

MEDICAID DISPROPORTIONATE SHARE HOSPITAL PROGRAM

Background:

The Affordable Care Act (ACA) reduced funding for the Medicaid disproportionate share hospital (DSH) program, which assists hospitals serving high numbers of Medicaid and uninsured patients, under the assumption that uncompensated care costs would decrease as healthcare coverage increased. Unfortunately, the coverage rates envisioned under the ACA have not been fully realized and Medicaid underpayment continues to pose ongoing financial challenges for hospitals treating our nation's most vulnerable citizens. The DSH funding reductions, which have been delayed on numerous occasions but are now scheduled to begin Oct. 1, 2019, amount to \$4 billion the first year and will grow to \$8 billion in fiscal year 2021. For Ohio, this would mean a statewide loss of over \$1.725 billion over the six years currently slated for reductions. That represents an average reduction in Ohio's Medicaid DSH allotment of approximately 62% each year for six years.

Request:

Virtually all of the hospitals in Northeast Ohio receive DSH payments to address Medicaid underpayment and uncompensated care, making this issue critical to our entire membership. Thank you for signing on to the letter to House leadership encouraging enactment of a two-year delay. Please continue to support any legislative efforts to that effect.

CARE COORDINATION FOR PATIENTS WITH SUBSTANCE USE DISORDERS

Background:

An existing federal regulation, known as 42 CFR Part 2, is intended to protect the privacy of sensitive healthcare information by limiting the use and disclosure of patients' records from certain substance use treatment programs. However, in doing so it hinders the ability of healthcare providers to most effectively care for these patients. As The Center for Health Affairs has heard from its membership, this regulation creates a barrier to coordination of care for patients with substance use disorders by hampering providers' access to patients' complete treatment information. This has become a particularly urgent issue as care providers in the region grapple with the opioid addiction and overdose crisis that is hitting Ohio especially hard.

Request:

While both rule-making and legislative solutions are being considered, The Center for Health Affairs urges members of Congress to support H.R. 2062, the Overdose Prevention and Patient Safety Act. Led by Reps. Earl Blumenauer (D-OR) and Markwayne Mullin (R-OK), it would amend 42 CFR Part 2 to align addiction treatment information with the Health Insurance Portability and Accountability Act's (HIPAA) treatment, payment and healthcare operations policy. This would allow for the sharing of medical records across the full continuum of care in order to ensure fully integrated treatment for those suffering from substance use disorder while at the same time ensuring strong privacy protections under HIPAA.

MEDICARE SITE-NEUTRAL PAYMENTS FOR OFF-CAMPUS HOSPITAL OUTPATIENT DEPARTMENTS

Background:

The Bipartisan Budget Act of 2015 reduced Medicare reimbursement for certain off-campus hospital outpatient departments (HOPDs) by eliminating eligibility for payment under the Hospital Outpatient Prospective Payment System (OPPS). However, in that legislation Congress made a clear distinction between existing HOPDs already billing for services and new HOPDs that would ultimately seek reimbursement following passage of the Act. In 2016 Congress reaffirmed its intent to grandfather certain HOPDs that were under construction at that time in the 21st Century Cures Act. In Cures, Congress made it clear that any facility in the process of being built prior to the passage of the Bipartisan Budget Act of 2015 would not be subject to reimbursement rate cuts applied to newly built HOPDs. However, the Centers for Medicare and Medicaid Services (CMS), in the calendar year 2019 OPPS rules, has misconstrued congressional intent by cutting payments for hospital clinic services in these grandfathered, or excepted, off-campus departments.

Request:

The Center for Health Affairs requests support of H.R. 2552, the Protecting Local Access to Care for Everyone Act. Sponsored by Reps. Derek Kilmer (D-WA) and Elise Stefanik (R-NY), H.R. 2552 is meant to restore the intent of Congress as it pertains to services delivered at off-campus hospital outpatient departments (HOPDs) by requiring the Department of Health and Human Services to specifically prevent payment reductions as intended by Congress.

SURPRISE MEDICAL BILLING

Background:

The issue of surprise medical billing has gained significant attention in recent months and is the subject of considerable policy discussion. While some states have taken action to protect patients from surprise bills, there is gathering momentum to address this issue at the federal level.

Request:

The Center for Health Affairs is aligned with the American Hospital Association and its principles regarding the issue of surprise billing. Specifically, The Center believes:

- It is important to protect patients from unexpected medical bills from an emergency department visit or out-of-network bills incurred at an in-network hospital.
- Any solution must preserve the role of private negotiation between providers and health plans. A fixed payment rate or standard set by the government for out-of-network care would undermine incentives for insurers to contract with providers. This further narrowing of provider networks would hurt patients' ability to access in-network care when scheduling services.
- A solution should not include proposals such as rate-setting or setting a reference or benchmark price, bundling provider bills into the facility fee, or requiring hospitals to be responsible for ensuring that physicians join the same insurance networks.

340B DRUG PRICING PROGRAM

Background:

Section 340B of the Public Health Service Act requires pharmaceutical manufacturers participating in Medicaid to sell outpatient drugs at discounted prices to healthcare organizations that care for many uninsured and low-income patients. Among others, these organizations include children's hospitals, critical access hospitals (CAHs), and public and nonprofit disproportionate share hospitals (DSH) that serve low-income and indigent populations. The program allows participating hospitals to stretch limited federal resources to reduce the price of outpatient pharmaceuticals for patients and expand health services to the patients and communities they serve. CMS has been making substantial changes to reimbursement under the 340B Drug Pricing Program and has implemented a payment cut of nearly 30%, amounting to \$1.6 billion nationwide.

Request:

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. It is vitally important to preserve the 340B program, which is utilized by many hospitals in Northeast Ohio. While this issue is currently the subject of action in the courts, The Center for Health Affairs wishes to emphasize the importance of the program and urge members of Congress to act on any potential future opportunity to preserve it.

For more information on these or other policy issues impacting Northeast Ohio hospitals, contact:
Lisa Anderson, MSN, RN | Senior Vice President, Member Services, The Center for Health Affairs
216.255.3660 | lisa.anderson@chanet.org