

Via E-Mail

March 31, 2020

We've got a really challenging situation in hospitals right now with COVID-19 crisis... not only in managing patients with the virus, but also maintaining health system capacity in light of dramatic drops in elective care. Specifically, nearly all hospitals (including both those treating COVID-19 patients, as well as those that aren't), are struggling to retain their workforce and stay open in light of significant reductions in revenue. We have been working with Congress and the Administration to address this issue, but there are still significant gaps. It would be immensely helpful if private health plans were able to implement some of the same changes that the FFS Medicare program has done, and we'd welcome NAIC's reaction to these ideas.

Specifically, to help maintain cash flow, private plans could:

- Like the FFS Medicare program, allow providers to switch to either accelerated payments or periodic interim payments with a true up at the end. Under the accelerated payment program, the payer advances reimbursement to hospitals and allows several months for repayment. Periodic interim payments are a set reimbursement amount at routine intervals regardless of care provided (e.g., same amount as previous year every two weeks). Both of these would be reconciled at the end and are simply intended to provide steady cash flow during the emergency;
- Reduce administrative barriers to timely payment, e.g., eliminating any process that relies on paperwork, streamlining credentialing, and implementing automatic authorization for most services; and
- Clearing out accounts receivables (as an example here, Ohio hospitals/health systems collectively have \$8 billion sitting in accounts receivables from last year... and these ultimately get paid out at about 98%).

Many hospitals have asked their contract plans to take these actions, but with the exception of some administrative processes, we have not seen adoption of the other asks.

Would you mind providing NAIC's reaction to this and, if you think there is anything compelling here, any advice on working with the plans on these issues? We truly believe overcoming this crisis is going to require a collaborative approach.

Happy to hop on the phone if easier to talk through.

Thanks so much for the consideration/input.

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