non-urgent care; these small businesses are beginning to reopen but must obtain extensive personal protective equipment due to the nature of their work. Home health and hospice agencies have experienced reduced volume, as well as Medicare reimbursement penalties based on changes in care delivery that they deemed most appropriate for an individual patient's care. The designated and specialized service agencies are seeing a surge in psychiatric crises, substance use disorders, and anxiety and depression among Vermonters as a result of the COVID-19 pandemic.

Health care spending in Vermont comprises approximately 20% of Vermont's gross state product, and the financial stability of our health care system affects the State's economic health. Health care providers across the care continuum have indicated that they need in excess of \$375 million to maintain Vermont's health care system during and after the COVID-19 public health emergency. The House Committee on Health Care was allocated \$150 million in Tier 1 Coronavirus Relief Fund (CRF) funding, and we apportioned almost all of it in Sec. 1 of our proposal for distribution through grants from the Health Care Provider Stabilization Program. The Program would include health care providers in the jurisdictions of both the House Committee on Health Care and the House Committee on Human Services. In our proposal, we appropriated \$139 million of our \$150 million to the Program, but we expect that a portion of the CRF funding allocated to the House Committee on Human Services will be added in, as well, to increase the total amount available to providers through the Program.

In addition to the Health Care Provider Stabilization Program, Sec. 2 of our proposal appropriates \$9 million to sustain existing population health management programs that will otherwise lose their hospital-based funding and are essential for promoting the health of our residents, including identifying patients most at risk from COVID-19, providing outreach and education regarding prevention and testing for COVID-19, expanding access to telehealth to maintain appropriate social distancing, and maintaining care management programs to help patients manage chronic conditions while access to health care services is limited as a result of the COVID-19 public health emergency.

Sec. 3 of our proposal appropriates \$1 million for up to 10 grants to individual front-line organizations to address health disparities in Vermont to provide direct services to populations most likely to experience adverse outcomes from COVID-19 based on factors such as race or ethnicity, immigrant status, sexual orientation, gender identity, disability, age, and geographic location, and to conduct outreach to isolated individuals at high risk of adverse outcomes from COVID-19 to assess and identify their needs during the COVID-19 public health emergency. Data shows that the number of cases of COVID-19 among nonwhite Vermonters is disproportionately higher than their percentage of the State's population.

Sec. 4 of our proposal appropriates \$800,000 to the Department of Mental Health (DMH) for suicide prevention initiatives focused on individuals at heightened risk of death by suicide due to economic stress, social isolation, or other impacts of the COVID-19 public health emergency. DMH has also applied for a grant for this purpose from the federal Substance Abuse and Mental Health Services Administration (SAMHSA) and expects to know by June 12, 2020 whether its grant application was successful. If DMH receives the SAMHSA grant, it does not need this appropriation and our Committee would like to add that \$800,000 to the appropriation for the Health Care Provider Stabilization Program.

Sec. 5 of our proposal appropriates \$200,000 for a grant to Pathways Vermont to operate their warm line 24 hours per day, seven days per week until December 30, 2020 and to conduct outreach to health care providers and others across Vermont to make them aware of the warm line and encourage them to use it. Call volume to Pathways Vermont's warm line has increased substantially as a result of the COVID-19 public health emergency, including significantly increased numbers of calls regarding suicidality; the warm line provides an essential service to Vermonters on which their mental health and,

in some cases, their lives may depend; and currently Pathways only has sufficient funds to continuing operating the warm line 24 hours per day, seven days per week through June 30, 2020. In addition, responding to the COVID-19 public health emergency has taken an enormous toll on the mental health of health care providers across the State, and it is vital that they be aware of the support available to them through the warm line.

Sec. 6 of our proposal does not appropriate any funds, but instead directs the Green Mountain Care Board to prioritize affordability for consumers over insurer solvency when considering health insurance rates for the 2021 plan year and instructs the Department of Financial Regulation to take into account an insurer's claims experience during the COVID-19 pandemic when considering insurer solvency. Our Committee had wanted to appropriate funds to assist Vermonters with their health insurance premiums and their out-of-pocket costs for health care services, but found our efforts frustrated by the federal constraints on the use of CRF monies. We would welcome and encourage others to continue to pursue opportunities to help Vermonters in this way.

Sec. 7 of our proposal sets forth our priority for Tier 2 CRF funding. If we are able to spend additional funds for policy priorities, our Committee would appropriate the full \$75 million to the Health Care Provider Stabilization Program.

The immediate financial needs of Vermont's health care providers far exceed the dollars allocated for distribution through the proposed Health Care Provider Stabilization Program. In order to restore our health care system to financial and programmatic viability, we must do all that we can do, and do it as soon as possible.

As the House Committee on Appropriations reviews competing needs for CRF dollars, we strongly urge you to allocate as much CRF funding as possible to stabilizing our Vermont health care providers—across the health care continuum—to ensure that they emerge from this public health emergency fully able to meet the continuing health care needs of Vermonters.

Our health care providers rose to the challenge to save Vermonters from the worst ravages of the ongoing COVID-19 pandemic. They stood up and saved Vermonters lives. They did not let us down. We must not let them down.