

# HOSPITALS AND THE 116TH CONGRESS

PRESIDENT, KENNETH E. RASKE • 555 WEST 57TH STREET, NEW YORK, NY 10019 • T (212) 246-7100 • F (212) 262-6350 • WWW.GNYHA.ORG

Greater New York Hospital Association (GNYHA) looks forward to working closely with members of the 116th Congress to ensure that our member hospitals and health systems can fulfill their core mission of providing the highest quality patient care.

As the nation's health care delivery system transforms and evolves, GNYHA's member hospitals and health systems remain deeply committed to delivering high-quality care in the most cost-effective way. But many GNYHA members struggle financially, and none can truly transform while under the constant threat of legislative and regulatory proposals that would reduce their already scarce resources.

*GNYHA strongly urges the 116th Congress to reject any and all reimbursement cuts to hospitals. Our financially struggling safety net hospitals simply cannot absorb them, and they would threaten the patient care mission of our entire membership.*

Congress must protect funding for safety net hospitals, address the physician shortage by enhancing graduate medical education (GME) programs, pursue legislative proposals that address the opioid crisis, and ensure any infrastructure legislation helps the hospital community. Congress should also strengthen the Affordable Care Act's (ACA) coverage gains, stabilize ACA marketplaces, and help lower health care costs for consumers.

## GNYHA'S LEGISLATIVE PRIORITIES FOR THE 116TH CONGRESS

### Medicaid DSH Funding

The Medicaid program provides "disproportionate share hospital" (DSH) payments to safety net hospitals that serve a high proportion of Medicaid beneficiaries and uninsured patients. These essential payments help hospitals offset their uncompensated care costs from treating low-income patients. Congress should repeal at least two years of the ACA's Medicaid DSH cuts, which are currently postponed until May 22, 2020. If enacted, the cuts would slash Medicaid DSH funding to New York State hospitals, especially those that care for low-income and underserved communities, by billions of dollars over the next six years.

### Surprise Billing

GNYHA strongly supports ending surprise medical bills, but surprise billing legislation *cannot* include the setting of "benchmark" rates—when a surprise medical bill arises, providers would be paid a standard, benchmark rate based on the median contracted rate in their geographic area. Benchmark rates amount to government rate setting and would seriously weaken hospitals' ability to negotiate fair contracts with for-profit insurers. Additionally, any surprise billing proposal that Congress passes must hold patients harmless from surprise bills and not preempt state laws that already address surprise bills. Finally, Federal surprise billing proposals should adopt a dispute resolution process similar to New York State's successful model. GNYHA believes that New York's model is the best framework for Congress to adopt.

### Site-Neutral Payment Policies

Because hospital outpatient departments (HOPDs) must comply with myriad regulatory requirements, stay open 24/7, and deliver care to underserved populations, they incur significantly higher costs than private physician offices and ambulatory



*GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.*

surgery centers for the same patient care services. But deeply misguided “site-neutral” payment cuts to HOPDs ignore their significantly higher expenses. Congress should reverse the Centers for Medicare & Medicaid Services’ (CMS) recently enacted expansion of site-neutral policies and oppose any proposed future expansions.

### 340B Drug Discount Program

The 340B Drug Discount Program helps many hospitals maintain high-quality patient care in the face of rising drug costs. Hospitals use savings from purchasing discounted drugs under the program to provide free and low-cost prescription drugs and vaccines to uninsured patients, enhance primary care services, offer low-cost mammograms, and many other vital community services. Unfortunately, CMS recently implemented an unlawful 29% cut to Medicare payments for 340B outpatient drugs, and several members of Congress have proposed additional cuts to the program. Congress should reject any policies that diminish the 340B program’s benefit to safety net hospitals.

### Graduate Medical Education (GME)

The United States has a worsening physician shortage—demand is expected to exceed supply by up to 121,000 physicians by 2030. While medical schools have increased enrollment by 30% over the past 15 years, the physician shortage won’t be prevented without an increase in the number of Medicare-reimbursed residency slots for medical students to finish their training. Congress should pass the *Resident Physician Shortage Reduction Act*, which would increase Medicare-reimbursed residency slots by 15,000 over five years. Congress should also reject any funding cuts that target teaching hospitals or GME programs.

### The Opioid Crisis

In order to combat the opioid crisis on all fronts, Congress must address the nationwide shortage of specialty physicians with training in substance abuse disorders. Specifically, Congress should pass the *Opioid Workforce Act*, which would help fund 1,000 additional GME positions in hospitals that have or are in the process of establishing residency programs in addiction medicine, addiction psychiatry, or pain management.

### Hospital Infrastructure and Workforce Development

The health care system is a major part of the nation’s infrastructure and continues to deteriorate. Congress should ensure that any proposed infrastructure legislation addresses hospital access to capital financing, access to health information technology (including telehealth programs), and health care workforce development.

### The ACA

Congress should find ways to strengthen the ACA’s most important achievement: delivering health insurance to 22 million Americans. Congress should support reforms that stabilize the individual marketplace, improve subsidies, and reduce premiums. Congress should also restore funding for the ACA’s cost-sharing reduction (CSR) payments and oppose any changes to the ACA that would harm financially struggling hospitals or state budgets.

### Liver Allocation Reform

New York is one of several states that have long been disadvantaged by a national liver allocation system that prioritizes geography over medical need. This system causes needless deaths and is not in compliance with the National Organ Transplant Act. But in response to a GNYHA-supported lawsuit, in 2018 the regulatory agencies responsible for overseeing liver allocation approved a new, legally compliant and equitable system that is scheduled to go into effect in 2019. GNYHA expects those who oppose this important victory to take the fight to Washington, DC. Congress should ensure that the relevant regulatory agencies are empowered to implement the new and improved guidelines, which will allow for the fair distribution of livers for organ transplantation.