



## KEY ISSUES

# NHA 2021 ADVOCACY DAY

### Medicaid Reimbursement Rates

Hospitals receive reimbursements from the government that are less than the costs incurred by the hospital. The Medicaid Program does not pay hospitals enough to cover the cost incurred by the hospitals caring for those patients. Nebraska hospitals experience negative margins of 17% for Medicaid with Disproportionate Share Hospital (DSH) payment or 27% without DSH payments. Hospitals cannot refuse services to any patient arriving in the emergency department even though the hospital will incur a loss for providing those services.

Currently 53% of Nebraska's Critical Access Hospitals are facing financial stress. Nebraska hospitals lost more than \$640 million due to the shortfalls in Medicare, Medicaid and other public health care programs payments. Without increases in Medicaid reimbursement rates, hospitals will have to make difficult financial decisions affecting services and impacting access to care.

Nebraska hospitals employ over 49,000 Nebraskans creating a demand for an additional 51,000 jobs in Nebraska due to hospitals buying goods and services from local businesses. Nearly 10% of Nebraska's entire workforce either works in or are supported by hospitals. Nebraska hospitals were directly responsible for nearly \$7.4 billion in hospital expenditures including over \$3.5 billion in salaries and benefits. Every dollar spent by a hospital in Nebraska produces another \$1.91 of economic activity.

★ **Please ask your Senator to support increases in Medicaid reimbursement rates for all providers in the biennium budget.**

### 340B

The 340B Program allows certain hospitals to stretch limited federal resources to reduce the price of outpatient pharmaceuticals for patients and expand health services to the communities they serve. Hospitals can achieve average savings from the 340B program of 25% to 50% in pharmaceutical purchases. There are 64 hospitals in Nebraska participating in the 340B program, including 58 of Nebraska's 64 Critical Access Hospitals.

Hospitals use 340B savings to provide free care for uninsured patients, offer free vaccines, provide services in mental health clinics and implement medication management and community health programs. If hospitals are unable to utilize 304B this could mean the difference in whether a Critical Access Hospital stays open. The 340B Program helps these facilities continue to provide care to all patients, regardless of their ability to pay.

★ **Please ask your Senator to protect 340B and to support LB375.**

**For more information, contact:**

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### The Nebraska Student Loan Repayment Program

The Nebraska Student Loan Repayment Program assists rural communities in recruiting and retaining primary care health professionals by offering state matching funds for repayment of health professionals' educational debt. There are 52 applicants on the waiting list with the average wait time of 21 months.

There are substantial gaps in the distribution of health professionals across Nebraska as our hospitals struggle with attracting and retaining physicians, nurses and other healthcare professionals. There are 66 of Nebraska's counties that have been deemed medically underserved. Funding must be provided to the state loan repayment program to assist in the recruitment and retention of health care providers or rural areas will be negatively impacted in the foreseeable future. Rural health incentive programs provide access to health care to over 900,000 Nebraskans living in underserved areas.

★ **Please ask your Senator to support LB421.**

### Crisis Standards of Care Plan

A Crisis Standards of Care Plan was developed last November by the Nebraska Medical Emergency Operations Center (NEMEEOC) with Nebraska hospitals. This provides guidance for the triage and application of services for critically ill patients if a public health emergency creates a demand for critical care resources that outstrip supply. Nebraska was one of 13 states that did not have a state-backed crisis standards of care plan.

LB53 gives clear and consistent guidance for the allocating of scarce healthcare resources during a catastrophic disaster. It provides immunity for health care providers acting in conformance with the plan. Nebraskans need to be assured, regardless of where they live or where they seek care, that the treatment they are receiving is equitable, consistent and fair.

★ **Please ask your Senator to support LB53.**

### Telehealth Pay Parity

Telehealth provides the opportunity for alternative delivery of care and cost-saving opportunities for plans, providers and beneficiaries. Considering the shortage of doctors and practitioners throughout the state, telehealth has been more important in assuring timely and effective delivery of health services, particularly in rural areas during the pandemic.

Nebraska's vulnerable and underserved populations rely on telehealth to safely receive care. The delivery of telehealth services for Medicaid and CHIP beneficiaries rose 2,600% between March and June 2020.

Nebraska needs to provide the same reimbursement for clinically necessary services whether delivered via telehealth or in person by passing pay parity legislation. Providers must be fairly compensated for their time and the infrastructure necessary to build telehealth care programs. Payment parity is needed to ensure that telehealth programs are stable well into the future, especially for specialty services.

★ **Please ask your Senator to support Telehealth Pay Parity specifically asking for support of LB314, LB400 and LB487.**