



Dear LTC QIP Participant:

As you are aware, that pursuant to a DHCS directive, you will be eligible for a 10% increase in your per diem rate for Long Term Care, effective from March 1, 2020, to last until the end of the COVID-19 pandemic. The purpose of this supplemental payment is to provide extra resources to enact CDC and CDPH recommended measures to prevent the introduction of COVID-19 into your facility. Partnership HealthPlan of California (PHC) is very supportive of this goal.

Due to a major decrease in State revenues, DHCS has determined that PHC and other County Organized Health Systems that include LTC as a benefit will not receive supplemental state revenue to cover the 10% increase to LTC. This will have a major negative financial consequence on PHC's 2019-2020 and 2020-2021 budgets, and will necessitate us utilizing reserves in the coming year to meet our obligations.

For this reason, PHC will suspend its LTC QIP program, effective no later than August 31, 2020. This letter serves as 60 day notice of the suspension of the program. Additional details about how the measure calculations will be done and the funding formula will be sent out in a separate future communication. Of note, the funding available for the LTC QIP may be affected by the funding cuts planned by the State of California, according to the direction of our Board of Commissioners.

PHC has proudly offered the LTC QIP since 2016. PHC strongly believes in investing in the improvement in quality at LTC facilities in our region. We believe that the LTC QIP to be one of the best incentive programs in the country, aimed at LTC facilities.

When the 10% supplemental payments for the pandemic end, PHC will evaluate its financial status, and the Board will consider resuming the LTC QIP. If and when this occurs, the quality measures will be updated and new LOA's will be issued.

Please do not hesitate to reach out to us if you have any questions or concerns.

Handwritten signature of Liz Gibboney in blue ink.

Liz Gibboney
Chief Executive Officer

Handwritten signature of Robert Moore in black ink.

Robert Moore MD MPH
Chief Medical Officer