

NHA LEGISLATIVE UPDATE

October 2023

What are the current issues facing Nebraska hospitals?

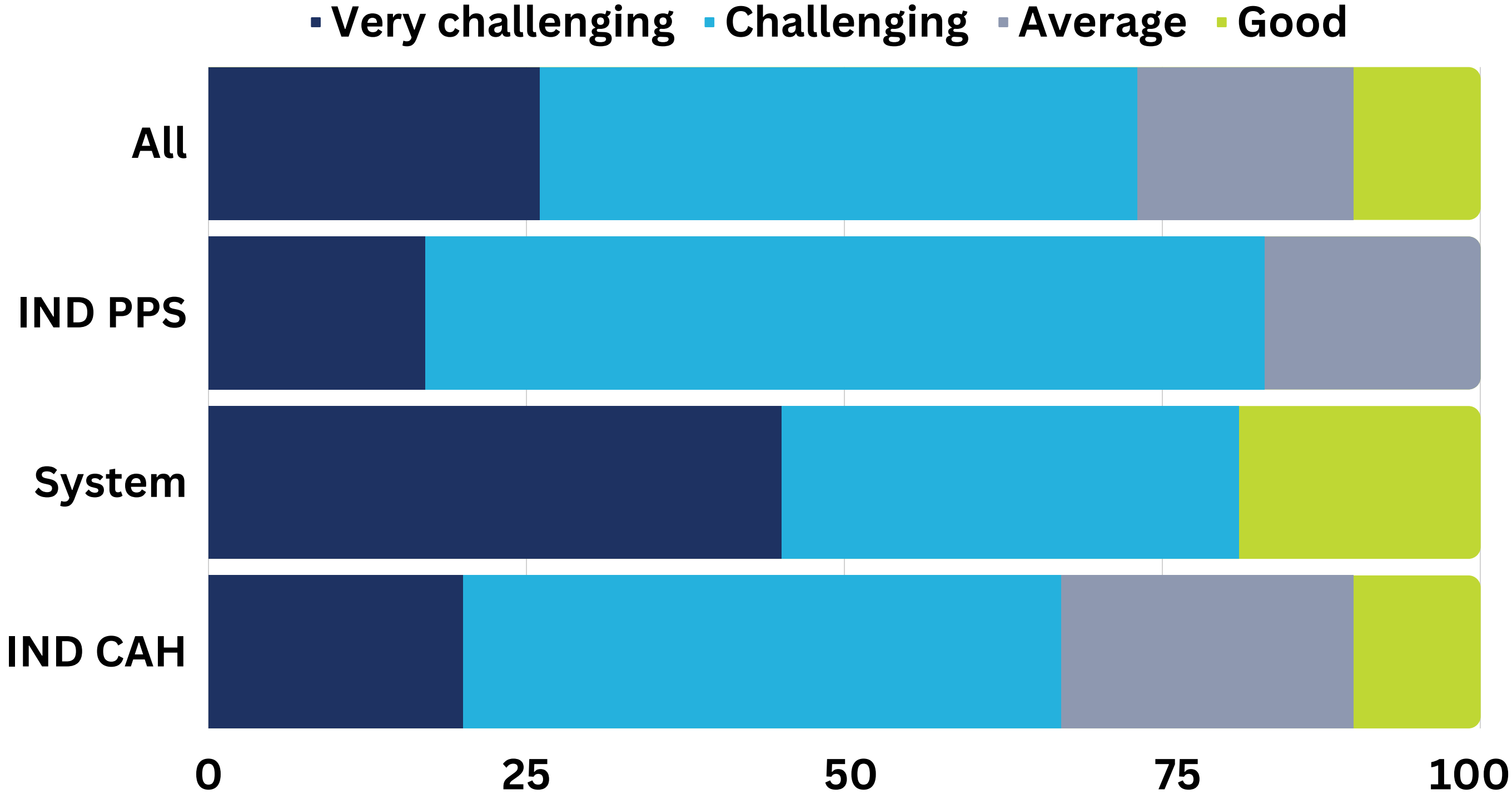
MOST CONCERNING ISSUES FOR CEOs IN 2023

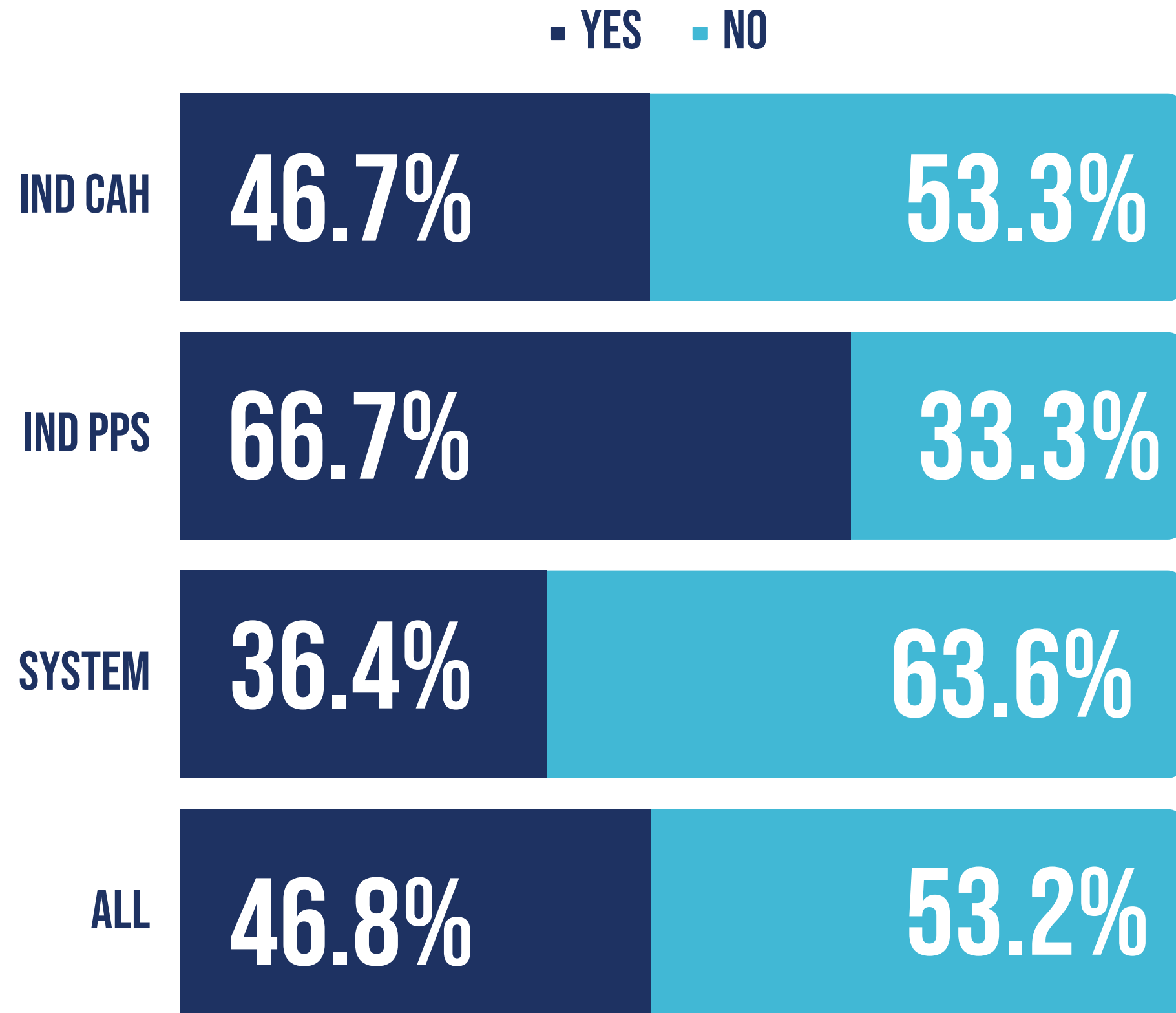
	INDEPENDENT CAHS	INDEPENDENT PPS	SYSTEM
#1	WORKFORCE	FISCAL	WORKFORCE
#2	FISCAL	WORKFORCE	FISCAL
#3	COMMERCIAL INSURANCE/ADMIN BURDEN	GOV'T REGULATORY BURDEN	COMMERCIAL INSURANCE/ADMIN BURDEN
#4	GOV'T REGULATORY BURDEN	COMMERCIAL INSURANCE/ADMIN BURDEN	GOV'T REGULATORY BURDEN

GREATEST WORKFORCE NEEDS BY CATEGORY

	CRITICAL ACCESS HOSPITALS	INDEPENDENT PPS	SYSTEM HOSPITALS
#1	RN	RN	RN
#2	LAB TECH	NURSE AIDE	NURSE AIDE
#3	NURSE AIDE	RADIOLOGY TECH	SURGICAL TECH
#4	RADIOLOGY TECH	PHYSICIANS	LAB TECH

HOW WOULD YOU DESCRIBE YOUR HOSPITAL/SYSTEM'S FINANCIAL CONDITIONS IN THE CURRENT FISCAL YEAR?





**IN THE LAST QUARTER,
DID YOUR HOSPITAL
RUN A NEGATIVE
OPERATING
MARGIN?**

Services Reduced or Eliminated in 2022

Reduced inpatient capacity
Reduced inpatient behavioral health capacity
Reduced hours for outpatient services
Reduced orthopedic care
Reduced rehabilitation services
Reduced home health services
Reduced hospice services
Reduced admission to skilled-nursing care
Reduced nursing home census

Closed inpatient geriatric behavioral health unit
Closed nursing home
Eliminated obstetric services
Eliminated orthopedic services
Eliminated nephrology services
Eliminated hospice services
Eliminated home health services

Growing Burdens from Commercial Payers

- 89% of Nebraska hospitals report their experience working with commercial insurers is getting worse, not better.
- Some commercial insurer policies and practices appear designed to simply create barriers to appropriate payment.
 - Contribute to clinician burnout.
 - Driving up administrative costs for the health care system.
- Prior authorization denials can result in delays of necessary treatment for patients and ultimately lead to unexpected medical bills.
 - Current CMS rules allow Medicare Advantage plans to take up to 14 days to respond.
 - 82% of prior authorization denials were overturned on appeal.

Nebraska hospitals are hurting.

Workforce Crisis.

Historic Inflation.

Post-Acute Placement Bottlenecks.

Growing Commercial Insurance Burdens.

**We need public officials to help
hospitals heal.**

PROVIDER ASSESSMENT & DIRECTED PAYMENT PROGRAM

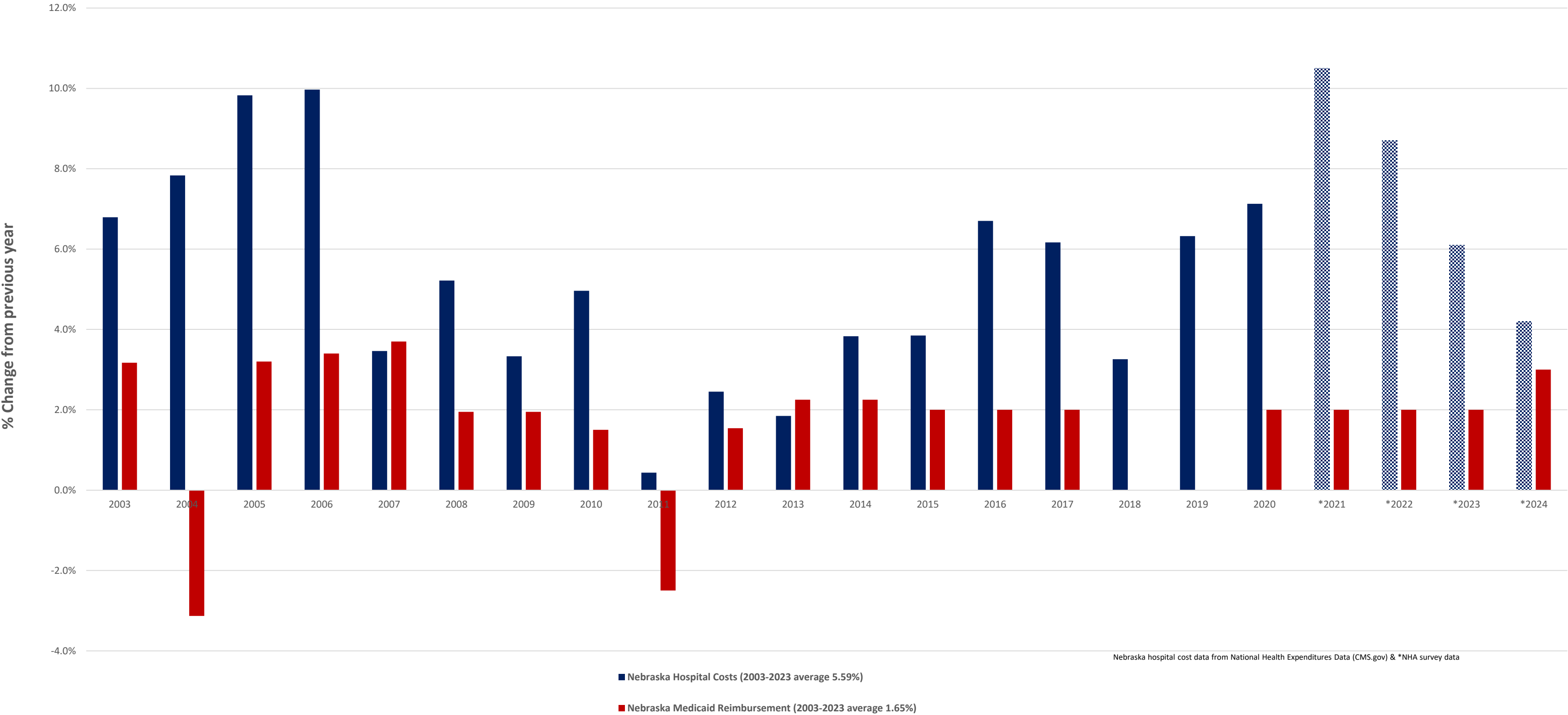
MEDICAID POLICY LANDSCAPE

- Only 1.65% average Medicaid rate increase in last 21 yrs.
- Aggregate Medicaid losses have increased 60% since 2019, to \$360M.
- Medicaid is basically with state aid to schools as largest state budget item at \$1B in state funds.
- Potential state revenue challenges. \$6B in tax cuts over 6 years.

MEDICAID PROVIDER RATE HISTORY



Nebraska Hospital Costs v. Medicaid Reimbursement



NHA POLICY GOALS

- 41.3% of Nebraska hospitals ran a negative operating margin in the last quarter.
- Improve operating margins by reducing Medicaid losses to preserve health care services across Nebraska.
- Partner with state to pursue maximum allowable federal reimbursement for Medicaid.

POTENTIAL RATE INCREASES THROUGH A PROVIDER ASSESSMENT & DIRECTED PAYMENT PROGRAM

- 44 states have a hospital assessment supporting rates.
- \$1 invested by state/assessment is matched about \$2.30 by Fed.
- In 2016, CMS authorized Directed Payments through MCOs and allowed up to average commercial rates.
- NHA Board approved engaging HMA to help us examine a Directed Payment Program with a provider assessment.
- NE has two assessment programs in nursing home rates.

KEY PRINCIPLES

CMS

- No hold harmless on assessments paid.
- Assessment must be uniform and broad-based.
- Increases can be uniform percent increase, min fee schedule, or value-based.
- Must be tied to state's Medicaid quality strategy.

NHA

- Minimize, and hopefully eliminate, net contributors.
- DPP funds would supplement, not supplant, state funds.
- Tigger to eliminate assessment if DPP goes away.

NEXT STEPS

- NHA established the Medicaid Innovation and Rate Stabilization (MIRS) Task Force to advise the NHA Board and work with HMA on program design.
- Working with DHHS/Medicaid and Governor's team.
- Medicaid data request submitted.
- **BEST CASE:**
 - Plan design and state support by end of year.
 - Legislative package early in 2024.
 - CMS approval with effective date of July 1, 2024.



Advocacy is a
team sport.
WE NEED YOU!



NHA | **NEBRASKA
HOSPITALS**



WHAT DOES THE PAC DO?

Support political candidates and elected officials whose philosophies, actions and voting records reflect an understanding and concern for hospital and health care issues.

With the guidance of the NHA PAC Steering Committee, our strongest political advocates are carefully vetted, educated, and their campaigns strengthened through the support of the NHA PAC.

The NHA Advocacy Team uses PAC contributions to strategically build relationships with state and federal elected officials and candidates.

2024 Legislative Elections

Primary: May 14 General: November 5

- U.S. Sens. Fischer & Ricketts are up for re-election
- 25 out of the 49 legislative seats are up for election
- There will a minimum of 15 new legislators elected
- 10 current senators face re-election



2023 PAC Goal is **\$75,000**

Contribute Online

pac.nebraskahospitals.org

Username: nhapac

Password: nhapac1



Contact

Jeremy Nordquist
President
jnordquist@nebraskahospitals.org
402-578-6442

Andy Hale
Vice President of Advocacy & Member Relations
ahale@nebraskahospitals.org
402-742-8146

David Slattery
Senior Director of Advocacy
dslattery@nebraskahospitals.org
402-742-8153

