The Business Impact Of **COVID19 On Pediatric Practices**

Webinar #10





Panelists Include: Mark Del Monte, JD Paulie Vanchiere Chip Hart





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This Week's Guest...

American Academy of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN

Mark Del Monte, JD About the AAP / Mark Del Monte Biography

CEO/Executive Vice President

Mark Del Monte, JD serves as the CEO/Executive Vice President of the American Academy of Pediatrics (AAP). In this capacity, Mark leads a strong chief executive team for the organization which serves 67,000 pediatrician, pediatric medical subspecialist, and pediatric surgical specialist members. Prior to this role, Mark served as the AAP's Chief Deputy and Senior Vice President for Advocacy and External Affairs where he directed the organization's communications, public relations and advocacy activities.







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What We Are Not Going To Talk About

- 1. COVID19 Testing Options
- 2. Amount of time providers/staff should self-isolate
- 3. Treatments for people affected
- 4. Predict how long this will last
- 5. Issues that are geographic-specific
- 6. <u>Detailed Human Resource Issues</u>
- 7. Nitty Gritty Details of PPP Loans

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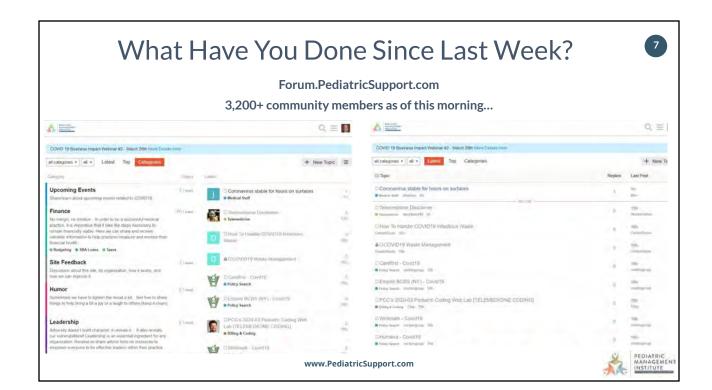
Agenda

- 1. Top Items From Past Webinars
- 2. Data Report
- 3. News Segment
- 4. AAP Update

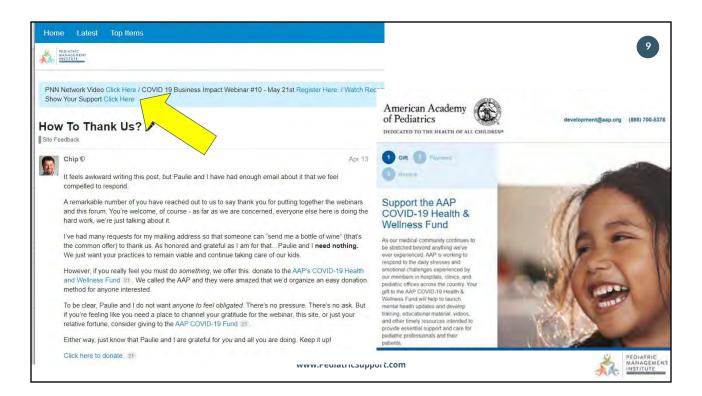












Takeaways From Last Six Weeks

10

Webinar 1:

- Flexibility
- Communication
 - Prepare Staff
 - Prepare Providers
- Cash flow Planning
 - Budget
 - Call Landlords
- Telemedicine

Webinar 2:

- · Cash Is King
- SBA Loans

Webinar 3:

- Review TM Claims
- Revenue needed in three weeks
- Be Proactive & Engage With Patients
- HR/Legal

Webinar 4:

- Find Opportunities To See Patients
- Leadership Is Essential
- State Medicaid Programs & Telemedicine

Webinar 5:

Drowning means you're still alive!

Webinar 6:

Advocacy

Webinar 7:

Communicate with your patients!

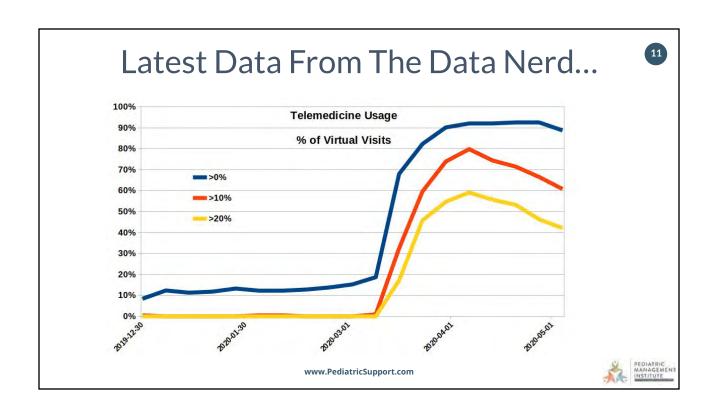
Webinar 8:

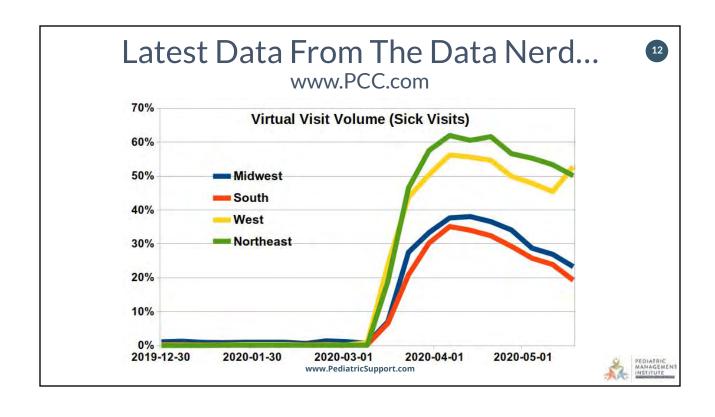
Recall, Recall, Recall!

Webinar 9:

Prepare for the future







Future Of Telemedicine Payments?

- Short Term -
- Long Term -

Blast messaging feature?...Send a message to everyone on Insco XYZ to say, "As of May 31, your payor will no longer cover telemedicine visits. Please schedule your visit now in order to be covered or you will need to pay \$50/call".

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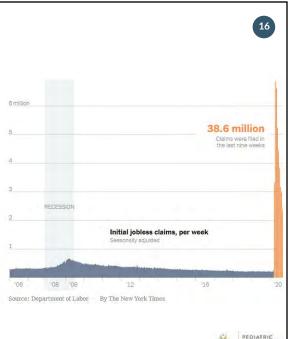
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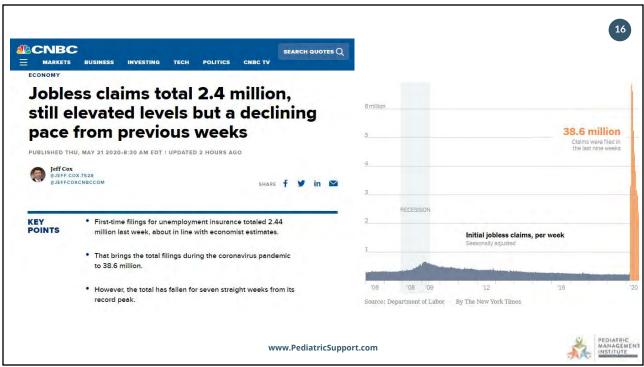
In The News...



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2 for 23





Key Findings

In this brief, researchers estimate how 20 percent unemployment—expected in the coming months—could affect health insurance coverage. Findings include:

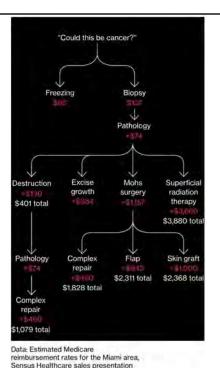
- An estimated 25-43 million people could lose their employer-sponsored health insurance coverage.
- More than half of the newly jobless will obtain Medicaid coverage in states that expanded Medicaid under the Affordable Care Act (ACA), while only about one-third will receive Medicaid coverage in the 15 states that have not expanded the program.
- Less than a quarter of these workers and their dependents in expansion states will become uninsured, while about 40 percent in non-expansion states will become uninsured.

How the COVID-19 Recession Could Affect Health Insurance Coverage

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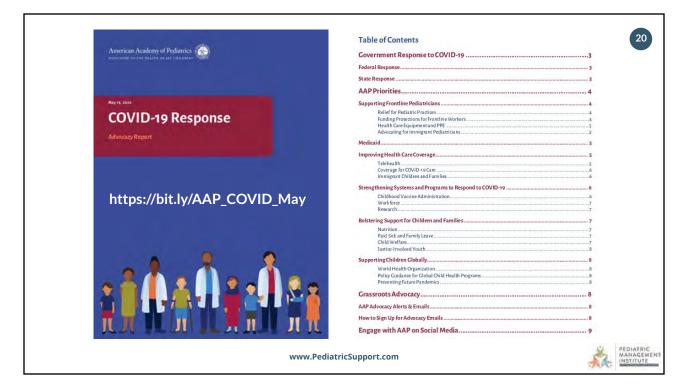


"You can't serve two masters. You can't serve patients and investors"

INSTITUTE

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What Are the Alternatives? 19 Relevant Implications for your Organization's Future Status Quo Managed Services Clinical Integration 3rd Party Investment Practice Sale Payment at Closing / Liquidity Event Not Applicable None None Complete No Forfeiture of Possible Based upon Deal Opportunity for Retained Dependent on Economic No Change Partial hysician Friendly Determined by Practice Cultural Concessions for Some Influence by Determined by Acquirer Not Applicable Culture Specialists Investment Partner Culture Determined by Practice Determined by Practice Dependent on Change in Lifestyle Relief of Admin. Burden Negotiated in Advance Transaction Terms Culture Culture Clinical Autonomy / Clinical Excellence Defined Beyond Primary Dependent on Org. Self Determined Not Applicable Largely Retained Reputation Future Proof' Your Determined by Support in Changing Self Determined Stricter BusinessModel Alignment w/FFS Model Investment Strategy Healthcare Landscape Must Meet Higher Pediatricians Relieved of Operational Risk Retained Shared across Network Operational Targets Partner Risk Must Meet Higher Sharedw/investment Pediatricians Relieved of Retained Shared across Network Financial Targets Partner Risk Alignment w/Mgmt Involvement of More Some Forfeiture of Trading Some Control for No Change Company Constituencies Decision Rights Security PEDIATRIC MANAGEMENT INSTITUTE





How COVID-19 Imperiled Physician Practices, And How to Save Them

Physician practice revenue has been cut in half during the early part of the COVID-19 pandemic. Could telehealth and payment reform save the independent physician?



By Jacqueline LaPointe on May on, 2020

Some have heard the ringing of the death knell for physician practices for years now. Mergers and acquisitions, industry consolidation, value-based care, and the growing presence of private equity firms in healthcare have all threatened the survival of the practice.

"The bigger picture here is the overall fee-for-service world that we've lived in since the 1960s," said Duncanson. "If we were paid more to take care of our population and get a fee based on our population of people, no one in healthcare would be having the crisis they're having now because the revenue would still be coming in. They'd be managing their population in a different way."

In fact, practices faring better during the pandemic are ones with population-based payments.

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Paulie's Takeaway...

A FTE Visits

B Visit Rate

c Estimated Revenue

D Overhead Rate

E Overhead Cost

F Margin For Provider

3,500 Estimate

\$ 150.00 Estimate

\$525,000 = AXB

65.00% Estimate

\$341,250 = CXD

\$ 183,750 = C - E



A	FTE Visits	3,500 Estimate
В	Visit Rate	\$ 150.00 Estimate
C	Estimated Revenue	\$ 525,000 =A X B
D	Overhead Rate	65.00% Estimate
E	Overhead Cost	\$ 341,250 = CXD
F	Margin For Provider	\$ 183,750 = C - E

G Panel Size 1,500 Estimate

H Annual Revenue Per Patient \$ 350.00 = c/GMonthly Revenue Per Patient \$ 29.17 = H/12

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EIDL Loans



SBA Approving Economic Injury Disaster Loans (EIDLs): What You Need To Know



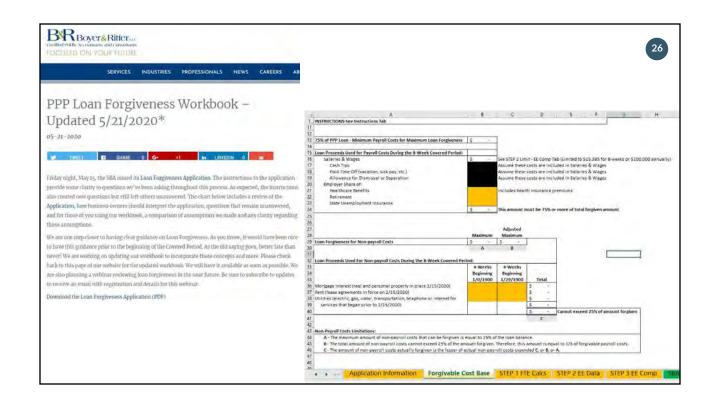
US President Donald Trump (C) is flanked by Small Business Administration Administrator Jones = [1] | 110 == 0.00 + max.

Small businesses applied for Economic Injury Disaster Loans (EIDL) in droves when they became available on March 20th. Normally, these loans only provide

- 1. No more applications being accepted
- 2. Maximum loan amount reduced from \$2mm to \$150k
- 3. Approval amount based on 2019 Net Income
- 4. Interest rates of 3.75% for small businesses (2.75% for non-profits)
- 5. First payment is 12 months from the date of the promissory note
- 6. EIDLs smaller than \$200,000 can be approved without a personal guarantee
- 7. For loans under \$25,000, the SBA does not take a security interest in any collateral
- 8. For loans above \$25,00 the SBA takes a general security interest in any and all "Collateral" as defined in the promissory note
- 9. There are no prepayment fees

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PPP Deductible Expenses



Notice 2020-32

PURPOSE

This notice provides guidance regarding the deductibility for Federal incorne tax purposes of certain orderwise deductible expenses incurred in a brapayer's trade or business when the tappayer receives a item (covered loan) pursuant to the Paycheck. Profection Program under section 7(a)(30) of the Small Bissness Act (15 U.S.C. 150)(a)(36)). Specifically, this notice clarifies that no ideduction is allowed under the Internal Revenue Code (Code) for an expense that is otherwise deductible if the payment of the expense results in forgoniesis of a covered loan pursuant to section 1100(b) of the Colonavorus Act, Relief, and Economic Security Act (CARES Act), Public Law 116-136, 134 Stat 291, 286-03 (March 27, 2020) and the incorne associated with the forgiveness is excluded from gross income for purposes of the Code pursuant to section 1100(ii) of the CARES Act.

1. Paycheck Protection Program

The Psycheck Protection Program was established by section 1102 of the CARE'S Act. Under the Psycheck Protection Program, a recipient of a covered loan may use the proceeds to pay (1) payroll costs. (2) certain employee benefits relating to The Notice explains that if an employer received a PPP loan and some or all of it was forgiven, the forgiven amount is not allowable as a deduction. An employer cannot get the forgiveness benefit of covered expenses and then turn around and treat those covered expenses as tax deductible.

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PPP Implications?



		_		
		5	cenario #1	
Α	Practice Income	\$	2,000,000	Actual
В	PPP Loan Proceeds			Actual
С	Practice Expenses	\$	1,850,000	Actual
D	Forgiveable Loan Amount	\$	-	Actual
E	Deductable Expenses	\$	1,850,000	C - D
F	Net Income	\$	150,000	A - E
G	Corporate Taxes (20%)	\$	30,000	=F X 20%





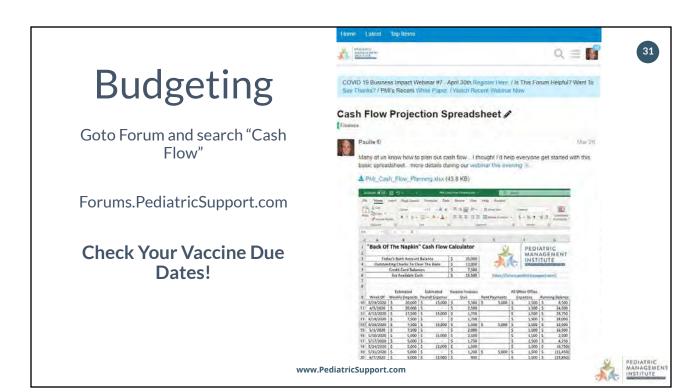
		S	cenario #2	
A	Practice Income	\$	2,000,000	Actual
В	PPP Loan Proceeds	\$	150,000	Actual
С	Practice Expenses	\$	1,850,000	Actual
D	Forgiveable Loan Amount	\$	100,000	Actual
E	Deductable Expenses	\$	1,750,000	C-D
F	Net Income	\$	250,000	A - E
G	Corporate Taxes (20%)	\$	50,000	=F X 20%

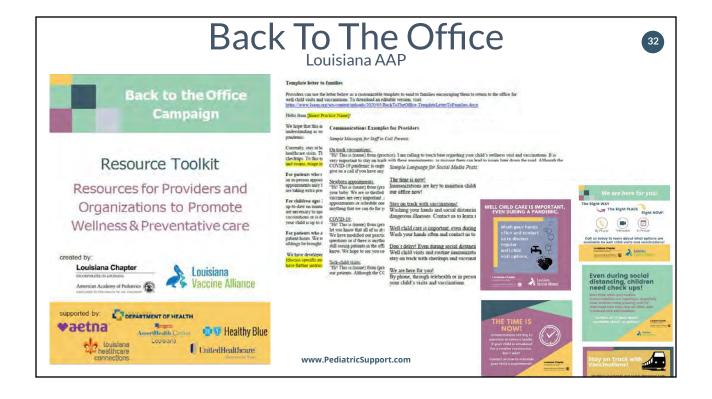
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		S	cenario #1	S	cenario #2		
A	Practice Income	\$	2,000,000	\$	2,000,000	Actual	
В	PPP Loan Proceeds			\$	150,000	Actual	
с	Practice Expenses	\$	1,850,000	\$	1,850,000	Actual	
D	Forgiveable Loan Amount	\$		\$	100,000	Actual	
E	Deductable Expenses	\$	1,850,000	\$	1,750,000	C-D	
F	Net Income	\$	150,000	\$	250,000	A-E	Net Income Increases By \$100k
G	Corporate Taxes (20%)	\$	30,000	\$	50,000	=F X 20%	Tax Liability Increases (Still need to consider state tax rates







Katherine O'Connor, MD, FAAP Children's Hospital Montefiore the Bronx Kathleen Howard, MD, FAAP, Barbara Periard, MD, FAAP, Forest Hills Pediatric Associates, Grand Rapids, MI



Never More Essential

Mark Del Monte, JD AAP CEO/Executive Vice President American Academy of Pediatrics

American Academy of Pediatrics



DEDICATED TO THE HEALTH OF ALL CHILDREN®

90 Years of Caring for Children—1930–2020

February 28, 2020

AAP News

AAP offers response and updates for members on COVID-19

February 28, 2020

Editor's note: For the latest news on coronavirus disease 2019, visit https://www.aappublications.org/news/2020/01/28/coronavirus.

With news of the first possible instance of community spread of coronavirus has come raised anxiety, myriad questions and a need for guidance from a public health perspective. In response, the American Academy of Pediatrics is reassuring members of the steps they can take now and offering continued support as the outbreak evolves.

On Friday, Nancy Messonnier, M.D., director of the Centers for Disease Control and Prevention's (CDC's) National Center for Immunization and Respiratory Diseases, reported that COVID-19 had been confirmed in a person who did not have relevant travel history or exposure to another known patient with COVID-19 in the U.S. The case was identified in California.

May 15, 2020



https://coronavirus.jhu.edu/map.html



AAP COVID-19 RESPONSE

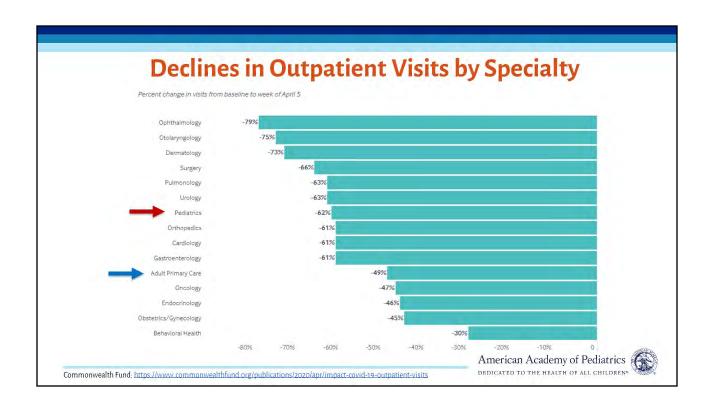
- Connecting Members: COVID-19@AAP.org, AAP.org, Bulletin Board
- Pediatric Care Delivery: Telehealth, Coding, WCC, Payment, Breastfeeding
- Clinical Education: COVID-19, Disaster Management, Children with Complex Medical Conditions
- Child Health: Mental Health, Racial Inequities, Resilience, Medical Complexity, School Re-entry, Child Care, Child Abuse, Camp Guidance

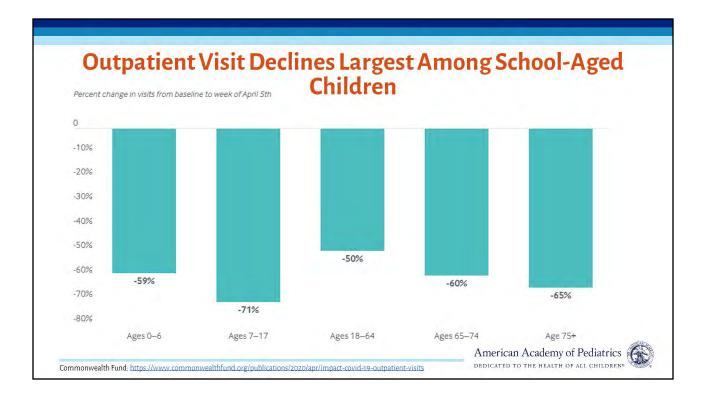


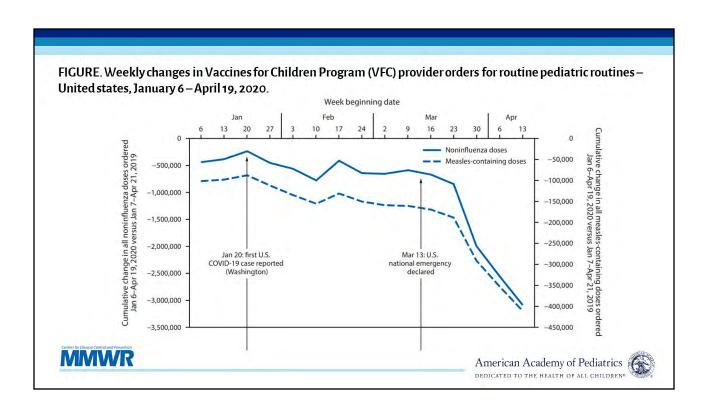


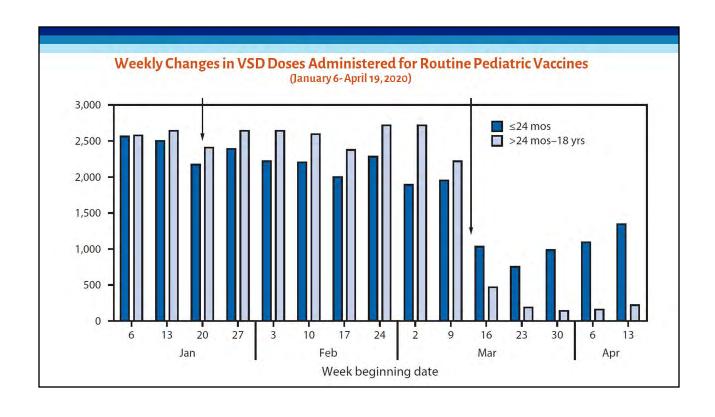
Supporting Our Members















AAP ADVOCACY PRIORITIES

- Supporting Frontline Pediatricians
- Medicaid
- Improving Health Care Coverage
- Strengthening Systems and Programs to Respond to COVID-19
- Bolstering Support for Children and Families
- Supporting Children Globally



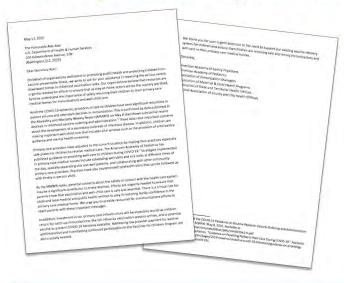
AAP-ACOG-AAFP Provider Relief Letter



- Cites HHS's "troubling" announcement that Provider Relief Funding once again is only for providers who bill Medicare
- Explains dire situation facing pediatricians, OBGYNs, and family physicians
- Urges HHS to provide immediate financial relief to frontline physicians who do not bill Medicare using an alternative approach
- Requests meeting as soon as possible



Message to HHS: Help Get Kids Back to Their Pediatricians



- AAP led a letter to HHS urging efforts to encourage childhood vaccination in the **primary care medical home**
- Joined by AAFP and public health groups
- Asks:
 - Resources for state and local communications efforts
 - Provider payment for vaccine administration
 - Incentivize continued participation in the Vaccines for Children program



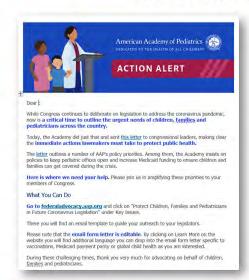
The Fight for Funds Continues...

- Address financial support to pediatricians at the federal and state level
 - Provider Relief Fund
 - Medicaid advance or retainer payments
- Continue conversations with senior Administration officials
- Continue weighing in with Congress on the next COVID-19 response package
- Mobilize members to urge their representatives to weigh in with HHS and White House
 - 3,000+ letters sent through advocacy action





Take Action: Pediatric Provider Relief



- Contact your Member of Congress today and urge them to weigh in with HHS and the White House
- Go to federaladvocacy.aap.org
- Click on "Provide Needed Financial Support for Pediatricians Impacted by COVID-19 Crisis" under Key Issues
 - 3,000+ letters sent



Pediatric Agenda for Phase 4 Legislative Package

- Stabilize health care delivery for children by addressing financial hardship among physician practices
- Increase Medicaid funding to ensure children and families can get covered during the crisis
- Increase vaccination confidence to prepare for a future vaccine for COVID-19
- Ensure families have access to nutritious foods while economy recovers

- Provide needed medical liability protections for frontline physicians
- Protect global health and U.S. security
- Provide flexibility and stability for international medical graduates
- Support children in the juvenile justice system



Making the Case in the Media

May 5, 2020

The New York Times

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

While Congress has rushed to send tens of billions of dollars to the hospitals reporting large losses and passed legislation to send even more, small physician practices in medicine's least profitable fields like primary care and pediatrics are struggling to stay afloat. Pediatricians, which are among the lowest paid of the medical specialties, could be among the hardest hit.

April 30, 2020 Noam Levey

Los Angeles Times

Trump administration skimps on coronavirus aid for Medicaid providers

Excerpt: Dr. Jennifer Sanderford, a pediatrician in Crested Butte, Colo., hasn't paid herself in a month and was forced to put vaccines she ordered for her patients on a credit card. "There is just money being hemorrhaged with nothing coming in," she said. Nearly a third of her patients are on Medicaid.

American Academy of Pediatrics

The New York Times

What's Scaring the Pediatricians

Children are not the focus of the pandemic. But pediatricians are worried for children and families, for now and for the future.



With parents avoiding doctors' visits during the pandemic, pediatricians worry about children's health. iStock by Getty Images



Keep up with children's health during pandemic. Especially now, pediatricians can help.

With schools closed, a doctor may now be the only person outside a household with eyes on a child. Don't skip well-child appointments and vaccines.

Dr. Sara "Sally" Goza and Dr. Patrice Harris Opinion Contributors
Published 5:00 a.m. ET ADI. 28, 2020







COVID-19 has drastically changed how we live our lives and brought much of the world to a standstill. It's a scary time for parents who worry about becoming ill or caring for loved ones who have contracted the virus, as well as for the many Americans whose ability to support their families is becoming uncertain. With all of the turmoil, it's easy to forget how this is affecting our children.

Thankfully, for the most part, children seem to be spared from the most extreme and dangerous effects of the coronavirus. But they are still feeling the pain of the pandemic in a big way, from the preschooler who doesn't understand why she can't hug her grandparents or see her teachers to the teen whose big life moments like graduation and final year-end competitions have suddenly been snatched away. The toll and timeline for these impacts is unknown.

AAP President Virtual Media Tour



- **New York City**
- Philadelphia
- Boston
- Minneapolis
- Houston (2)
- Dallas (2)
- Tampa
- Miami
- Atlanta
- Seattle (2)
- Phoenix
- Washington, DC
 - Charlotte, NC
 - Scripps Wire
 - Service
 - ABC.com
 - WebMD
 - **PBS NewsHour**

20+ interviews on April 23; 44 airings on TV news

- Vaccines are important
- Mental health needs of children and teens
- Innovations for safe health visits
- Must support pediatric practices to maintain access to care
- Advice: call your pediatrician!



Op-Ed by Dr. Sally Goza and Dr. Patrice Harris





April 28, 2020

Dr. Sara "Sally" Goza and Dr. Patrice Harris, Opinion Contributors

Keep up with children's health during pandemic. Especially now, pediatricians can help.

"Pediatricians' message to parents is clear: We are open for business, and we are here for you and your children now more than ever. While federal and state government officials work to ensure our health care system can continue to function throughout the pandemic, we urge them to recognize and support the doctors at its epicenter.

"At a moment when our nation's eyes are on the spread of the virus, our eyes are on the children."



Vaccine Advocacy

- Without urgent support, the U.S. childhood vaccine infrastructure will be seriously compromised
- Need to urgently support the Vaccines for Children (VFC) Program
 - Address financial incentives and regulatory barriers
- Need to address coding/payment barriers
 - Address undervaluing of 90460
 - Address use of 90461 in VFC
- Additional broad, system-wide supports are needed
 - Stay tuned for opportunities for advocacy





#CallYourPediatrician Social Marketing Campaign







IMMEDIATE NEXT STEPS

- Get children (safely) back to the pediatrician!
 - Catch up on missed immunizations, well visits
 - Continue telehealth and payment where appropriate



- Sustain practices with financial relief until volumes improve.
- Keep information flowing (clinical and non-clinical).





"We must, indeed, all hang together, or most assuredly we shall all hang separately."

- Ben Franklin





Thank You



Leverage forum.pediatricsupport.com



- Connect using email
 Download the app (discourse)
 Popular and important highlights:

 Post-webinar Q&A

 - Practice Photos
 - o AAP COVID-19 Wellness Fund
 - Cash Flow Napkin







WiP Webmeeting Backgrounds

Confident, Elegant, Relaxing, and Fun webmeeting backgrounds created exclusively for your

Simply click on any of the images below and then save the image to your device. For Zoom meetings, use these instructions!













https://womeninpeds.com

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Things To Do...

I was working on a list of our ongoing tasks to remind myself that we are making progress, and thought I'd share:

- Got PPP loan
- Got EIDL loan advance
- Voluntary schedule changes for staff
- Downtime tasks assigned- calling kids behind on vaccines, well visits, behavioral health, asthma, cleaning up inactive patient and Medicaid lists, tidying office
- One doc doing telehealth exclusively and working on becoming EHR superuser
- Rearranged tasks for older and higher risk staff
- Glass doors installed for front desk
- Obtained PPE, much of it washable
- New logo
- Working on new website design
- Working on training and implementation for PCC go-live in July
- Using Hootesuite to update social media

- Messages via 2 robocalls to all patients on what we are doing about COVID, now offering telehealth
- Website, signs with info
- Telehealth visits
- Billing for phone and portal MD visits
- Weekly meeting for entire staff
- Daily huddles
- Email updates for staff
- LCW participating in AAP COVID echo group
- Webinars with DHHS, AHEC, UNC, PMI, ASHA, NC Peds,
 otc.
- Checking PMI COVID forum
- Policy updates- clinical and operational
- Focusing on working down A/R
- Wrote US congressman and senators
- Using cash flow estimator and loan forgiveness calculator
- Joined SHRM



Follow Up Items



- PMI Challenge
- Visit Forum.PediatricSupport.com for follow up items
- Cash Flow Budget
- Practice good medicine...keep an eye on finances...stay healthy

