



October 2017

The Pulse

The Future of Federal Health Policy

The Department of Health and Human Services (HHS) has a new Acting Secretary, now that Secretary Tom Price has stepped down. It's unclear who will be tapped to helm the Department, but familiar names, such as CMS Administrator Seema Verma or VA Secretary David Shulkin, have been passed around.

In addition to the turmoil at HHS, changes to the health insurance market have continued. President Trump signed an executive order that requires HHS, the Department of Labor and the Department of Treasury to review and reinterpret existing regulations to expand health care coverage options to allow cross-state association health plans, extend the duration of short-term plans, and boost healthcare reimbursement arrangements.

Open exchange enrollment begins November 1, however exchange subsidies remain in question. President Trump eliminated subsidies this month, however Senators Alexander (R-TN) and Murray (D-WA) reached a compromise for a 2-year subsidy fix. The bill is likely to pass the Senate, but more likely a deal will be reached in December, with other impending financial deadlines coming to a close.

Rural Hospitals Get Innovative

With the onslaught of financial threats to Critical Access and rural hospitals, many have become creative so they may fulfill the needs of their communities while addressing serious budget concerns.

- With a shortage of physicians, Nurse Practitioners and Physicians Assistants are in high demand in rural areas. This demand will continue to grow as the ability for [physicians to support NPs and PAs expands alongside the integration of telemedicine](#).
- Hospitals in Indiana have taken advantage of Medicaid funding provided to nursing homes owned or leased by counties. The [additional Medicaid funding for those county hospitals owning or leasing a nursing home](#) can be split at the administrator's discretion between their hospital and nursing home.
- [North Sunflower Medical Center in Ruleville, Missouri, was profiled by CNN in acknowledgment of the great success of their hospital](#). Once facing serious financial hardship, Ruleville has greatly expanded and now serves as a key economic center and provides critical, life-saving care to surrounding rural communities.
- [Union General Hospital in Farmerville, Louisiana partnered with the Union Parish Sheriff's Office, School District and Crime Stoppers, to create the Together We Can Be Bully Free program](#) to reduce youth suicide in their community. Over 2,500 students have participated, helping them to better identify bullying in their communities.

Inside this issue

The Future of Health Policy	1
Rural Hospitals Get Innovative	1
Spotlight Author: Rep Peter Welch	2
Bonus Beats	2
Coalition Update	3
Mark Your Calendars	3
About the CAH Coalition	3

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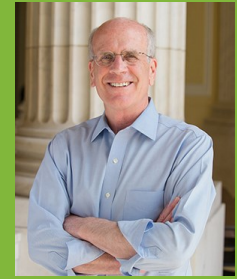


Spotlight Author: Helping Rural Hospitals

Since 2014, drug companies have been taking advantage of the ‘orphan drug’ loophole at the expense of consumers, providers, and, in particular, rural hospitals. Vermont hospitals rely on the 340B program to ensure they are able to continue to serve those with health care needs, regardless of their ability to pay. These hospitals, and those they serve, cannot afford to have this critical program circumvented due to yet another market failure that allows big drug corporations to cash in at their expense.

That’s why I introduced the bipartisan Closing Loopholes for Orphan Drugs Act (H.R. 2889) with Rep. Gregg Harper (R-MS). Our legislation would address a loophole in the 340B Drug Pricing Program that is contributing to the rising cost of health care for consumers and threatening access to lifesaving medications. This bill is just one the efforts I’ve undertaken to fix the broken prescription drug market, which has led to unrestrained price increases for consumers and providers alike.

H.R. 2889 would restore the original intent of Congress and close this loophole by limiting the ‘orphan drug’ exclusion to only apply in instances where the drug is used for the rare condition or disease for which it was designated. This will ensure the ‘orphan drug’ designation isn’t exploited to prevent the offering of the 340B discount for non-orphan uses of the same drug. Rural hospitals across the country have been suffering, with shrinking margins and lower reimbursements. Closing this loophole is one way we can help keep our rural communities healthy.



Rep. Peter Welch

D-Vermont

Peter Welch was elected to Congress in 2006. He serves as Chief Deputy Whip of the House Democratic Caucus and a member of the Democratic Steering and Policy Committee. He serves on the House Energy and Commerce and Oversight and Government Reform Committees. He received his law degree from UC Berkeley, and served as a public defender before entering politics in the Vermont Senate.

“Vermont hospitals rely on the 340B program to ensure they are able to continue to serve those with health care needs, regardless of their ability to pay.”

Bonus Beats:

- **[Hospital Closings Likely to Increase](#)**

The North Carolina Rural Health Research Analysis Center has tracked rural hospital closures since 2005. “The hotspot for closures and financial distress continues to be the South - particularly Florida, Alabama, Tennessee, Arkansas and Virginia...as well as Texas” the Center said in a recent webcast. [HRSA has pushed a number of programs](#) aimed at helping rural hospitals improve quality and track their viability.

- **[Doctors Unaware of Choosing Wisely Campaign](#)**

A Health Affairs article found that doctors are unaware of the Choosing Wisely campaign, which was created in 2012 to help doctors to stop ordering unnecessary and harmful procedures and prescriptions. The study found that participation in the program increased from 21% of physicians in 2014 to only 25% in 2017. The program has received mixed reviews on effectiveness.

- **[AHA Study Shows that Community Benefits of Non-Profit Hospitals Outweigh the Value of Their Tax Exemption](#)**

With tax reform being debated on Capitol Hill, the American Hospital Association released a report showing that community benefit activities of hospitals and health system “outweigh the value of their federal tax exemption by a factor of 11 to 1.” While details of tax reform are a long way from being solidified, [lawmakers have previously floated the idea of mandating hospitals be required to spend at least 3.5% of their revenue on charity care.](#)



Coalition Updates

Only 3 Weeks Left! Do you currently receive the weekly update from Paul Lee at Strategic Health Care? As of November 13, 2017 all non-Coalition CAHs will no longer receive this update. Join us today to continue to receive these timely and important newsletters. We want to make sure you remain updated on what is happening in Washington. Contact us at contact@cahcoalition.com.

Write to your Member of Congress! The CAH Coalition developed the Critical Access and Rural Equity (CARE) Act, H.R. 3224, to better define allowable costs for CAHs. The legislation would clarify commonly cited auditor discrepancies and remove barriers to care by ensuring coverage of the most common diagnostic tests, health clinics, and physician recruitment and retention costs. Encourage your elected officials to cosponsor today, so we can advance this critical legislation.

Check it out! The CAH Coalition has launched its new website on CAHCoalition.com. Visit to read more about our policy priorities, the history of the Coalition, our staff, and sign up to join.

Mark Your Calendars

November 14, 2017

Providing Veterans a Choice: CAHs and the VA Choice Program.
Join us to learn about the Veterans Choice Program, its legislative history, future, and how you may enroll.

To learn more or participate in any upcoming webinars, you can register online at CAHCoalition.com, you can also 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.