PROTECT AND STRENGTHEN OUR HEALTH CARE SAFETY NET

Essential hospitals' mission to care for all people, including underrepresented and marginalized populations, make them providers of choice for communities that face significant health care needs and access challenges. Despite operating on margins one-third that of other U.S. hospitals, our members provide high-quality care in a wide variety of communities—from the nation's largest cities to broad rural regions, where high rates of poverty, homelessness, food insecurity, structural racism, and other socioeconomic barriers put health at risk.

The COVID-19 pandemic has worsened disparities that persist in populations our hospitals serve. Essential workers and people of color have suffered COVID-19 infections, hospitalizations, and deaths at disproportionately high rates. These populations turn to essential hospitals in times of need.

Essential hospitals rely heavily on a patchwork of federal financial support and resources to sustain the health care safety net and meet their mission. COVID-19 underscored the indispensable nature of each part of that patchwork with its heavy financial pressure on essential hospitals' already razor-thin margins.

Ensuring a reliable safety net, one ready to meet the moment in any crisis, means robustly protecting and bolstering the mechanisms and ideals that make the safety net function. To do so, Congress must strengthen each thread in the fabric of the health care safety net.

PRESERVE CRITICAL FUNDING STREAMS

Prevent unintended cuts to Medicaid disproportionate share hospital (DSH) payments

Section 203 of the Consolidated Appropriations Act of 2021 excluded from the Medicaid shortfall definition (used to calculate hospital-specific DSH caps) costs and payments for patients dually eligible for Medicaid and other coverage. There is a limited exception to this change for certain hospitals, based on the number or percentage of inpatient days for Medicare patients also eligible for supplemental security income.

A December 2021 Medicaid Directors Letter issued by the Centers for Medicare & Medicaid Services (CMS) indicated the agency would have to create a new data set to implement this exception. This left states with no clear direction on how or when CMS would determine which hospitals fall at or above the 97th percentile or what states should do in the meantime, with no certainty on which limits apply to which hospitals.

As a result, some essential hospitals that see high numbers of low-income, dually eligible patients and ultimately would not be exempt from the definition change might be disproportionately and heavily penalized by it. We urge Congress to mitigate these unintended consequences by allowing hospitals also to include unreimbursed costs associated with Medicare duals, if any exist, and unreimbursed costs associated with all other duals, if any exist, in their Medicaid shortfall calculation.

This approach would help protect critical payments for hospitals serving many low-income duals without harming the hospitals that Section 203 intended to benefit.

Protect the 340B Drug Pricing Program

Congress established the 340B program to enable covered entities "to stretch scarce Federal resources as far as possible, reaching more eligible patients and providing more comprehensive services."[1] The 340B program allows essential hospitals to tailor services and programs to their community's unique challenges at nearly no cost to taxpayers.

Recent drug industry actions to restrict access to 340B drugs dispensed at contract pharmacies, impose onerous reporting requirements, and turn the program into a rebate model for covered entities threaten the 340B discount for essential hospitals. Lawmakers should renew their calls for the administration to continue taking full enforcement action against the growing list of drug manufacturers that continue to violate the law.

INVEST IN REBUILDING AND SUSTAINING THE SAFETY NET INFRASTRUCTURE

Provide opportunities for capital investment

Dedicated infrastructure funding for hospitals is necessary to help recover from the pandemic and ensure preparedness for future public health emergencies. We urge Congress to re-establish the Hill-Burton program and allocate $50 billion over five years to support the infrastructure and emergency preparedness needs of providers serving low-income and other marginalized populations.

Strengthen the health care workforce

A robust and diverse health care workforce is critical to ensuring access to care in communities across the nation, especially in many rural and urban areas. Foreign-born nurses, physicians, and other providers represent a critical component of America's health care workforce yet are unnecessarily subject to burdensome restrictions that impede their ability to help providers reduce workforce shortages. In the short term, we urge Congress to expand visas for clinicians who provide care, conduct medical research, or participate in graduate medical education or training programs related to the diagnosis, treatment, and prevention of COVID-19. Nearly one-third of physicians in the United States are foreign-born, and America's Essential Hospitals will continue to advocate for legislation, such as the Conrad State 30 and Physician Access Reauthorization Act (S. 1810 and H.R. 3541) and the Healthcare Workforce Resilience Act (S. 1024 and H.R. 2255), that expands the clinician workforce.

Also, essential hospitals play a critical role in training the next generation of health care professionals; three-quarters of essential hospitals are teaching institutions, and our hospitals train three times as many new physicians as other U.S. teaching hospitals. Maintaining a strong physician training pipeline is critical to strengthening our system for future challenges. America's Essential Hospitals continues to support efforts to increase graduate medical education slots, particularly at institutions providing high-quality care to all, including the Resident Physician Shortage Reduction Act (S. 834 and H.R. 2256). The association also supports initiatives to encourage providers to practice in underrepresented communities, such as the Pathways to Practice Program.

In addition to relying on nonphysician providers to execute their mission, essential hospitals train and support the development of the larger health care workforce. Our members trained nearly one in 10 allied health professionals instructed in an acute-care facility. America's Essential Hospitals supports funding initiatives, such as the Health Professions Opportunities Grants and discretionary health care workforce development programs, to ensure an adequate, diverse, and culturally competent pipeline of health care professionals.

Congress should continue to pursue opportunities to strengthen the health care provider pipeline, ensuring future practitioners are trained and equipped to provide high-quality, unbiased care to all.

Support telehealth expansion and utilization

The rapid advancement and expansion of telehealth to meet the needs of communities devastated by COVID-19 has demonstrated the importance of this mode of care. Congress recognized the necessity of telehealth by continuing to waive many restrictions on the use of telehealth for 151 days after the end of the COVID-19 public health emergency as part of the fiscal year 2022 omnibus appropriations package. Lawmakers should allow patients and providers to take further advantage of this important tool outside the current or future public health emergencies by making these changes permanent.

Lawmakers should also pass the Hospital Inpatient Services Modernization Act (S. 3792), which would extend the Hospital at Home Waiver Program for two years after the end of the COVID-19 public health emergency. Hospital at Home is an innovate program used by many essential hospitals to provide hospital-level care in patients' home.

PROVIDE PATHWAYS THROUGH THE HEALTH CARE SAFETY NET TO ELIMINATE HEALTH DISPARITIES

Address social determinants of health

A hallmark of essential hospitals' mission is to reach beyond their walls to confront socioeconomic barriers to health in their communities. Our members often rely on the federal government to offer support and resources to carry out many of their patient-level initiatives focused on social determinants of health. A dedicated stream of support would help essential hospitals develop and maintain social determinants of health programming and policies that would transcend financial threats to the hospital, ultimately benefiting the communities they serve. We ask Congress to develop permanent incentives, potentially through Medicaid, to support initiatives to eliminate health disparities.

End maternal health disparities

The disparities in maternal health outcomes are a glaring example of the health inequities experienced by people of color. Essential hospitals across the country initiate and sustain programs to help reduce maternal morbidity and mortality and can offer a unique perspective as Congress continues to work on legislation to address racial disparities in maternal morbidity and mortality. We encourage Congress to pass policies—including providing permanent Medicaid coverage 12 months postpartum—to improve maternal health outcomes.

Recognize the impact of structural racism on health outcomes

Essential hospitals see firsthand the disparate health outcomes tied to structural racism—the normalization and legitimization of historical, cultural, institutional, and interpersonal dynamics that routinely advantage white people while producing cumulative and chronic adverse outcomes for people of color.[2] Essential hospitals are committed to addressing the root causes of socioeconomic factors that influence the health disparities so prevalent in communities they anchor.

For example, adequate Medicaid payments would ensure people who rely on the program have equal access to care through providers who currently are disadvantaged due to below-cost rates. Improving payments could be achieved by various means, including increasing base payment rates, protecting supplemental payments, or providing new payment pathways. We call on Congress to engage with essential hospitals and advance policies that will help them combat structural racism and improve health outcomes for underrepresented people and underserved populations.

Endnotes

1. H.R. REP. 102-384(II)

2. Lawrence K, Keleher T. Structural Racism. For the Race and Public Policy Conference 2004. http://www.intergroupresources.com/rc/Definitions%20of%20Racism.pdf. Accessed February 19, 2021.