



ESSENTIAL
HOSPITALS
POLITICAL ACTION COMMITTEE

2021 ANNUAL REPORT



A Message from Our Board Chair



Last year marked the 40th anniversary of our association. That's four decades of service as the nation's foremost champion for hospitals with a mission to care for underrepresented people and create access to care in underserved communities.

Amid the COVID-19 pandemic's unprecedented impact on essential hospitals and the at-risk communities we serve, the Essential Hospitals Political Action Committee (PAC) continued its work to amplify the essential hospital voice in Washington, D.C. Now more than ever, it is critical our advocacy cuts through the chorus of voices vying for lawmakers' attention.

Despite the unprecedented times, we raised more for the PAC in 2021 than in any year before. My sincere gratitude goes out to all our PAC supporters—thank you. Each and every one of our donors played a role in the PAC's success.

Essential Hospitals PAC helps strengthen ties with congressional champions and widens our support by building new relationships with lawmakers. These connections are critical in an election year and as Congress considers myriad legislative policies to help essential hospitals emerge from the COVID-19 public health emergency. Having a growing PAC demonstrates to those in Congress that we are serious about our advocacy.

Our PAC is bipartisan—no matter the outcome of the 2022 midterm elections, America's Essential Hospitals will be well situated to carry the message of our mission-driven members. We will continue to use the PAC to amplify essential hospital needs and ensure our members are heard on Capitol Hill.

Again, thank you for your support!

Candace Novak Sabers

Board Chair, Essential Hospitals PAC

Vice President of Government Relations, UC Health

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2021 Year in Review

America's Essential Hospitals is the voice for hospitals that care for people who face economic and social hardships. Our members provide top-level trauma and burn care and other lifesaving treatment; train the next generation of health professionals; deliver comprehensive, coordinated care; and advance public health. We support our more than 300 members with advocacy for robust and sustainable federal support.

In 2021, essential hospitals continued to shoulder the brunt of the pandemic while operating under increasingly strained financial circumstances. America's Essential Hospitals advocated for and helped secure needed resources to ensure our member hospitals can weather this public health crisis and have a more stable financial future.

The association had several significant advocacy victories in 2021:

- ◆ **Protecting Medicaid DSH**—We achieved a critical technical correction in the American Rescue Plan Act that would temporarily increase state Medicaid disproportionate share hospital (DSH) allotments. The new allotments correspond with the enhanced federal medical assistance percentage established by the Families First Coronavirus Response Act;
- ◆ **Protecting the 340B Drug Pricing Program**—We facilitated a bipartisan group of 226 House lawmakers, including 60 Republicans, in sending a letter urging the Department of Health and Human Services (HHS) to protect the 340B Drug Pricing Program. The letter, led by Reps. Abigail Spanberger (D-Va.), David McKinley (R-W.V.), Doris Matsui (D-Calif.), Dusty Johnson (R-S.D.), Cindy Axne (D-Iowa), and John Katko (R-N.Y.), called on HHS to act against pharmaceutical manufacturers that continue to withhold 340B discounts from contract pharmacies, including requiring manufacturers to refund covered entities for unlawful overcharges; and
- ◆ **Protecting Medicare Resources During the COVID-19 Public Health Emergency**—Lawmakers extended the moratorium on the 2 percent Medicare sequester cut and temporarily waived the 4 percent Medicare cut triggered by the Statutory Pay As You Go (PAYGO) Act of 2010.

HIGHLIGHTS

- ◆ Essential Hospitals PAC raised \$51,206.60 in 2021, exceeding its \$50,000 annual goal.
- ◆ For the first time in Essential Hospitals PAC history, 100 percent of the association's board of directors participated in the PAC at some level.
- ◆ Essential Hospitals PAC pledged \$44,500 to 38 candidates in 2021, including:
 - ◆ \$24,500 to 22 Democrat candidates; and
 - ◆ \$20,000 to 16 Republican candidates.

Additionally, 2021 marked the 40th anniversary of America's Essential Hospitals. As we look back on the past four decades—from the AIDS epidemic to the COVID-19 pandemic—our members have been on the front lines providing care to those most affected by health disparities and social determinants of health. Since the association's founding in 1981, essential hospitals have focused on caring for populations facing structural barriers to care.

Among the association's most significant accomplishments was its first: convincing lawmakers to add language to the Omnibus Budget Reconciliation Act of 1981 to establish special funding for hospitals that "serve a disproportionate number of low income patients with special needs." This laid the foundation for Medicaid and Medicare DSH payments, a vital source of safety net support. The association also was instrumental in establishing drug discounts under the 340B Drug Pricing Program for providers serving a safety net role.

Along the way, America's Essential Hospitals built an association infrastructure that today includes a robust research and education component, Essential Hospitals Institute; leadership development programs for rising hospital executives; and various projects and programs to encourage hospitals to share effective strategies and best practices.

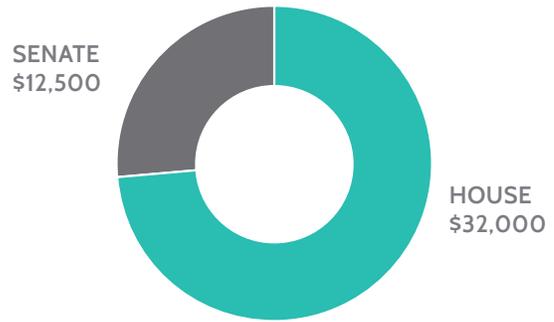
The National Association of Public Hospitals and Health Systems transitioned to America's Essential Hospitals in 2013 to reflect an evolving membership that includes both public and private nonprofit hospitals, all with a safety net mission.

Supporting Essential Hospital Champions

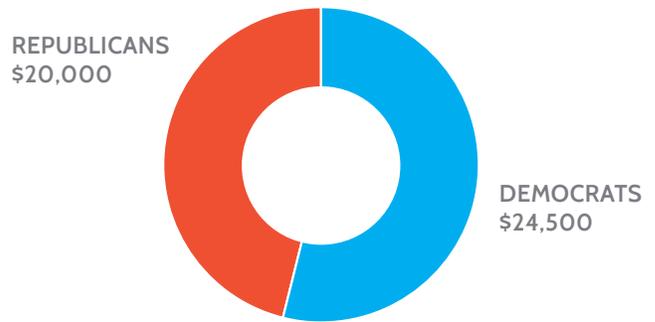
From its inception, Essential Hospitals PAC has established practical criteria for distributing financial contributions to incumbent congressional candidates. These methods are approved annually by the PAC board of directors. The PAC prioritizes congressional candidates who:

- ◆ serve on a congressional committee that oversees essential hospital advocacy priorities;
- ◆ hold a leadership position in the House or Senate;
- ◆ champion essential hospital advocacy priorities;
- ◆ represent essential hospitals in their state or congressional district;
- ◆ have a competitive race and need financial support; or
- ◆ hold values and character that holistically align with the America's Essential Hospitals mission and vision.

HOUSE VERSUS SENATE



REPUBLICANS VERSUS DEMOCRATS



Numbers might not equal 100 due to rounding.

Essential Hospitals PAC focuses on supporting candidates who share our priorities on these programs and funding streams that matter most to America's Essential Hospitals members:

MENTAL HEALTH **COVID-19** **PUBLIC HEALTH INFRASTRUCTURE**
340B DRUG PRICING PROGRAM
SOCIAL DETERMINANTS OF HEALTH
MATERNAL HEALTH
MARGINALIZED COMMUNITIES **HEALTH CARE DISPARITIES** **TELEHEALTH**
INNOVATION **EQUITY** **HEALTH IT**
DSH PAYMENTS **MEDICAID**
GRADUATE MEDICAL EDUCATION **ACCESS**
SAFETY NET **MEDICARE**

ABOUT ESSENTIAL HOSPITALS PAC

Essential Hospitals PAC is a voluntary, nonpartisan entity that provides opportunities for staff of America's Essential Hospitals members to participate and engage in the political process. Federal law allows Essential Hospitals PAC to communicate with and solicit eligible employees of association members.

The mission of Essential Hospitals PAC is to support congressional candidates who champion policies that improve access to the high-quality health care provided by essential hospitals. Through Essential Hospitals PAC, donors demonstrate their commitment to the ongoing service of federal lawmakers who support essential hospitals and the patients and communities they serve.

Please note: Contributions or gifts to the America's Essential Hospitals Political Action Committee (Essential Hospitals PAC) are not deductible as charitable contributions for federal income tax purposes. Participation in the Essential Hospitals PAC is voluntary. You have the right to refuse to contribute without reprisal. The suggested contribution amounts are only suggestions. You have the right to contribute more or less than the suggested amount and the amount contributed, or the refusal to contribute, will not benefit or disadvantage you in any way. Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year. The Essential Hospitals PAC uses member contributions to help elect individuals to federal, state and local office who support our organization's goals. Contributions from foreign nationals, corporations, national banks, federally chartered corporations, federal contractors, and labor unions are prohibited. The Essential Hospitals PAC may not accept more than \$5,000 per year from any one contributor.



The Federal Action Network (FAN) offers exclusive resources and networking for essential hospital advocates.

Through the FAN, members have access to in-depth education and advocacy resources designed to help essential hospitals navigate the complex and ever-changing political and policy landscape in Washington, D.C.

FAN membership is open to employees of America's Essential Hospitals member hospitals at no cost. Sign up today to access membership benefits, including:

- ◆ an opportunity to help determine America's Essential Hospitals' annual advocacy agenda;
- ◆ access to a FAN members-only web forum for political development discussions;
- ◆ regular updates on the association's advocacy efforts;
- ◆ exclusive political and policy resources and access to Washington insiders; and
- ◆ the opportunity to participate in the Essential Hospitals Political Action Committee.

Contact Margaret Peterson, manager of legislative affairs, at mpeterson@essentialhospitals.org with questions or for more information.