



Governor Brad Little

State Capitol :: Boise, Idaho 83720
(208) 334-2100 :: gov.idaho.gov

September 25, 2020

Alex J. Adams, Chairman
Coronavirus Financial Advisory Committee (CFAC)
304 N 8th St, 3rd Floor
Boise, ID 83702

Chairman Adams,

I have reviewed the recommendations of the Coronavirus Financial Advisory Committee, agree with and approve the funding recommendations as follows:

- \$5,230,000 to the Department of Health and Welfare for internal expenses, as described in Appendix A.
- \$900,000 to the Department of Health and Welfare to help Idahoans manage their mental health during COVID-19, as described in Appendix B. This amount adds \$200,000 for Idaho crisis centers.
- \$38,000,000 to the Department of Health and Welfare to provide support for Medicaid providers impacted by COVID-19, as described in Appendix C.

In my judgment, these are necessary expenditures incurred due to the public health emergency and align with the U.S. Treasury guidance on allowable uses of funds.

Please work with the State Controller on carrying out these recommendations and reporting all expenditures to Transparent Idaho.

Best regards,

A handwritten signature in blue ink, appearing to read "Brad Little", is written over a blue horizontal line.

Brad Little
Governor



IDAHO DEPARTMENT OF
HEALTH & WELFARE

BRAD LITTLE – Governor
DAVE JEPPESEN – Director

OFFICE OF THE DIRECTOR
450 West State Street, 10th Floor
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MEMORANDUM

TO: Alex Adams, Administrator
Division of Financial Management

FROM: Dave Jeppesen, Director
Department of Health and Welfare

DATE: September 18, 2020

SUBJECT: CFAC Funding Consideration

The Department of Health and Welfare appreciates CFAC consideration of an additional award of \$5.23 million to assist in covering our new COVID-19 operating and personnel expenses and our redirected personnel hours for staff whose budgeted hours are now being directed to mitigating or responding to the COVID-19 public health emergency. This amount will be used to cover allowable expenses per federal guidance issued as of 9-1-20 which were incurred and projected through December 31, 2020.

Our initial Coronavirus Relief Fund request was made prior to significant clarifications by the U.S. Department of Treasury regarding allowable covered expenses and before the full impact of the pandemic on our Department was known. We have reviewed the guidance issued up to 9-1-2020 from the Treasury and attest that these expenses are within the established perimeters. As this crisis continues, our Department's work remains substantially dedicated to mitigating and responding to the COVID-19 public health emergency. The narrative below provides some examples of the COVID-19 expenses we are experiencing.

Approximately one-third of the department's staff have diverted time to respond to COVID-19. Examples of these activities include:

- Researching, communicating and implementing guidance of CDC and other authoritative sources.
- Public relations, social media communications and messaging to DHW staff and the community.
- Work with state emergency personnel to ensure that PPE inventory is enough to protect those on the front line (including our staff) and to protect Idahoans.
- Ensuring rapid distribution to the community of CARES Act supplemental funds for programs like childcare, food assistance and foster care.

- Significantly adjusting financial systems to process federal supplemental COVID aid packages.
- Substantial revisions to our existing budgets response to the declines in allocated tax revenues associated with the COVID-19 shut-down and on-going restrictions.
- Inspections of long-term care facilities to assure that infection control protocols meet COVID-19 standards.

Operating expenses to date include:

- **Cleaning supplies and services**
As many of the department's employees are deemed essential workers, safety of employees and clients in various environments requires dramatic increases in the frequency and scale of cleaning and changes to protocol and products used to clean in the COVID-19 environment. Additional supplies continue to be purchased to meet standards in line with CDC recommendations during the pandemic.
- **Hand sanitizer, masks, and gloves**
CDC recommendations for responding to the public health crisis includes wearing face masks and gloves, frequent hand washing and the use of hand sanitizer when handwashing is not feasible. Additionally, personnel who might not normally use PPE as a normal course of their work, now must use PPE in response to CDC guidance or other policy. For example, our social workers who work with the public in a non-medical environment are in regular contact with people who may be carriers of coronavirus and protecting their health is critical. DHW purchased PPE to promote the safety of our own personnel but also the constituency we serve.
- **Lobby readiness**
DHW has several public lobbies across the state which are essential to providing services to Idahoans. Significant alterations to our public lobbies were necessary to comply with CDC guidance. For example, the installation of plexiglass in lobby areas where staff interface with clients and patients. Also included in this category are the supplies and tools necessary to install and adequately mark off safe social distances.
- **Telework expenses**
A significant part of DHW's response to the COVID-19 pandemic, in accordance with CDC recommendations and state/local stay-at-home orders, is to maximize telework. Nearly two-thirds of our personnel were transitioned to telework which required additional equipment and security software. In addition, existing technology systems were significantly modified to enhance security in a teleworking environment and guarantee that communications and connectivity to DHW servers flowed as seamlessly as possible to prevent any delays in services being rendered to the public.
- **Technology system modifications**
Additional technology system modifications were required to comply with emergency federal regulations that extended additional benefits for food assistance, foster care, childcare and Medicaid recipients.



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MEMORANDUM

TO: Alex Adams, Administrator
Division of Financial Management

FROM: Dave Jeppesen, Director
Department of Health and Welfare

DATE: September 18, 2020

SUBJECT: CFAC Funding Request

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COVID-19 has impacted many parts of the healthcare delivery system in Idaho, including behavioral healthcare. Isolation and fear have led to anxiety, depression, and increased use of drugs and alcohol. The Governor's Office recognizes these needs and would like to dedicate some CFAC funding to assist Idahoans in managing their mental health during the pandemic.

The Department of Health and Welfare (DHW) is proposing three uses of CFAC funds to help Idahoans manage their mental health and the effects of COVID-19. The criteria for selection of these uses include:

- 1) Duration - funding will only be available through December of 2020
- 2) One-time - funding is one-time and will not create an ongoing financial obligation
- 3) Relevance - funding is tied directly to areas effected by COVID-19
- 4) Impact – most effective use of funding that help Idahoans during this pandemic

Three programs have been identified that meet these criteria:

Community Hospitalization – \$200,000 - DHW's community hospitalization budget is appropriated to pay for the treatment of patients committed to the state under Idaho Code § 66-329 awaiting transportation and admission to one of the two state psychiatric hospitals (State Hospital South and State Hospital North). COVID-19 has created delays in admissions to state hospitals while patients wait for COVID-10 test results and quarantine if they are suspected or confirmed positive for COVID-19. This results in increased costs to the state to maintain patients in community hospitals. The \$200,000 will assist DHW in paying for increases in the community hospitalization budget to cover COVID-19 related costs associated with delayed admissions.

Psychiatric Triage Centers - \$200,000 - DHW applied for and received an emergency grant through SAMHSA to manage the impacts of COVID-19. One program supported under this grant is the development of Psychiatric Triage Centers or PTCs. PTCs are intended to divert patients having a behavioral health emergency from emergency departments. This diversion does two things: first it keeps behavioral health patients away from emergency departments that are experiencing a surge in COVID-19 patients; secondly, it keeps patients suffering from behavioral health conditions safe by reducing community spread of COVID-19 in hospital emergency departments. PTCs could include crisis centers or other community settings developed to divert patients from emergency departments. The additional \$200,000 will increase the already dedicated \$800,000 of SAMHSA grant funding directed for PTCs. An application process is currently underway to award these funds.

Recovery Centers – \$300,000 - Use of drugs and alcohol have increased during COVID-19 and is leading to increases in addiction. Recovery centers are a vital tool for communities that are attempting to manage increased drug and alcohol use. Recovery centers help Idahoans suffering from addiction to manage their own recovery. Patients come to the recovery centers to access treatment meetings, recovery support services, meetings with recovery coaches, and much more. Keeping recovery centers financially viable is critical to helping communities manage the increased need to support Idahoans who are seeking recovery from addiction.

Thank you for your consideration.



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TO: Alex Adams, Administrator
Division of Financial Management

FROM: Dave Jeppesen, Director
Department of Health and Welfare

DATE: September 11, 2020

SUBJECT: CFAC Funding Request for Medicaid Providers

Medicaid providers have been significantly impacted by the COVID-19 public health emergency. Providers who deliver services in group or residential settings have had to radically change how they deliver services in order to minimize the risk of transmission. Providers have also had to purchase additional cleaning supplies and protective equipment in order to protect their staff from exposure to COVID-19. Providers have also struggled with staffing due to needs for quarantine when staff exposure to COVID-19 is suspected. Recruiting staff has been difficult as some who might ordinarily be interested in working in a healthcare environment seek other opportunities due to concerns of contracting COVID-19. These pressures have led to increased overtime and for some providers the need to pay more for staff during the pandemic.

The Division of Medicaid has attempted to address these concerns through offering policy flexibilities including support for telehealth options and increased flexibility in billing requirements, removal of limitations on where services can be provided, and rate adjustments for providers who have been most heavily impacted by the pandemic. Medicaid has increased reimbursement to developmental disability service providers who are unable to continue operating center-based services due to the risk of infection. Medicaid has also worked with its transportation brokerage and Idaho Behavioral Health Plan contractor to increase reimbursement to providers within existing funding.

While these responses have been successful in many respects, providers continue to struggle with the impacts of the outbreak. Some groups of providers have seen reductions in their Medicaid payments of 40% or more. This is especially concerning for provider groups serving people with disabilities or low-income populations, as many rely heavily on Medicaid income because of the nature of their business or non-profit mission.

Medicaid has a strong need to preserve access to provider networks through the outbreak and the accompanying financial shock. These providers are critical for reducing the negative impacts for Idahoans eligible for Medicaid in need of care both during the outbreak and afterwards. Medicaid also has obligations to maintain access to services and network capacity in order to comply with federal requirements for Medicaid programs.

To address these COVID impacts, the Department requests \$38 million in Coronavirus Relief Funds to stabilize Medicaid providers who have been most heavily impacted by the pandemic to avoid negative impacts for Idahoans with Medicaid coverage and to preserve Medicaid networks for future needs. Because considerable funds and flexibilities have been made available to Medicaid providers through federal assistance and waivers as well as state program efforts, this proposal recommends distributing Coronavirus Relief Funds to Medicaid providers in a targeted way as described below.

This amount of funding is a rough estimate of the need based on a review of Medicaid claims over the period of the pandemic and information shared by providers related to increased costs due to pandemic impacts.

Distribution of Funds:

Coronavirus Relief Funds should be made available to any currently enrolled Medicaid providers in good standing who rely on the program for over half of their total revenue. Distributions would partially address decreases in revenues and increases in costs that are directly related to COVID-19 impacts and that have not already been remediated by other assistance such as the federal Provider Relief Fund, FEMA assistance, SBA forgivable loans, or other forms of assistance. Because some providers have received only very limited assistance from other sources, receipt of other types of assistance would not disqualify them from receiving this aid. However, other assistance would be considered for determining the amount a provider could receive.

To help as many providers as possible, assistance would be limited to bringing providers up to 80% of their pre-pandemic Medicaid revenue for the period of March 16th through September 13th. The following formula is recommended as a basis for calculating the amount of assistance:

$$\text{(Gross Reduction in Medicaid Revenue) + (COVID-19 related increase in provider costs) – (Other assistance received) – (COVID-19 related reductions in costs due to layoffs or other cost saving measures) = Assistance amount, subject to the 80% limitation.}$$

Should this request be approved, the Division of Medicaid would quickly prepare a simple application for providers to use. The application would collect provider information and require them to attest that the funds would be used to support direct COVID impacts such as direct care staffing, protective equipment and cleaning costs, or other needs that are directly related to COVID-19 needs. Providers would also be required to agree to auditing and verification should the accuracy of the information supplied or use of funds need to be verified.

Medicaid staff would review and cross-check information supplied by providers against provider enrollment records, federal aid disbursements, and Medicaid claims payments. Applications would be accepted through the end of October and tracked as they are approved. Medicaid would send approved amounts to the State Controller's Office for disbursement of funds on a rolling basis. If funding allows, Medicaid could work with CFAC to adjust the application period or criteria for assistance.