



The influential voice of Nebraska's hospitals

July 5, 2017
Letter to the Editor
Omaha World Herald

As the influential and unified voice for Nebraska's hospitals and health systems, providing leadership and resources to enhance the delivery of quality patient care, and services to Nebraska communities, the Nebraska Hospital Association (NHA) is pleased to respond to your editorial "Nebraska Must Stop the Churn" printed on June 30, 2017.

The NHA is deeply concerned about the implementation of the Heritage Health program.

Heritage Health is a new health care delivery system that combines Nebraska's physical health, behavioral health, and pharmacy programs into a single comprehensive and coordinated system for Nebraska's Medicaid and CHIP clients. It is designed to improve access to care, enhance health outcomes, and reduce costs by eliminating inappropriate and unnecessary care through the use of preventive services and improved care coordination. The Nebraska Department of Health and Human Services (DHHS) implemented this change on January 1, 2017.

A hearing held with the Legislature's Health and Human Services (HHS) Committee on June 27 proved providers are not being reimbursed timely and accurately by the managed care organizations.

A survey of 30 NHA member hospitals last month found that over 10,000 claims with a value of \$24 million were over 60 days unpaid by the plans. Credentialing, the process by which providers become eligible to provide services to Medicaid beneficiaries, has also been identified as an issue.

Hospitals are economic engines in our state, providing tax revenue for local governments and serving as the largest employer in many communities, significantly contributing to workforce development. Every dollar spent by a rural hospital produces another \$2.29 of economic activity.

The reimbursement problem is also affecting other Nebraska health care providers. The NHA is a member of a newly formed Heritage Health stakeholder group which includes behavioral health, mental health, home health, nursing home and assisted living, and physicians. The total number of unpaid claims from this group when combined with ours is nearly \$27.2 million.

Medicaid provider reimbursement rate cuts and new Medicaid program payment methodologies cutting funding to service providers further restricts access to much needed health care. As is already evident among behavioral health providers, reduced reimbursement rates hinder the ability of physicians to serve the

Medicaid population. Reimbursement provided for the service is actually less than it costs the physician to provide the care. With fewer providers signing up to offer services to Medicaid patients, access to care will decline. Patients will avoid care until more acute conditions develop and then seek assistance at hospital emergency departments. The State will still be providing some reimbursement for the cost of treatment, just at a much higher rate.

Further uncertainty at the federal level, with health care and budget proposals determined to cut billions of dollars from the Medicaid program, only magnify the effects of Nebraska's cuts at home. While the State willingly foregoes millions of dollars in federal health care aid at present, as monies filter to other states, it is not likely those dollars will be available in the coming years.

The Legislature has a responsibility to provide oversight for the programs that spend tax dollars. The NHA asks that Nebraska lawmakers continue to work with the HHS Committee and DHHS to address these issues with the Heritage Health program.

Senator Merv Riepe and the HHS Committee are to be commended for their efforts to improve the new managed care system.

On behalf of our Nebraska hospitals, the more than 40,000 individuals we employ and the more than 11,000 patients cared for each day in our state, I ask that Nebraska's Legislature and DHHS continue to work with the NHA to address the problems occurring in the Heritage Health program.

Sincerely,

A handwritten signature in black ink, reading "Laura J. Redoutey". The signature is written in a cursive, flowing style.

Laura J. Redoutey, FACHE
President

cc: Senator Merv Riepe