



RHPI Project 2009 Conference

Federal Legislative/Policy Update and their Impact on Hospital Operations

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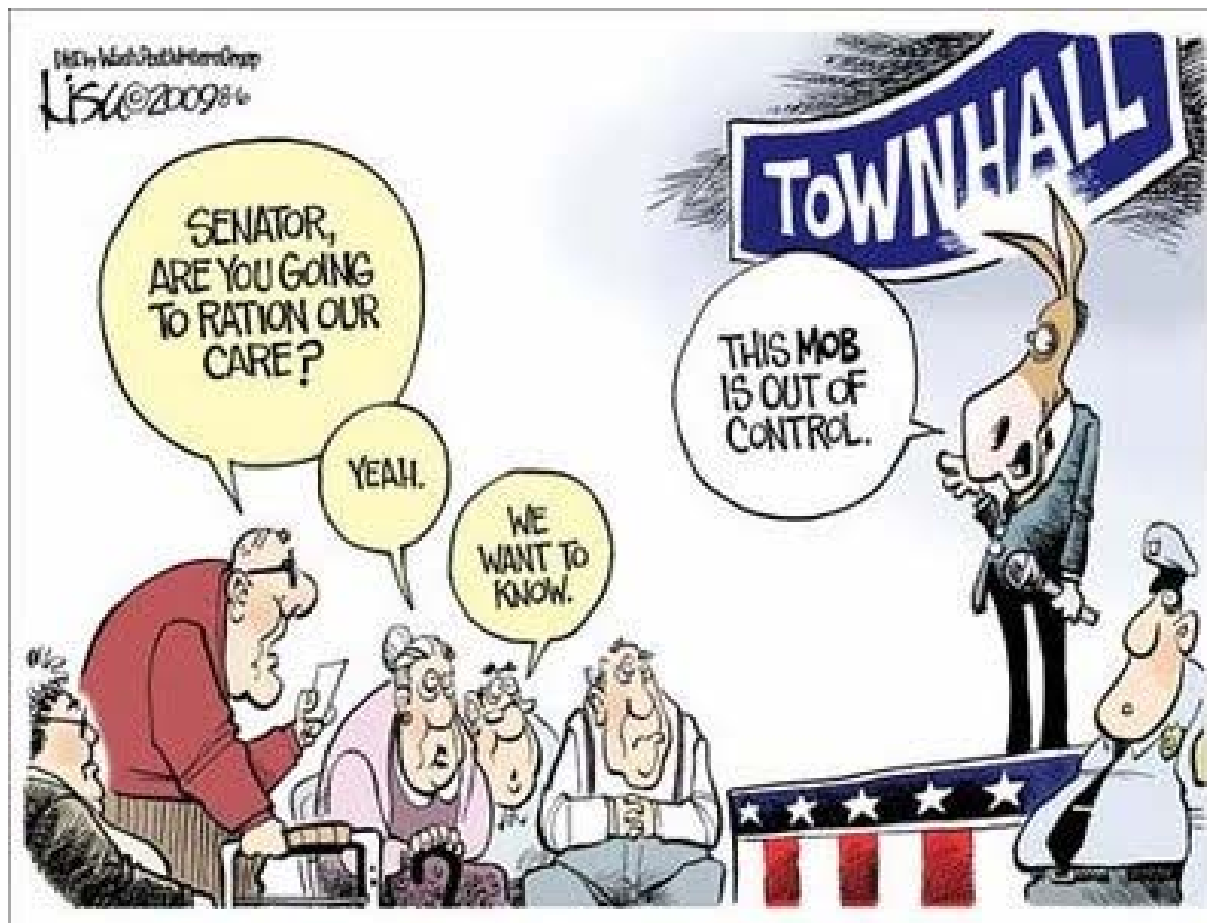


What difference a year makes!

Healthcare reform was just another
campaign promise.....

Now, a budding political reality!

What a Difference a Month Makes





Agenda

- Background—the politics of health reform
- NRHA Rural Priorities
- Analysis of Health Care bills

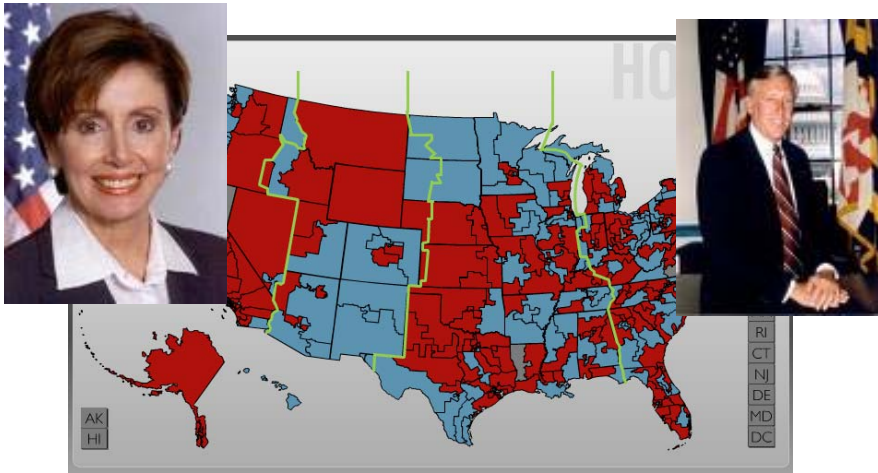


Health Leadership Team

- Gov. Kathleen Sibelius, HHS Secretary (4/28)
- Nancy-Ann DeParle, Health Reform Czar
- Mary Wakefield, HRSA Administrator
- Rep. Rahm Emanuel, WH Chief of Staff



House of Representatives

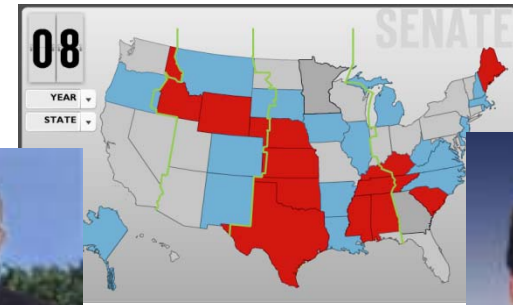


- Democrats gained 21
- 111th Congress
- 254 D's/178 R's/3 Open
- E&C: Waxman
- Who will take the lead?
 - Ways/Means: Rangel?
 - Stark get his way?
- Republicans opposition
 - work with President?



Senate

- Democrats gained at least 7 seats (58)
 - Franken is seated
 - Specter's switches to Dems makes 60
 - Kennedy's Passing creates ?
- Dems attain the "magical" 60 votes to end filibuster
- Republicans will play a minor role





Health Reform: Three Part Play

Act 1: SCHIP Expansion

Act 2: ARRA

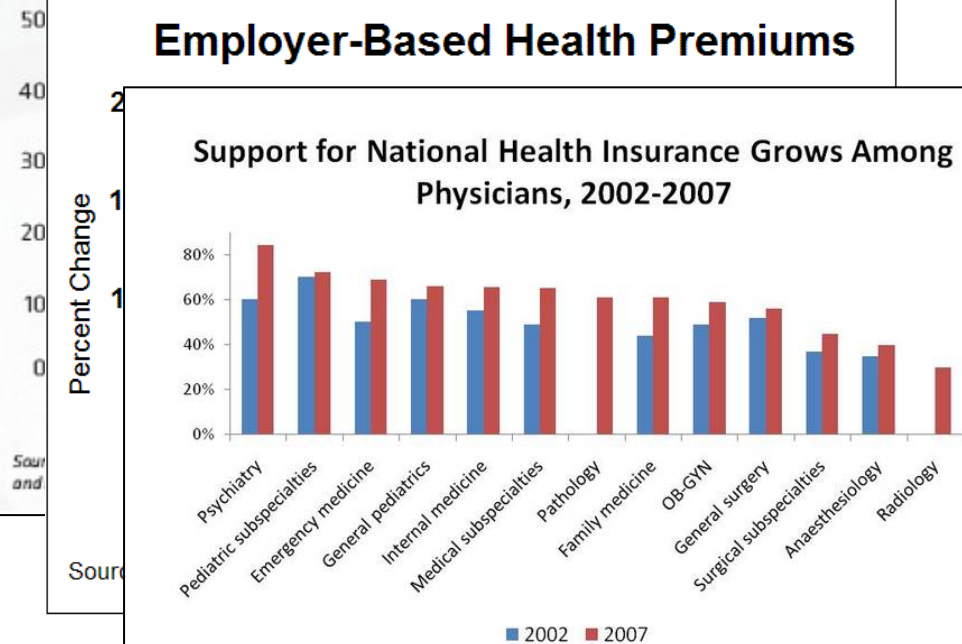
Act 3: The Budget



Impetus for reform

- Nearly 50 million uninsured
- Global economy is hurting companies ability to offer care
- Providers burdened with paperwork and lots of no-pay patients

Trends in the Number of Uninsured and the Percent of Uninsured in the United States, 1987-2006



Source: Support for National Health Insurance Among U.S. Physicians: 5 Years Later, AE Carroll, RT Ackerman, Annals of Internal Medicine, 1 April 2008, Volume 148, Number 7



Act I: SCHIP Expansion

- “Down Payment” on health reform
- Covers an additional 4 million children
- Lifts ban on providing coverage to children of legal immigrants

Act II – ARRA

American Recovery and Reinvestment Act Or Stimulus Bill



- \$787 billion package
 - \$87b for Medicaid
 - \$1.1b for comp. effect research
 - Includes rural
 - Rural broadband
 - Rural water projects
 - Workforce training
 - Prevention/wellness



Act III: The Budget: Many Moving Parts

- Senate HELP Committee - - insurance, workforce, non-Medicare
- Senate Finance Committee - - Medicare, Medicaid, Social Security, Graduate Medical Education
- House Ways and Means – Medicare, Graduate Medical Education
- Energy and Commerce - - Medicaid, Insurance, workforce
- Education and Labor - - Education loans



Committee Philosophies

- HELP: Kennedy long history of health care, but too ill to chair. R's shut out of process.
- Finance: long history of bipartisanship, rural champs, moderate members - - cross-over votes (Snowe, Hatch, Enzi)
- Ways and Means: Strong personalities (Rangle, Stark) Rs shut out of process.
- Energy and Commerce: Struggle for control between Waxman and Dingell. Rs shut out of process



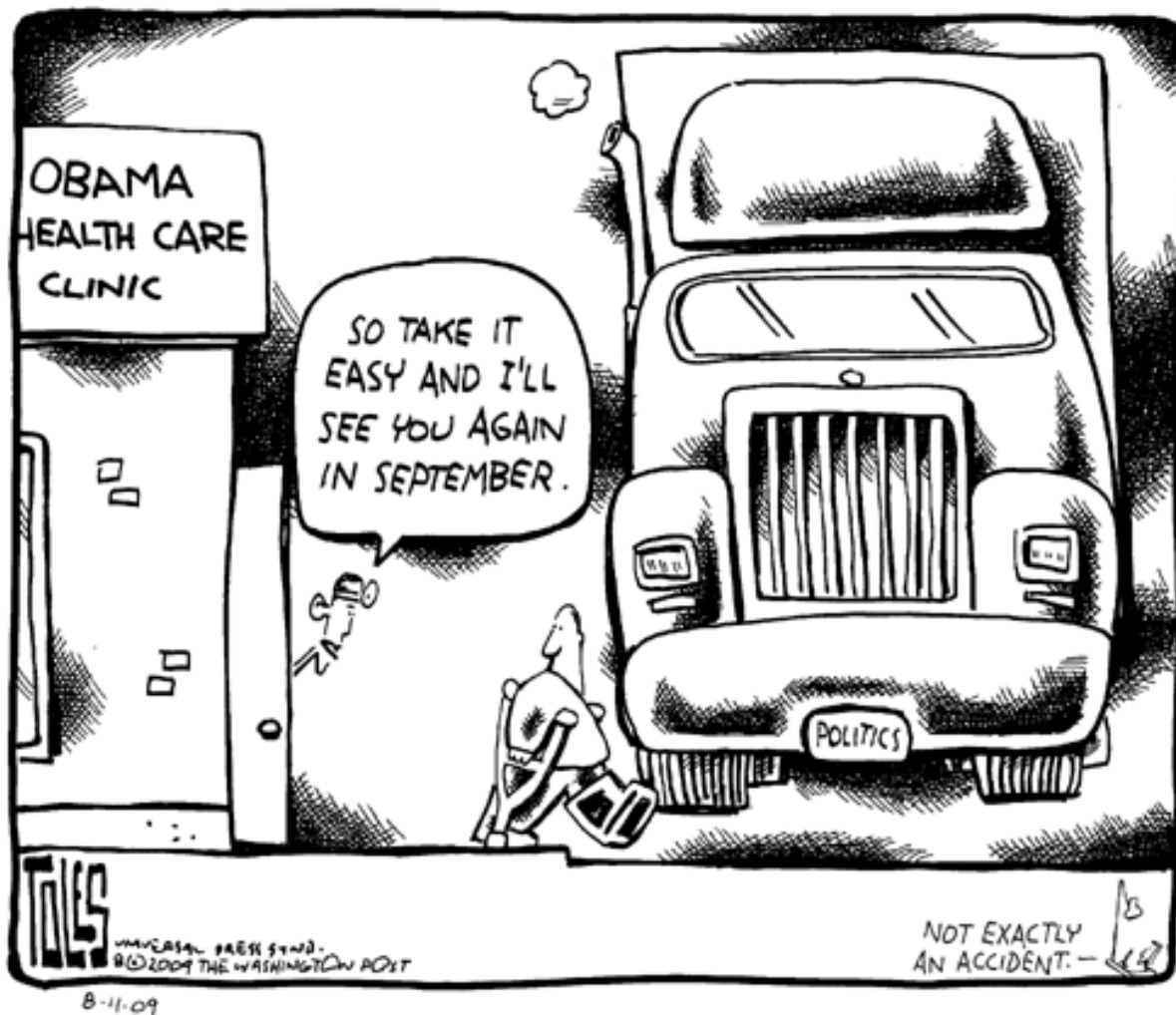
The President's 8 Principles:

- Reduce health care costs
- Protect families from bankruptcy and debt of medical costs
- Guarantee choice of doctors and health plans
- Invest in prevention and wellness
- Improve patient safety and quality of care
- Ensure affordable coverage for everyone
- Maintain coverage when you lose job
- End barriers to coverage for pre-existing conditions



The Timetable

- Urgency to get bill done this year, will NOT happen next year
- So many delays. Goal was to finish committee work in June and have Floor debate in July.
- Hope to have Reform bill by year end.
- Senate did not vote on reform before August Recess





The Roadblocks

- Unforeseen events: SC nominee; Wars in Iraq/Afghanistan, Another financial crisis
- Foreseen Events: deficit, partisanship, abortion, lack of “pay-fors”





Cool-hand Obama

- Planted seeds in campaign
- Met with ALL interest groups (providers, insurers, drug companies, manufacturing comings, Chambers, Business, Patient Groups.
- Hands-Off Strategy (The lessons of Clinton)
- Down-side - - no control over Democrats (problem of Stimulus bill)



Agenda

- Background—the politics of health reform
- **NRHA Rural Priorities/Agenda**
- Analysis of Health Care bills



The Rural Uninsured

- **A greater proportion of rural residents than urban residents are uninsured or covered through public sources. (23% compared to 19%)**
- 30% of uninsured rural residents are not employed compared to 27% of urban residents.
- For those who are employed - - small firm size, low wages, and self-employment - - continue to be risk factors for higher uninsured rates in the most rural places.



Despite that - - the problem in rural health care is **ACCESS**

- Health reform that expands health care coverage is necessary - - rural Americans lack insurance at a higher rate than their urban counterparts - - but there is a greater crisis in rural America: **access** to health care. Coverage does not equate to access.
- Over 50 million Americans live in areas where there are too few providers to meet their basic primary care needs.
- Yet these rural patients face the most daunting of health care challenges: per capita, rural populations are older, poorer and sicker.
- For health reform to be a success, the access crisis in rural America must first be resolved.



Important for Rural Patients the Rural Economy

- Healthcare is the fastest growing segment of rural economy.
- Each rural physician can generate numerous other jobs in the local rural economy
- In most rural communities hospitals are the largest or second largest employer
- Health care can represent
--20% of a rural community's employment
and income.



The NRHA Solution:

- To resolve the health care crisis in rural America, the rural health care safety net must be prevented from crumbling. Two reforms are crucial:
 - 1. The workforce shortage crisis must be abated; and**
 - 2. Equity in reimbursement must occur**



Workforce Shortage

- Expand National Health Service Corp
- Title VII and Title VIII improvements
- Improve Residency Training Programs
- Medical School Rural Training Tracks
- Lift Caps on Rural Residency Programs
- Meet the Needs of Emergency Medical Services in Rural America



Equitable Reimbursement

- Rural Medicare Protections/Legislation
- RHC Freestanding cap increase
- Medicare Dependent and Sole Community Hospital Provisions
- GPCI
- MedPAC Rural Representation
- 340B drug program expansion



CAH Legislative Agenda

- CAH Bed Flex

S. 307/H.R..668 “The CAH Hospital Flexibility Act”

- Restore Necessary Provider

S. 1171/H.R. 2692 “CAH Designation Waiver Authority Act”

- CRNA Reimbursement

- CAH HIT Fix: Change ARRA Provisions

- Option II Fix



CAH Legislative Agenda

- Expansion of 340B Drug Program
- Increase RHC FS Encounter Rate
S. 1355 From \$76.84 (current) to \$92.00
- Eliminate CAH “Isolation Test” for Ambulance Reimbursement
- Ensure Rural Representation on MedPAC (IMAC?)
- FQHC and Satellite Clinics (coordination)



Join Our Effort

- NRHA Membership! www.ruralhealthweb.org

Weekly Grassroots Reform Webinar

join-grassroots@lists.wisc.edu

Rural Health Blog: <http://blog.ruralhealthweb.org>

Monthly Rural Health Connect E-Newsletter

Electronic Action Alerts: Late-breaking action needed

Rural Roads Magazine

Journal of Rural Health

Member of Hospital (CAH) Constituency Group

Career Center (Job Bank)



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- Background—the politics of health reform
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- **Analysis of Health Care bills**



Unifying themes

- Expanding access of coverage
- Individual Mandates
- Employer Requirements
- Expansion of Public Programs
- Subsidies to health people get coverage
- Quality measures and patient safety (c/e, VBP)
- Insurance pooling (portability and choice)



Issues that Divide

- Public Plan
- Cost
- Subsidies (% federal poverty level)
- Employer Mandates
- Medicaid Expansion
- Abortion



Issue that Unites: RURAL!



Is it good for rural?

HELP bill contains very strong workforce provisions:

- AHEC funding quadrupled - - patterned after Clinton reauthorization bill
- Strong investment in NHSC
- 340B Expansion



Is it good for Rural?

- NRHA Concerns:
- Many Medicare Inequities Not Addressed
- Residency Redistribution
- Public Plan Reimbursement Rates
- Investment in Workforce not sufficient (Title VII, Title VIII, GME provisions omitted)



Look out for...

- Co-Op concept:
- Sen. Conrad's Co-Op Plan - - Alternative to public plan
- Must have enough participation to make it viable "critical mass."
- May not offer lower premiums but can offer choice.
- Only could become important sources of health coverage if govt. gets involved (control risk pooling, subsidies)
- MedPAC authority expansion – Rural Representation Crucial!



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