



## 2015 Federal Public Policy Agenda

### Introduction

The Oregon Association of Hospitals and Health Systems' (OAHHS) and the Washington State Hospital Association's (WSHA) joint federal public policy agenda addresses the federal policy challenges facing our members in 2015. This agenda aims to achieve five goals:

- Health care coverage for all residents of Oregon and Washington;
- Access to high quality health care services throughout our states;
- Fundamental delivery system reforms that result in higher quality of care and greater value for the dollars spent on medical care;
- An adequate supply of health care professionals; and
- A common sense approach to regulating health care providers.

### Short-Term: April 1 Expiration of Medicare Physician Payment Fix

On April 1, physicians face a 21 percent Medicare payment rate cut. WSHA and OAHHS support efforts to prevent this cut. In addition, we support repealing the sustainable growth rate (SGR) formula for reimbursing physicians and replacing it with a formula that rewards improved quality of care and patient outcomes.

**Hospitals cannot fund the fix.** We will not support proposals that impose an inappropriate burden on hospitals to pay the cost of either a permanent or short-term solution. *In particular, we are opposed to efforts to impose "site-neutral" payment policies that would reduce Medicare reimbursement for hospital outpatient services, and cuts in Medicare payments for graduate medical education bad debt.*

The Medicare physician payment fix legislation may provide an opportunity to achieve other short term legislative goals, such as:

- Removing the 96-hour physician certification requirement as a Medicare condition of payment for critical access hospitals;
- Establishing a "general" – rather than "direct" – supervision standard for therapeutic services provided in an outpatient hospital department;
- Permanently extending add-on payments for ambulance services in rural areas;
- Giving hospitals and eligible health care professionals more flexibility in meeting meaningful use requirements for electronic health records in FY 2015 by shortening the reporting to 90 days from 365 days; and
- Extending the current moratorium on enforcement of the two-midnight rule for determining whether a patient should be considered an inpatient or outpatient.

In addition, OAHHS and WSHA support other public policy proposals likely to be considered in 2015, including:

- Reforming the Recovery Audit Contractor program to relieve the administrative burden on hospitals and ensure timely resolution of appeals, building on the recommendations in the recent MedPAC report.
- Enabling Medicare beneficiaries who are seen by mid-level practitioners to be attributed to rural accountable care organizations.
- Opposing any further delay in implementation of the ICD-10 coding system.

### **Long-Term Initiatives**

OAHHS and WSHA members are committed to transforming the health care system into one that emphasizes coordination of care, quality of care, patient safety, and lower costs. In addition, we are committed to ensuring continued access to health care services in rural areas.

To be successful in this effort, hospitals must make significant long-term investments in new information technology and infrastructure. Making these investments requires a predictable revenue stream for the future – something that has been difficult in today’s budget environment.

When faced with the need to prevent Medicare physician payment cuts or reduce deficit spending, Congress and federal agencies have imposed arbitrary and ad hoc reductions in hospital reimbursement. OAHHS and WSHA oppose such efforts. In particular, OAHHS and WSHA will oppose arbitrary Medicare and Medicaid spending reductions, such as:

- Site-neutral payment policies that reduce Medicare payments for hospital-based outpatient services;
- Lower payments to critical access hospitals;
- Reduced Medicare offsets for bad debt;
- Restrictions on the 340B drug discount purchasing program; and
- Reduced Medicare support for graduate medical education.

As part of our effort to transform the delivery of health care, we will support:

- Reauthorizing and providing ongoing funding for the Children’s Health Insurance Program, which provides health insurance to many children in Washington and Oregon.
- Developing and advocating for reimbursement systems that reward efficiency, quality improvement, patient safety, and care coordination, rather than volume of services.
- Ensuring public policies that enhance collaboration among providers and remove the legal barriers that now fragment the health care delivery system.
- Developing alternative reimbursement and delivery system models aimed at ensuring continued access to medical care in rural communities, recognizing the unique demographic, reimbursement, regulatory and work force challenges facing these areas.
- Ensuring adequate ongoing funding for the expansion of health insurance coverage through the Affordable Care Act, which has been very successful in Washington and Oregon.
- Fostering an approach to Graduate Medical Education that encourages primary care and rural care, and that creates a more fair allocation of GME slots across the country based on current population and needs.
- Seeking federal solutions to improving and expanding mental health services, for example, eliminating same-day billing prohibitions for physical and mental health care.
- Abolishing the Institute for Mental Disease exclusion for federal funding for psychiatric care.