



The 2017 State Legislative Session

What's in Store for Hospitals and Health Care?

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Presenters



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Objectives

- Discuss implications of proposed ACA repeal on state budget and priorities
- Learn about the 2017 state political climate
- Understand what we will be working on in 2017
- Talk about how you can participate



Clouds on the Horizon

Medicaid uncertainty at the federal level

WSHA Priorities

- Preserving meaningful access to care for more than 700,000 Washingtonians who have gained coverage
- Promoting stability of the healthcare marketplace
- Maximizing funding for safety net health care programs.
- If repeal must happen, replace must come first

WSHA's approach

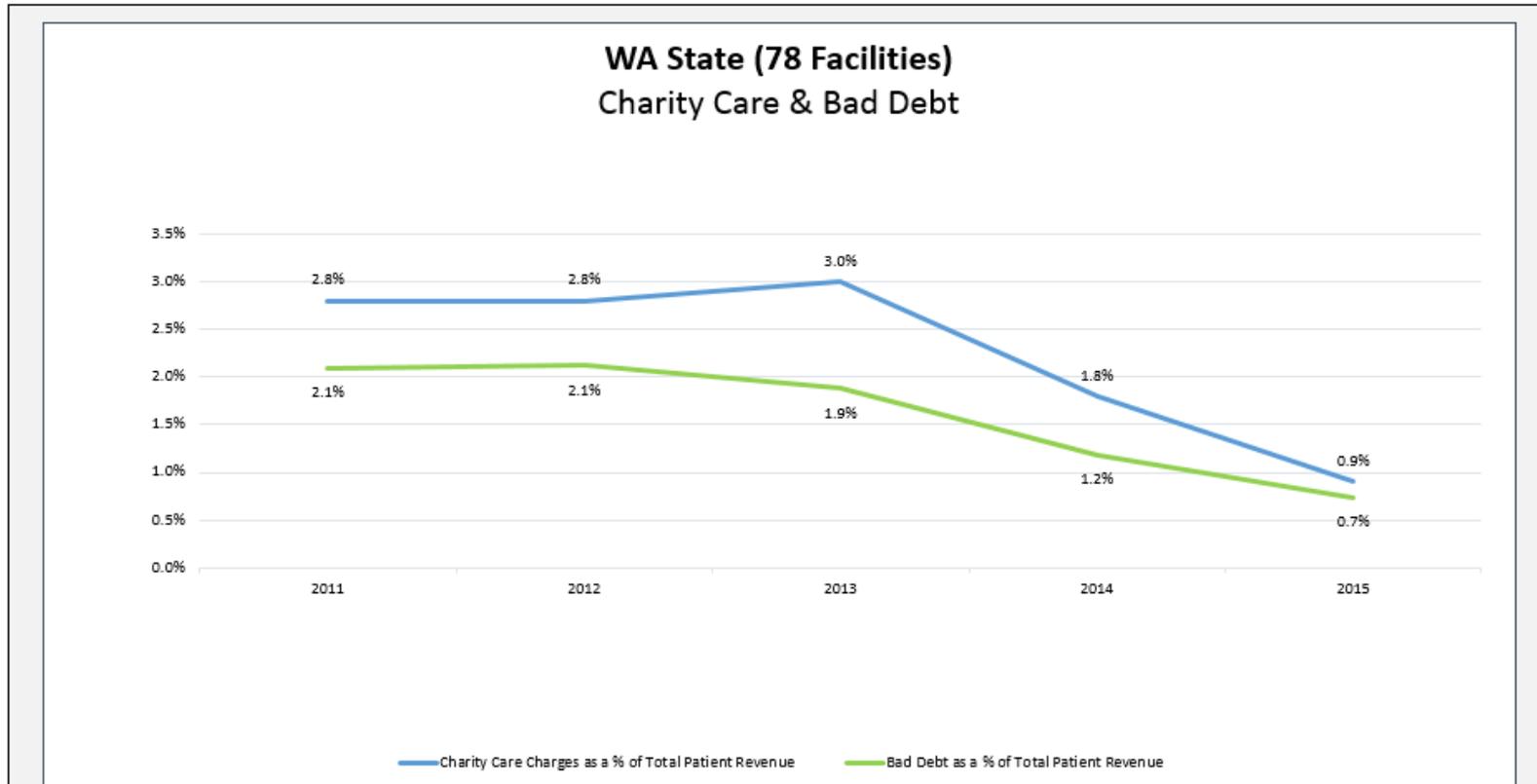
- Stay focused on preserving expanded coverage with a non-partisan, data-driven message
- Engage with lawmakers on both sides of the aisle and other organizational partners (providers, insurers)
- Be proactive and responsive with information about how expanded coverage helps our patients and our communities have access to high-quality care
- Support members' communications with their staff and communities

Possible changes to coverage expansion

- The ACA allowed for 600,000 more Washington residents to receive Medicaid coverage
- An additional 115,000 receive subsidies
- The Republican Congress and president-elect are determined to repeal
- Repeal legislation may have 3-year lead time, replace legislation may or may not pass in that time

The cost-shift to our state could be large

Impact on Uninsured Hospital Finances



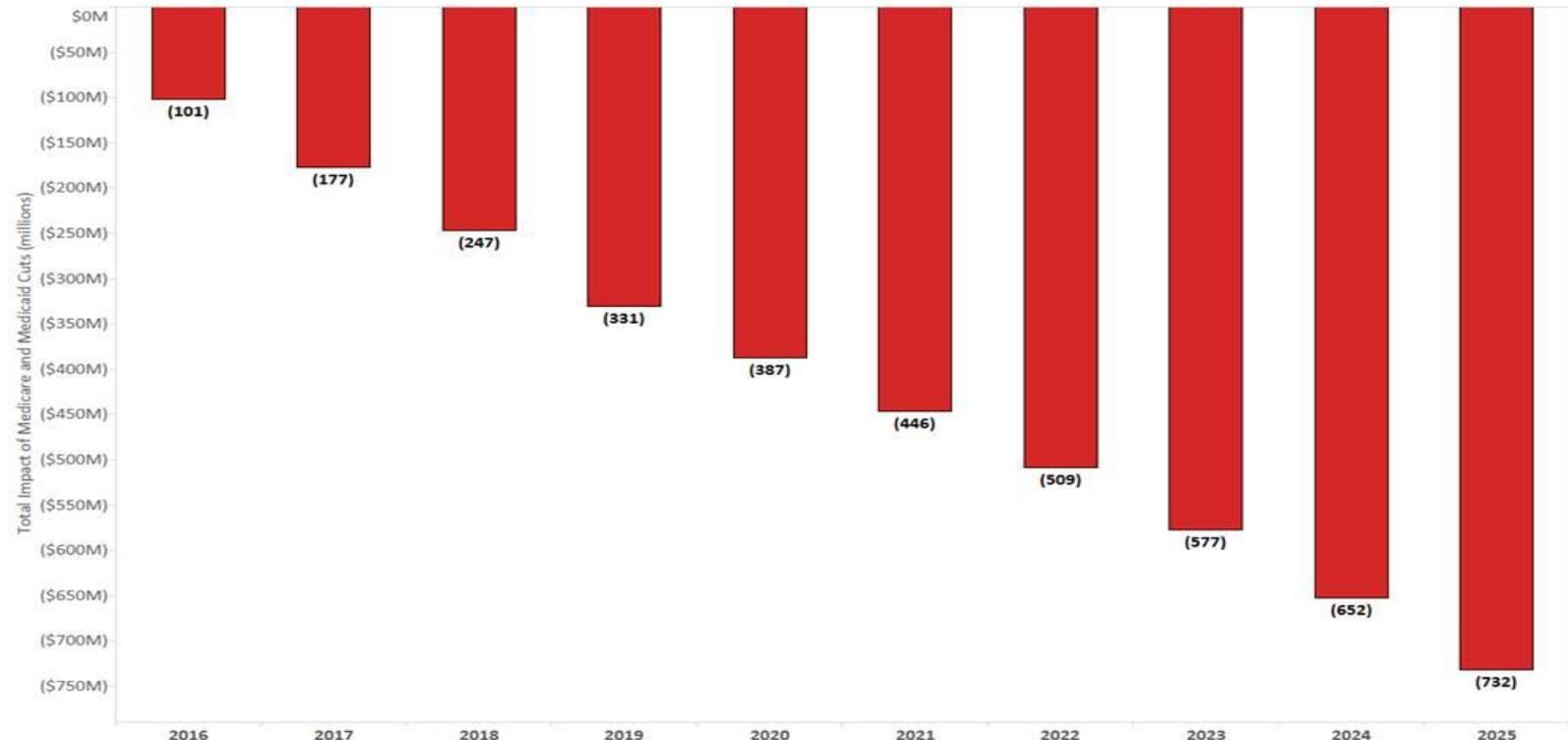
<i>All Reporting Hospitals (78 Facilities)</i>					
Performance Measures	2011	2012	2013	2014	2015
Charity Care Charges	\$1,090,304,088	\$1,210,745,037	\$1,373,090,902	\$915,734,846	\$509,943,024
Charity Care Charges as a % of Total Patient Revenue	2.8%	2.8%	3.0%	1.8%	0.9%
Bad Debt Expense	\$823,028,041	\$909,250,619	\$872,717,379	\$592,037,421	\$401,463,701
Bad Debt as a % of Total Patient Revenue	2.1%	2.1%	1.9%	1.2%	0.7%
Total Patient Revenue	\$39,402,607,898	\$42,914,236,418	\$46,542,578,910	\$50,126,476,709	\$54,688,081,002

WA hospital cuts through ACA



Impact of ACA Cuts on Hospitals: Financial Future Unclear

Over the next ten years, Washington State hospitals will be cut nearly \$4.2 billion through federal payment cuts used to fund the Affordable Care Act (ACA). These scheduled payment reductions impact Medicare inpatient and outpatient payments, as well as Medicaid and Medicare Disproportionate Share Hospital (DSH) payments. Some of these cuts will be offset by increases in revenues from the newly insured.



Data source: Dobson DeVanzo and Associates analysis of ACA cuts, December 23, 2016

Recent Media Coverage

November 16: [TNT, Olympian and Bellingham Herald](#)

November 30: [Yakima Herald](#)

December 15: [Inlander](#)

December 15: [Crosscut](#)

December 26: [Seattle Times \(and other outlets\)](#)

Other ACA-related concerns

- Unraveling of individual market
- Other payment and care delivery innovations

Political Climate

Status Quo at State Level

Leadership

- Governor Jay Inslee (D)
 - Easily re-elected to second term
- House Speaker Frank Chopp (D)
 - Maintains narrow majority
 - Rep. Eileen Cody (D) continues as chair of House Health Care
 - Rep. Tim Ormsby (D) new chair of House Appropriations
- Senate Majority Leader Mark Schoesler (R)
 - Maintains a tenuous majority (with help of one Democrat)
 - Sen. Anne Rivers (R) new chair of Senate Health Care
 - Sen. John Braun (R) new chair of Senate Ways and Means



Context for 2017 Legislative Session

Budget ● McCleary K-12 Funding ● Tight Majorities

Clouds on the horizon: Uncertain Medicaid Funding



WSHA's Priorities

Budget and Policy

Agenda Highlights

- Preserve access to health care and coverage
- Maintain hospital system financial stability, including prevent cuts for hospital-based clinics
- Re-enact the Hospital Safety Net Assessment Program
- Improve the mental health system
- Combat opioid use via the prescription monitoring program
- Support innovative care models
- Staffing flexibility

There's more!

www.wsha.org/policy-advocacy/state-legislative-agenda/

Preserving Access to Care

- Repeal of the ACA could be major factor as state develops its four-year budget
- Repeal could drop the federal match from 90 percent to only 50 percent— a state budget impact in the billions
- Or, repeal could result in a block grant; depending on how the grant is determined, the state could have a large budget hole

Mental Health: Increase access to a broad variety of mental health treatment

- Sustainable payment for integrated care
- Access to mental health information for care coordinators
- Support for a broader work force
- Improved rates for new psychiatric hospital units
- State mental health hospitals
- Capital funding
- NEW: Liability Issues



Opioids

- Working to enact recommendations from WSHA/WSMA task force
- Improvements to the Prescription Monitoring Program
 - Notification of primary care provider on overdose
 - Reports on pill use for quality improvement
- Policy bill and need for budget support

WA Rural Health Access Preservation (WHRAP)

- Keep forward progress on new payment and delivery model for a dozen small rural hospitals
- Focus on essential services: ER, primary care and long term care
- Policy bill to allow payment other than cost based
- Budget request for transitional payments

Discharge Placement: Right Care, Right Place

The problem: Too many patients who are ready to leave the hospital cannot find a skilled nursing facility who will take their Medicaid coverage. They stay in the hospital.

Possible solutions:

- Policy bill to relieve long stays for Medicaid patients needing SNF care
- Budget request for Medicaid patients needing adult family home and long term care
- Under discussion with Medicaid managed care plans

Safety Net Assessment: Goals

- The current programs generate about \$150 million a year for WA hospitals and about the same for the state
- Our goal is to extend the program for another four years within certain parameters that protect hospital contributions

Fighting Cuts to Clinics

- Governor proposed cuts for all Medicaid services at off-campus clinics
 - Only health care cuts in budget
 - State's estimate of \$42 million impact probably is a vast under estimate
- Legislators need to hear from local hospitals: clinic cuts will jeopardize access to primary and specialty services for Medicaid patients

Public Hospital District Issues

- Emergency Medical Technicians' retirement benefits
- Nursing Home rates for rurals



Association of
Washington Public
Hospital Districts

Reasonable Regulatory Environment: Issues We Will Likely Need to Oppose

- Mandating staffing regulations
- Creating extended stays at ambulatory surgical centers
- Banning non-compete clauses for MDs
- Onerous, duplicative or unnecessary reporting requirements



Balance Billing

Office of the Insurance Commissioner legislation bars balance billing and sets payment rates for out-of-network providers in certain circumstances

- Emergency rooms
- At in network facilities
- In other circumstances?

WSHA position

Focus on network adequacy

Keep limited

No unreasonable patient notification provisions

Other Issues Being Tracked by WSHA

- Community benefit mandates
- B&O taxes
- New DOH data system (RHINO)
- Cardiac and stroke designation
- Supreme Court ruling on notification of potential threats
- And more

Your Opportunity to Get Involved

- Advocate
 - Meet with your local legislators and share your story and priorities
 - Testify on bills that matter to you
 - Call/write/email your elected officials
- Communicate
 - Share WSHA priorities with your exec team and board
 - Talk about these priorities in your community
- Donate
 - Talk to your management team and board about the importance of WHPAC



**Building Relationships
Electing Champions for Hospitals
Unifying Hospitals' Political Voice**

www.wsha.org/whpac.cfm

Password: WHPAC

WSHA Resources

Inside Olympia

Issue Briefs

Thank You!

Questions? Comments?

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