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The Pulse

The New CAH Coalition

The CAH Coalition is here to help our nation's essential rural hospitals prosper. We are here to arm you with the tools and information necessary to combat the threats that rural hospitals are facing as a result of health care's ever-changing agenda. Members of the CAH Coalition collaborate with their colleagues in order to create new federal policy that benefits CAHs, and elevate their hospital's profile amongst members of Congress, as well as Centers for Medicare and Medicaid Services. Additionally, members of the CAH Coalition receive [access to webinars covering the issues most critical to CAHs](#), weekly legislative updates, analyses of both breaking health care news and regulations, and much more.

In addition to the new monthly newsletter, the [CAH Coalition website](#) is receiving a facelift with a new Members Only portal. The Members Only section will contain memos, letters, and other CAH-specific legislative and regulatory information. Stay tuned as we grow our new Coalition.

Rural Health Care in Today's Politics

From newly proposed CMS inpatient and outpatient rules to ACA repeal, replace legislation in the Senate and House to the Trump Administration's proposed FY18 budget that would cut Medicaid by hundreds of billions of dollars over the next 10 years — hospital funding streams are under assault by the federal government.

Congress is currently considering a number of Affordable Care Act (ACA) repeal bills that would make significant cuts to Medicaid. [A recent report](#) found that the House-approved bill would cause a loss of \$1.4 billion in revenue per year to rural providers, while the Senate bill would cause an estimated loss of \$1.3 billion in revenue per year for rural providers. Currently, [Senate Majority Leader Mitch McConnell \(R-KY\) declared the latest Senate legislative efforts as unsuccessful, calling for Senators to repeal the ACA now and replace later](#). Now the question is if this isn't successful, what's next?

CMS released [a proposed rule that would change the 340B program](#) to reimburse hospitals for Part B drugs at a rate of average sales price minus 22.5 percent, a change from the current reimbursement rate of average sales price plus 6 percent. While CMS has said CAHs are exempt from this change, the Coalition continues to monitor possible changes to the 340B program.

The House Energy & Commerce Committee is also reviewing the 340B program, expressing their concerns about the rapid growth and lack of oversight in the program. The Committee has requested the Health Resources and Services Administration to conduct an audit of the program. To watch the latest hearing, [click here](#).

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Spotlight Author Article: Why Now?

Critical Access Hospitals have never been more challenged. That is why I decided to increase our investment into the Critical Access Hospital Coalition, which was created four years ago. The 1,300 CAHs in the United States have been suffering from federal policy neglect from Congress and the Administration for many years. CAH Medicare margins are shrinking, Medicaid funding may be cut, and the growing burden of federal regulations is stifling.

Adults in rural areas are older and sicker than those living in non-rural areas. Rural areas serve a greater proportion of veterans than non-rural areas. Additionally, the [CDC's Morbidity and Mortality Weekly Report](#) found that cancer-deaths are higher in rural areas compared to urban. Compounding these issues, [80 rural hospitals have closed since 2010](#), and hundreds more could be on the chopping block.

The CAH Coalition serves as “[a voice for essential rural hospitals](#),” working to overcome these challenges. It's important to have a loud, unified voice for CAHs in Washington. Over the last few years, the CAH Coalition successfully stopped the Obama Administration's 10-mile proximity rule and the proposed cut to CAH reimbursement. They also stopped congressional action on three different HHS Inspector General reports that would have been particularly harmful to CAHs. With broader and stronger support, the CAH Coalition can do so much more.



Paul Lee

Senior Partner
Strategic Health Care

Paul leads Strategic Health Care's activities in the nation's capital and has over 20 years of experience serving as the key strategist and advocate on behalf of clients on matters pending with the U.S. Congress, the Centers for Medicare and Medicaid Services, and other federal agencies.

“The 1,300 CAHs in the United States have been suffering from federal policy neglect from Congress and the Administration for many years.”

Bonus Beats:



◇ [41 Percent of Rural Hospitals Operating with Negative Margins](#)
Approximately 41 percent of rural hospitals had negative operating margins in 2016, according to a study of over 2,100 rural hospitals. Researchers said that rural hospitals located in states that elected to not implement Medicaid expansion programs operated with lower margins compared to their peers in expansion states. Click [here](#) for the complete report.

◇ [762 Rural Hospitals Received No Stars in CMS' Rating Program](#)
In April 2017, CMS released their fourth Hospital Quality Star Rating list. According to an analysis, 23% of all hospitals received no score, of which 73% were rural hospitals. More than one third of rural hospitals across the country did not receive a star rating, a majority of which were CAHs. Rural hospitals without a star rating were clustered across the West, Midwest, and South Census Regions. Click [here](#) for the report.

◇ [Study Examines Why Physicians Leave Rural Areas](#)

A new study has found that younger primary care physicians in rural areas have a higher turnover rate than their older peers, and physicians in each demographic are likely to move on for different reasons. The study from the Robert Graham Center for Policy Studies in Family Medicine and Primary Care explores the potential reasons why rural primary care physicians choose to stop practicing in rural areas. Click [here](#) to view the study.

Coalition Updates

The CAH Coalition will be responding to two recent CMS rules that would create a number of changes, exclusively affecting CAHs, including a delay of the direct supervision of hospital outpatient therapeutic services for calendar years 2018 and 2019. If you're interested in signing on to the letters, contact us at 202-266-2660 or contact@cahcoalition.com.

The Coalition responded to a CMS proposed rule governing the Fiscal Year 2018 Medicare payment and policies for inpatient hospitals. We urged CMS to stop enforcing the 96-hour rule as a condition of payment, and to not require accrediting organizations make survey reports public. Read the [letter here](#).

Representatives Gregg Harper (R-MS) and Dave Loebsack (D-IA) introduced the [CARE Act \(H.R. 3224\)](#) last week. The bipartisan CARE Act would expand the definition of CAH allowable costs to include additional patient- and physician-centered expenses. It would create a more uniform and comprehensive definition of allowable costs, enabling CAHs to continue to survive and focus on care delivery in rural America.

Mark Your Calendars

August 1, 2017

National Conference Call and Webinar:
Learn more about the new Coalition
and learn more about membership.

September 7, 2017

Telemedicine Webinar:
Learn more about telemedicine and how
to apply for telemedicine funding from
[USAC's Rural Health Care Program](#).

To learn more or participate in any upcoming webinars, please email us at contact@cahcoalition.com or call us at 202-266-2660.



About the Coalition

The Critical Access Hospital Coalition is a consortium of innovative health care executives leading Critical Access Hospitals (CAHs) across the country. We exclusively focus on issues impacting CAHs. Our sole purpose is to assist policy makers in understanding the unique needs of CAHs and the vital role they play in the health of rural communities.

The CAH Coalition works to educate members of Congress, HHS, CMS, other federal agencies and organizations about the importance of our member hospitals. We work together as a bipartisan Coalition to develop new federal policies impacting CAHs, including reimbursement, regulations, and other actions.

The Coalition delivers a positive message about CAHs and works collaboratively with other organizations with common interests.