MISSOURI HOSPITAL ASSOCIATION

MHA Congressional Briefing

April 2019

Medicaid DSH Allotment Reduction

- Current federal law reduces states' Medicaid DSH allotments effective October 1, 2019.
- Allotment cuts authorized by the ACA — slated to begin in 2014; postponed four times
- Little CMS guidance on details
- MHA did hospital-specific projections; aggregate loss of $146 million
- Advocacy message: Delay the DSH Reductions

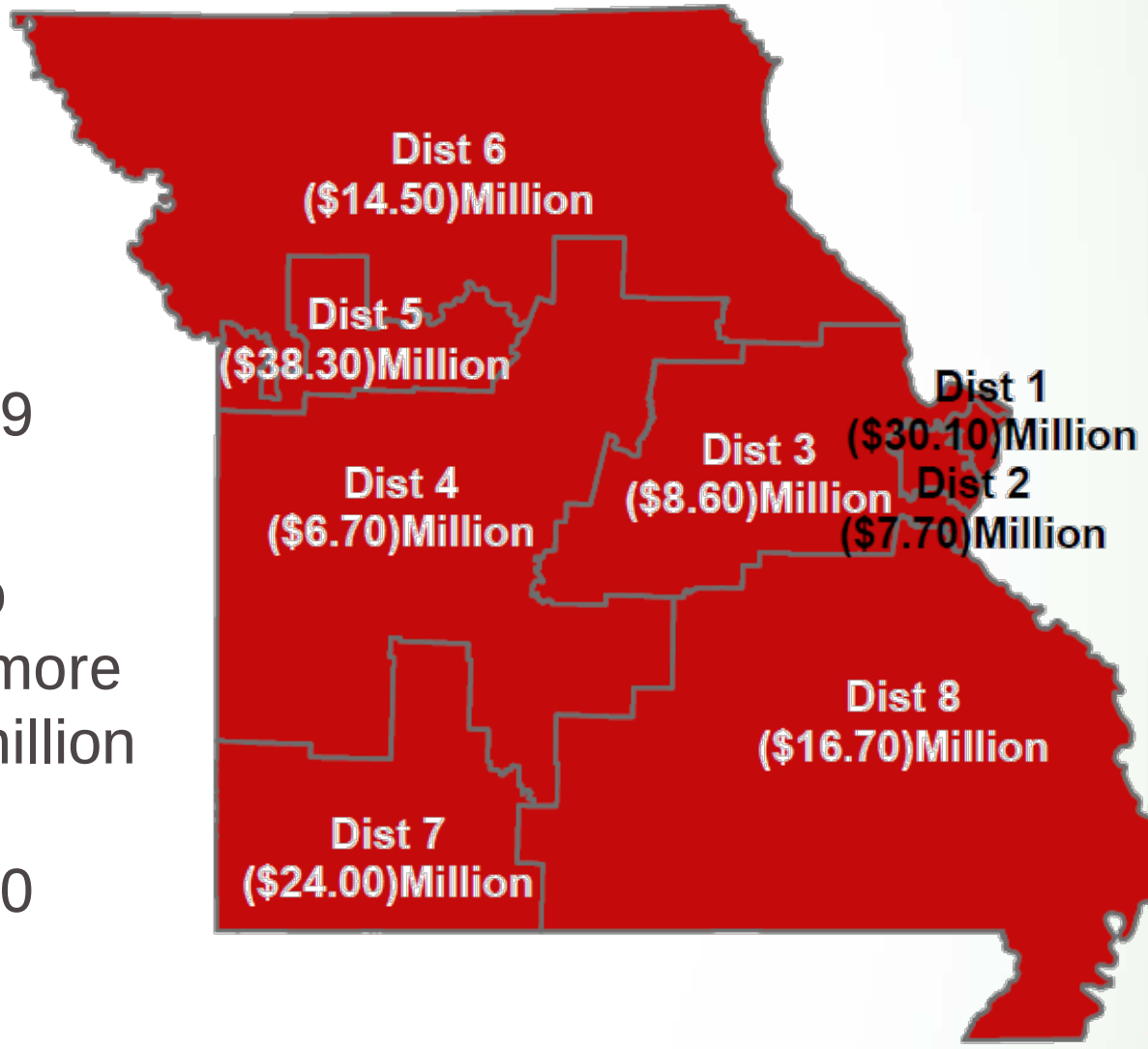
Medicaid DSH Reductions
ACA & Subsequent Legislation

Federal Fiscal Year Ending	Original ACA Law	Bipartisan Budget Act of 2013	H.R. 4203 (4/1/2014)	H.R. 2 (4/15/2015)	Bipartisan Budget Act of 2018 (2-9-2018)
2014	$ 500,000,000				
2015	600,000,000				
2016	600,000,000	$ 1,200,000,000			
2017	1,800,000,000	1,800,000,000	$ 1,800,000,000		
2018	5,000,000,000	5,000,000,000	4,700,000,000	$ 2,000,000,000	
2019	5,600,000,000	5,600,000,000	4,700,000,000	3,000,000,000	
2020	4,000,000,000	4,000,000,000	4,700,000,000	4,000,000,000	$ 4,000,000,000
2021		4,120,000,000	4,800,000,000	5,000,000,000	8,000,000,000
2022		4,243,600,000	5,000,000,000	6,000,000,000	8,000,000,000
2023		4,370,908,000	5,000,000,000	7,000,000,000	8,000,000,000
2024			4,400,000,000	8,000,000,000	8,000,000,000
2025				8,000,000,000	8,000,000,000
	$ 18,100,000,000	$ 30,334,508,000	$ 35,100,000,000	$ 43,000,000,000	$ 44,000,000,000

* The Bipartisan Budget Act of 2013 didn't specify dollar cut for 2021-2023, but instead said DSH payments are to be updated from 2020 level, after 2020 cut, by consumer price index (CPI). Assume 3% CPI impact on 2020 base cuts over following three years.

State and District DSH Reductions

- $146 million reduction beginning October 2019
- Estimated to increase to more than $300 million beginning October 2020



Potential Changes to Medicaid DSH Allotment Distribution

- Congressional interest in revamping the formula for distributing Medicaid DSH among the states
- Some states assert they are disadvantaged. Missouri has a robust DSH allotment to defend.
- MACPAC: Allotments should reflect each state's number of low-income, nonelderly residents.

CMS and "Immediate Jeopardy" Citations

- CMS has issued its new Appendix Q to streamline and improve "immediate jeopardy" standards.
- Sen. Blunt has been instrumental in drawing attention to this issue with CMS and DHSS officials.
- MHA is monitoring the effects of the new CMS standards.

"Surprise Billing"

- Bipartisan congressional interest in "surprise billing" — billing and payment standards for out-of-network practitioners
- Some pending federal proposals are unworkable, i.e., hospitals must tell patients each practitioner's network participation status.
- A 2018 state law addresses many surprise billing concerns without imposing new hospital duties.
- MHA focus is on staving off federal bills that supersede or undermine the state law.

"Surprise Billing"

- National hospital groups have developed a set of advocacy principles, which include:

SUPPORT STATE LAWS THAT WORK. Any public policy solution should take into account the interaction between federal and state laws.

Many states have undertaken efforts to protect patients from surprise billing, but federal action is necessary to protect patients in self-insured employer-sponsored plans regulated under the Employee Retirement Income Security Act, which cover the majority of privately insured individuals. Any federal solution should provide a default to state laws that meet the federal minimum for consumer protections.

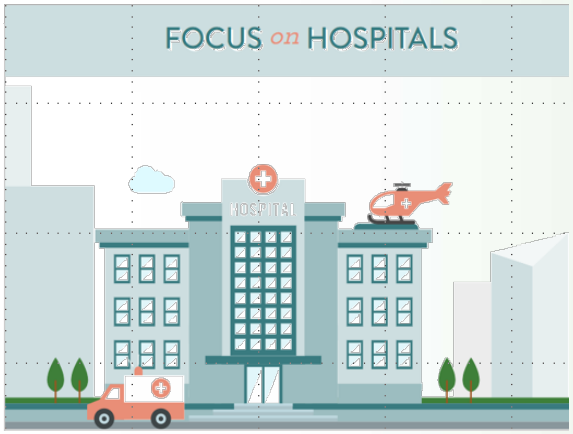
- A handout summarizes the Missouri surprise billing law.

Hospital Price Transparency – Federal Actions

- 2010 – The Affordable Care Act directs hospitals to disclose a list of the hospital's standard charges, including for diagnosis-related groups.
- A 2015 IPPS final rule requires hospitals to either make public a list of or their policies for obtaining their standard charges.
- 2019 IPPS Final Rule – Effective 1/1/19, hospitals must make a list of their current standard charges in a machine readable format available via the internet.

Hospital Price Transparency — State of Missouri Actions

- As of July 2017, state law directs hospitals to make available to the public their charges for the 100 most prevalent DRGs
- Begun in Feb. 2016, the MHA *Focus on Hospitals* website complies with the law.
- State law requires licensed health care providers, facilities and imaging centers to provide a patient with a written estimate within three business days of a request.



INFORMING CONSUMERS. IMPROVING HEALTH CARE.

Participating Hospitals' go-to resource for hospital cost, quality, and community health data...

HOSPITAL NAME -OR- ZIP CODE SEARCH

HOSPITAL DATA		HANNIBAL REGIONAL HOSPITAL	PARTICIPATING HOSPITALS' AVERAGE
Emergency	Level 1	$559	$380
	Level 2	$823	$706
	Level 3	$1,300	$1,391
	Level 4	$4,123	$3,484
	Level 5	$5,887	$6,479

Price Transparency Request for Information

- Contained in the pending proposal regulation on interoperability and HIT matters
- Rule seeks comments through a request for information
- CMS is exploring ways to require public disclosure of negotiated payment rates between providers and insurers.

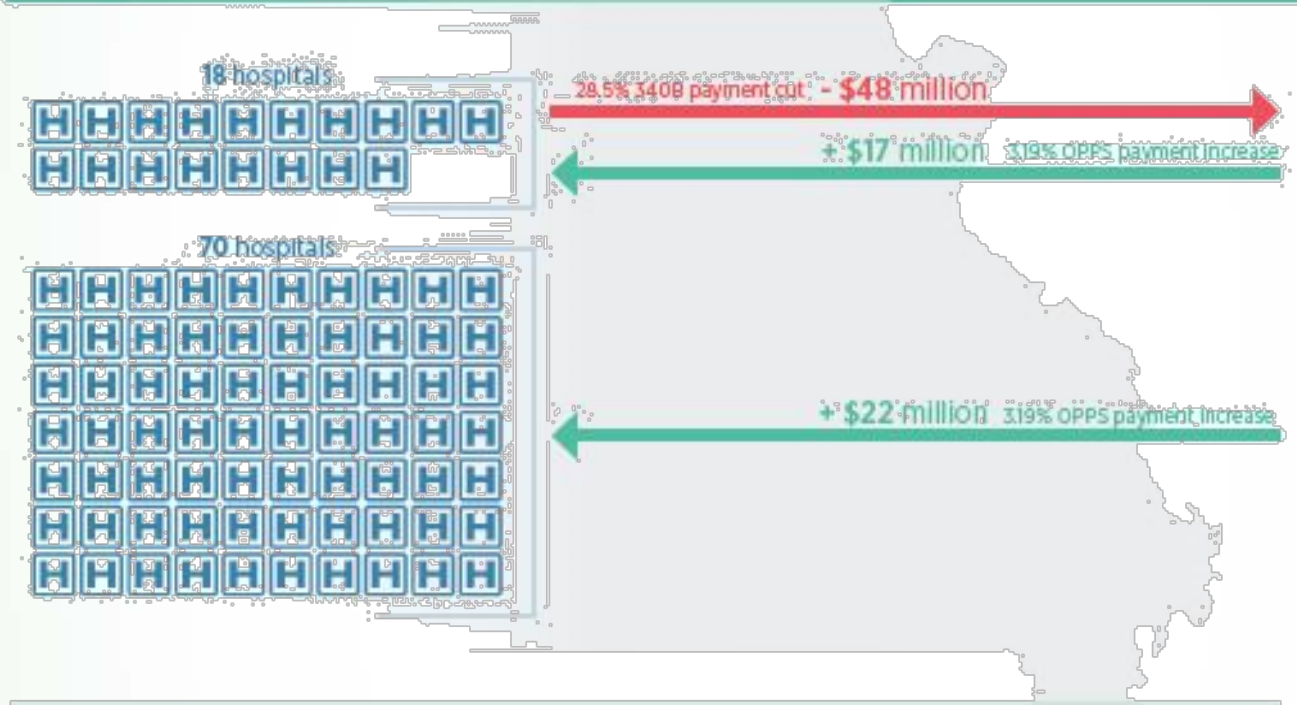
Pressures for Transparency and Accountability within the 340B Program

- AHA-led initiative asks hospitals to demonstrate “good stewardship” of 340B resources.
- Proactive response to pressures for more 340B transparency and accountability

- Half of Missouri 340B hospitals are participating.

340B PAYMENT CUTS - *for 2018*

There are seventy 340B hospitals in Missouri. Rural sole community, critical access, children's and certain cancer hospitals are exempt from the 340B payment reductions.



Redistribution of 340B savings:

- CMS officials indicate the purpose of the 340B payment cut is to decouple 340B from the whims of drug pricing.
- Federal law and regulation require 340B savings be redistributed to all OPPS hospitals.

CMS officials note that with new laws, CMS could target the redistribution of funds to the affected 340B hospitals.

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Further Chipping Away at 340B

- 2019 Medicare OPPS cut payments for 340B drugs in nonexcepted off-campus provider based departments
- Reduced from Average Sales Price +6 percent to Average Sales price -22.5 percent
- The 2018 cuts are being litigated.

Missouri's Approach to Mitigating Workplace Violence Against Staff

Advocacy

- Balanced Surveys
- CMS/OSHA Mission Alignment

Labor/HHS Appropriations Bill Language

Safety in Health Care Facilities — The Committee directs the department to work with the Department of Labor to provide a report to the Committees on Appropriations in the House of Representatives and the Senate 180 days after enactment on how they can collaborate to provide protections and support safe environments for health care workers, patients, families and visitors.

Partnerships

- Governor's Cabinet
- Crisis Intervention Team Councils to support law enforcement engagement
- OSHA Alliance for technical assistance

Practice Changes

- Established definition
- Data collection initiative
- Policy repository
- De-escalation skill building

Workplace Violence Prevention Program Management

Regional workshops – June 2019

Statewide data collection initiative – April 2019

Informational webinar — March 26, 2019

Policy Repository

Comprehensive guidance – July 2019 Policy

HEALING Happens Here

Posters
Digital signage
Table tents
Social media posts

Trauma-aware
De-escalation
Mental Health First Aid
Behavioral Health Summit – April 2019

MHA Reimagine Rural Health Initiative

- Reimagine Rural Health initiative focuses on 10 policy issues from the Governor's Rural Health Summit.
- The 10 issues and related policy proposals are posted on MHA's website.
- Weekly promotions highlight an issue and its policy proposals, targeting a broad coalition and social media.

Supplemental Handouts

- Medicare Payment Issues
- Missouri Hospital Profiles
- Hospital Closures and Voluntary Suspension of License Since 2014
- Opioid Abuse Initiatives
- Workplace Violence Mitigation Efforts
- Reimagine Rural Health

Questions or Comments?