OUR ADVOCACY ACHIEVEMENTS

STOPPING MEDICAID DSH CUTS
After more than a year of work to stop a $4 billion cut in fiscal year (FY) 2020 to Medicaid disproportionate share hospital (DSH) payments, America’s Essential Hospitals won a repeal of the cut in the Coronavirus Aid, Relief, and Economic Security (CARES) Act and a reduction of the FY 2021 cut by half—from $8 billion to $4 billion. The CARES Act also delayed the start of the FY 2021 cut by two months and added no new cuts in later years, as had been the practice in previous DSH cut delays.

Leading up to this victory, the association created breathing room by securing delays of the FY 2020 cuts in government funding bills. America’s Essential Hospitals now sets it sights on additional relief from the DSH cuts in FY 2021 and beyond. Even with this year’s victories, the remaining statutorily mandated cuts would devastate essential hospitals and access to care for low-income and other vulnerable people.

OPPOSING REGULATORY OVERREACH
In November 2019, federal regulators proposed damaging restrictions on how states finance their share of Medicaid and sought burdensome reporting requirements for supplemental funding sources and provider payments. This proposal, the Medicaid Fiscal Accountability Regulation (MFAR), would threaten beneficiary access to care and upend state budgets.

We acted quickly to oppose finalization of the rule. Our first victory was to win an extension of the proposed rule’s public comment period. On Capitol Hill, we conducted more than 100 meetings with congressional offices and alerted Hill staff and the media to the threat with a standing-room-only briefing. We also conducted an extensive media campaign to generate coverage of our position and to sound the alarm with ads in high-profile health policy publications. These actions prompted bipartisan letters of concern from Congress to the administration. Further, association leaders met multiple times with key Centers for Medicare & Medicaid Services (CMS) leaders to warn of the dire consequences MFAR would have for the safety net.

GAINING COVID-19 SUPPORT FOR ESSENTIAL HOSPITALS
America’s Essential Hospitals led advocacy on Capitol Hill to secure new funding, Medicare reimbursement improvements, and regulatory relief for essential hospitals on the front lines of the COVID-19 pandemic. The association was instrumental in building congressional support for $175 billion in emergency aid to help hospitals and other providers offset the preparatory costs and lost revenue related to the pandemic.

On the regulatory front, the association has been in frequent contact with high-level officials and various agencies of the Department of Health and Human Services (HHS), including frequent calls with CMS Administrator Seema Verma on ways to target essential hospitals for emergency funds and standing calls with the Centers for Disease Control and Prevention. America’s Essential Hospitals also built a rich collection of COVID-19 resources for members on its website and launched a weekly webinar series on response efforts and policymaking.

PROTECTING 340B DRUG DISCOUNTS
The association has wielded litigation as a key companion to legislative and regulatory advocacy for the 340B Drug Pricing Program. Legal victories include court rulings in an ongoing case against HHS challenging cuts to Medicare outpatient drug payments to 340B hospitals. The pressure of another lawsuit by the association pushed the Health Resources and Services Administration (HRSA) to start enforcing long-delayed ceiling price and civil monetary penalties against drug manufacturers. We continue this legal battle, and we are confident of additional wins.

Also, the association worked with Congress in 2019 to avert unnecessary and burdensome reporting requirements and eligibility restrictions in the 340B program as part of health care transparency legislation. We remain vigilant in our defense of the 340B program and its savings for hospitals.

ENSURING ACCESS TO OUTPATIENT SERVICES
The association continues a multipronged campaign to reverse “site-neutral” payment cuts to off-campus hospital outpatient departments (HOPDs), including HOPDs...
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previously excepted in earlier versions of this harmful and misguided CMS policy. As in our 340B cases, we have seen 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
We continue to engage CMS and other stakeholders to voice our concerns about the accuracy of hospital star ratings; the flawed rating methodology, which fails to account for social risk factors and difference among hospitals; and the ratings’ usefulness to consumers. CMS has said it intends to propose updates to the star ratings program in the FY 2021 Inpatient Prospective Payment System proposed rule. The association supported a bipartisan letter from Sens. Rob Portman (R-OH) and Bob Casey (D-PA) in February that asked CMS to incorporate social determinants of health and socioeconomic status when updating the hospital star rating methodology.

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
America’s Essential Hospitals has long advocated for regulatory recognition of social determinants of health (SDOH), including in payment models and quality measures. More recently, the association has positioned itself on Capitol Hill as a key thought leader on SDOH, including by highlighting innovative member programs to confront social risk factors. The has fueled interest in legislative proposals on SDOH, including Senate and House versions of the Social Determinants Accelerator Act, which would create a federal interagency advisory council on SDOH and grants to states and local governments to target high-need Medicaid patients. The association also has informed the work of the new Rural and Underserved Communities Health Task Force, created by the House Committee on Ways and Means to examine barriers to health and wellness, including SDOH, in traditionally underserved communities.

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 delay 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. Last fall, five courts across the country temporarily blocked the October 15, 2019, start of the rule as courts continue to examine the merits of the case.

TRACKING STATE POLICY DEVELOPMENTS
The association continues to expand its advocacy footprint by tracking state-level policy issues important to members. In recent months, our state policy work has focused on how states are responding to the COVID-19 crisis. We published a state policy brief showcasing Medicaid flexibility available to states and essential hospitals during this public health emergency.

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.