

Health System 100 Coronavirus Task Force Executive Summary Call #7 - Coronavirus Phase II: Recovery vs. Resurgence

April 30, 2020

Through complimentary **Health System 100** Coronavirus Task Force conference calls, we offer **best practices** on managing the Coronavirus outbreak - both short and long-term - from top experts and providers on the front lines.

Contributors:

- **Justin Lessler**, PhD, Assoc. Professor, Epidemiology, Johns Hopkins Bloomberg School of Public Health
- **Michael Mina**, MD, PhD, Asst. Professor Epidemiology, Harvard TH Chan School of Public Health
- **Dan Liljenquist**, CSO, Intermountain Healthcare (Utah)
- **Kreg Gruber**, CEO, Beacon Health (Indiana)
- **Cliff Robertson**, CEO, CHI Health (Nebraska)
- **Tina Mycroft**, CFO, EvergreenHealth (Washington)

Overview

The Coronavirus pandemic has evolved into a study in contrasts between what epidemiologists suggest will likely happen as states lift sanctions, and what health system executives are seeing as a dire need to bring state economies, including healthcare businesses, back online quickly.

Epidemiologists Warn of a False Sense of Security

Two epidemiologists offered a sobering account of the virus and its potential. **Justin Lessler** (Johns Hopkins) says the current case count of one million is grossly misrepresented and believes the actual count is likely greater than ten million (based on Johns Hopkins modeling of a death rate at .5%). Lessler says untested and asymptomatic cases account for most of that shortfall. **Michael Mina** (Harvard), who attributes the flattening of cases in most of the country to stringent shelter-in-place measures, warns that lifting those measures too soon could lead to massive low-level transmission that would be “explosive”. If social distancing is not handled responsibly, Mina warned, hospitals would likely see a five-fold spike in COVID-19 cases by late summer – even in areas that did not see large initial surges. Both Mina and Lessler also cautioned against a false sense of optimism: considering that testing and tracing are not yet at adequate levels and that a vaccine – although physically possible by January 2021 – is unlikely until the middle of next year.

Health Systems Moving Ahead with Cautious Optimism

Hospitals everywhere are starting to bring back elective procedures – albeit in measured doses. **Cliff Robertson** (CHI Health) says electives in the Omaha region will be back at 25% of the system’s normal rate this Monday, May 4. For a system that barely used 35% of its reserved ICU capacity, the surge was somewhat insignificant, and Robertson says the state is very anxious to resume activities. All the same,

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CHI Health has put in place 72-hour pre-operative COVID testing to ensure the safety of patients and staff. **Dan Liljenquist** (Intermountain) recounts a similar sentiment in Utah: they waited for a surge that never came. As Utah reopens, which Liljenquist supports in the interest of restarting an economy straining under increased Medicaid enrollment, there's "enormous trepidation" and health systems are very nervous. **Kreg Gruber** (Beacon) is also in the category of never-saw-a-surge. The system isn't expecting a second surge, yet it's taking precautions all the same on PPE and currently is building a 196-day advance inventory of masks.

Permanent Changes to the Healthcare System

A consensus among leaders is that COVID-19 has triggered changes to the healthcare system that are here to stay. **Cliff Robertson** called it a seminal moment that will affect health systems over the long term. In particular, he thinks health systems will begin sourcing PPE supplies domestically instead of just-in-time overseas sourcing and says the costs are already proving to be comparable. **Tina Mycroft** (Evergreen) believes the pandemic has galvanized two key stakeholders in the battle to advance telehealth, physicians, and payers, as both now recognize the value of virtual care. Practice transformation – or the shift from inpatient to outpatient care – is also likely to be accelerated, according to **Kreg Gruber**, who thinks many systems will question the wisdom of adding more bricks and mortar. **Dan Liljenquist** foresees more movement on the part of providers into risk-based care delivery, or what he refers to as getting "prepaid" for care in the same manner as a health plan. He also thinks risk-based payers will be incentivized to advance more telehealth.

Serious Financial Hardships

As health systems seek out lifelines to stay afloat in the coming months – including federal and commercial bridge loans as well as lines of credit – one growing concern is their indebtedness down the road. **Tina Mycroft** says in 9 to 12 months, a lot of systems will have the debts come to term, which will be hard for many to manage and will likely create distressed assets on the market and drive M&A opportunities. **Kreg Gruber** says Beacon is already thinking in those terms and is looking for opportunities to grow and expand.

2020 Conferences

[Health System 100](#)
October 11 – 14, 2020
The Phoenician, AZ

[HI²](#)
November 1 – 2, 2020 **(NEW DATES)**
The Westin Chicago North