

2023 Mid-Year Report

A MESSAGE FROM NCHA PRESIDENT & CEO

We're midway through 2023, a year earmarked for history thanks to the passage of Medicaid expansion in March. Our collective effort to get expansion coupled with the Healthcare Access and Stabilization Program (HASP) will allow greater access to care and better health for more than half a million North Carolinians.

While there is a lot to celebrate, there is still more to do. NCHA has been listening, learning and taking action to help address top issues like workforce, behavioral health, and health equity.

It doesn't stop there. We are developing a long-range strategic plan to future-proof your association to meet the challenges and opportunities ahead. I'm pleased to share this mid-year report highlighting our recent accomplishments and our plans for the second half of the year.

Thank you for your partnership and support,



Stephen J. Lawler



ADVOCATING TOGETHER

Gov. Roy Cooper signed HB 76 on March 27, a healthcare bill authorizing Medicaid expansion and HASP along with changes to the Certificate of Need program. Medicaid expansion will go into effect once the General Assembly passes the FY 2023-2024 biennium budget, which must occur by June 30, 2024.

This momentous legislation will change the healthcare landscape for patients and providers. With HASP helping to stabilize hospitals by increasing Medicaid rates closer to the cost of care, our hospitals' ability to take care of North Carolinians is significantly improved. NCHA will continue to work with the NC Department of Health and Human Services (NCDHHS) to ensure the HASP preprint is approved by the Centers for Medicare & Medicaid Services (CMS) so that hospitals and health systems can start earning much-needed payments as soon as possible.

NCHA continues to have conversations with legislators about ongoing issues with Medicaid managed care denials. This includes implementing measures

to improve network adequacy, reduce administrative burdens on providers, and enforce Prepaid Health Plan (PHP) contractual requirements.

NCHA also coordinated efforts between our members and NCDHHS to address a series of behavioral health issues, including the BH SCAN bed registry implementation, ED boarding of DSS-involved youth, and tracking uncompensated care for 3-way bed contracts. While CMS indicated they will not approve the State Plan Amendment to begin reimbursing hospitals for psychiatric patients receiving care in emergency departments, NCHA is working with NCDHHS to create an alternative payment solution to address our members' needs.

NCHA regularly engages with our federal representatives and regulators on crucial issues such as building a strong, transparent 340B Federal Drug Pricing Program and educating on harmful policies such as site neutral payments. Staff are hosting delegation roundtables to ensure members' concerns and perspectives are clear to North Carolina's federal delegation.

PRESERVING THE SAFETY NET

NCHA's finance team works closely with State leaders on Medicaid reform. NCHA helped draft the HASP language for HB 76 and worked closely with the NCGA Fiscal Research Division and the Division of Health Benefits (DHB) to ensure North Carolina maximizes federal receipts for the Medicaid program. As a result, NCHA was successful in providing alternative sources to offset hospital assessments for Medicaid expansion through premium tax credits and incorporating reconciliation components. This will ensure hospitals are taxed for only the state's share of expansion and will be reimbursed for overpayments (i.e., no additional dollars will flow to the general fund). HASP funds are estimated to be approximately \$2.7B gross in SFY 2022-

2023 and at least \$3.2B every additional year of approval. Pending approval of the preprint, NCHA is aiming for hospitals to receive HASP payments in either September or October of 2023.

The NCHA Medicaid managed care steering committee continues to identify and report underpayment tactics by PHPs. NCHA constructed a NC Medicaid Payor Scorecard to educate lawmakers on the problem, resulting in reduction of inpatient denial rates from 30% to 20%. NCHA was also successful in resolving outlier payment issues on certain newborn claims from a PHP not adhering to NC Medicaid policies. While a success, 20% denial rates are still unacceptable, and more work is happening to address it. The Committee will begin monthly meetings

with the North Carolina Association of Health Plans (NCAHP) and individual PHPs for systematic improvements with the managed care program. NCHA also works with member workgroups on various billing and reimbursement issues with other payors, such as commercial insurance and Medicare Advantage plans, to resolve larger systematic payor issues.

Lastly, NCHA protected hospital base rate and supplemental payments in the transition to managed care. To date for 2023, the rate floor resulted in \$700 million in net Medicaid revenues to hospitals to offset Medicaid and uninsured losses, \$70 million of which is a result of enhanced base rates from the per diem upper payment limit calculation negotiated with DHB.

PRIORITIZING WORKFORCE

NCHA and its affiliate organizations are working with members to deliver on tactics developed as part of our comprehensive workforce strategy, focusing on recruitment, retention and workplace safety.

Consultation meetings with members of the Workforce Advisory Group have been productive and informative. NCHA has seats on the NC Institute of Medicine's Task Force on the Future of the Nursing Workforce, the North Carolina Clinician and Physician Retention and Well-being Consortium (hosted by the NC Medical Society) as well as the Center on the Workforce for Health.

NCHA Workforce Strategy



GROWING MEMBERSHIP

NCHA welcomed two new members in 2023:

- Fayetteville Veterans Administration Coastal Health Care System
- Carolinas ContinueCARE Hospital at Pineville, a long-term acute care hospital

ENGAGING MEMBERS IN EDUCATION

NCHA continues to deliver educational offerings ranging in topics from emergency management and regulatory issues to quality and patient safety. We offer multiple webinars every month (13 to-date, 21 total scheduled so far) and are always looking to partner with you to deliver on topics that your staff want to know more about. Email education@ncha.org with suggestions. In 2024, Winter Meeting will be Feb. 21-23 at the Embassy Suites RTP, and Summer Meeting will be at the Omni Grove Park Inn in Asheville July 17-19. Save the dates!

SETTLING IN TO OUR NEW LOCATION

NCHA, the North Carolina Healthcare Foundation, NCHA Strategic Partners and CaroNova moved last month to 5440 Wade Park Blvd, Suite 410 in Raleigh. The move offers an opportunity to implement innovative ways of working, and positions the association for the future. This new environment will accommodate both hybrid working arrangements and collaborative spaces.

COMMITTING TO A GREAT WORK CULTURE

For a third time, NCHA was selected by Modern Healthcare as one of the 2023 Best Places to Work in Healthcare nationwide in the Supplier/Vendor category.

HARNESSING THE VALUE OF DATA

NCHA develops data analyses to support members in minimizing risk and navigating changes with Medicaid Managed Care and other policies that have a financial impact to NC hospitals and health systems. Analysis includes:

- Reported on community benefits provided by NC hospitals based on annual survey of members.
- Determined impact of Medicaid managed care losses, expansion and HASP benefit.
- Developed payor scorecard to track managed care denials by payor by region.
- Produced hospital-specific analysis for calculating funds at risk due to potential state and federal legislative changes.

NCHA provides data to members in support of academic medical research, strategic planning, and Public Health:

- NCHA and the Tennessee Department of Health partnered to exchange 10 years of non-resident discharge data in a pilot program. The goal is to reach full exchange by the end of the year.
- NCHA and the North Carolina Division of Public Health have partnered to expand our syndromic surveillance footprint to include an additional 29 urgent care facilities, bringing the total to 118. Seventy percent of all NC health system-associated urgent care facilities are reporting to the North Carolina Hospital Emergency Surveillance System (NCHES).
- NCHA continues to collaborate with members on data linkages for research projects that support public health and better outcomes for patients with mental health and substance abuse issues.

NCHA HAS MOVED



TELLING THE HEALTHCARE STORY

NCHA continues to shape and hold positive conversations with the public and the statewide business community about North Carolina healthcare providers. Earlier this year, the association produced a report about how health systems and hospitals contribute to the state's economy and improve the health of communities. The publication was shared with federal and state policymakers and with groups such as the NC Chamber and statewide medical and nursing associations. Business leaders and consumers were also reached through emails to subscribers of the regional business journals and Our State magazine, and through paid digital, social and television campaigns and event sponsorships.

In April, NCHA hosted a statewide virtual town hall conversation about how our members are improving health in rural communities. The association was also a co-presenting sponsor of a virtual event about the state of healthcare in North Carolina along with the Charlotte, Triangle and Triad business journals.

To promote public awareness and interest in healthcare careers, we developed and launched a "Joy of Working in Healthcare" video series promoted through social media and digital advertising. This initiative will continue to grow and be widely promoted.

NCHA also ran a public service message in which children of hospital employees describe what their parents do to help patients with pride and excitement. The spot ran in the Charlotte, Triangle and Piedmont Triad markets and had over 8 million impressions, including during NHL Carolina Hurricanes Stanley Cup semi-finals, PGA Golf, college and NBA basketball finals and on news and public affairs programs like CBS "Face the Nation."

NCHA communications also issued several media statements to call on the General Assembly to pass Medicaid and expansion and HASP and to thank them when the historic HB76 legislation passed and was signed by the Governor.



NORTH CAROLINA HEALTHCARE FOUNDATION

THE CONVENER OF CHANGE

What defines the North Carolina Healthcare Foundation (NCHF)? At the core, it's a commitment to improve the health of all North Carolinians. It requires a strategic focus on areas to impact — strengthening workforce development and retention, enhancing access to care, improving behavioral health, creating greater equity of care, and supporting rural healthcare delivery.

How does the Foundation drive this work? By being **The Convener of Change**. More than a slogan, the role as "The Convener of Change" illustrates how NCHF powers system-wide solutions, with data-driven results to redefine the healthcare delivery system and improve the health and well-being of patients in North Carolina and beyond.



This report provides a brief update on NCHF's impact so far in 2023. We look forward to sharing more soon on what NCHF has accomplished by bringing people and organizations together to find innovative solutions that address the healthcare challenges we face.

Julia Wacker

President, NC Healthcare Foundation
Executive Director, CaroNova

STRENGTHENING WORKFORCE AND SUPPORTING RURAL HEALTHCARE DELIVERY

In early April, the NC Healthcare Foundation awarded **Rural Hospital Leadership and Workforce Development mini grants** to nine small and rural hospitals across North Carolina:

- Alleghany Memorial Hospital
- Ashe Memorial Hospital
- Cape Fear Hoke Healthcare
- Charles A. Cannon, Jr. Memorial Hospital
- ECU Health
- J. Arthur Doshier Memorial Hospital Foundation
- Martin General Hospital
- Pender Memorial Hospital
- St. Luke's Hospital

The grants, roughly \$50,000 each, will support grantees' efforts to train staff at all levels, implement learning management systems, offer leadership development programs, and provide training on crisis intervention.

NCHF will provide technical assistance, monitor progress, evaluate outcomes, and identify innovation and best practices to inform future rural workforce needs and development activities.

ENHANCING ACCESS TO CARE

AccessHealth of the Carolinas

now includes 30 community-based networks of care across 84 counties in North and South Carolina. These networks provide access to primary and specialty care providers, care coordination and case management services to chronically ill, uninsured patients to improve health outcomes and reduce avoidable hospital utilization and costs. Here is AccessHealth's current impact:

- 81,600 active patients across the Carolinas; 54% of these patients in North Carolina have Hispanic ethnicity
- \$150 million in avoided hospital costs across the Carolinas
- 36% decrease in avoidable ED utilization experienced by patients in a network
- 70% of networks in the Carolinas actively engage patient voices in feedback loops to inform their work, thereby improving practice

AccessHealth networks are also focused on improving practice. For example, most networks now disaggregate data by race and ethnicity to inform program and procedure changes that can help to identify and overcome disparities. As a result, Guilford Healthnet in North Carolina is now adding enrollment applications in three other languages. Furthermore, multiple North Carolina networks have recently gained access to Bamboo Health or EPIC, allowing real time notification of patients with hospital utilization that can be targeted for network support.

State implementation assistance teams housed within CaroNova and NCHF provide AccessHealth networks data-informed technical assistance, one-on-one coaching and collaborative learning opportunities to spur innovation.



In January, NCHF announced the five new community coalitions joining **Healthy People, Healthy Carolinas** (HPHC), an initiative of The Duke Endowment. North Mecklenburg Economic Mobility Collaborative (sponsored by Atrium Health), Rockingham Primary Care Initiative (sponsored by Cone Health), Duplin Coalition for Health (sponsored by ECU Health Duplin Hospital), Healthier Highland Collaborative – Highland Neighborhood Association (sponsored by CaroMont Health), and HealthyGuilford Coalition (sponsored by Atrium Health Wake Forest Baptist) will all receive financial and technical support to strengthen their infrastructure and community engagement aimed at measurably improving the health of residents struggling with health issues such as unhealthy weight, diabetes and heart disease. The five newly awarded coalitions are joining 24 existing coalitions across North and South Carolina supported by CaroNova.



Serious illness care has long been an area needing improved care and reformed payment models. CaroNova's **Comprehensive Palliative Care for Serious Illness Program** has created a care model to redesign the system of care for individuals living with serious illness. In 2023, CaroNova began to develop an innovation pilot and longer-term demonstration project to build the business case for value-based contracting. Payor and provider workgroups were convened to co-design a multi-year, phased implementation approach. CaroNova is currently working to define and establish payor/provider partnerships for an initial sprint set to launch in January 2024 in the Carolinas.



IMPROVING BEHAVIORAL HEALTH

CaroNova launched a new centralized library of strategies, tools and resources to aid hospitals and health systems with their response to the devastating opioid epidemic that persists in the Carolinas. **The Opioid Library** was developed through a collaborative co-design process with subject matter experts from health systems across the Carolinas in partnership with NCHA and South Carolina Hospital Association and is the first output from CaroNova's Opioid Stewardship Accelerator project.

CREATING GREATER EQUITY OF CARE

The **Equity of Care Delivery Dashboard** is now available to all members who have signed the Equity Resolution. The password-protected Dashboard illustrates each participating member's performance in the initial quality metrics measured by race/ethnicity: readmissions for patients with cardiovascular disease, readmissions for diabetic patients, rates of postpartum hemorrhage, and patient satisfaction. Each participating member can now assign up to five colleagues within their institution to have access to the Dashboard and related reports. Recommended users should be part of the executive team or hold a leadership role to advance equity, familiar with your hospital or health system's data, or work in the areas of performance or quality improvement. If you have any questions, please email equity@ncha.org.



Class of 2023 Diverse Healthcare Leaders Mentorship Program.

The Foundation's **Diverse Healthcare Leaders Mentorship Program** launched its fourth class of mentees in January. The nine-month program pairs 24 individuals from underrepresented communities employed in healthcare with 18 executive leaders from health systems and hospitals who are serving as mentors. The program is designed to help cultivate a diverse pipeline of leaders for the healthcare field and facilitates monthly engagement between mentees and mentors to gain confidence in areas such as financial management, leadership development, staff coaching and negotiating skills.

Since its inception, the Mentorship Program has served 60 mentees, predominantly Black (75%) and women (65%). Feedback received from participating mentees and mentors has been overwhelmingly positive and 84% of program alumni have advanced in their careers. NCHF plans to extend the program from a nine-month endeavor to a two-year leadership academy to maximize the benefits of the program. The Program is supported through gifts from NCHF donors. To show your support for health equity, visit www.ncha.org/give to make a one-time or monthly gift today.

NCHA Strategic Partners

PROVIDING INNOVATIVE & COST-EFFECTIVE SOLUTIONS

NCHA Strategic Partners (NCHASP) is committed to being the first resource healthcare providers turn to for access to workable, cost-effective solutions. In the first half of 2023, NCHASP launched four new partners through Solution Station (vetting intake form):

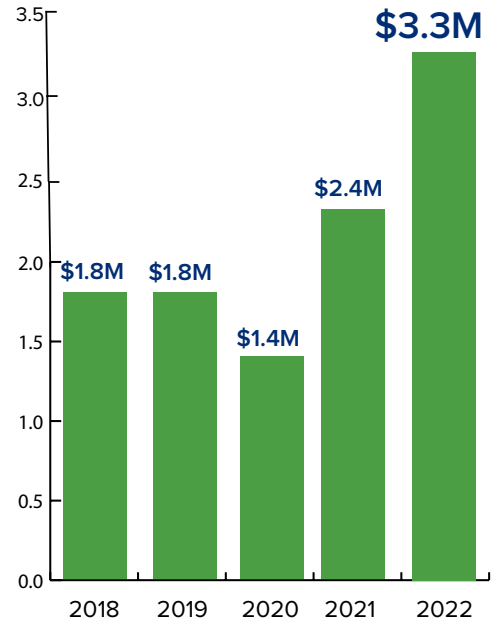
- **Camacho Consulting** - Camacho Consulting provides security and workplace violence solutions tailored to a healthcare facility's needs and budgetary constraints. They conduct workplace safety assessments, provide consultations, and review potential liabilities to enhance the security posture of hospitals and healthcare facilities.
- **Cyrano** - Cyrano offers a video editing solution that enables healthcare providers to effortlessly create, manage, and distribute multimedia content to their staff, patients, and local communities.
- **Intelassist** - Intelassist, based in Manila, Philippines is a remote staffing organization specializing in providing experienced and highly skilled employees to a diverse segment of businesses located around the globe.
- **TOOTRIS** - TOOTRIS is revolutionizing child care with convenient, affordable, and on-demand services. It connects parents and providers in real-time, empowering working parents to access quality child care. TOOTRIS' advanced technology also allows employers to provide fully managed child care benefits, boosting employee productivity and ROI through enhanced flexibility and family support.

2023 Regional Solutions Summits: Workforce

The Regional Workforce Solutions Summits in May 2023 were an extraordinary success. Healthcare workforce professionals gathered to collaborate, ignite ideas, and revolutionize the way they tackle shortages and workforce challenges. Attendees were happy about the summit's immense value, with 85% describing it as incredibly useful. They appreciated the valuable information presented and the ample networking opportunities. The Gig Economy presentation was particularly beneficial. Participants expressed interest in more roundtable discussions on prevalent issues.



NCHASP President Jody Fleming presenting at the Workforce Regional Summit in Goldsboro.



Amount NCHA Strategic Partners contributed to NCHA operating expenses over the past 5 years.

NCHA Strategic Partners By the Numbers

9	Number of Sponsors converted from Solution Station
4	Number of New Business Partners
16	Number of New Sponsors
8	Number of Business Partners that are also Sponsors

Solutions Insider Podcast

The Solutions Insider Podcast, launched on Jan. 1, 2023, provides practical and cost-effective solutions to critical healthcare challenges. With interviews from industry leaders and subject matter experts, as well as solutions from endorsed business partners, it offers insights into navigating the healthcare landscape. Convenient for on-the-go listening, the podcast gives an inside look at healthcare industry solutions and issues from business partners, members and other subject matter experts. Listen at <https://solutionsinsider.podbean.com/>.

Strategic Partners LinkedIn

The Strategic Partners LinkedIn page debuted on March 14 and has already attracted a strong following of over 500 followers. This platform serves as a hub for networking, sharing insights, and staying updated on the latest developments in the healthcare industry. Follow us at <https://www.linkedin.com/showcase/ncha-strategic-partners/>.

Pilot Programs

Camacho Consulting recently completed workplace safety assessments for two North Carolina healthcare facilities. These assessments involved in-depth evaluations and collaboration to gather insights and improve training protocols and policies. The assessments resulted in **tailored safety and workplace violence programs**, enhanced facility security, and fostered relationships with local criminal justice partners. The pilot programs came at no cost to the hospitals and provided valuable information to advance workplace violence tracking in North Carolina.

Community Wellness launched a pilot program **streamlining Hospital-to-Home (H2H) ED access**, eliminating unnecessary hospital admissions. The H2H transitions nurses prioritize readmitted patients and consult with physicians for acceptance. Accepted patients receive efficient care in the “purple hall,” and the Community Paramedic Program provides timely follow-up visits. The company also recently introduced a virtual primary care offering to address physician shortages and reduce emergency department overutilization.

Healthcare Experience Foundation (HXF) launched a pilot program with a Western NC hospital, aiming to enhance graduate medical education by teaching the human side of medicine. Essential competencies like emotional intelligence, burnout prevention, and building trust were incorporated. With support from HXF, a curriculum was established, **fostering regular discussions on communication, compassion, resiliency, and leadership**. The program positively impacted interns’ clinical learning, improving their soft skills and relational abilities. It also provided faculty development, residency program enrichment, coaching, teaming, and evaluations to address physician burnout and restore wellness.

Qualivis and NCHA Strategic Partners are collaborating to create a Regional Staffing Program **allowing hospitals in a region to share the expense of hiring travelers**. Four NCHA member have already accepted the task to serve as the pilot participants. In developing the program’s rules, finances, and policies. The program aims to reduce the financial burden on hospitals and improve operational efficiency by pooling resources. Benefits include cost savings, enhanced workforce management, and knowledge sharing among participating hospitals.

More Partner Highlights

Bamboo Health facilitates whole-person care, ensuring that individuals receive comprehensive and coordinated treatment across various care settings. By taking a holistic approach to patient care, Bamboo Health enables providers to deliver personalized care plans. In 2022, Bamboo Health’s solutions resulted in significant benefits for NCHA members, including savings of \$1.2 million over 9 months. Additionally, on average, 20-30 minutes were saved per patient assessment, and over 100 unnecessary admissions were avoided.

CommerceHealthcare’s AP Card program has proven to be beneficial for providers like Lake Region Healthcare in Minnesota. With the AP Card, the hospital generated nearly \$1.8 million in gross volume and earned revenue of almost \$19,000 in the first year alone. This success highlights the revenue-sharing feature of the program and its potential to generate significant financial gains for healthcare providers.

Healthcare Experience Foundation improves patient care outcomes by cultivating resilient healthcare delivery teams. They break down silos, enhance resiliency, and empower both patients and providers. HXF’s solutions yield impressive results, including improved patient experience, increased performance in Value-Based Purchasing, reduced employee turnover, higher employee satisfaction, and enhanced physician communication.

NCHA Strategic Partners Workers’ Compensation Fund, in collaboration with Gallagher, has delivered exceptional coverage, service, and premium savings to NCHA members. The fund actively gives back to members by returning a significant portion of premiums as distributions. In 2022, the Fund Board declared a 41% dividend, approximately \$2.1 million, on members’ net premiums, scheduled for payment in 2023. Since 2010, the Fund has distributed over \$25 million to its members and averaged a 34% annual return. This achievement stems from members’ focus on workplace safety, effective practices in underwriting, loss control, claims management, and investments. The Fund is committed to meeting capital retention and considering additional surplus distributions annually.

NC MedAssist made a significant impact on North Carolina’s healthcare landscape in the 2021-2022 fiscal year. They distributed \$65 million worth of medication, benefiting over 68,000 individuals and families. With 15,000 patients choosing NC MedAssist as their pharmacy home, their programs contributed to an economic impact of over \$125 million for the state.

OppoMed launched in early 2023, has already partnered with two North Carolina facilities, delivering over 200 candidate leads from January to June 1. The candidates include approximately 45% registered nurses, 40% nurse aides, and 15% from other healthcare roles. With three more hospitals being added this summer, OppoMed offers an affordable solution for consistent nurse hiring each quarter. Although unofficially tracked, OppoMed has facilitated approximately nine placements.

Qualivis placed 17,204 contingent workers in 33 service lines in North Carolina in 2022. They achieved a 93% on-time start rate, under 7% cancellation rate, and a 51% extension rate. Over the last 30 months, they achieved average bill rate savings of \$14/hour/month. Recent cost analysis revealed annualized savings of \$5.5 million.

Vizient, a leading healthcare performance improvement company, provides innovative solutions and services for exceptional patient care. Their comprehensive resources focus on growth, quality, spend management, supply assurance, and access to essential medication. With a proven track record, Vizient delivers significant cost savings, averaging 6-12% in spending reduction for healthcare facilities. By leveraging Vizient’s expertise, providers can optimize operations, achieve financial benefits, and maintain high care standards. Vizient supports healthcare organizations in their pursuit of excellence, offering up-to-date solutions for positive outcomes.