

OUR ADVOCACY ACHIEVEMENTS

PROTECTING THE 340B PROGRAM

In November 2023, after nearly five years of advocacy and legal action—including a favorable U.S. Supreme Court decision—the federal government remedied unlawful Medicare Part B payment cuts to hospitals in the 340B Drug Pricing Program. The Centers for Medicare & Medicaid Services (CMS) agreed to make \$9 billion in lump-sum payments on top of \$1.6 billion already repaid to hospitals to remedy a 27 percent cut to outpatient drug payments starting in 2018. In a June 2022 ruling on a lawsuit brought by America's Essential Hospitals and other stakeholders, the Supreme Court unanimously held CMS violated the Medicare statute by reducing the payments.

In other 340B advocacy, we vigorously oppose illegal drug company restrictions on 340B drugs dispensed by contract pharmacies. Also, we support the bipartisan [Preserving Rules Ordered for The Entities Covered Through \(PROTECT\) 340B Act](#) (H.R. 2534), which would protect 340B hospitals from discriminatory practices by insurers and pharmacy benefit managers; and [The 340B Pharmaceutical Access To Invest in Essential, Needed Treatments & Support \(PATIENTS\) Act](#) (H.R. 7635), which would codify 340B providers' use of contract pharmacies.

AVERTING MEDICAID DSH CUTS

With broad bipartisan support in Congress, America's Essential Hospitals erased an \$8 billion cut to Medicaid disproportionate share hospital (DSH) funding in fiscal year (FY) 2024 and pushed back an FY 2025 cut to give Congress time after the November election to consider additional relief. This victory was the latest in a decade of advocacy wins to eliminate or delay DSH cuts. The association now is working with lawmakers to eliminate the remaining \$24 billion in cuts in fiscal years 2025 through 2027.

DEFINING ESSENTIAL HOSPITALS IN LAW

More than a decade of association advocacy to statutorily define essential hospitals took a major step forward in

February 2024 with the introduction of [Reinforcing Essential Health Systems for Communities Act](#) (H.R. 7397), bipartisan legislation that would establish an “essential health system” designation in federal law. The designation bill, which has steadily gained cosponsors since its introduction, would give policymakers a powerful tool to target essential hospitals with policy protections, funding, and incentives to support their safety net role. Designation remains a top-tier advocacy priority for America's Essential Hospitals.

STOPPING SITE-NEUTRAL PAYMENT CUTS

America's Essential Hospitals has made it a priority to stop misguided attempts to put hospital payments for outpatient services on par with those for physician offices—so-called “site-neutral” policies that amount to nothing more than hospital cuts. New proposals from Congress, including the House-passed Lower Costs More Transparency Act, would expand site-neutral payments to drug administration services in hospital outpatient departments, jeopardizing access to outpatient cancer treatment and other vital care in disadvantaged communities. We will continue vigorously working to stop these cuts.

SAFEGUARDING THE ESSENTIAL HOSPITAL WORKFORCE

America's Essential Hospitals advocates for its members' workforce by supporting bipartisan, bicameral legislation, the [Safety from Violence for Healthcare Employees \(SAVE\) Act](#) (H.R. 2584), which would provide for legal penalties, like those now in place for flight crews, for individuals who knowingly and intentionally assault or intimidate hospital employees. The SAVE Act also would provide grants to hospitals for programs to reduce the incidence of violence, including violence or intimidation against hospital personnel.

LEADING ON EQUITY AND SOCIAL DETERMINANTS

We lead advocacy for improving health equity; reducing health disparities; combating structural racism; and

countering the effects of homelessness, food insecurity, health illiteracy, and other social drivers of poor health. Much of this effort involves advocating for robust access to Medicaid and greater equity for Medicaid beneficiaries, including through program waivers and measures to combat structural racism and address social determinants of health. We share expertise with CMS as the agency works to advance the administration's equity agenda, including through equity measures.

ADVANCING CLIMATE RESILIENCE AND MITIGATION

We work closely with Congress and the administration to meet the unique needs of essential hospitals in climate policy, including through funding for climate resiliency and mitigation work. Also, the administration made climate resources for essential hospitals a priority in the Inflation Reduction Act, and we coordinate with federal agencies to provide technical assistance to essential hospitals for climate-related work.

TRACKING STATE POLICY DEVELOPMENTS

The association has expanded its advocacy footprint by tracking state-level policies important to essential hospitals. We monitor and report on many key issues, including state developments in workforce initiatives, health care workplace violence prevention, telehealth flexibility, LGBTQ+ health policy trends, maternal health, and state policy on discriminatory payer practices in the 340B program.

RAISING THE VISIBILITY OF ESSENTIAL HOSPITALS

Policymakers and the media turn to America's Essential Hospitals as the nation's foremost voice on Medicaid, the 340B program, and other issues important to hospitals that care for low-income and marginalized people. Through regular national and trade media coverage, we tell the story of our members and the communities they serve. 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.