



American Hospital
Association

2011 ANNUAL MEETING ADVOCACY MESSAGES

Your Mission on Capitol Hill:

Tell your hospital's story and emphasize the good your organization does throughout the community.

PLEASE FOCUS ON THE FOLLOWING ISSUES:

AFFORDABLE CARE ACT

Preserve the positive aspects of reform and fix provisions that get in the way of hospitals fulfilling their mission of caring.

MEDICAID

Reject cuts to Medicaid that would erode important coverage protections, hurting low-income Americans and jeopardizing hospitals' ability to provide essential services.

REGULATORY RELIEF

Remove barriers that prevent physicians and hospitals from working more closely together to improve patient care and revise excessive regulations that divert caregivers' focus away from patients.

BUDGET CHALLENGES

The Administration, Congress and others must look beyond traditional provider cuts to find other options for budget savings that can be achieved without harming hospitals' ability to provide care for their communities.



ACA

Protecting Key Provisions; Advocating for Needed Fixes

We're focused on protecting what is good in the law—expanded coverage, insurance reforms that protect consumers and advances in delivery and payment system reform; fixing what is wrong by working with Congress and the regulatory agencies; and revisiting areas that need to be improved.

As with any law of this magnitude, there are areas for improvement. We hope to see the following actions taken in legislation this year:

- **Provide** funding necessary to implement the law.
- **Keep** the ban on physician self-referral intact.
- **Repeal** the Independent Payment Advisory Board (IPAB), particularly its impact on critical access hospitals.
- **Fix** the faulty readmissions policy.
- **Extend** the 340B program to include inpatient settings for all hospitals.
- **Expand** Graduate Medical Education (GME) funding to account for health care workforce shortages.
- **Ensure** hospitals are not penalized twice for hospital-acquired conditions.
- **Revisit** disproportionate share reductions.
- **Enact** meaningful medical liability reform.



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Medicaid

More than 50 million Americans rely on the Medicaid program. As the economy continues to put pressure on state budgets, governors are looking for ways to make significant cuts to the program. Medicaid cannot sustain cuts at the federal level, particularly when cuts are already occurring at the state level. Additionally, we must ensure that states are not harmed by cuts in provider taxes, as proposed by the Administration.

America's hospitals object to Medicaid reductions, which could push many low-income Americans out of Medicaid, thereby increasing the number of uninsured. Removing people from Medicaid does not keep them from getting sick and will deter them from seeking the care they need. Hospitals already provide nearly \$40 billion in uncompensated care.

We should be finding ways to make the Medicaid program more affordable, through better coordination of care for dual-eligibles and those with chronic diseases; through applying ACA reforms such as bundling and value-based purchasing; and promoting generic drugs and cost-sharing approaches that encourage individual responsibility.



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Regulatory Relief

Hospitals want to improve the quality and efficiency of our health care system, but barriers stand in the way of teamwork and care coordination.

Excessive regulations, outdated laws and lack of clear federal guidelines combine to inhibit innovation and collaboration and get in the way of hospitals fulfilling their mission of caring.

- **Clinical Integration** – advocate for changes to confusing antitrust policies and outdated rules and regulations (Stark law, civil money penalty law, anti-kickback law) that are barriers for providers cooperating to improve care delivery.
- **Health Information Technology** – simplify the requirements for “meaningful use” and certification of electronic health records to receive incentive payments, and allow payments to hospitals with multiple campuses utilizing the same provider number.
- **False Claims Act** – address the misuse of the Act by halting aggressive investigations that treat billing errors as fraud.
- **Recovery Audit Contractors** – ensure fair review processes are in place, allow denied inpatient claims to be re-billed as outpatient claims, prevent duplication of government audits and make payment system fixes to avoid billing mistakes. Apply lessons learned from the Medicare RAC program to the Medicaid RACs.



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Budget Challenges

Hospitals already have made a significant contribution of \$155 billion in reductions as part of health reform, as well as absorbing state budget cuts.

Further reductions could jeopardize patients' access to care. To that end, we will continue to fight impending coding offset reductions. And while we support a permanent fix to Medicare physician payments, it cannot be achieved at the expense of our nation's hospitals.

Additionally, any further reductions to hospitals through the annual appropriations process must be handled carefully. For example, graduate medical education (GME) is an investment in our nation's future workforce, and GME funding for children's hospitals is vital and must be restored. Funding for rural programs, workforce and nursing also are at risk. America's hospitals are always ready to talk about real reforms that improve the delivery system and allow for better care for patients, but we cannot absorb further cuts to federal programs, which already pay less than the costs of providing services.

We urge lawmakers to look outside the hospital and health care sector for new ideas that could achieve budget savings. Hospitals will continue to be part of the dialogue to offer solutions and support real reforms, such as creating a better alternative to our current liability system, junk food taxes, increased beneficiary cost-sharing, tax cap on employer-provided health insurance benefits and adjusting the retirement age.



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