

# **Critical Access Hospital Coalition**

**October 3, 2017**

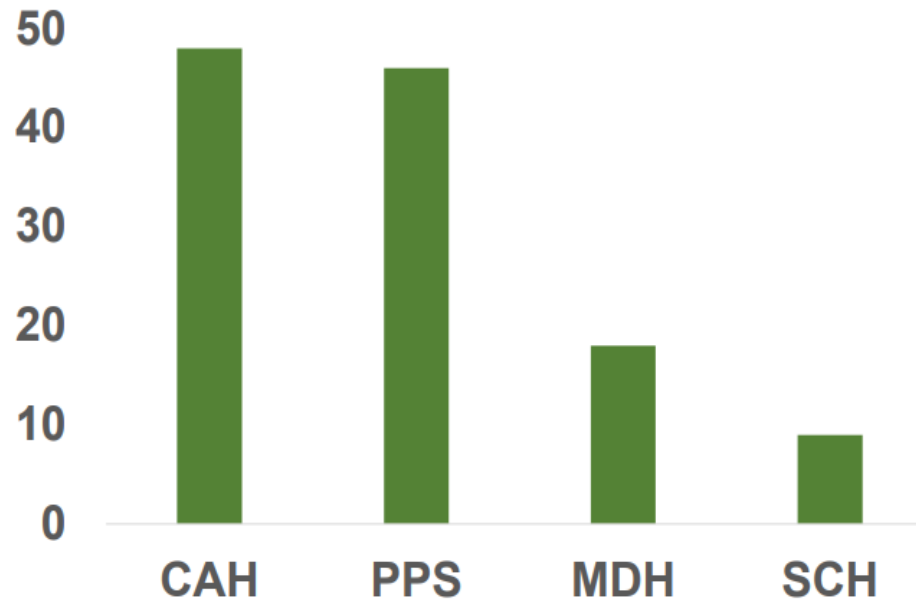


# CAH Coalition

- Current Coalition of 50 CAHs created 4 years ago.
- Response to Obama Administration attacks against CAHs.
- New, expanded CAH Coalition is being formed now.
  - Greater threats to CAHs
  - Greater demand for ACTION!

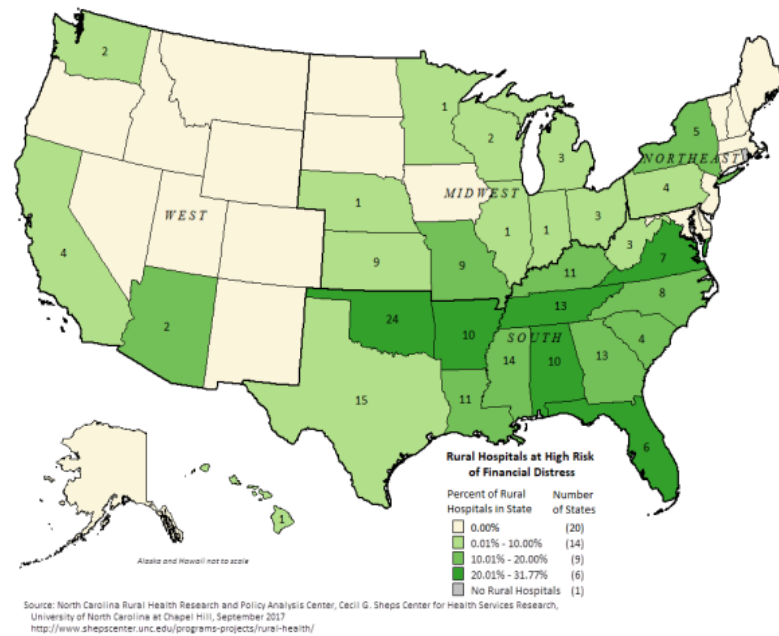
## 2005-17 rural hospital closures: What were their Medicare payment classifications?

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Source: Holmes, G. Mark, Kaufman, Brystana and George Pink. "Financial Distress and Closure of Rural Hospitals." NC Rural Health Research Program. 21 September 2017.

## Geographic distribution of rural hospitals at high risk of financial distress, 2017



Source: Holmes, G. Mark, Kaufman, Brystana and George Pink. "Financial Distress and Closure of Rural Hospitals." NC Rural Health Research Program. 21 September 2017.

# Health Care On Capitol Hill

- The Affordable Care Act repeal and replace efforts died once again, with the Cassidy-Graham bill not getting enough support by Republicans in Senate.
- Tom Price resigned as HHS Secretary on Friday, following negative media stories about his use of a chartered aircraft.
- The House and Senate are both moving some major health care bills that are generally favorable to providers.
  - The legislation is not attracting attention, particularly from major media, and therefore is more likely not to be stalled by partisan fighting.
- CMS will not update its Overall Hospital Quality Star Ratings in October, despite previous announcements it would do so.
  - Recent report found rural hospitals disproportionately did not receive star ratings, CAHs most likely not to receive a rating.

# 340B

- CMS proposed rule would reimburse hospitals for Part B drugs purchased through the 340B program at a rate of average sales price minus 22.5%
  - CAHs exempt from this proposal
  - A bipartisan group of 228 House lawmakers urged CMS last week to scrap proposed cuts to hospitals' reimbursement for 340B drugs because they say it isn't clear the proposal would reduce drug costs for Medicare beneficiaries and it could hurt hospitals.
  - A senate letter is still gathering senators' signatures.
- Key House Committee hearing Oct. 11 on 340B
  - Increase HRSA audit authority, require more accounting, and impose 'user-fees' to support HRSA audit program

# Rural Health

- **Trump FY18 Budget** – removes Rural Hospital Flexibility Grants, zeroes out funds for State Office of Rural Health, decreases telemedicine funding, further cuts Medicaid
- **Introduced Legislation** –
  - The Critical Access and Rural Equity (CARE) Act (H.R. 3224) would clarify the definition of CAH Medicare allowable costs to include patient- and physician-related expenses presently not covered.
  - Save Rural Hospitals Act would make permanent the extension of the Medicare-dependent hospital program and the increased payments under the Medicare low-volume hospital program.
  - Rural Emergency Acute Care Hospital Act would create a new Rural Emergency Hospital classification under Medicare allowing a hospital to have an emergency room and outpatient services only.
  - Rural Hospital Regulatory Relief Act of 2017 would permanently extend the enforcement moratorium on “direct supervision” of outpatient therapeutic services for critical access hospitals and small, rural hospitals with 100 or fewer beds.



**CAH Coalition**  
CRITICAL ACCESS HOSPITAL COALITION

# A Voice for Essential Rural Hospitals

- Current CAH Coalition has already:
  - Stopped the 10 mile rule
  - Delayed implementation of MIPS penalties
  - Protected 101% reimbursement
  - Commented on CMS regulations to repeal 96 hour rule and prevent accreditation reports from being publicly available
- New Policy Initiatives:
  - Re-define “reasonable” or “allowable” costs for CAHs
    - October 12<sup>th</sup> Webinar
  - Support for 340B Drug Pricing Program
  - Identify and pursue new revenue opportunities for CAHs
  - Oppose HHS OIG proposals on CAHs
  - Update measurements for Hospital Star Rating program



# Benefits of Membership

- Work with peers to develop new CAH policies.
- Ramp up CAH advocacy within Congress, Administration and raise your hospital's profile.
- More interaction with CMS officials.
- Participate in regular phone conferences and periodic in-person meetings only for CAHs.
- Engage in educational updates with CAH-specific webinars.
  - Oct. 12 webinar: Defining Allowable costs for CAHs
- Get monthly newsletters tailored to CAHs.

# Benefits of Membership

- Dedicated staff
  - Executive Director, Audrey Smith
  - Operations Manager, Emma Lange
  - Membership Director
- Policy and Advocacy Support
  - Strategic Health Care's Washington team will continue to provide regulatory analysis and lobbying strength.

# Next Steps

Want more info?

- Call or email Audrey Smith
  - 202-266-2661; [Audrey.Smith@CAHCoalition.com](mailto:Audrey.Smith@CAHCoalition.com)
- Join us on October 12<sup>th</sup> for our Allowable Costs webinar.
- Visit the website: [www.cahcoalition.com](http://www.cahcoalition.com)
- Request or download the Membership Form
- Request a presentation (webinar) to your Board or Leadership Team
- Annual fee is being reduced from the current Coalition rate: Now it is \$400 a month
- Sign Up!

# Contact

Please visit our website at [www.cahcoalition.com](http://www.cahcoalition.com).

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