



American Hospital
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Advocacy Messages

2017 ANNUAL
MEMBERSHIP
MEETING

Your Mission on Capitol Hill:

As the American Health Care Act (AHCA), legislation to repeal and replace parts of the Affordable Care Act (ACA), now moves to the Senate for consideration, we urge Senators to pause and reset the discussion to protect health coverage for as many Americans as possible. In particular, we are concerned that the AHCA, as drafted, would negatively impact coverage for some of our nation's most vulnerable citizens —

older Americans, children, the disabled and those with pre-existing conditions such as cancer and chronic conditions.

*Hospital
Positions on
Reverse →*

As the Senate considers legislation to repeal and replace the ACA, America's hospitals believe that:

- ▶ ***We must maintain coverage for all individuals currently insured.*** According to the CBO, the AHCA would result in 24 million people losing coverage by 2026. The bill would end the ACA's Medicaid expansion in 2020, and its premium tax credits are insufficient to make the cost of coverage affordable for many.
- ▶ ***We must protect those with pre-existing conditions and ensure they can afford meaningful coverage to get the care they need.*** The AHCA would allow states to waive certain insurance rules and consumer protections, particularly those related to essential benefits and community rating. State waivers could allow insurers to set premiums based on individual risk for some consumers, potentially making coverage unaffordable for millions of vulnerable Americans with pre-existing conditions.
- ▶ ***The ACA should not be repealed without a simultaneous replacement guaranteeing adequate coverage.*** If coverage is not maintained, the hospital and health system payment reductions that were used to fund coverage expansion must be restored, so that we have the resources to help care for the increased number of uninsured.
- ▶ ***Medicaid restructuring—in the form of block grants and per capita caps—should not be used as a vehicle to make budget cuts in an already under-funded program.*** CBO estimates the AHCA would cut Medicaid funding by \$839 billion over 10 years. Additional flexibility to the states can be provided through increased use of waivers, provided they are accompanied by safeguards that ensure sufficient funding to ensure adequate coverage for our most vulnerable. Expansion and non-expansion states must be treated equitably.
- ▶ ***Finally, any further Medicare and Medicaid reductions in payments for hospital and health system services should be avoided to ensure that our patients and communities continue to have access to high-quality care.***



STOP

*Tell Your
Legislators
Not to Pursue
These Actions!*

CONGRESS and the Administration continue to look for ways to reduce government spending. With multiple fiscal cliffs approaching—including raising the debt ceiling and funding other priorities such as defense spending, tax reform and infrastructure upgrades—Medicare and Medicaid payments for hospital services could be at risk for reductions.

HOSPITALS and health systems need stable and predictable reimbursement as they continue to transform and improve care. Hospitals offer a lifeline to our nation's most vulnerable populations—the uninsured, the poor, the elderly and the disabled. But mounting cuts, expenses associated with the upgrading of hospital IT systems, and payment penalty programs, among other factors, are threatening our ability to continue to provide the essential services on which patients rely. This comes despite the fact that we are doing our part to control cost growth, reduce spending and make health care more affordable.

America's hospitals urge Congress to reject further cuts to funding for hospital care and to support real solutions that will foster transformation.



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STOP

*We Urge
Congress
to Reject:*

- ▶ Reductions to payments for graduate medical education;
- ▶ Reductions to rural hospital programs, including critical access hospitals;
- ▶ Reductions in payments to hospitals for assistance to low-income Medicare beneficiaries (bad debt);
- ▶ Changes to the 340B Drug Pricing Program;
- ▶ Restrictions on Medicaid provider assessments;
- ▶ Reductions to payments for hospital outpatient care (so-called “site-neutral” cuts);
- ▶ Changes to restrictions on physician self-referral to physician-owned hospitals; and
- ▶ The use of unaudited data to distribute payments to hospitals treating vulnerable communities.



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GO

Tell Your Legislators to Support the Following:

Stabilize the Health Insurance Marketplaces.

The marketplaces continue to face challenges related to plan pricing and participation, putting consumer access to coverage at risk. The AHA has long advocated for measures to stabilize the marketplaces, and we appreciate that the Administration has signaled its commitment to achieve this goal. We urge CMS to monitor implementation of these policies and take swift action to remedy any barriers to coverage or care that may arise.

We remain deeply concerned that the most critical challenge facing the marketplaces today is unresolved: assurance that funding for cost-sharing reductions will be available to insurers. We urge Congress to ensure such funding is available.

Extend Vital Health Programs. The following programs are vital to providing high-quality care and must be extended this fiscal year:

- ▶ Children's Health Insurance Program funding.
- ▶ Critical rural health programs, including the Medicare-dependent Hospital Program, low-volume adjustment and ambulance add-on payment.



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More on Reverse →

Implement Regulatory Relief.

The balance between flexibility in patient care and regulatory burden is at a tipping point. CMS and other agencies released 43 hospital-related proposed and final rules in 2016 alone, comprising almost 23,000 pages of text. In addition to the sheer volume, the scope of change required by the new regulations is outstripping the field's ability to absorb them and diverts time and resources from patient care. Among other actions, we suggest the following to reduce the burdens on hospitals and patients:

- Suspend hospital star ratings;
- Cancel Stage 3 of the “meaningful use” program;
- Suspend electronic clinical quality measure reporting requirements;
- Create a Stark regulatory exception for clinical integration arrangements; and
- Eliminate the “25% Rule” for long-term care hospitals.

Rein In Skyrocketing Drug Prices. The U.S. health care system is facing a prescription drug spending crisis fueled by staggering increases in the price of pharmaceuticals. Dramatic increases in the price of both new and existing drugs threaten to make drug therapies inaccessible to patients and the providers who care for them. We recommend the government take action in the following five areas:

- Reduce the backlog of generic applications to make cheaper generics available sooner;
- Increase competition and transparency as envisioned in the CREATES Act (S.974);
- Implement value-based payment models for drug therapies;
- Improve access to less costly, safe drugs through importation and Medicare rebates; and
- Align incentives toward high value.

Standardize the Hospital Merger Review Process. We urge Congress to pass the SMARTER Act (H.R. 659), which removes a regulatory roadblock to hospital realignment by standardizing the merger review process between the two federal antitrust agencies: the Department of Justice's Antitrust Division and the Federal Trade Commission. Hospitals, in particular, have been adversely impacted by the ability of the FTC to use its own internal administrative process to challenge a transaction.



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