

Advocacy Agenda January 2021

The COVID-19 public health emergency continues: the biggest public health threat the country has faced in more than a century and the nation's leading health care issue and its primary public policy concern. Hospitals have played a major role responding to this pandemic, with private safety-net hospitals leading the way in low-income and medically underserved communities across the country. They have done so with distinction despite the burden of generally low operating margins and limited resources that were challenged as never before by the high cost of materials, large numbers of low-income, uninsured, and underinsured patients, unprecedented staffing problems, and diverse communities that have been hit especially hard by COVID-19.

In the coming year, private safety-net hospitals, like others, will continue to need special assistance from the federal government so they can continue to do their part in responding to COVID-19. At the same time they must continue to work to address the public policy challenges they faced before COVID-19 emerged and that will remain as the crisis becomes more manageable and begins to fade from everyday life, if not from the memories of those it touched.

Immediate COVID-19 Concerns

In 2021 NASH will advocate public policies that enable private safety-net hospitals to continue meeting the COVID-19 and other health care needs of their communities through federal policies that:

- Provide additional targeted funding to private safety-net hospitals through the Provider Relief Fund or other means, especially for private safety-net hospitals that have been overlooked and disadvantaged in previous distributions.
- Ensure that financial reporting requirements do not jeopardize the ability of private safety-net hospitals to retain the Provider Relief Fund resources they have already received.
- Support the vital role private safety-net hospitals are being asked to play in administering COVID-19 vaccinations in their communities.
- Preserve the Medicare and Medicaid waivers and flexibilities that have enabled private safety-net hospitals to continue meeting the health care needs of their communities during these difficult times and advocate smooth transitions for phasing out those that will expire at the end of the public health emergency.
- Address supply chain problems, such as help securing personal protective equipment and an adequate supply of vaccines.
- Assist private safety-net hospitals with the regulatory and financial challenges that affect their ability to secure adequate staffing during the pandemic.
- Forgive loans made to private safety-net hospitals that participated in the Medicare Accelerated and Advance Payments Program in 2020.



The Potential Effects of COVID-19 on Future Medicare and Medicaid Payments

Treating COVID-19 patients has changed much about how hospitals care for their communities: their staffing, their spending, their operations, and more. These changes will be reflected in the Medicare cost reports hospitals submit to the federal government – cost reports that constitute the basis for the calculation of future Medicare payments for direct services as well as disproportionate share payments, medical education payments, and more. It is not clear at this point how the changes wrought by hospitals' response to COVID-19 will affect the calculation of these Medicare payments in the coming years. Because Medicare payments are so much more important to private safety-net hospitals than they are to other hospitals and because these hospitals are at greater risk of harm should such payments decline precipitously and unexpectedly, NASH will work with the administration and Congress to ensure that future Medicare reimbursement is fair and appropriate and does not result in large, unexpected fluctuations in those payments.

The same circumstances are true for Medicaid payments: some states rely on Medicare cost reports to calculate their Medicaid payments, and if they do not, they rely on cost reporting that poses the same challenges. As is the case with Medicare, NASH will work with the administration and Congress to ensure that future Medicaid reimbursement is fair and appropriate and does not result in large fluctuations in those payments.

Health Care Reform

COVID-19 has cast new light on the health care disparities experienced by residents of low-income communities. The residents of such communities have more underlying, unaddressed medical conditions, less access to care, and fewer resources with which to address their medical needs. These factors and more lead to worse health care outcomes than for people who live in other areas. The coming year should see a more focused attempt to tackle these disparities by addressing the social determinants of health. As policy-makers approach this challenge, NASH will contribute to such undertakings by advocating reforms that:

- Eliminate the inappropriate restrictions and limits that some states impose on eligibility for or participation in Medicaid.
- Expand access to Medicaid.
- Ensure coverage parity for behavioral health services.
- Improve the quality of health plans available on health insurance exchanges by establishing and enforcing standards that ensure that the breadth of services such plans cover is appropriate.
- Increase subsidies to help more people purchase health insurance through the exchanges.
- Address the social determinants of health in the low-income communities private safety-net hospitals serve.

Health Care Delivery Reform

The response to COVID-19 has included changes in the delivery of health care – changes authorized on an emergency basis only but that have demonstrated their value and should be preserved after the public health emergency ends. Telehealth, in particular, is a means of health care delivery that private safety-net

hospitals and others have found invaluable when serving patients who could not travel for medical care or whose health status would have put them at risk.

In the coming year, NASH will work to:

- Build on telehealth and other Medicare waivers that have enabled private safety-net hospitals to provide innovative, safe, and efficient care during the pandemic and can continue to help those hospitals serve their communities in the future.
- Ensure a level playing field for private safety-net hospitals as telehealth's reach extends permanently beyond rural America so that community-based providers continue serving their communities and also can use telehealth as part of a broader approach to addressing the social determinants of health in the communities they serve.
- Ensure that Medicare policies facilitate the participation of private safety-net hospitals in demonstration programs that explore innovation in the delivery of care.

Reducing Health Care Costs

NASH will work with the administration and Congress to ensure that legislation and regulations adopted to reduce health care costs protect private safety-net hospitals and the patients they serve, including:

- Efforts to reduce the cost of prescription drugs.
- Preservation of the 340B prescription drug discount program.
- The introduction of delivery reform demonstrations.

Continuing Advocacy

As always, NASH will participate in the development of federal health care policies at both the executive and legislative levels, keep its members apprised of such developments, and engage in informed, effective advocacy. NASH will continue to focus on issues that have long been of interest to its members, including Medicare and Medicaid DSH, graduate medical education, and the federal response to litigation, such as the current case challenging the constitutionality of the Affordable Care Act.

NASH will continue to interact with the administration and Congress to convey the distinct challenges private safety-net hospitals face and the policy solutions that would help address those challenges and enable such hospitals to serve their patients, and their communities, more effectively. This could include working with public officials and stakeholders to shape a consensus on what constitutes a safety-net hospital.

In addition to engaging in advocacy on the issues outlined above, NASH will stress in its general advocacy that any new federal spending must not be paid for with offsetting cuts in Medicare and Medicaid payments; that federal regulations are intended to govern and structure programs established by Congress and not to impose spending cuts, which falls strictly within Congress's purview; and that both the administration and Congress should actively explore opportunities to develop and structure programs in ways that reflect the social determinants of health of the people those programs seek to serve – and do so in ways that make private safety-net hospitals the federal government's partners in such initiatives.