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SAN BERNARDINO COUNTY

County Administrative Office
Governmental & Legislative Affairs

Josh Candelaria
Director

July 14, 2020

The Honorable Holly J. Mitchell
Chair, Senate Budget and Fiscal Review Committee
State Capitol Building
Sacramento, CA 95814

RE: Budget Trailer Bill Language to Maintain Medi-Cal Telehealth Flexibility Beyond the COVID-19 Emergency Period

Dear Chairwoman Mitchell:

On behalf of Arrowhead Regional Medical Center in the County of San Bernardino, we are writing to respectfully request the adoption of budget trailer bill language to make permanent the temporarily authorized flexibilities that enabled Medi-Cal service provision to shift from in-person to video and phone visits during the COVID-19 emergency.

Arrowhead Regional Medical Center (ARMC) is a 456-bed university-affiliated teaching hospital that operates a regional burn center, a primary stroke center, a level II trauma center, a stand-alone behavioral health center, five primary care centers, including four off-site family health centers, and more than 40 outpatient specialty care services. ARMC serves as the San Bernardino County safety net providing healthcare to underinsured and uninsured.

The overall Medi-Cal population is 68% of all members served at ARMC. While capitation for fiscal year 2019 averaged approximately 40,000 members per month, only 25% of members were enrolled for a continuous 12-month period. ARMC's goal is to retain at least 50% of all assigned members for care and treatment. Telehealth could improve retention rates for a potential increase of 26,736 additional members allowing for better management of patient conditions and improved continuity of care.

Telehealth has quickly proven to be a safe and effective way to ensure patients receive the care they need amidst the COVID-19 pandemic. ARMC's Family Health Clinics (FHC) implemented telephonic visits almost immediately when the Governor's Stay-at-Home order was issued despite not having the ability to do so in the past. As a result, there was an increase from 3.8% of FHC visits in March, when initiated, to almost 95% of FHC visits conducted via telehealth in May. Today, almost 70% of our primary care service delivery is being conducted through telehealth visits. Were it not for these telehealth visits, we would have been unable to maintain critical access to care for patients, and the additional lost revenues from reduced service delivery would have further exacerbated the extreme financial strain that our system is under as we respond to the current public health emergency.

The Medi-Cal telehealth flexibilities are temporarily authorized by the Centers for Medicare & Medicaid Services (CMS). Without further state action, the allowances will end whenever the national emergency is deemed over by the federal government. While we do not know when the declared emergency will be lifted, we know that Medi-Cal providers cannot, nor should, return to business as usual.

ARMC served approximately 21,768 members via in-patient and approximately 304,806 members via out-patient last year. In the months of April and May 2020, ARMC has seen an average (per month) of 1,289 members for in-patient services and 20,563 members for out-patient services. This is a decline of 21% for in-patient and 19% for out-patient services. This has resulted in a total of $26.1 million in lost

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revenue from March to May 2020. A loss to the telehealth services would be detrimental to ARMC's patients and revenue stream. Further, with Medi-Cal enrollment expected to swell in the coming months, it is critical that we not only maintain the access points that we have by supporting safety net providers through the current financial crisis, but also that we find ways to expand access to care—and telehealth is a key part of the solution.

Telehealth allows ARMC to be more efficient and provide better access to care by: eliminating transportation barriers; allowing improved care and less financial disruption to patients who cannot afford transportation, time away from work, and/or childcare costs to attend a face-to-face health care visit; and allowing ARMC to provide care to additional members who geographically are unable to travel to the FHC for an in-person visit.

For the above reasons, we respectfully ask the Legislature to adopt budget trailer bill language to allow temporarily-authorized Medi-Cal telehealth flexibilities, including phone visits, to be extended permanently. If you have any questions regarding the County's position, please do not hesitate to contact Josh Candelaria, Director of Governmental and Legislative Affairs at (909) 387-4821 or jcandelaria@sbcounty.gov.

Sincerely,

Curt Hagman
Fourth District Supervisor
Board of Supervisors Chairman
County of San Bernardino

cc: Members and Consultants, Senate Budget and Fiscal Review Committee
Members and Consultants, Senate Budget and Fiscal Review Subcommittee No. 3
San Bernardino County Legislative Delegation