



August 3, 2021

Renee Mallory, ADH Deputy Director, Public Health Programs
Arkansas Department of Health
4815 West Markham Street
Little Rock, AR 72205

RE: Baptist Health Plan for Increasing COVID Bed Capacity for Adult & Adolescent Patients in Arkansas

Dear Director Mallory,

We greatly appreciate the opportunities we have had to work with you and the ADH team in serving our community during this unprecedented time. The following proposal is in response to Governor Asa Hutchinson’s desire to expand inpatient hospital capacity to serve the growing number of Arkansans requiring hospitalization due to COVID-19.

If ADH accepts this proposal, Baptist Health will increase its staffed beds available to address the COVID-19 needs as follows:

BHMC-Little Rock:	50 additional staffed MEDICAL COVID Beds
BH-Van Buren:	74 additional staffed MEDICAL COVID Beds
BHMC-Little Rock:	12 additional staffed ICU COVID Beds
<u>BH-Fort Smith:</u>	<u>21 additional staffed ICU COVID Beds</u>
Total:	157 additional staffed COVID beds

As we have discussed, demand for nursing and other caregivers has skyrocketed, and there is a significant amount of financial risk associated with securing the staff and other resources needed to support this level of expansion, especially in such short notice and during a time of significant unpredictability. Our understanding is that the Governor is willing to consider the use of funds received under the American Rescue Plan Act of 2021 to help mitigate the risks associated with creating additional capacity to care for Arkansans suffering from COVID-19. We have been working to identify additional resources and believe that for a total of \$37,680,000 (\$4,000/bed x 157 additional staffed COVID beds x 60 days) Baptist Health can commit to quickly securing the nursing, physician, and other staff and supplies necessary to support these additional beds for a period of at least 60 days, with the ability to extend this



period (with sufficient notice) if necessary. In addition, Baptist Health retains the right to bill patient insurance for any services ultimately provided in these additional beds.

For this proposed fee, Baptist Health will operate these additional beds under its current hospital licenses, accepting full responsibility for the management of these additional COVID beds, as well as for the care provided to patients in these beds. Baptist Health will also be fully responsible for identifying, recruiting, and managing all direct and indirect caregivers needed to staff these additional beds, as well as any necessary support staff. Finally, Baptist Health will be responsible for providing all facilities, equipment, ancillary services, and other resources necessary to provide quality care to patients in these additional COVID beds.

As requested, the following is a non-exhaustive list of the resources Baptist Health will insure are available to support the additional beds under this proposal:

- 170+ additional RNs to staff additional COVID beds (assumes a staffing ratio of 5:1 for MEDICAL COVID patients and 2:1 for MEDICAL ICU patients)
- Patient Care Techs and other mid-level caregiver support services
- Nursing Management and oversight for all units
- Respiratory Therapy
- Hospitalist physician coverage
- Pulmonology physician coverage
- Other physician specialty coverage as needed
- Pharmaceutical and Therapeutic management
- Expanded Emergency Room RNs and other caregivers to support higher COVID intake requirements
- Ancillary service support availability (laboratory, diagnostic procedures, physical therapy, etc)
- Intra-hospital transportation staffing and related support
- Environmental services staffing and related support
- Nutrition service staffing and related support
- Security staffing and other related support
- All beds, ventilators, oxygen, and necessary equipment, gases, supplies, etc
- All facilities, maintenance, utilities and related
- All administrative support services including IT, medical records, supply chain, procurement, billing, collection, accounting, compliance, risk management, insurance coverage, legal, etc.
- In total, Baptist Health will add more than 400 caregivers and support staff, in addition to further leveraging existing infrastructure in order to accomplish this expansion.



Baptist Health shares a sense of urgency with you regarding the need for this additional capacity, so Baptist Health is ready to execute this plan immediately. If the State is able to confirm acceptance of this proposal by 08/04/2021 (Wednesday), Baptist Health is confident that at least 60 of these beds will be staffed and available to accept COVID patients no later than 08/13/2021 (Friday), and we project that all beds will be staffed and available to accept COVID patients no later than 08/20/2021 (Friday). We believe there are opportunities to accelerate components of this timeline; however, it is largely dependent on when we have confirmation of funds necessary to move forward with securing the necessary staff. On the contrary, if approval is obtained after the above mentioned date, it will delay the availability of beds and ultimately could result in us losing access to caregivers currently identified as being available.

Finally, if the proposal is accepted, we commit that we will maintain staffing sufficient to operate all of these additional beds for a period of at least 60 days starting 08/09/2021 (Monday). As we discussed, the need to maintain these beds beyond the initial period will largely depend on whether or not the number of active cases continues to rise in Arkansas. Should this unfortunate situation occur, we believe (based on current costs and assumptions) it is likely the additional revenue collected by Baptist Health for insurance claims associated with patients in these additional COVID beds could be sufficient to maintain all or part of the additional beds and related staff for a longer period of time without additional State support; however, due to the unpredictability we have already experienced during this pandemic, we cannot guarantee that to be the case. That said, our mission is to meet the health care needs of the communities we serve, so we are committed to continuing efforts in partnering with the State in serving our community during this unprecedented time and will communicate openly with you regarding care delivery opportunities and challenges we foresee as this pandemic continues to unfold.

Sincerely,

Brent Beaulieu, CFO
Baptist Health