OUR ADVOCACY ACHIEVEMENTS

STOPPING MEDICAID DSH CUTS
Since 2014, America’s Essential Hospitals has convinced bipartisan majorities in Congress to delay more than $9 billion in cuts to Medicaid disproportionate share hospital (DSH) payments, including $5 billion in fiscal years (FYs) 2018 and 2019. But a pending $4 billion reduction in FY 2020 again threatens our hospitals and patients.

In spring 2019, the association supported a “dear colleague” campaign by Reps. Eliot Engel (D-NY) and Pete Olson (R-TX) that drew more than 300 House members’ signatures on a bipartisan letter urging House leaders to delay DSH cuts for two years. We also worked with the House Committee on Energy and Commerce to win that panel’s approval of a bipartisan bill to repeal $16 billion of Medicaid DSH cuts in FYs 2020 through 2022, and we will pursue full congressional passage of this or similar legislation. In another recent accomplishment, we won a delay of the DSH cuts until late December under a short-term government funding measure.

PROTECTING 340B DRUG DISCOUNTS
In 2017, after the association stopped “mega-guidance” to severely limit access to the 340B Drug Pricing Program, federal regulators deeply reduced 2018 Medicare outpatient drug payments to 340B hospitals. The association rallied bipartisan support in Congress against the cuts and demanded that the government reverse course. But the cuts started, and the association and industry partners took legal action. Twice—in December 2018 and July 2019—a federal court ruled the government acted unlawfully, and it permanently enjoined the rule. The government has appealed, and we continue our fight to restore to 340B hospitals the funding the government illegally withheld. We hope for continued positive results as the case progresses.

This win was our second for 340B in the past several years. The Department of Health and Human Services (HHS), spurred by another lawsuit with our industry partners, implemented a long-delayed rule in January 2019 that requires manufacturers to publish ceiling prices for 340B drugs and establishes civil monetary penalties for noncompliance. This final rule brought much-needed manufacturer accountability to the 340B program. The association remains alert for, and ready to respond to, new threats to 340B.

ENSURING ACCESS TO OUTPATIENT SERVICES
In 2018, America’s Essential Hospitals aggressively opposed a Centers for Medicare & Medicaid Services (CMS) decision to expand site-neutral payment cuts to clinic visits at previously excepted hospital outpatient departments. Association staff directly engaged key administration figures, including HHS Secretary Alex Azar and CMS Administrator Seema Verma, and built support on Capitol Hill for a legislative remedy. Our advocacy resulted in a bipartisan House letter to CMS questioning the justification for the proposal and raising concerns about how it might affect hospitals and vulnerable patients. We also filed an amicus brief in an industry lawsuit to overturn the policy. As in our 340B cases, we have seen early legal successes, including a September 2019 U.S. District Court ruling that emphatically favored the hospital plaintiffs and ordered CMS to restore the payments it cut.

DEMANDING RELIABLE HOSPITAL RATINGS
After we raised concerns about the reliability and value to consumers of hospital star ratings, CMS delayed the July 2018 release of new ratings. The association then worked to expose flaws in the ratings methodology and demonstrate how the ratings harm specific types of hospitals. In early 2019, we and our industry partners met with key CMS staff to raise these issues, and we sent a joint follow-up letter. While the agency later published ratings, it also proposed changes to the program that respond to our concerns. We continue to communicate with CMS as the agency grapples with how to update its methodology and improve the fairness of the ratings and parity among hospitals.

PRESERVING MEDICARE DSH
We have worked to preserve Medicare DSH payments for essential hospitals and strongly advocated for a freeze on cuts. A freeze would give Congress time to study the structure, role, and need for Medicare DSH and how the cuts undermine essential hospitals’ important work.
LEADING ON SOCIAL DETERMINANTS OF HEALTH
The association has effectively led conversations on social determinants of health (SDOH) and how payment models can account for these factors. We have engaged key leaders at the Center for Medicare and Medicaid Innovation (CMMI) in an ongoing dialogue about this issue and their developing plans for a demonstration project to pay providers directly for SDOH work. In our contacts with the agency, we have emphasized our members’ mission and the social determinants prevalent in their communities, such as food insecurity and housing instability.

FOSTERING INNOVATION IN MEDICAID DELIVERY
America’s Essential Hospitals helps its members assess and participate in waivers and other evolving opportunities to foster Medicaid innovation. We advocate a leading role for essential hospitals as states work with managed care plans to tackle SDOH, leverage accountable care networks, and make other promising reforms. Through our deep in-house technical expertise, we connect members to resources and knowledgeable peers to foster Medicaid financing innovation in the states. We educate our members through distance learning, publications, and in-person events, including our annual one-day Medicaid Summit. We connect members with federal policymakers to position essential hospitals to succeed in this new environment.

SOUNDING THE ALARM ON THREATS TO ACCESS
America’s Essential Hospitals was the first and leading voice for hospitals when proposed immigration policies threatened to have a chilling effect on care for legal immigrants. The public charge policy—to consider, for the first time, use of Medicaid and other federal aid in immigration status decisions—could cause many people to put off care until they become sicker and costlier to treat. It also could raise uncompensated costs for hospitals as immigrants forgo Medicaid coverage to protect their status. We filed an amicus brief in support of several lawsuits to block the rule from taking effect. This fall, five courts across the country temporarily blocked the October 15 start of the rule as courts continue to examine the merits of the case.

SUPPORTING MEMBERS IN THEIR STATES
The association recently expanded its advocacy footprint by adding capacity to track state-level policy issues important to members. This state policy function includes a new, full-time analyst; dedicated website content; policy briefs; and other state-specific communications. Initial areas of focus include the 340B program, SDOH, the opioid crisis, telehealth, trauma care, and health care cost transparency; this list will evolve as new issues emerge.

RAISING THE VISIBILITY OF ESSENTIAL HOSPITALS
Policymakers and the media turn to America’s Essential Hospitals as the nation’s foremost voice on Medicaid and hospital care for vulnerable people. We also raise our members’ visibility in Washington, D.C., through the Essential Hospitals Political Action Committee, Federal Action Network, Policy Assembly, and Government Relations Academy.

LEARN MORE
Learn more about our work in Washington on behalf of essential hospitals and their patients. Visit essentialhospitals.org or contact us at 202-585-0100 or gov.admin@essentialhospitals.org.