OUR ADVOCACY ACHIEVEMENTS

STOPPING MEDICAID DSH CUTS
Multiyear advocacy by America’s Essential Hospitals erased $12 billion in looming cuts to Medicaid disproportionate share hospital (DSH) payments and delayed until fiscal year 2024 another $16 billion in cuts. Repeals came in multiple legislative actions, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Consolidated Appropriations Act, 2021. The association’s relentless campaign won broad bipartisan support in both chambers of Congress and the backing of congressional leadership. By working with Congress, America’s Essential Hospitals protected a crucial financial resource for essential hospitals at a time of immense fiscal strain and uncertainty caused by COVID-19.

PROTECTING MEDICAID
Association advocacy on multiple fronts drove a groundswell of opposition to the Medicaid Fiscal Accountability Regulation (MFAR) and led the Centers for Medicare & Medicaid Services (CMS) to withdraw this damaging proposal in September 2020. The proposed regulation would have severely restricted state flexibility in funding Medicaid and imposed burdensome reporting requirements. America’s Essential Hospitals contested the proposal in federal agencies, including at an in-person meeting between association board members and senior CMS leaders, as well as on Capitol Hill and in the media. The association also organized a coalition of national associations and the U.S. Chamber of Commerce to oppose MFAR in a letter to CMS. Following this decisive win, the association continues to educate policymakers about the nuances of Medicaid financing and the need for a stable program.

WINNING COVID-19 SUPPORT FOR ESSENTIAL HOSPITALS
America’s Essential Hospitals has been a vocal and effective advocate for the support hospitals need to weather the pandemic. We were instrumental in building bipartisan congressional support for the $178 billion Provider Relief Fund (PRF) and, through highly effective regulatory advocacy, targeting $15 billion of the fund toward safety net hospitals. We also worked with congressional leaders to fix an unintended consequence of a legislative increase in the Medicaid Federal Medical Assistance Percentage that put Medicaid DSH allotments at risk. In other wins, we convinced Congress to extend eligibility for employer tax credits to public hospitals, and, through our regulatory work, we pushed for changes to problematic guidance from the Department of Health and Human Services (HHS) that narrowly defined lost revenue related to COVID-19, limiting potential uses of PRF funds.

The association used its extensive media reach throughout 2020 to advance its advocacy goals by telling the story of essential hospitals’ front-line work, their innovation in the face of adversity, and the financial challenges they face caring for populations and communities hit hardest by the pandemic. Through media outreach, the association arranged numerous interviews with member hospital leaders.

On the regulatory front, we engaged high-level officials and various agencies within HHS, including through standing calls with the assistant secretary for preparedness and response, to discuss therapeutics, supplies, and vaccine allocation. In early talks with the Biden transition team, association leaders emphasized the need for increased vaccine supplies and greater predictability for vaccine deliveries, and the administration ultimately acted on both. America’s Essential Hospitals built a rich collection of online COVID-19 resources for members and produced extensive new member communications and webinars about the pandemic.

PRESERVING 340B DRUG DISCOUNTS
America’s Essential Hospitals has wielded litigation to complement its legislative and regulatory advocacy for the 340B Drug Pricing Program—including asking the U.S. Supreme Court to hear its lawsuit challenging cuts to
Medicare outpatient drug payments to 340B hospitals. The pressure of another association lawsuit prompted the HHS Office of General Counsel to issue an advisory opinion unequivocally stating drug manufacturers must honor 340B discounts to covered entities’ contract pharmacies. We continue these legal battles, and we are confident of additional wins.

On Capitol Hill, the association also fought to protect 340B discounts for essential hospitals. Working with key congressional 340B champions and other covered entity stakeholders, the association organized several bipartisan letters from lawmakers that expressed opposition to drug manufacturer attempts to deny 340B pricing for drugs dispensed at contract pharmacies and to unilaterally move the program to a rebate model.

EXPANDING ACCESS TO TELEHEALTH
America’s Essential Hospitals, long an advocate for flexibility to promote greater use of telehealth, encouraged Congress and CMS to expand access to and coverage of telehealth services amid the pandemic. CMS issued several waivers to temporarily expand telehealth services and reimbursement, and the association has urged Congress to pass legislation to make those waivers permanent, support payment parity for telehealth services, and codify reimbursement for audio-only services.

LEADING ON SOCIAL DETERMINANTS, EQUITY
America’s Essential Hospitals makes social determinants of health (SDOH) and equity central to its legislative and regulatory agendas and educates policymakers about how member hospitals confront social risk factors. In Congress, we support the Social Determinants Accelerator Act and the Improving Social Determinants of Health Act, and we have shared expertise with the Rural and Underserved Communities Health Task Force, which is examining SDOH and other barriers to health in underserved communities.

In 2020, the association took a leading role advocating for health equity and disparities legislation, especially regarding maternal health. We supported the “Momnibus,” a suite of bills to counter the unconscionable disparity Black mothers experience in health outcomes, and we advised the Senate Committee on Finance on bipartisan maternal health legislation and a stand-alone bill to use Medicaid to improve maternal health outcomes. America’s Essential Hospitals also was an early and ardent supporter of the first resolution introduced in the Senate declaring racism a public health crisis.

IMPROVING HOSPITAL STAR RATINGS
We continue to voice our concerns to CMS and other stakeholders about the accuracy of hospital star ratings; the flawed rating methodology, which fails to account for social risk factors and differences among hospitals; and the ratings’ usefulness to consumers. In the FY 2021 Inpatient Prospective Payment System final rule, CMS updated the star ratings program to use peer grouping to assign ratings and to remove the complex and often unpredictable latent variable model. As hospitals continue to fight the pandemic, we urge CMS to consider COVID-19’s large-scale disruption to the health care system as the agency measures providers’ quality in coming years.

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. Through our deep in-house technical expertise, we connect members to resources and experienced peers to drive Medicaid financing innovation in states. For example, we published content on special Medicaid considerations during COVID-19, including ideas for leveraging state Medicaid flexibility during the pandemic and using non-emergency Medicaid for undocumented immigrants. We educate our members through webinars, publications, and meetings, such as our annual Medicaid Summit, and we connect members with federal policymakers to position essential hospitals for success in this evolving environment.

SOUNDING THE ALARM ON THREATS TO ACCESS
America’s Essential Hospitals led opposition to a Trump administration policy that threatened the residency status of legal immigrants who use Medicaid and other federal aid. This public charge rule caused immigrants to forgo or delay care and raised uncompensated costs for essential hospitals, as some immigrants chose not to enroll in Medicaid to protect their legal status. Our advocacy included an amicus brief in support of lawsuits to block the rule from taking effect. The Biden administration later rescinded the rule and ended support for it in the courts. We look forward to working with the administration to roll back the damage the rule caused and rebuild trust in immigrant communities.
OUR ADVOCACY ACHIEVEMENTS

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, and we have published to our website weekly updates on COVID-19 state policy trends. In addition to tracking state responses to the public health emergency, we continue to monitor and report on state developments on 340B, surprise billing, and efforts to eliminate human trafficking. We also featured a popular education session at our 2020 annual conference that explored state innovation on maternal health policy.

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 underrepresented people and underserved communities. 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. Much of our work following the 2020 elections has focused on educating the new administration and Congress on the vital role essential hospitals play and the need for sustainable federal support for their work.

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.