Redefining the H
Beyond the walls and into the community
The 42nd Annual Rural Hospital Leadership Conference
Washington State Hospital Association
Association of Washington Public Hospital Districts
2019 Legislative Priorities: What’s on the Horizon in Olympia and Washington DC
State Policy and Budget Process

WSHA’s Work

• In 2017-2018 WSHA/AWPHD reviewed 450 bills

• 2018 Supplemental budget year
  • Senate flipped to Democratic control
  • Actively worked on dozens and dozens of bills in 2018
WSHA Successes: 2018 Policy

- Reasonable charity care law
- Individual insurance market stability
- Stopped many onerous bills:
  - Nurse staffing: meals/rest breaks, on-call and restrictions on mandatory overtime
  - Mergers/affiliations
  - Restrictions on health care entities
  - Expansion of liability for wrongful death
WSHA Successes

• 2018 Supplemental Budget
  • No cuts to hospitals/health systems
  • Rate increase for pediatric care
  • Some new funding for mental health and opioids
2019 Legislative Session

2018 elections
• All of House up for re-election
• Half the Senate up for re-election

Long session
• 105 days
• Budget year
State Leadership: 2019

Governor Jay Inslee (D)
- Second term

House Speaker Frank Chopp (D)
- Narrow majority (50-48)

Senate Majority Leader Sharon Nelson (D)
(retiring, replacement not known)
- Narrow majority (25-24)
2019: A Big Budget Year

- McCleary (K-12)
- Health Care
- Higher Education
- Carbon tax?
- Culverts?
WSHA Budget Priorities

- Difficult to discharge patients (patients living in the hospital)
- Outpatient Medicaid rate increase for physicians
- Increasing the health care workforce
- Behavioral health: funding the continuum of care
- Rural health transformation
- Renewal of safety net assessment program
Policy Priorities
### 2019 Policy Issues

<table>
<thead>
<tr>
<th>Improving Access to Care (WSHA bills)</th>
<th>Proving a Safe Care Environment</th>
<th>Maintain flexibility and maintain/lower costs</th>
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<tr>
<td>Streamlining advance directives</td>
<td>Nurse staffing: meal &amp; Rest breaks, prohibiting on-call</td>
<td>Restriction on health care entities</td>
<td>Restriction on medical debt</td>
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<tr>
<td>Continue CON exemption for mental health</td>
<td>Pharmacy regulations</td>
<td>Expansion of wrongful death</td>
<td>Notice requirements on mergers and affiliations</td>
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<tr>
<td>Expanding surrogate decision makers</td>
<td>Sexual assault evidence kits</td>
<td>Balance billing prohibitions</td>
<td>Expansion of Ambulatory Surgical Centers without CON</td>
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</tbody>
</table>

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Washington State Hospital Association

Association of Washington Public Hospital Districts
Nurse staffing

- HB 1715 would have:
  - Mandated uninterrupted meal and rest breaks
  - Prohibited the use of pre-scheduled on call
  - Expanded mandatory overtime prohibitions

1,740 additional nurses and other members of the care team per year to fill those positions

<table>
<thead>
<tr>
<th>Hospital Size</th>
<th>Cost by hospital size</th>
<th>Examples</th>
</tr>
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<tbody>
<tr>
<td>200+ beds</td>
<td>$138.6 million</td>
<td>EvergreenHealth $5.6 million cost / 49 new staff needed</td>
</tr>
<tr>
<td>101-200 beds</td>
<td>$38.9 million</td>
<td>Swedish Edmonds $3 million cost / 24 new staff needed</td>
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<tr>
<td>26-100 beds</td>
<td>$12.7 million</td>
<td>Olympic Medical Center $957,000 cost / 10 new staff needed</td>
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<tr>
<td>0-25 beds</td>
<td>$13.9 million ($35.7 million with traveling nurses)</td>
<td>Snoqualmie Valley Hospital $376,000 cost / 4 new staff needed</td>
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</tbody>
</table>

*Critical Access Hospitals have significant challenges recruiting nurses. WSHA estimates that traveling nurses would need to be hired at an increased cost.
HB 1811 would have placed significant new requirements on hospitals:

- Burdensome reporting to the Attorney General of almost all transactions – even simple arrangements, such as contracted services
- Require health care entities to divulge sensitive, proprietary transaction details
- Treble damages under the Consumer Protection Act
- Singles out the health care industry
Wrongful Death

• The *Ride the Ducks* accident illustrated limitations of our state’s wrongful death statute

• WSHA and WSMA did not oppose expansion to non-US residents, but strongly opposed:
  • Significant expansion of damages
  • Exposure for “deep pocket” defendants under state joint and several liability standard – edit
  • Removal of economic tie
Medical Decision Makers

• WA law limits who can make decisions when a patient lacks capacity
• Most other states allow more family members or a close friend to make decisions
• The bill ran out of time in 2018
• Will be back in 2019
Safety: Weapons in hospitals

• Member hospitals asking WSHA to explore solutions
  • Legislative, workforce training and community partnerships
• Very early on in legislative development
• Narrow focus on hospitals
The View from the Potomac
Today’s Agenda

• 2018
  – Where We’ve Been
  – Where We’re Going

• The Future of Rural Health Care

• The 2018 Political Environment
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2018: Where We’ve Been
Status of the ACA

Tax Cuts and Jobs Act (Dec.) repealed the ACA individual mandate.

CSRs – help offset out-of-pocket expenses for low-income
- Trump administration ended in October
- Bipartisan Senate bill to restore CSRs, create high-risk pools died.

Trump administration strategy: weaken ACA through rules:
- Shortened open enrollment
- Reduced outreach funding
- Easier to form association health plans
- Expanded use of short-term policies
- Expanded exemptions from individual mandate
- Flexibility from Essential Health Benefits requirements
Five stopgap bills to fund government

Tax Cuts and Jobs Act signed into law (Dec.)

Bipartisan Budget Act of 2018 (February) raised FY 2018 – 2019 spending caps for defense and non-defense spending, raised debt ceiling until 2019

Omnibus Appropriations Act (March) funded government until October 1
2018: Where We’re Going
The Opioid Crisis

• House
  ▪ More than 60 bills pass House in mid-June
  ▪ WSHA supported the package

• Senate
  ▪ Health, Education, Labor and Pensions (HELP) passed Murray-Alexander bill in April
  ▪ Finance Committee passed HEAL June 12
  ▪ Floor action July or September
  ▪ WSHA supported HELP, SFC bills
Key Opioid Provisions

Develops new alternatives to opioids in ED, strengthens prescription drug monitoring programs

Align 42 CFR Part B regulations on confidentiality of substance use disorder treatment records with HIPAA privacy rule for treatment, payment and health care operations

Allow Medicaid to pay for IMD care for up to 30 days for opioid use disorder treatment (FY 2019 – 2023)
Veterans Health Care – the VA MISSION Act

- Access to care outside VA medical network
- Eliminate 30-day wait, 40-mile eligibility
- Prompt Pay
- Medicare Payment Rates
Threats to 340B – Medicare OPPS Rule

2018 Medicare outpatient rule cut payment by 28.5 percent

- CAHs not affected
- AHA lawsuit would overturn the rule – ruling this summer
- Legislation would roll back the rule
Threats to 340B – Congress

**House Energy and Commerce Committee**
- Hearings focused on transparency, accountability – how much hospitals save and how they use the savings
- WA Players: Rep. McMorris Rodgers
- Action likely after House finishes opioid legislation
- January report on findings and recommendations for changes in the program

**Senate HELP Committee**
- Hearings in April, May, June
- WA Players: Sen. Murray, senior Democrat on HELP committee

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340B – Our Message

340B program requires drug manufacturers to make outpatient drugs available at a substantial discount to facilities that care for uninsured, low-income people

Average savings of 25 to 50 percent in the cost of pharmaceuticals in outpatient departments or clinics – these savings paid for by the drug companies

The savings hospitals realize enable them to provide life-saving drugs and do more to address community’s health needs

WSHA supports appropriate oversight of the program

WSHA strongly opposes efforts to reduce the program’s benefits to patients and providers
## The 2018 Rural Agenda

### Budget/Appropriations

- **Bills included health provisions:**
  - Five-year extension of Medicare low-volume payment add-on and MDH
  - Five-year extension of rural ambulance, home health payment add-ons
  - Two-year funding extension for National Health Service Corps, Community Health Centers
  - Additional funding for other rural programs
  - 10-year funding for CHIP
  - Funds to improve rural broadband
  - Enforcement moratorium for supervision of outpatient therapeutic services for CAHs, rurals
  - Low-priority for CAH 96-hour enforcement

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**Beyond the walls and into the community**

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The Future of Rural Health Care

Consensus that access at risk in rural communities

No consensus on the solution

AHA Task Force on Vulnerable Communities recommended nine strategies communities could choose from to preserve access

Rural Emergency Medical Center model introduced

State initiatives – e.g. WRHAP

Congress: Senate Finance Committee interested in something – not sure what??

CMS: Rural Health Strategy
A Wave Election? What to Look for…

**Historical patterns**
- The first mid-term is a referendum on the president
- 35 of 38 first-term presidents lost seats in the House; 19 of 26 lost seats in Senate

**Voter intensity – strong approve vs strong disapprove**

**Generic Ballot – Dems need margin of 7**

**Recent Elections**
- Democrats win Virginia, PA-18
- Republicans won 5 specials but 7 – 8 points behind their historical margin
President’s Job Approval
Rating Affects Elections

Presidents with a sub-50% approval rating lose an average of 40 seats in the midterms

Presidential job approval vs. midterm results since 1966

Trump Job Approval
43.4%
RCP Average: May 17, 2018

Job Approval
Average Change
Over 60% +3 Seats
50%-60% -12 Seats
Under 50% -40 Seats
The Race for the House – Dem Wave???

Democrats need 24 seats to retake control

Targets

• 59 Open seats – 39 GOP
• 23 Republicans hold seats in districts carried by Clinton
• Washington 8th District – a key race
# The Race for the Senate

## Breakdown of 2018 Senate races

<table>
<thead>
<tr>
<th>Solid Democrat</th>
<th>Likely Democrat</th>
<th>Lean Democrat</th>
<th>Toss Up</th>
<th>Lean Republican</th>
<th>Likely Republican</th>
<th>Solid Republican</th>
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<tr>
<td>Feinstein (CA)</td>
<td>Stabenow (MI)</td>
<td>Smith (MN)</td>
<td>Nelson (FL)</td>
<td>Hyde-Smith (MS)</td>
<td>Fischer (NE)</td>
<td>Wicker (MS)</td>
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<td>Murphy (CT)</td>
<td>Tester (MT)</td>
<td>Brown (OH)</td>
<td>Donnelly (IN)</td>
<td>McCaskill (MO)</td>
<td>Cruz (TX)</td>
<td>Hatch (UT)*</td>
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<td>Carper (DE)</td>
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<td>Heitkamp (ND)</td>
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<td>Hirono (HI)</td>
<td>Casey (PA)</td>
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<td>Manchin (WV)</td>
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<td>Warren (MA)</td>
<td>Baldwin (WI)</td>
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<td>Flake (AZ)*</td>
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<td>Cardin (MD)</td>
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<td>Heller (NV)</td>
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<td>King (ME)*</td>
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<td>Corker (TN)*</td>
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<td>Klobuchar (MN)</td>
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<td>Heinrich (NM)</td>
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<td>Whitehouse (RI)</td>
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<td>Kaine (VA)</td>
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<td>Sanders (VT)*</td>
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<td>Cantwell (WA)</td>
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* Not seeking re-election

How Will Election Affect Health Care?

The campaign already dictating the congressional calendar
- Short weeks
- No appetite for controversial issues – especially in the Senate

If GOP holds House and Senate
- Another repeal and replace effort in 2019
- Major deficit reduction initiative – including proposals for big changes in Medicare and Medicaid

If Democrats regain control of the House and/or Senate
- Another repeal and replace effort highly unlikely
- Democrats will try to restore cuts to ACA, roll back some of the tax cuts
Advocacy
Advocacy Efforts

What Can You Do?

- Respond to requests for action
- Come to Olympia or D.C. to testify or meet with your legislators
- Schedule an in-district meeting – consider including your neighbors
- Highlight your care improvements
Washington Hospital PAC
Building Bipartisan Relationships
Unifying Hospitals’ Political Voice
Electing Champions for Health Care

www.wshaweb.com/whpac
Password: WHPAC
Thank you to the following Rural Hospitals and Health Systems for meeting your 2017 PAC Goal

- Astria Health
- Cascade Medical Center
- Columbia County Health System
- EvergreenHealth Monroe
- Island Hospital
- Jefferson Healthcare
- Kittitas Valley Healthcare
- Klickitat Valley Health
- Mason General Hospital & Family of Clinics
- Morton General Hospital
- Newport Hospital & Health Services
- Ocean Beach Hospital & Medical Clinics
- Olympic Medical Center
- Othello Community Hospital
- Providence Centralia Hospital
- Providence Mount Carmel Hospital & Providence St. Joseph’s Hospital
- Pullman Regional Hospital
- Samaritan Healthcare
- Skyline Hospital
- WhidbeyHealth
- Whitman Hospital and Medical Center
- Willapa Harbor Hospital
Thank you!