

September 2, 2021

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Leader McConnell and Leader McCarthy:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) would like to share hospital and health system priorities that would benefit patients and communities around the country that we would like to see included in the upcoming budget reconciliation legislation.

Congress has a unique opportunity to improve health and health care in America with legislation focusing on our nation's human infrastructure. It is imperative that as part of this effort, Congress invests in America's hospitals and health systems to ensure that the nation's health care needs can be met today and into the future. The AHA supports investments in the health care workforce, behavioral health, the accessibility and affordability of health care coverage, emergency preparedness and the health care supply chain, telehealth and cybersecurity, among other priorities that should be included in the upcoming reconciliation package.

Our specific recommendations regarding the budget reconciliation legislation follow.

HEALTH CARE WORKFORCE

A talented, qualified and diverse workforce is at the heart of America's health care infrastructure. Yet COVID-19 has taken a heavy toll on health care teams who have



The Honorable Charles E. Schumer
The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
September 2, 2021
Page 2 of 6

been on the front lines of the pandemic with many suffering from stress, trauma, burnout and increased behavioral health challenges.

Workforce shortages are becoming increasingly dire and affecting hospitals and health systems all over the country even as they continue to care for extremely ill COVID-19 patients of all ages during this fourth COVID-19 surge.

However, the daunting challenge of sustaining the health care workforce predates the COVID-19 pandemic. Recent studies show that America will face a shortage of up to 122,000 physicians by 2032, and will need to hire at least 200,000 nurses per year to meet increased demand and to replace retiring nurses. There also are critical shortages of allied health and behavioral health professionals, especially in vulnerable rural and urban communities. As part of this effort to strengthen the workforce, hospitals and health systems are actively engaged in addressing inequities, reducing disparities and increasing opportunities for diversity and inclusion to strengthen their connection to the communities they serve. These potential workforce shortfalls all contribute to the need for supportive policies to expand and retain America's health care workforce.

The AHA urges Congress to prioritize funding that supports the health care workforce needs of the country, including the following policies:

- Addressing the growing shortage of doctors by expanding medical schools and lifting the cap on Medicare-funded residency positions (Resident Physician Shortage Reduction Act of 2021).
- Expanding nursing schools and training programs (Future Advancement of Academic Nursing Act).
- Expediting the visa authorization process for qualified international nurses to support hospitals facing staffing shortages (Healthcare Workforce Resilience Act).
- Addressing suicide, burnout and behavioral health disorders among health care professionals (Dr. Lorna Breen Health Care Provider Protection Act).

BEHAVIORAL HEALTH

The AHA urges Congress to prioritize funding for the behavioral health needs of the country. Many emergency departments across the country are overcrowded, in part because of longstanding difficulties in placing behavioral health patients. These investments will not only help to stymie the wave of unmet demand for behavioral health services that has been exacerbated by the COVID-19 pandemic, but also improve America's overall health. The AHA supports the following policies:

The Honorable Charles E. Schumer
The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
September 2, 2021
Page 3 of 6

- Addressing shortages of substance use disorder treatment providers by adding 1,000 Medicare-funded training positions in approved residency programs in addiction medicine, addiction psychiatry or pain medicine (Opioid Workforce Act of 2021/Substance Use Disorder Workforce Act of 2021).
- Funding opportunities for behavioral health providers to acquire interoperable electronic health records.
- Repealing the Institutions for Mental Disease (IMD) exclusion.

HEALTH CARE COVERAGE

The AHA supports comprehensive coverage and urges Congress to prioritize funding to expand access to affordable health care coverage. Every day, the caregivers in America's hospitals and health systems see how a lack of coverage stops patients from getting the right care, at the right time, in the right place. The AHA supports:

- Extending provisions to reduce the cost of Marketplace coverage for all subsidy-eligible individuals and families and to expand eligibility for tax credit subsidies to more individuals.
- Providing health care coverage to individuals in states that did not expand Medicaid after expansion of the Affordable Care Act.

PAYMENT AND DELIVERY SYSTEM ISSUES

Health care continues to transition from a system of payment based on the volume of services provided (fee-for-service) to payment based on the value of those services (value-based care and alternative payment models). The AHA supports promoting accountable and innovative care and advancing health equity that best serves patient and provider needs. The AHA supports:

- The Resetting the IMPACT Act (TRIA) to take into account unforeseen changes since the passage of the Improving Medicare Post-Acute Care Transformation Act in 2014, by allowing policymakers to first complete the in-process-collection of patient assessment data required to develop a unified payment model for post-acute care, as well as focus this effort on data that reflect current standard operations of the PAC field.
- Rescinding recent audit determinations denying hospitals a mid-build exception to site-neutral payment under the 21st Century Cures Act. Providers that submitted mid-build exception requests must be excluded from the definition of 'off-campus outpatient department of a provider' in all instances where the Centers for Medicare & Medicaid Services (CMS) failed to timely render a contrary determination as part of a mid-build audit completed on or before Dec. 31, 2018.

The Honorable Charles E. Schumer
The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
September 2, 2021
Page 4 of 6

- Extending hospital-at-home flexibilities permanently to transform the way more providers deliver care, while enhancing the patient experience. The pandemic forced providers to rethink ways to deliver care safely to all patients, while simultaneously responding to surges in COVID-19 cases. Flexibilities provided by CMS permit approved providers to offer safe hospital care to eligible patients in their homes.

PRESCRIPTION DRUG PRICING

The cost of and access to prescription drugs are major concerns for hospitals and health systems. Continued rising drug prices, as well as shortages for many critical medications, are disrupting patient care and straining hospitals' budgets and operations. The AHA is committed to working for action on policies that foster transparency, competition and value while preserving innovation. The AHA supports:

- Providing temporary relief for any hospitals participating in the 340B Drug Pricing Program that had to leave the program due to changes in their patient mix as a result of the COVID-19 pandemic.

EMERGENCY PREPAREDNESS AND THE HEALTH CARE SUPPLY CHAIN

The AHA urges Congress to prioritize investments that are critical to ensuring the long-term sustainability and viability of hospitals. We support increased investments to maintain consistent and continuous access to medical supplies for hospitals and the entire health care system, including the following:

- Providing direct capital investment through grants to hospitals by updating the Hill-Burton Act.
- Restoring advance refunding for tax-exempt bonds and expanding the use of bank-qualified debt.
- Providing funding for hospitals to implement structural improvements to support emergency preparedness and response activities.

TELEHEALTH AND CYBERSECURITY

The AHA urges Congress to prioritize investment in telehealth and cybersecurity to ensure all patients have secure, sustained, equitable access to care using digital and information technologies. Hospitals, health systems and government agencies also require modernized data systems to better identify and respond to issues that affect health equity, racial and ethnic disparities, the quality of health care delivery and public health responses. The AHA supports the following:

The Honorable Charles E. Schumer
The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
September 2, 2021
Page 5 of 6

- Providing funding for the Federal Communications Commission's (FCC) Rural Health Care Program, with specific funding to increase the program subsidy and offset the high upfront costs of "last mile" broadband connections for rural hospitals.
- Expanding the FCC COVID-19 Telehealth Program to provide offsets for hospitals' telehealth infrastructure costs, including those related to telecommunications services, information services and devices (all hospitals should be eligible, regardless of tax status).
- Removing Medicare's limitations on telehealth and appropriately reimbursing hospitals and health systems for providing telehealth services.
 - Eliminating originating and geographic site requirements.
 - Expanding the types of technology that can be used for furnishing telehealth services, including audio-only connections.
 - Allowing hospitals to bill for virtual care they provide.
 - Removing licensing barriers.
- Advancing cybersecurity efforts by developing coordinated national defensive measures, expanding the cybersecurity workforce, disrupting bad actors that target U.S. critical infrastructure and using a "whole of government" approach to increasing consequences for those who commit attacks.

LABOR ISSUES

The AHA opposes changes to the National Labor Relations Act and other labor laws in the United States, including those contained in the Protecting the Right to Organize Act or directives from the Occupational Safety and Health Administration, such as the COVID-19 emergency temporary standard, that could have a significant adverse impact on hospitals and health systems as employers. These types of changes could undermine hospitals' ability to effectively care for patients.

OFFSETS

America's hospitals and health systems are providing essential services to their patients and communities during this pandemic, all while facing their greatest financial crisis. Last year, studies estimated that the hospital field would lose over \$320 billion in 2020, and will lose an additional \$50 billion to \$120 billion in 2021. Additionally, during this fourth COVID-19 surge, hospitals and health systems are continuing to care for extremely ill COVID-19 patients of all ages even as their resources are being stretched to the brink. COVID-19-related expenses are skyrocketing, including for personal protective equipment, pharmaceuticals and safety equipment, maintaining testing and additional screening for every hospital patient.

The Honorable Charles E. Schumer
The Honorable Nancy Pelosi
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
September 2, 2021
Page 6 of 6

In addition, staffing shortages in hospitals have become particularly acute, in turn dramatically increasing personnel costs and demand for 'travelling nurses.' According to Kaufman Hall, so far this year labor expenses per adjusted discharge for hospitals have increased 12.5% compared to 2019 and the average length of stay has increased 6.6%, meaning patients are being treated for longer periods of time and acuity has increased.

As Congress looks for offsets for important reconciliation policies, the AHA urges Congress to avoid consideration of any provider reimbursement cuts that would further strain financial resources for hospitals and health systems.

Thank you for the opportunity to provide recommendations and for your consideration of these issues. The AHA stands ready to discuss any of these proposals in more detail.

Sincerely,

/s/

Stacey Hughes
Executive Vice President