

HEALTH CARE ADVISORY BOARD

Meeting Summary

December 13, 2021

MEMBERS PARTICIPATING ELECTRONICALLY

Marlene Blum, Chairman
Tim Yarboro, MD, Vice Chairman
Bill Finerfrock, Vice Chairman
Maia Cecire
Philippe Beauchene
Rose Chu
Shikha Dixit
Michael Trahos, DO, At Large
Kelly Green Kahn

STAFF

Sherryn Craig

MEMBERS ABSENT

Ellyn Crawford
Leeann Alberts, JD, MBA

GUESTS

Alice Pope, Chief Financial Officer; Inova Health System
Karen Berube, Vice President for Community & Population Health, Inova Health System
Jeffrey Rosenzweig, Vice President for Strategic Financial Planning & Analysis, Inova Health System
Michael Forehand, Vice President for Government & Community Relations, Inova Health System
Dominic Bonaiuto, Director, Government & Community Relations Central Region, Inova Health System
Gloria Addo-Ayensu, MD, MPH, Health Director, Health Department
Jessica Werder, Deputy Director of Public Health Operations, Health Department
Sharon Arndt, Division Director, Community Health Development, Health Department

Call to Order

The meeting was called to order by Marlene Blum at 7:31 pm.

Audibility of Members' Voices

Chairman Marlene Blum conducted a roll call asking each participating member to state his/her name and the location from which he/she was participating.

Dranesville District, Kelly Green Kahn, McLean, VA
Lee District, Maia Cecire, Alexandria, VA
Mason District, Rose Chu, Falls Church, VA
Mount Vernon District, Shikha Dixit, Lorton, VA
Providence District, Marlene Blum, Vienna, VA
Springfield District, Bill Finerfrock, Springfield, VA
Sully District, Phil Beauchene, Chantilly, VA
At Large, Tim Yarboro, MD, Reston, VA
At Large, Dr. Yarboro, Falls Church, VA

Chairman Blum passed the virtual gavel to Vice Chairman Tim Yarboro. Ms. Blum moved that each member's voice was adequately heard by each other member of the board. Dr. Trahos, DO seconded the motion. The motion passed unanimously.

Need for an Electronic Meeting

Having established that each member's voice could be heard by every other member, Ms. Blum established (1) the nature of the emergency compelling the emergency procedures, (2) the electronic format for the meeting, and (3) public access to the meeting. Ms. Blum moved that the State of Emergency caused by the COVID-19 pandemic makes it unsafe for the Board to physically assemble and unsafe for the public to physically attend any such meeting, and that as such, FOIA's usual procedures, which require the physical assembly of the Board and the physical presence of the public, cannot be implemented safely or practically. Ms. Blum moved that the Board would conduct the meeting electronically through Zoom Conference call, and that the public could access this meeting by telephone 888-398-2342 or through the following link - <https://us06web.zoom.us/j/88607128527>. Dr. Trahos, DO seconded the motion. The motion passed unanimously.

Continuity in Government

To dispense with FOIA's Usual Procedures to Assure Continuity in Government, Ms. Blum moved that matters on its agenda are statutorily required or necessary to continue operations and the discharge of the Health Care Advisory Board's lawful purposes, duties, and responsibilities. Dr. Trahos, DO seconded the motion. The motion passed unanimously.

Resolution Recognizing Rosanne Rodillosso

The HCAB unanimously approved a resolution honoring Rosanne Rodillosso's 20 years of service to Fairfax County and the Health Care Advisory Board.

November 8, 2021 Meeting Summary

The meeting minutes from November 8, 2021 were accepted as presented.

Inova Health System Presentation on Inova FY 2021 and FY 2022 Budget.

Michael Forehand, Vice President for Government & Community Relations, began the presentation with an overview of Inova's hospitals, with an additional three facilities being planned or in development: Inova Alexandria Hospital (located at the former Landmark Mall site), Inova Springfield Hospital, and Potomac Yard HealthPlex. Inova has also been recognized by several third-party rating systems. *US News & World Reports* designated Inova's Fairfax Medical Campus first in the Washington Metropolitan Region as well as the Commonwealth of Virginia and Leapfrog awarded straight A's to all five hospitals for safety.

COVID-19 continues to impact Inova's operations. Since 2019, Inova has tested 326,094 patients; 30,518 (9.4%) have tested positive while 295,259 have tested negative. To date, Inova has discharged 9,433 patients treated for COVID-19. In total, Inova treated 23% of Virginia's hospitalized COVID-19 patients and more than half of Northern Virginia's COVID-19 patients. Currently, Inova is treating 89 COVID-19 positive patients across its five hospitals, which represents significant growth over the past few weeks.

Inova is also a COVID-19 vaccination provider. To date, 460,209 vaccines have been distributed with the current focus shifting to the 5-11 year-old population and providing boosters to adolescents 16-years and older.

Mr. Forehand shared that Inova has invested millions of dollars in personal protective equipment (PPE) to keep its patients, staff, and community members safe. Inova was one of the first health systems in the nation (and first in the region) to implement a COVID-19 vaccine mandate for providers in September, two months ahead of the federal mandate. There has been broad compliance across the system with flu and COVID-19 vaccines.

This policy has resulted in fewer providers reporting infection (COVID 19 and flu) and reduced the number of sick days among staff. Inova has provided some religious and medical exemptions to the policy and will continue to re-evaluate its waiver process. With regards to Inova's 100% vaccine mandate compliance, Ms. Pope and Mr. Forehand shared that the system did not experience a large workforce separation as reported

among other health systems or sectors nationwide: Approximately 0.4%, or 89 staff members, were terminated after failing to meet Inova's vaccine requirement.

Like other health systems, the strain on Inova's workforce continues. The demands of the pandemic – professionally and personally – are contributing to high levels of stress and turnover. Of particular concern is the increase in workplace violence, with more than 1,500 incidents of staff being threatened and/or hurt by those for whom they're treating.

Along with prioritizing safety among its workforce, Inova continues its efforts to ensure its facilities are safe and encourage patients to seek routine health care and important screenings.

Alice Pope, Chief Financial Officer (CFO), continued with an update on Inova's FY 2021 fiscal performance and a presentation of its FY 2022 Fiscal Plan. While some volumes are trailing budget and/or historical levels, most are showing strong month-over-month growth through October 2021.

Emergency room visits have greatly exceeded budgeted volumes. Inpatient and outpatient surgeries, which started more slowly at the beginning of the year, are now increasing. Many surgeries that were once classified inpatient are now performed outpatient or are performed in an inpatient setting but categorized as observation. This shift is especially prevalent among orthopedic surgeries.

Specialty care visits are also over budget, which suggests patients may have deferred care at the beginning of the year but as their conditions worsened the acuity of their care needs required more intense and specialized treatment.

Ms. Pope explained that Relative Value Units (RVUs) are a health-care specific metric that weights the intensity of physician-based services and allows for volume and productivity comparisons across system providers. It was also noted that RVUs are used to determine provider compensation. Inova's acquisition of Fairfax Family Practice has resulted in a boost to its primary care RVUs, but no significant increase has occurred among its specialty care providers.

COVID-19 volumes were high through the first three months of 2021. Although volumes have fallen significantly since Q1, the residual impacts will remain moving forward. Inova is experiencing a slight uptick in hospitalizations so projecting future volumes, given new and emerging variants, are not known. However, Ms. Pope believes that

despite trends in other areas of the country, the Northern Virginia region's high rates of vaccination may moderate any surge in hospitalizations and inpatient admissions.

Excluding 2020, Inova's operating cash flow margins have historically ranged between 12%-13%. 2021's margin decline from historical levels can be attributed to a combination of the following:

- A change in patient volume, mix, and acuity.
- Significant increases in PPE supplies, contract labor, etc.
- Large market wage adjustments for key clinical staff.
- Increases to team member benefits.

Inova currently projects to meet its 2021 cash flow budget of 11.6%. Ms. Pope did state that Inova continues to experience significant challenges around its workforce.

As a human capital-intensive industry, approximately 50-60% of Inova's revenue is reinvested in its workforce to take care of patients. Increasing patient volumes along with rising acuity levels (i.e., patients are sicker) has resulted in Inova paying higher wages and incentives to meet demand.

In addition to labor pressures, Inova is experiencing supply issues. Ms. Pope shared that at the beginning of the pandemic in 2019, Inova was able to procure PPE and other supplies easily. However, supply chain issues are contributing to higher prices for the same goods and equipment in 2021.

Moving into Inova's fiscal plan for 2022, Inova projects expense inflation will far exceed all revenue drivers. Labor pressures will continue to challenge the system for some time with competition for skilled nurses high due to a national nursing shortage and skyrocketing contract labor expenses. Inova projects patient volumes will continue to grow, further contributing to additional staffing pressure. Global supply chain issues will also remain, resulting in inflation and an increase to the system's overall supply costs.

On the development side, Inova's new service line model will work to drive down total operating costs, reduce clinical variation, increase value, strategically grow volume, and protect top-line revenue. Inova will continue to invest in new infrastructure programs, such as system-wide enhancements in security, additional operational IT support capabilities, new continuum of care partnership models, initiatives to alleviate clinical staffing, recruitment, and retention pressures, and enhancements in system-wide

analytics. However, Ms. Pope cautioned that these strategic, physician adds and new programs are expected to yield early losses.

Consequently, Ms. Pope stated that Inova is budgeting for a moderated financial performance in 2022 and an operating cash flow margin of 10.3%. Inova is taking a modest view of growth in terms of hospital admissions, ED visits, surgeries, and deliveries with a continuing shift from inpatient to outpatient surgical care. Inova projects specialty care will continue to increase in 2022.

Inova anticipates ending FY 2021 slightly above budget and attributes this performance to its investment portfolio and associated boost to non-operating income. For 2022, Inova is projecting an operating margin of 2.4% and an operating cash flow margin of 10.3%. Non-operating income is primarily comprised of investment income/dividends, or passive income not related to the day-to-day operations of the health care system.

In December 2020, Inova reported a cash reserve (ending September 2020) of \$5.8 billion. For 2021, Ms. Pope stated its cash reserve is north of \$7 billion (ending September 2021). Ms. Pope stated the increase is a result of market appreciation; Inova has not added any cash to its reserve. There was some discussion about the growth of Inova's reserves given its not-for-profit status. For comparison, Inova's reserves exceed those of the County government.

Inova received a material amount (\$211 million) in CARES funding in 2020 and a smaller amount in 2021. CARES funding is not considered non-operating income. It's categorized as operating revenue. However, the HCAB noted that Inova omitted 2020 from its budget presentation.

Dr. Yarboro requested that Inova provide how much reimbursement Inova received in providing both COVID-19 testing and vaccinations. Ms. Pope said she would follow up with those numbers.

The gross charge rate increase, which appeared in the appendix of the presentation, is proposing a 5% increase for 2022. The HCAB observed that no rationale was provided to support the direction or magnitude of the advertised rate.

Ms. Pope shared that Inova engaged third party consultants to compare its charges to other hospitals as well as projected cost increase factors, including labor, supplies, and pharmaceuticals. Contractual agreements with third party payers also limit the ability of

Inova to increase rate charges. Ms. Pope also observed that Inova has a very generous charity care policy, well above any other health care system in the Commonwealth.

While Inova may have a team of people that advise Inova on what the rate increase may be, HCAB members felt Inova did not delineate the cost factors reasonably connected to the rate increase. A market analysis does not provide a compelling justification, especially for a provider with advantageous market share in the northern region. Furthermore, the HCAB observed that Inova has the ability to negotiate more favorable terms among its third party payers.

With respect to Inova rejoining the individual health insurance marketplace, Mr. Forehand said that Innovation Health is a joint venture between Inova and CVS Health/Aetna. Mr. Forehand stated that regulatory improvements have contributed to the decision to re-enter the marketplace.

Karen Berube, Vice President of Community & Population Health, updated the HCAB on Inova's community benefit schedule. Ms. Berube shared that its IT platform (e.g., Epic) is successfully collecting social determinants of health, which will inform the system's investments in the community. For example, food pantries are now located in all Inova's Cares Clinics.

Ms. Berube also underscored Inova's commitment to providing comprehensive services to the underserved and uninsured members of the community through its Inova Cares Clinics (ICC) for Families, Women, and Children. ICC for Families is a primary care medical home for patients of all ages. ICC for Women provides OB-GYN services and ICC for Children is a pediatric medical home for children ages newborn to 21 years of age. Inova ICCs are located in key underserved areas: Alexandria, Annandale, Manassas, Sterling, Seven Corners, Herndon, Mount Vernon, and Leesburg. The clinics are organized to provide continuity of care regardless of age.

Inova continues to invest in diversifying its providers, including social workers and community health workers and multilingual staff in Amharic, Spanish, Korean, Vietnamese, Punjabi, Urdu, Arabic, and French.

In addition to ICC, Inova's Healthy Plate Club has been a great resource to families. The program transitioned from in person to virtual lessons, resulting in greater parental engagement around food preparation and cooking.

The demand for forensic assessment and consultation services also increased during the pandemic with more victims of human trafficking and sexual abuse. The stress of the pandemic has resulted in greater demand for behavioral health services as well.

Inova improved patients' access to charity care benefits. In 2021, income and residency documentation requirements were reduced from two documents to one. The requirement for established residency in the Commonwealth of Virginia was also reduced from 90 days to 30 days. At all ICCs, residency requirements are completely waived.

The Catastrophic Financial Assistance benefit reduced patient responsibility from the former 30% to the lesser of 15% of either (1) the amounts generally billed or (2) their annual income.

In 2021, Inova processed more than 60 charity care applications per day. Inova's charity care policy includes a 100% write-off of charges for patients earning up to 400% of the Federal Poverty Line (FPL), for both charity patients and under-insured patients that cannot meet their deductible or co-pay. For many insured/under-insured patients with incomes above that amount, Inova will also waive payment for individuals unable to pay remaining co-pays or deductibles.

Inova's Community Health Funding Program invests in partnerships that address population health needs and promote equity, including access to care, chronic conditions, childhood obesity, economic stability, language barriers, and mental health. Inova issued \$240,000 in community grants in 2021, double the amount awarded in 2020.

Due to the volatility of the pandemic and changing funding streams (e.g., CARES Act, Medicaid expansion, etc.), Inova decided not to forecast 2022 community benefits for indigent care, instead notating "tbd."

Dr. Trahos moved that the HCAB table further discussion on the memo to the Board of Supervisors regarding its FY 2021 fiscal performance and FY 2022 fiscal plan until January , including the advertised 5% rate increase, until Inova provides additional justification and rationale supporting the change. Bill Finerfrock second motion. The motion passed unanimously.

Community Health Development Division Update

Sharon Arndt, Director, Community Health Development, provided an overview of the division and its scope of work. The Division, formerly known as the Community Health Development & Preparedness Division was established in 2010 with five positions to enhance FCHD's overall capacity to anticipate and respond effectively to rapidly evolving and complex public health issues. In FY 2020, the Board of Supervisors added four Community Health Specialists to the division, but Emergency Preparedness and Response was removed, becoming a distinct office within the agency.

In 2019, Strategic Planning and Accreditation activities were realigned under the Deputy Director for Innovation and Planning. Key positions organized in CHD include the Health Promotion Strategist, Communications Director, Long Term Care Strategic Manager, Partnership Manager, Food Policy Program Manager, Health Planner, and Outreach Manager.

In FY 2021, another eight Community Health Specialists were added to the CHD and existing FCHD resources were reprioritized to establish structure and additional diversity for the Outreach unit. These efforts were formalized in FY 2022 with the Outreach and Engagement Unit.

Additional realignments were made to incorporate the Health and Human Services (HHS)-Office of Minority Health (OMH) grant team into the unit. The HCAB will receive a presentation on the grant team/Stronger2 program in January. Based on the HCAB's recommendation, an outreach worker will accompany Anthony Mingo, the Outreach and Engagement Unit Manager, to provide a "day in the life" of how community partners are engaged, and relationships are developed.

CHD acts as a communication, knowledge, and capacity bridge between FCHD and the people who live, work, play and pray in the Fairfax Health District. Key functions include engaging and educating FCHD staff, governmental partners, and community stakeholders to collaboratively address health challenges. CHD also prepares the department and the community to work together to respond to public health issues through planning, performance management, education, and health promotion activities.

Sharon Arndt will provide additional information on the Department of Family Services and Neighborhood and Community Services programming in response to a question regarding seniors experiencing social isolation.

FY 2022 Fairfax County Legislative Program

On December 7, the Board of Supervisors adopted its 2022 Fairfax County Legislative Program, which includes the Human Services Issue Paper and the County's 117th Congress Federal Legislative Strategy and Principles. Based on the request of the HCAB and its sister BACs (Commission on Aging and Long-Term Care Coordinating Council), the BOS included a position recommending minimum staffing standards for nursing homes as well as an increase in Medicaid reimbursement for skilled nursing care.

Other Business. Given the uncertainty around the Omicron variant, the HCAB will continue to meet electronically during the winter months.

There being no further business, the meeting adjourned at 9:54 pm.