The Value of AHA Membership for Children's Hospitals

Children's hospitals play a critical role in the nation's health care delivery system by enhancing the continuum of care, providing specialized care for children and training the majority of the nation's pediatricians.

Below are just some of the ways AHA is:

- *Working for children's hospitals;*
- *Engaging children's hospital leaders; and*
- *Providing key resources.*

Working for Children's Hospitals

Inadequate Medicaid payment, duplicative or conflicting rules, unworkable timelines – all of these pressures increase the burden on children's hospitals and draw much-needed resources away from patient care. AHA has repeatedly demonstrated the need for securing fair Medicaid reimbursement, streamlined regulations, common sense rules and manageable timelines, as outlined below.

- **Delayed Medicaid Disproportionate Share Hospital (DSH) Program Cuts.** The Medicaid DSH program helps children's hospitals serving low-income and uninsured populations shoulder the financial burden of providing care to these populations. The ACA cuts to the Medicaid DSH program were intended to coincide with increases in health care coverage. However, the 2012 Supreme Court decision on the Affordable Care Act's (ACA's) Medicaid expansion has changed that trajectory, resulting in fewer covered individuals. According to recent projections, the ACA will expand coverage to 24 million – rather than the originally projected 32 million – individuals. In 2014, hospitals provided $43 billion in uncompensated care, underscoring the importance of supplemental programs like Medicaid DSH. AHA has been successful in delaying for three years the start of Medicaid DSH cuts. The Medicare and CHIP Reauthorization Act (MACRA) of 2015 eliminates the Medicaid DSH cuts in fiscal year (FY) 2017 and lowers the Medicaid DSH cuts in current law in FYs 2018 through 2025.
- **Led Efforts for Extension of the Children's Health Insurance Program (CHIP).** The ACA envisioned that CHIP would no longer be necessary because of Medicaid expansion and the subsidized family coverage in the Health Insurance Marketplaces. CHIP eligibility standards were extended by the ACA through 2019 to transition CHIP beneficiaries to either Medicaid or subsidized coverage through the Marketplaces. The ACA, however, did not extend CHIP funding, and it was set to expire on Oct. 1, 2015. While state CHIP programs have some funding cushion, it was expected that, beginning in FY 2016, most state CHIP allotment funds would be exhausted. AHA supported the two-year extension of funding for CHIP – through Sept. 30, 2017 – contained in the MACRA. The Medicaid and CHIP Payment and Access Commission estimated that more than 1 million children would lose their health coverage in 2016 if CHIP funding ended.
- **Supported Medicaid Coverage Through Hospital-based Presumptive Eligibility.** The ACA provides hospitals with a new opportunity to help potentially eligible Medicaid patients gain health coverage by allowing hospitals to temporarily enroll patients into Medicaid coverage with a few pieces of information, such as income and household size, at the point of service. For patients, this provides Medicaid coverage in the hospital as well as after they are discharged. AHA has been actively engaged in educating members on this new opportunity through tools and resources that can be found on AHA's "Get Enrolled!" webpage at *www.aha.org/getenrolled*. AHA also has been actively working with member hospitals and state associations to address implementation issues with the Centers for Medicare & Medicaid Services (CMS). At AHA's request, CMS issued a clarification that allows hospitals to continue to use service vendors to assist them in making Medicaid presumptive eligibility determinations.
- **Educating Stakeholders on Insurer Consolidation.** AHA is working to ensure that the proposed acquisitions involving four of the five major national insurers receive the highest level of scrutiny. AHA has provided analysis to the Department of Justice and testified before Congress numerous times, introducing into the record concrete reasoning why the acquisitions would decrease competition and hurt the marketplace, in addition to working to educate the media and public on the potential consequences for patients and providers.
- **Commented on CMS Proposed Rule on Managed Care for Medicaid and CHIP.** AHA proactively advocated for changes to the Medicaid managed care program, such as the need for health plan medical loss ratio requirements, provider network adequacy standards and strategies for quality improvement. Many of these recommendations were included in CMS's final rule, that is intended to modernize the Medicaid and CHIP managed care regulations. The April 2016 final rule attempts to more closely align Medicaid managed care with Medicare Advantage and private insurance, particularly private insurance sold in the Health Insurance Marketplace. AHA worked with member hospitals with Medicaid health plans in developing comments submitted to CMS in July 2015.

- **Championed 340B Drug Pricing Program.** AHA opposes efforts to scale back or significantly reduce the benefits of the 340B program. Further, AHA supports expanding the program to the inpatient setting, as it would be a "win-win" for taxpayers and hospitals. According to the Congressional Budget Office, expanding the program to cover inpatient services would save the federal government upwards of $1.2 billion over 10 years. In 2015, the Health Resources and Services Administration (HRSA), the federal agency administering the 340B program, released its long-awaited proposed omnibus guidance for the program. AHA remains concerned that the proposed guidance would jeopardize hospitals' ability to serve vulnerable populations, including low-income and uninsured individuals and patients receiving cancer treatments. AHA expressed strong concerns about many of the agency's proposals related to defining patient eligibility for the program, and opposes HRSA's proposal to exclude from 340B pricing outpatient drugs that are reimbursed as part of a bundled Medicaid payment. AHA urged HRSA to revise significantly its proposed guidance to allow hospitals to continue their work advancing the health of individuals and communities, even in the face of the rapidly rising pharmaceutical costs. Among other changes, AHA urged HRSA to withdraw a proposal so that patients receiving infusion services provided at 340B hospitals or their outpatient sites can continue to qualify for 340B drug discount pricing. AHA worked with 340B member hospitals to communicate their concern over the proposed guidance and, as such, HRSA received over 800 comment letters. The final guidance is expected sometime before the end of 2016.
- **Promoted Access to Orphan Drugs.** On another 340B issue, AHA supported HRSA's implementation of the orphan drug exclusion in opposition to the Pharmaceutical Research and Manufacturers of America's (PhRMA's) lawsuit to stop the implementing rule. Unfortunately, the U.S. District Court for the District of Columbia, in the fall of 2015, ruled against HRSA in the lawsuit brought by the PhRMA. The lawsuit challenged HRSA's 2014 interpretative rule that continued to allow hospitals subject to the orphan drug exclusion to purchase orphan drugs through the 340B program when the drugs are not used to treat the rare conditions for which the orphan drug designation was given. AHA had filed two friend-of-the-court briefs in support of HHS, and expressed disappointment with the court ruling because it would deny rural and cancer hospitals access to these 340B discounts and reduce access to critical services and treatments for some of the most vulnerable patients in society.
- **Advocated for Children's Hospitals Graduate Medical Education (CHGME) Funding.** AHA supports fully funding the CHGME program for FY 2017; it was reauthorized in 2014 through FY 2018. Enacted in 1999, the program provides funding to freestanding children's hospitals for direct and indirect expenses associated with operating their medical residency programs, which train 49 percent of general pediatricians, 51 percent of all pediatric specialists and the majority of pediatric researchers.
- **Collaborated with National Organizations.** AHA works closely with many other national organizations to drive positive change in federal policies for children's health – including the Children's Hospital Association, Council of Women's and Infants' Specialty Hospitals, March of Dimes, American Congress of Obstetricians and Gynecologists, American Academy of Pediatrics, National Perinatal Information Center, and the Medicaid and CHIP Payment and Access Commission.
- **Guided the Work of the Coalition to Protect America's Health Care.** The Coalition is a recognized leader in digital advocacy, engaging through social media and online ads a grassroots army of more than one million individuals who communicate directly to Congress about the harm cuts in hospital payments could have on patient care.
- **Provided Resources via the Advocacy Action Center.** This web-based kit provides a set of resources and materials tailored to help hospital executives effectively communicate key messages and explain concerns to legislators, the hospital family and the community at large.

A comprehensive list of AHA's work can be found at www.aha.org/value.

AHA Advocacy Action Kit™

Engaging Children's Hospital Leaders

Children's hospital leaders have a strong voice in the AHA as they help shape key advocacy activities, policy positions and member services.

- **A Role in Governance and Policy-making.** The AHA offers children's hospital leaders many opportunities to take an active role in shaping AHA policies and influencing the direction for the association. Opportunities include AHA's Board of Trustees, Regional Policy Boards, Governing Councils and Committees. In addition, short-term advisory and work groups are an excellent opportunity to weigh in on focused, time-sensitive policy issues.
- **AHA Constituency Section for Maternal and Child Health.** The AHA Constituency Section for Maternal and Child Health has more than 1,900 members from across the country and is composed of executives from general and freestanding specialty hospitals that serve women and children. The section links members with shared interests and missions to advise the AHA on policy and advocacy activities and to discuss issues of great importance to providers offering women and children's services. These efforts are led by the AHA Constituency Section for Maternal and Child Health Governing Council, which meets three times a year.
- **Roundtable for Children's Hospital Executive Leaders.** Small groups of children's hospital member CEOs are invited to meet with their colleagues and AHA's executive team to hear from field experts and provide their guidance to the AHA on pediatric health care issues.
- **Advocacy Alliances.** AHA's Advocacy Alliances, which include the 340B Alliance, provide members with another way to engage on the specific issue or issues that have a direct impact on their ability to continue providing quality health care services in their communities.
- **Member Outreach.** Several times throughout the year, children's hospital member CEOs are individually contacted by AHA staff and/or are invited to participate in small group conference calls to discuss key AHA initiatives.

Providing Key Resources for Children's Hospital Leaders

AHA offers children's hospital leaders myriad tools and resources to support their efforts to improve quality of care for the individuals and communities served.

- **Best Practices for Performance Improvement.** AHA serves as a conduit for health care providers to share best practices that accelerate performance improvement. Best practices and research developed and implemented by children's hospital leaders are presented during interactive conference calls and webinars hosted by the AHA Constituency Section for Maternal and Child Health. Issues discussed have included pediatric accountable care organizations, infant abductions, predictive safety and quality models, pediatric palliative care programs, and model programs for pregnant substance-abusing women.
- **Pregnant Addicted Women.** Early intervention is especially critical during pregnancy as the health and well-being of both mother and baby are at stake. In partnership with the AHA Constituency Section for Psychiatric and Substances Abuse Services, the Constituency Section for Maternal and Child Health sponsored a conference call to showcase two programs, including an innovative approach at Norton Women's and Children's Hospital in Louisville to treat addiction early in pregnancy, as well as their postpartum strategies to assist women and families in maintaining a healthy lifestyle.
- **Strong Start Initiative.** Upon the recommendation of the AHA Constituency Section for Maternal and Child Health members and in collaboration with national health care organizations, the AHA Board of Trustees took a position urging hospitals to eliminate non-medically necessary deliveries prior to 39 weeks gestation. AHA held conference calls featuring hospitals that eliminated early-term, non-medically necessary deliveries and encouraged hospitals without a policy on this issue to learn more. The hospital field's efforts resulted in the reduction in the national rate of maternal early elective deliveries for the fourth year in a row and hit the target rate of less than 5 percent. The national average of 3.4 percent in 2014 was down from a 17 percent rate in 2010.
- **The Joint Commission Perinatal Care Measures.** AHA facilitated member calls with The Joint Commission to learn more about the perinatal care core measure set that became mandatory Jan. 1, 2014 for hospitals with 1,100 or more births per year. In 2016, all hospitals doing births are expected to report on relevant perinatal care measures. Annual calls provide a forum for members to discuss the measures and common concerns.
- **Newborn Screening.** Reports of delays in screening newborns for genetic disorders prompted the AHA to issue a Quality Advisory encouraging all hospitals to examine their policies on newborn screening and communication with their state labs. The AHA participates in a Newborn Screening Quality Improvement Work Group to raise awareness and develop tools for hospitals, including an AHA-sponsored member conference call featuring hospitals with strong newborn screening programs. Since our effort, The Secretary's Advisory Committee on Heritable Disorders in Newborns and Children has taken on issues related to newborn screening timeliness. In addition, the Newborn Screening Reauthorization Act of 2014 includes a provision requiring the Government Accountability Office to assess the issue of timeliness and make appropriate recommendations.
- **Equity of Care.** Addressing disparities is essential for performance excellence and improved community health. AHA issued goals and milestones from the National Call to Action, launched in 2011 to end health care disparities and promote diversity, and encourages hospitals to take the #123forEquity Pledge to eliminate health care disparities. For more, visit *www.equityofcare.org*.
- **AHA Resource Center.** Highly trained information specialists assist members in accessing timely and relevant health services articles and data.