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Nebraska Hospital Association
The influential voice of Nebraska's hospitals

Meeting with Congressional Delegation Monday, May 8, 2017, 3:00 p.m.

FEDERAL ADVOCACY ISSUES 2017

The Nebraska Hospital Association (NHA) is the influential and unified voice for the Nebraska's hospitals and health systems, providing leadership and resources to enhance the delivery of quality patient care and services to Nebraska communities.

The Affordable Care Act (ACA)

Congress continues to debate measures to repeal and replace parts of the ACA. The current bill, the American Health Care Act (AHCA) (H.R. 1628), would halt the ACA's employer and individual mandates to purchase health coverage and replace the law's means-tested advance premium tax credits and cost-sharing reductions with age-based tax credits that phase out for higher-income individuals. The bill also would end the enhanced Medicaid federal funding for future expansion populations, beginning in 2020, and transition the program to a per capita cap funding model. The package does not restore the hospital market-basket reductions used to help fund the ACA coverage expansions. The non-partisan Congressional Budget Office (CBO) estimated that the bill would result in 24 million fewer people covered in 2026, and a reduction of $839 billion in funding for the Medicaid program over 10 years.

The NHA does not support the AHCA in its current form and continues to urge legislators to protect affordable coverage for as many Americans as possible, particularly the 20 million Americans who have gained coverage, including millions of our most vulnerable citizens — children, the disabled, those with pre-existing conditions and the elderly. There are nearly 90,000 Nebraskans that rely on the ACA for insurance.

CHIP Reauthorization

Medicaid and the Children's Health Insurance Program (CHIP) are responsible for reducing the number of uninsured children to historically low levels. Yet, the future of the CHIP program remains uncertain. Specifically, while CHIP eligibility standards have been extended through 2019, CHIP funding has been extended only through FY 2017. The Medicaid and CHIP Payment and Access Commission has projected that between 1 and 2 million children are at risk for losing coverage if CHIP funding is not extended.

The NHA urges Congress to extend the funding for CHIP to ensure critical health coverage for vulnerable children

Medicare DSH

For several years, CMS has discussed using the cost report's Worksheet S-10 data on hospital charity care and bad debt to determine the amount of uncompensated care each hospital provides, in place of the current DSH formula of Medicaid and Medicare Supplemental Security Income (SSI) days. In the recently issued inpatient prospective payment system (PPS) proposed rule, the agency proposes to, in FY 2018, begin a three-year phase in of incorporating hospitals' Worksheet S-10 data into the methodology for determining uncompensated care DSH payments. It also proposes that, beginning in FY 2018, uncompensated care costs would be defined to include charity care and non-Medicare bad debt. Finally, CMS states that it has developed a process for auditing the S-10 data, but that audited data will not be available for use until FY 2021.

The NHA remains concerned about CMS's proposal to use the Worksheet S-10 data without taking sufficient action to ensure the accuracy, consistency and completeness of these data prior to their use. The NHA will continue to advocate that the agency adopt these changes, as well as a broad definition of uncompensated care that includes Medicaid shortfalls and discounts to the uninsured.

Behavioral Health

Repealing and replacing the ACA could jeopardize access to behavioral health treatment for millions of people. But, even if the ACA is preserved, the NHA is concerned about persistent gaps in access to behavioral health services; the shortage of mental health professionals in many communities; the urgent need to address opioid addiction and its repercussions; and the need to truly establish parity for mental health care.

The NHA urges Congress to protect behavioral health coverage; improve access to services, including by increasing funding and addressing workforce shortages; promote policies that better integrate mental and physical health; and support better information exchange. Additionally, NHA supports removing barriers to mental health treatment, such as amending the Medicaid Institution for Mental Disease exclusion, eliminating the Medicare 190-day lifetime limit on inpatient psychiatric treatment, and providing funding to implement the Comprehensive Addiction and Recovery Act to help stop the opioid crisis in America.

Medicare Rural Payment Extensions

Medicare rules include a number of important payment policies that ensure financial stability for hospitals that primarily treat Medicare patients, account for low patient volumes, and address the high costs of providing ambulance services in rural areas. Without legislative action, these programs will expire in 2017:

- Medicare-dependent hospitals (MDH) (expires Sept. 30);
- Enhanced low-volume adjustment (expires Sept. 30); and
- Increased payments for ground ambulance services (expires Dec. 31)

The NHA urges Congress to make these important programs permanent and extend regulatory relief by passing the Rural Hospital Access Act (S. 872/H.R. 1955) and the Medicare Ambulance Access, Fraud Prevention and Reform Act.

CAH Payment Policies

Some policymakers are calling for dramatic reductions to the critical access hospital (CAH) program, including the elimination of CAH designation based on mileage between CAHs and other hospitals, and removal of CAH "necessary provider" exemptions from the distance requirement.

The NHA urges Congress to reject misguided proposals to change the CAH program. In addition, NHA encourages the Administration to finalize a provision directing Medicare auditors not to enforce the physician certification piece of the 96-hour Rule as a condition of payment.

340B Drug Pricing Program

The 340B program has provided assistance to safety-net hospitals for the last 25 years by allowing them to stretch limited federal resources to reduce the price of outpatient pharmaceuticals for patients and expand health services. It requires pharmaceutical manufacturers participating in Medicaid to sell many outpatient drugs at discounted prices to health care organizations that care for large numbers of uninsured and low-income patients. Eligible hospitals use 340B savings to provide, among other services, local access to drugs and treatments for cancer patients, clinical pharmacy services, community outreach programs, free vaccinations and transportation to patients for follow-up appointments. However, some policymakers and stakeholders want to scale back the program or significantly reduce its benefits.

The NHA urges Congress to oppose cuts to the 340B program and will work with the Health Resources and Services Administration (HRSA) to protect patient access to the program

Physician-owned Hospitals

Some members of Congress propose eliminating Medicare's prohibition on physician self-referral to new physician-owned hospitals and restrictions on the growth of existing hospitals. Legislation now before Congress (H.R. 1156) would allow many more physician-owned hospitals to open and permit unfettered growth of existing physician-owned hospitals. If enacted, the bill would lead to cherry-picking of healthier, better-insured patients and jeopardize access to critical services in many communities.

The NHA urges Congress to oppose H.R. 1556 and maintain current law by preserving the ban on physician self-referral to new physician-owned hospitals and retain restrictions on the growth of existing physician-owned hospitals

Telehealth

The use of telehealth has grown in recent years, to the point where more than half of U.S. hospitals connect with patients and consulting practitioners through the use of video and other technology. However, coverage, payment and other policy issues prevent full use of telehealth, including remote

patient monitoring and other technologies. Medicare policy is particularly challenging, as it limits the geographic and practice settings where beneficiaries may receive services, as well as the types of

services that may be provided via telehealth and the types of technology that may be used. Access to broadband services and state-level policy issues, such as licensure, also limit the ability to use telehealth.

The NHA urges Congress to expand Medicare coverage and payment for telehealth and also urges the Administration to include telehealth waivers in all new care models, and adopt a more flexible approach to adding new telehealth services to Medicare.

Medicare Physician Payment (MACRA)

The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) created a new physician payment and performance measurement program that includes incentives for participation in advanced payment models that lead to more integrated, better coordinated care. CMS began limited implementation of the new payment program Jan. 1, 2017.

The NHA urges CMS to continue to implement the new physician payment program in a flexible manner that minimizes unnecessary burden on clinicians. This will include advocating for a reporting option that allows hospital-based clinicians to use their hospital's quality and cost measure results in the Merit-based Incentive Payment System (MIPS). In addition, the NHA will advocate for additional advanced alternative payment models that will reward clinicians who partner with hospitals to reduce cost and improve quality. The NHA also will continue to educate members on the new payment program as implementation continues.

On behalf of the NHA's member hospitals that employ over 42,000 people and provide care to more than 11,000 patients each day in our state, we thank you for your consideration and support as we strive to make our communities healthier by providing accessible, affordable and comprehensive care for each Nebraskan.

If you have any questions or concerns, please contact Andy Hale, Vice President of Advocacy for NHA at ahale@nebraskahospitals.org or (402) 742-8146 or Mike Feagler, Vice President of Finance for NHA at mfeagler@nebraskahospitals.org or (402) 740-8144.