

## Health Care Systems



*There are over 250 health care systems that are members of the AHA and offer a full range of physical and behavioral health services – preventive, primary, trauma, acute, post-acute and palliative care – in rural, suburban and urban communities and in settings including physician offices, community-based wellness centers, respite centers, adult day care centers, long-term acute care hospitals, skilled nursing and rehabilitation facilities, hospices and at home. Some health care*

*systems own or have an equity interest in health plans that are offered to individuals and/or employers in their communities. Health care systems may be community-based or regional or multi-state, investor-owned or not-for-profit, religious or secular – or there may be a mix of ownership models within a health care system. But, ultimately, health care systems are focused on improving the health of individuals in the communities they serve.*

### Working for Health Care Systems

*As the Trump administration and the 115<sup>th</sup> U.S. Congress take shape, AHA will continue to advocate on behalf of all health care systems for high-quality, affordable and accessible health care for all Americans. Recent key advocacy and policy initiatives that AHA worked on are highlighted below.*

- **Protecting Consumers from Insurer Consolidation.** At the urging of AHA and others, the Department of Justice (DOJ) took action to stop the mergers of four of the five largest health insurers. AHA worked to ensure that the proposed acquisitions received the highest level of scrutiny from regulators and Congress and both mergers were successfully stopped although one insurer is still considering an appeal.
- **Monitoring Health Coverage Trends.** AHA is monitoring employer and consumer activity related to cost-shifting to consumers, including through greater use of high deductible health plans; demands for greater transparency; and potential growth in defined contribution coverage models that could move more of the group market to private exchanges.
- **Supporting HOPD.** AHA successfully urged CMS to provide fairer and more equitable payment to hospitals for the services they provide when implementing the Bipartisan Budget Act of 2015, which requires site-neutral payments to be made to new off-campus hospital outpatient departments (HOPDs).
- **Improving ‘Two-midnight’ Policy.** AHA helped persuade CMS to finalize several positive changes to its burdensome two-midnight policy. In addition, AHA successfully challenged through the courts CMS’s interpretation of its 0.2% payment reduction for inpatient services, convincing the agency to restore the resources that hospitals are lawfully due, restoring \$3.1 billion in unjustified cuts.
- **Eliminating ALJ Appeals Backlog.** A federal judge ordered the Department of Health and Human Services (HHS) to eliminate the backlog of Medicare claims appeals pending at the administrative law judge (ALJ) level within four years, granting summary judgement to AHA and three member hospitals in their case challenging HHS for failing to meet statutory deadlines for processing Medicare claims appeals.
- **Removing Roadblocks to Realignment.** The House passed the AHA-supported Standard Mergers and Acquisitions Review Through Equal Rules (SMARTER) Act, which would remove costly and unfair regulatory roadblocks to hospital realignment.

- **Shaping MACRA Implementation.** The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 created a new physician payment and performance measurement system, and AHA is working with CMS to shape implementation by ensuring the regulations make sense, are aligned with other Medicare programs and do not overburden providers. Opportunities remain to further align hospital and clinician performance measurement, and we will work to make that happen. Resources can be found at [www.aha.org/macra](http://www.aha.org/macra).
- **Expanding Access to Medicaid.** AHA continues to support state hospital associations in non-expansion states to make the case for Medicaid expansion. Montana and Louisiana expanded their Medicaid programs in 2016.
- **Fighting Escalating Drug Prices.** As a member of the steering committee of the Campaign for Sustainable Rx Pricing, AHA has raised awareness with legislators, policymakers and the media of how rising prescription drug prices are putting a strain on the entire health care system. Efforts included a survey, with the Federation of American Hospitals, that demonstrated the impact the rise in the price of drugs commonly used in the inpatient setting is having on patients' and hospitals' ability to plan for the future.
- **Supporting Medical Innovation.** The 21<sup>st</sup> Century Cures Act is primarily designed to advance the development of medical treatments and cures through investments in research and updates to how new therapies are developed and approved. The major components of the legislation fund new initiatives at the National Institutes of Health (NIH) and the FDA. Specifically, it authorizes \$4.8 billion for the NIH to fund new initiatives around precision medicine, cancer, neuroscience, and regenerative medicine.
- **Collaborating with National Organizations.** AHA works closely with many other national organizations to drive positive change in federal policies and improve care across the continuum. Liaison relationships are maintained with organizations, including state and local hospital associations, Catholic Hospital Association, the Federation of American Hospitals and America's Essential Hospitals, to name a few.
- **Advocating for Health Care Systems.** The Coalition to Protect America's Health Care is a recognized leader in digital advocacy, forming through social media and online ads a grassroots community of more than 1.1 million individuals who advocate directly with Congress on behalf of patients and hospitals.

### Engaging Health Care System Leaders

*AHA fosters dialogue among health care system executives and offers many opportunities to take an active role in shaping AHA policies and setting direction for the association and the field. System executives may have a formal role in association governance and/or policy formation by serving with other AHA members on AHA's Board of Trustees, Committee on Health Care Strategy and Innovation or one of nine Regional Policy Boards. In addition, executives may participate in/on:*

- **AHA Health Care Systems Council** that leads the AHA Section for Health Care Systems by providing guidance on key policy and advocacy activities of great importance to health care systems and the field to support AHA Board and executive team strategies and deliberations.
- **Health Care Systems Leadership Retreat** that annually brings together health care system CEOs with the AHA Board of Trustees and AHA senior leaders to share unique leadership perspectives, discuss challenges and opportunities confronting the field and make recommendations that will help shape the future of health care.
- **Provider-Sponsored Health Plan Strategic Leadership Group** that guides the policy and advocacy agenda for members with health plans as well as directs the AHA on timely and impactful research and pilots to support these members and the field.
- **Academic Medical Center and Teaching Hospital Strategic Leadership Group** that guides the AHA academic medical center and teaching hospital policy and advocacy agenda and addresses topics including graduate medical education funding and workforce issues.

- **Post-acute Care Systems Strategic Leadership Group** that provides guidance on broad legislative and policy issues related to the continuum of care, with a focus on post-acute care.
- **Leadership Briefings** that provide timely updates on the rapidly changing health care delivery and financing proposals and ask for input from health care system CEOs.
- **Committee on Clinical Leadership** where health care system clinical leaders advise on policy and advocacy issues to advance excellence in patient care.
- **Health Care System Executive Meetings** where small groups of like health care system executives, including general counsel, government relations officers and chief information officers, meet to guide AHA on health care system issues impacting their respective areas.
- **Advocacy Alliances** including the [Advocacy Alliance for Coordinated Care](#), the [Advocacy Alliance for the 340B Drug Pricing Program](#), and the [Advocacy Alliance for Rural Hospitals](#).

## Developing and Offering Key Resources

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*Based on member input, AHA, often in partnership with others, develops and offers resources to support health care systems. Examples include:*

- **Hospital Merger Benefits: Views from Hospital Leaders and Econometric Analysis.** Commissioned by the AHA, this January 2017 report by Charles River Associates analyzed the benefits achieved by hospital mergers.
- **Estimating the Impact of Repealing the Affordable Care Act on Hospitals.** Prepared by Dobson/Davanzo for the AHA and the Federation of America Hospitals, this December 2016 report estimated the financial impact on hospitals of repealing the Affordable Care Act without any implementation of a replacement for the Act.
- **Task Force on Ensuring Access in Vulnerable Communities report.** This November 2016 AHA taskforce report outlines nine emerging strategies that can help preserve access to health care services in vulnerable communities.



*For information about the overall value of membership at AHA, please see*

*<http://www.aha.org/about/membership/value.shtml>. More information on AHA's health care systems can be found at <http://www.aha.org/about/membership/constituency/hcs/hcs-index.shtml>*

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