



## 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 the AHA provides value for children's hospitals.*

### Related Resources

[AHA Section for Maternal and Child Health](#)

[AHA Advocacy Alliances](#)

[2015 Members Only Conference Calls & Webcasts](#)

Working for Children's Hospitals

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### 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. The AHA has repeatedly demonstrated the need for securing fair Medicaid reimbursement, streamlined regulations, common sense rules and manageable timelines, as outlined below.*

- **Helped Preserve Health Care Coverage.** The Affordable Care Act (ACA) currently provides financial help to lower- and middle-income individuals purchasing health care coverage through the state or federal Health Insurance Marketplaces in the form of premium tax credits, commonly known as subsidies, and cost-sharing assistance. The ACA's subsidies have made it possible for more than 9 million men, women and children to obtain health care coverage with financial help. But their continued availability was in jeopardy in states that had not set up their own marketplaces. The U.S. Supreme Court in late June ruled 6-3 in favor of the federal government (*King v. Burwell*) by allowing the use of those subsidies for individuals purchasing insurance through the federally-facilitated Marketplace, known as Healthcare.gov. The AHA filed a friend-of-the-court brief supporting the government's interpretation of the ACA's subsidies, emphasizing that the loss of those

subsidies would be a disaster for millions of lower- and middle-income Americans. The brief was filed in collaboration with the Federation of American Hospitals (FAH), the Association of American Medical Colleges and America's Essential Hospitals.

- **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 ACA's Medicaid expansion has changed that trajectory, resulting in fewer covered individuals. According to recent projections, the ACA will expand coverage to 25 million – rather than the originally projected 32 million – individuals. In 2013, hospitals provided \$46 billion in uncompensated care, underscoring the importance of supplemental programs like Medicaid DSH. The AHA has been successful in delaying for three years the start of Medicaid DSH cuts. The recently passed 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 2020.
- **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. The 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](http://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.
- **Urged Courts to Uphold Health Care Provider Rights to Challenge States.** On March 31, 2015, in a [5-4 ruling](#), the Supreme Court held that parties cannot challenge directly in federal court a state's compliance with Section 30(a) of the Medicaid Act, known as the equal access provision, which requires states to reimburse providers at rates sufficient to ensure beneficiaries enjoy the same access to health care as the general population. The AHA and FAH had urged the court to uphold the right of health care providers to take states to court when they fail to live up to their payment obligations under the Medicaid Act.

“[S]uch suits are crucial to preserving access to the level of care Congress intended Medicaid to provide,” the organizations said in a [friend-of-the-court brief](#). “...In 2012, the cost of providing care to Medicaid beneficiaries exceeded reimbursements by \$13.7 billion, up from \$11.3 billion in 2009. This persistent gap threatens the availability of quality medical care for tens of millions of people.” CMS issued its final rule in Nov, 2014, inviting the public to comment on how it plans to require states to conduct and monitor beneficiary access to services when contemplating provider payment cuts. The AHA is preparing its comments for CMS and urging the agency to explicitly include hospitals in the list of core services the state must review in its access plans before payment rates are cut or restructured.

- **Championed 340B Drug Pricing Program.** The 340B Pricing Program was created by Congress to allow eligible hospital and health systems to stretch limited resources and expand access to care for vulnerable patients. The AHA opposes all efforts to scale back or significantly reduce the benefits of the 340B program.

On Aug. 27, 2014, the Health Resources and Services Administration (HRSA), the federal agency responsible for administering the 340B program, released its long-awaited proposed omnibus guidance,. The AHA, in its letter to HRSA, expressed that the proposed omnibus guidance for the 340B program 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. The 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, the 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.

The AHA also weighed in on legal challenges to the 340B program. The U.S. District Court for the District of Columbia, however, on Oct. 14, 2014 ruled against the Department of Health and Human Services (HHS) in a lawsuit brought by the Pharmaceutical Research and Manufacturers of America. The lawsuit challenged HHS’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. We are disappointed 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. The AHA filed two friend-of-the-court briefs in support of HHS.

For more information on AHA’s Advocacy efforts and how 340B hospitals can get involved go to AHA’s <http://www.aha.org/advocacy-issues/alliances/340b.shtml>.

- **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% of general pediatricians, 51% 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 – 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.
- **Launched Campaign to Promote Role of Hospitals.** AHA initiated a digital campaign to help patients and consumers better understand the evolving role of the nation's hospitals. The website, [www.AdvancingHealthinAmerica.org](http://www.AdvancingHealthinAmerica.org), features a video and other resources showing how hospitals are creating partnerships and programs that reach beyond their walls to improve community health and access to care.
- **Guided the Work of the Coalition to Protect America's Health Care.** The [Coalition](#) is a recognized leader in digital advocacy, forming 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](http://www.aha.org/value).

## Engaging Children's Hospitals Leaders

*Children's hospital leaders have a strong voice in the AHA. They help shape key advocacy activities, policy positions and member services of particular interest to children's hospitals through their active involvement in many forums.*

- **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 the 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.

- **[Children's Hospital Executive Leader Roundtables](#)**: Small groups of children's hospital member CEOs are invited to meet with the AHA's president in Washington to provide their guidance to the AHA on pediatric health care issues.
- **Advocacy Alliances**: The AHA's Advocacy Alliances, which includes 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 the AHA staff and/or are invited to participate in small group conference calls to discuss key AHA initiatives. During the calls, members contribute their perspectives and often receive additional tools and resources to address key challenges shared during the discussions.

## Providing Key Resources for Children's Hospital Leaders

*Membership in the AHA means more than representation on critical regulatory and legislative issues. We offer children's hospital leaders the tools and resources to navigate today's changing landscape of health care delivery and to support the efforts to improve quality of care for the communities served.*

- **Best Practices for Performance Improvement.** The 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.
- **Ebola and Children.** AHA led the effort to secure additional funding for hospitals to address the Ebola crisis as part of the recently enacted \$1.1 trillion spending bill, which provided \$5.4 billion for Ebola treatment and prevention measures in the U.S. and West Africa. Of that amount, nearly \$2.5 billion is designated for the Department of Health and Human Services and the Centers for Disease Control and Prevention to: bolster the readiness of U.S. hospitals, including designated children's hospitals; speed up the development of vaccines; and help monitor airline travelers from Ebola-stricken countries. In January 2015, the AHA Constituency Section for Maternal and Child Health sponsored a conference call, *Ebola and Children: A Conversation with the Centers for Disease Control and Prevention and Children's National Medical Center*.
- **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. The 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 third year in a row and hit the target rate of less than 5%. The national average of 4.6% in 2013 was down from a 17% 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. By 2016, all hospitals doing births will be expected to report on relevant perinatal care measures. Follow-up calls were held in 2014 and early 2015 to discuss common concerns and how well the measures have been implemented.
- **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 Section for Maternal and Child Health sponsored a [member conference call](#) featuring hospitals with strong newborn screening programs and took questions from the field on process improvement and timely testing practices. Work continues as part of a coalition to continue to improve hospital and lab performance.
- **Price Transparency Toolkit.** AHA developed *Achieving Price Transparency for Consumers: A Toolkit for Hospitals* to provide resources for hospitals to assess their current price transparency efforts. It can be found at: [www.ahacommunityconnections.org](http://www.ahacommunityconnections.org). AHA also contributed to a Healthcare Financial Management Association guide, *Understanding Health Care Prices: A Consumer Guide*, to help consumers compare prices among providers and manage their out-of-pocket costs. A copy of the report can be found at: <http://www.hfma.org>.
- **Equity of Care.** AHA's Health Research & Educational Trust (HRET) has been a leader in efforts to eliminate disparities in care and promote workforce diversity. In addition to its 2015 [Equity of Care: A Toolkit for Eliminating Health Care Disparities](#), HRET supports Equity of Care, a joint effort between AHA and other national associations to disseminate key resources.
- **AHA Resource Center:** Highly trained information specialists assist members in accessing timely and relevant health services articles and data.