



Health Care Reform: Final Chapter and Epilogue





NRHA

- Member Driven Health Care Association
 - 22 Thousand Members Nationwide
- Non-Profit
- Non-Partisan
- Small, but effective
 - Widespread Reach (Hospitals, RHCs, Physicians, Nurses, Etc...)
 - Popular (bi-partisan) set of issues



Health Reform: One Year Ago

- Springtime last year...
 - “Bill will be finished by August recess”
- NRHA Grassroots Effort
 - How to bring rural “voice” to health reform?
 - NO P.A.C., NRHA’s small staff, etc...
 - Answer: Huge network of members, partners and advocates
 - Weekly Webinars/Updates
 - Daily emails
 - Capitol Hill days
 - Letters to the Editor
 - Etc...
 - **HUGELY SUCCESSFUL**
 - Responsible for many of the positive rural provisions

“Health Reform”



“Health INSURANCE Reform”

NRHA's Overall Message:

COVERAGE ≠ ACCESS!!!



Health Reform Becomes Law

- House passes Senate bill in exact form (219-212) (34 Ds Vote No) **Public Law 111-148**
- House then passes Reconciliation Package (“corrections” bill) 220-21, 33 Ds Vote No **Public Law 111-152**
- Both health reform bills signed by President and become law. (March 21 and March 30)
- Together, referred to as: **The Affordable Care Act (ACA)**



Politics



House, Senate Flip?



- House/Senate Flip to Republican Control???
- Current Seats
 - House: Dems 257, R's 178
 - Therefore R's need to pick up 40 seats to reach 218 majority
 - Senate: Dems 59, R's 41
 - R's need 10 seats
- Inside the Beltway Predictions...
 - No Clue Whatsoever
 - Tea Party Candidates
 - Health Reform “fatigue”
 - Etc...



The ACA – What's in it for Rural?



ACA Provisions



Coverage

- Coverage for Pre-Existing Conditions
- Insurance Mandate
- Insurance Exchanges for Uninsured
 - State Run, with opt-out provision (Senate version)
 - Premium subsidies for families between 100 and 400% FPL
- CO-OPs (Consumer Operated and Oriented Plans)
 - In place of original “Public Option”
- Tax Credits to small employers
 - Up to 50 employees, though tiered
- Small businesses carved out of many coverage requirements

ACA Provisions



• Medicare

- 10 Percent Bonus to Primary Care Physicians
- 10 Percent Bonus to General Surgeons Performing Major Surgeries in HPSAs
- One-Year 5 Percent Bonus to Mental Health Physicians
- Geographic Practice Cost Index (GPCI) Adjustment
 - Sen. Grassley amendment
 - Rep. Pomeroy, others, make positive adjustment in Reconciliation
- Center for Medicare and Medicaid Innovation (CMI)
- Rural Medicare “Extenders”
 - Rural Community Hospital Demo, Ambulance

ACA Provisions



Medicaid

- Coverage up to 133 percent of federal poverty level (Currently \$29,000 for family of four)
- States must expand to childless adults – 2014
- Federal Government pays 100 % of costs for covering newly eligible (those between 100 and 133 percent FPL) for 2014 through 2016. (Reconciliation Package)
- Medicaid payments to primary care physicians providing primary care services (60 percent threshold)
 - No less than 100% of Medicare payment rates in 2013 and 2014.

ACA Provisions



Workforce

- National Health Service Corps (NHSC)
 - Clarifications and improvements
 - Expansion of authorized \$
 - Additional Funding through Community Health Centers
- Workforce Commission
- State health workforce development grants
 - Administered by HRSA
 - \$8 million authorized
- Medicare bonuses to primary care, general surgery and mental health physicians
- Rural physician training grants
- Primary care training grants
- Teaching health center grants
- Area Health Education Center (AHEC) funding
- Nursing student loan program
- Public health workforce loan repayment program
- Geriatric education and training improvements

ACA Provisions



• Hospital Provisions

- CAHs
 - CAH Technical Correction for Method II Payments
 - Allows 101 percent reimbursement for qualified services regardless of billing method
 - Extension of Medicare Rural Hospital Flex Program (Original program authorizing CAHs)
 - Quality Provisions
- Bonus to hospitals in low-spending counties (\$400 million over two years)
- Low-Volume bonus adjustment
 - Sliding scale based on total discharges (up to 1600)

Louisiana CAHs



| CAH NAME | CITY |
|-------------------------------------|--------------|
| St.Helena Parish Hospital CAH | Greensburg |
| Union General Hospital | Farmerville |
| Abrom Kaplan Memorial Hospital | Kaplan |
| Acadia-St. Landdry Hospital | Church Point |
| Bunkie General Hospital | Bunkie |
| Christus Coushatta Health Center | Coushatta |
| DeQuincy Memorial Hospital | DeQuincy |
| Franklin Foundation Hospital | Franklin |
| Hood Memorial Hospital | Amite |
| Jackson Parish Hospital | Jonesboro |
| North Caddo Memorial Hospital | Vivian |
| Richland Parish Hospital | Delhi |
| St. James Parish Hospital | Lutcher |

| CAH NAME | CITY |
|----------------------------------|--------------------|
| Tri-Ward General Hospital | Bernice |
| West Feliciana Parish Hospital | Saint Francisville |
| Assumption Community Hospital | Napoleonville |
| Prevost Memorial Hospital | Donaldsonville |
| St. Martin Parish Hospital | Breaux Bridge |
| Hardtner Medical Center | Olla |
| Pointe Coupee General Hospital | New Roads |
| Riverland Medical Center | Ferriday |
| Riverside Medical Center | Franklinton |
| Bienville Medical Center | Arcadia |
| Madison Parish Hospital | Tullulah |
| Lallie Kemp Medical Center | Independence |
| St. Anne General Hospital | Raceland |
| Lady of the Sea General Hospital | Cut Off |

ACA Provisions



Quality

- Value Based Purchasing
 - Pilot Project for CAHs - 2012
- Accountable Care Organizations
 - Minimum of 5000 Medicare Part A or B patients
 - Rural???
- Payment Bundling Program
 - Specific to PPS Hospitals

ACA Provisions



Prescription Drugs

- 340B expansion
 - Critical Access Hospitals, Sole Community Hospitals, Rural Referral Centers
 - Originally included to inpatient but Reconciliation changed **availability to outpatient drugs only.**
 - Orphan drugs excluded
 - Current NRHA and coalition effort for legislative fix
- Part D donut hole fixed



ACA Provisions

New Boards/Commissions

- Independent Payment Advisory Board (IPAB)
- Workforce Commission
- HPSA/MUA Committee
- Others

RURAL REPRESENTATION!



ACA Provisions

Physician Owned Hospital Restrictions

- Restrictions in existing physician-owned hospitals from adding beds, procedure rooms, Operating Rooms, reduces funding for Medicare patients.



ACA Provisions

Tax Provisions

- Health insurance sector fees
- Pharmaceutical sector manufacturing fees
- Medical device “industry fees”
- Excise tax on “Cadillac Plans” (2018)
 - High-cost plans offered to high earning employees
- Medicare payroll tax on investment income
- 10 Percent tax on indoor tanning



HCR Immediate Changes 2010



HCR “front-loaded” so popular provisions start right away

- **High risk pools (3 months); \$5 billion funded**
- **Dependent Coverage for children up to 26**
- **Children with pre-existing conditions (6 months)**
- **Caps on coverage eliminated**
- **Preventive care benefits (6 months)**
- **\$250 for seniors in prescription “donut hole.”**
- **5% Bonus for mental health physicians**
- **GPCI Adjustments**
- **Center for Medicare and Medicaid Innovation**
- **Rural Medicare extenders (Includes GPCI Work Component)**

HCR Immediate Changes 2010



Workforce

- Establish Workforce Advisory Committee
 - Develop “National Workforce Strategy”
- Increase workforce supply and training of other health professionals through new scholarships and loans
- Establish Teaching Health Centers
 - “Community based, ambulatory patient care center that also operates primary care residency training
 - 2010, \$25 million
 - 2011 and 2012, \$50 million
 - THC’s can apply for up to \$500,000/year for 3 years

HCR Implementation 2011 and beyond



2011

- 10 % bonus Medicare payments to primary care docs
- Reduce annual market basket updates (See IPPS hospital proposed rule below)
- Medicare bonus to low-spending counties (Reconciliation change mentioned above)

2012

- Hospital VBP Program (CAHs excluded)
- Bonus payments to high-quality MA Plans
- Reduce MA rebates
- HHS Secretary recommendations on bundling program for CAHs and small rural hospitals

HCR Implementation 2011 and beyond



2013

- CO-Ops Implemented
- Beginning of payment bundling program
- Increase Medicaid payments to primary care doctors for 2013 and 2014 (100 percent federal)
- Increase Medicare Part A tax on individuals earning over \$200,000 and married couples earning over \$250,000
- Medical device excise tax imposed (2.3 percent)

2014

- Insurance Mandate Begins
- Taxes imposed on employers not offering coverage
- State-Based Health Benefit Exchanges and Small Business Health Options Program (SHOP)
- Reduce out-of-pocket limits on individuals with up to 400 percent of FPL (tiered)
- Limit waiting periods for coverage to 90 days
- IPAB established
- Reduction of Medicare and Medicaid DSH payments (in coordination with drop in uninsured rates)
- Expansion of Medicaid

Moving Forward: What was left out?



Short answer...a lot

Long Answer...

- CAH HIT Fix (ARRA)
- 340B for RHCs
- 340B expansion to inpatient drugs
- Continued support for State Offices of Rural Health
- Reinstate "Necessary Provider" for CAH status
- CAH Bed Flexibility
- RHC Payment Cap Increase
- Improve Rural Workforce Development
- Ensure Rural Access to Anesthesia Services
- Eliminate CAH "Isolation Test" for Ambulance Reimbursement
- Ensure Rural Representation on MedPAC and newly created similar Commissions (IPAB, HIT Policy Committee, etc.)
- Implement an Occupational Safety Program for Agricultural Workers
- Protect Access to Care for the Most Geographically Remote Americans
- And many more...

NRHA HCR Summaries



- **Implementation Timeline**
- **Independent Payment Advisory Board (Medicare Commission)**
- **Research Requirements**
- **Medicare**
- **Medicaid**
- **Workforce Commission**
- **Workforce Components**
- **Hospitals**
- **CHCs**
- **RHCs**
- **Disparities/Minority**
- **Pharmacy**
- **HIT**
- **Mental Health**
- **Preventive Care**
- **Ambulance/EMT**
- **Frontier**
- **Oral Health**
- **Coverage Components**
- **Grants**
- **Quality**



Post Health Reform World: Now What?



Post Health Reform World: Politics



Upcoming Elections

Obama, Democrats:

- “See, we told you...!”

Republicans:

- “See, we told you...!”

What's Next?



SGR

Recently Extended – Expires Dec.1, 2010

FMAP extension

Recently passed – Increase based on HCR provisions

Previous “tax extenders” bill

New “340B-1” program expanded to inpatients, 340B orphan drug “fix” for children’s hospitals

- Vote failed in Senate

340B Fix for orphan drugs

What's Next?



EHR/Meaningful Use

- Stage One Regulations
- Rural distinction important
- NRHA Comments to CMS available online
(<http://www.ruralhealthweb.org/go/left/policy-and-advocacy/regulatory-affairs-updates>)



Regulations

- CMS Inpatient Prospective Payment System (IPPS) proposed rule for Acute and LTC Hospitals
 - Provider Tax Issue
 - Louisiana – Has hospital provider Tax (35 M.R.S.A.Sec. 2892, enacted by Act513(H.B. 1351), 2004)
 - Nursing Home Provider Tax – 5.5% of annual net operating revenue
 - Others – Residential and Day Care



Regulations

- CMS Outpatient (OPPS) Proposed Rule
 - Physician Supervision
 - Potentially huge impact on small rural hospitals
 - New quality measure for hospital emergency department transfers
 - Very important for rural quality measure development
- FCC Rural Health Broadband Proposed Rule
- Telemedicine Credentialing changes for hospitals



Regulations

CMS Physician Fee Schedule Changes for 2011

- Implementing many ACA requirements
 - 10 percent primary care bonus
 - 10 percent general surgery (HPSA) bonus
 - Geographic Practice Cost Index (GPCI) provision

Moving Forward



Health reform contains important building blocks to help resolve the access to care crisis in rural America.

No legislation is perfect, however -
Need for Incremental fixes

Continue Strong Grassroots Message



- **Health Reform Monthly calls**
 - regulatory process critical
 - Appointments for Workforce Advisory Committee currently in process
 - Appointments for IPAB
 - Grant opportunities
 - Provider shortage opportunities
- **Fight for what's left out!**
 - Specialized task forces
- **Grassroots efforts must continue!**

Continue Strong Grassroots Message



Sign up for monthly grassroots calls:

- Please join the NRHA rapid response grassroots team by sending a blank e-mail to: join-grassroots@lists.wisc.edu.
- You will then receive an activation e-mail. Encourage others to join as well!



THANK YOU!

Danny Fernandez

Manager, Government Affairs and Public Policy

National Rural Health Association

1108 K St. NW, 2nd Floor

Washington DC 20005

fernandez@nrharural.org

202-639-0550