



HFMA – Legislative Update

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Vermont Association of Hospitals and Health Systems

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Federal Update – 118th Congress “No Covid 19 Restrictions”

- **No escorts required to enter House and Senate office buildings**
- **House and Senate galleries reopen**
- **House floor tours for members, former members and staff resume**
- **Saturday staff-led Capitol tours resume**

Federal Update – Senate Committee Chairs

- **Finance**
 - Chair: Ron Wyden (OR)
 - Ranking Member: Mike Crapo (ID)
- **Health, Education, Labor and Pensions (HELP)**
 - Chair: Bernie Sanders (VT)
 - Ranking Member: Bill Cassidy (LA)



Federal Update – House Committee Chairs

- **Ways and Means**

- Chair: Jason Smith (MO)
- Ranking Member: Richie Neal (MA)

- **Energy and Commerce**

- Chair: Cathy McMorris Rodgers (WA)
- Ranking Member: Frank Pallone (NJ)

Federal Update - Agendas

- **Republicans**

- Health care affordability
- Price transparency
- Consolidation
- Drug prices
- Workforce
- Abortion
- 340B
- Site-neutral payment

- **Democrats**

- Health care affordability
- Price transparency
- Consolidation
- Drug prices
- Workforce
- Climate change and health
- Equity

Federal Update – Challenges

- End of Public Health Emergency
- 340B
- Price Transparency
- Site-neutral Payment
- Debt Ceiling
- Medicare Trust Fund

Federal Update – May 11th End of Public Health Emergency

Highlights of Benefits Ending On May 11th:

- Skilled nursing facility (SNF) beds available for patients not meeting SNF requirements
- Flexibility on limit of 25 beds for Critical Access Hospitals (CAHs) and the 96-hour rule for average length of stay.
- Reduced information requirements for post-acute care discharge to a SNF, rehabilitation center, long-term care hospital or home health agency.
- Flexibility to not have a separate nursing plan of care for each patient.
- Permission from the Drug Enforcement Agency to prescribe controlled substances without an in-person visit.
- Medicare's 20% add on payments for patients diagnosed with COVID-19 to offset the cost of complex COVID-19 patient care.

Federal Update – May 11th End of Public Health Emergency

Highlights of Benefits Ending On December 31st:

- Enhanced federal funding to state Medicaid programs of 6.2%
- Reimbursement for cardiac, intensive cardiac and pulmonary rehabilitation services provided via telehealth under the physician fee schedule.
- Reimbursement parity for services performed via telehealth that typically would have been performed in person.
- Permission for physicians and non-physician practitioners to directly supervise diagnostic services virtually through audio/video real-time communications technology (excluding audio-only).

Federal Update – May 11th End of Public Health Emergency

Medicaid Coverage and Eligibility Redetermination

- **Enhanced federal funding is now set to wind down each quarter, beginning on April 1 to 5 percentage points, 2.5 percentage points on July 1, and 1.5 percentage points on October 1, and sunset on Jan. 1, 2024.**
- **Medicaid redeterminations Resume as of April 1 and, if necessary, disenrollment. Enrollment in Medicaid and the Children's Health Insurance Program has reached more than 90 million - Estimated that 15 million could lose coverage during the redetermination process**

Federal Update

CMS CY 24 Medicare Advantage Rule

- Prohibits MA Plans from denying coverage for Medicare Covered Service
- MA directed to follow 2 Mid-Night Rule
- Oversight of MA utilization management

Federal Update

340B

- Several recent court decisions have helped the 340B program -
US Supreme Court - Require CMS to reverse payment cuts in
2018 and 2019
- HHS restored payments in 2022
- Working with AHA - repayment of \$ from 2018 - 2019

PhRMA led Coalition –

- Alignment - Community Health Centers and FQHCs
- Carve out “large and well-resourced hospitals”

Vermont - New Legislative Leadership

House

- Returning Speaker (Jill Krowinski)
- 51 new members
- 109 seat super-majority of Democrats and Progressives
- New chairs for Health Care, Appropriations, Human Services

Senate

- New Pro Tem (David Zuckerman)
- 10 new members
- Returning chair for Health and Welfare, but all new committee membership



Legislative Priorities?

House

- Childcare
- Housing
- Gun Control
- Clean Heat
- Paid Family Leave

House Health Care

- Workplace Violence
- Suicide Prevention
- Reform

Senate

- Childcare
- Housing
- Gun Control
- Clean Heat

Senate Health and Welfare

- Workplace Violence
- Primary Care
- Forensic Beds
- Reform



VAHHS Legislative Priorities

- Preservation of HealthCare in Rural Vermont
- Workplace Violence
- Long term care
- Mental health
- Regulatory opportunities
- Workforce



Legislative / Administrative Branch

Legislature Activity

- Budget
- H.36 - Workplace Violence
- H.473/H.287 Workforce
- S. 56 - Child Care
- H.291 Cybersecurity

Administration - Help On Systemic Issues

- Mental Health
- Long Term Care

Vermont's Hospitals are Highly Regulated

Green Mountain Care Board

- Budget review
- Act 167 - Hospital Sustainability



Challenges: Economy and Policy Directions

Economic

- Lack of financial resources
- Tax base is limited
- Potential recession, economic slowdown
- Federal debt limit crisis looming

Health Care Policy

- State is looking to solve systemic issues of Mental health and long-term care through constraint models such as global budget
- Idea that a new model will create solutions to the crisis of capacity, workforce and financial issues
- Medicare looking to limit spending

Challenges: Health Care System in Crisis



Emergency Dept.

- 30 people needing mental health care boarding in EDs, half for longer than 24 hours
- 25 patients boarding in ED waiting for a medical surgical bed
- Increase in workplace violence



ICU/Medical Surgical

- Last week, medical surgical beds were over 97% full
- Largest hospitals were at 100% capacity
- 3-6 ICU beds available



Sub-Acute Care

- Last week, 137 patients were waiting for discharge because there were no placement options
- Hospitals have seen 35% of inpatient beds filled by patients waiting to be discharged

Hospitals Running on Negative Operating Margins

- FY 2022 - 9 out of 14 hospitals reported negative operating margins
 - 58% of expenses are labor
 - 30% of expenses are medical and surgical supplies and pharmaceuticals



Opportunity: Securing Our Future

- Reform model must address systemic problem outside of current spending
- Our hospitals are solving problems that would never have been considered
- What is the framework for the future—for Vermont and for hospitals nationwide?

Bold and innovative ideas need room to grow. Constraint models will not help us tackle systemic challenges.