

Iowa Chapter HFMA

Iowa Hospital Association
January 18, 2024

Agenda

- **Mission Critical – Hospital Financial Landscape**
- **IHA 2024 Policy Priorities**
- **Resources**

MISSION CRITICAL:

Protect Iowans' Access to Care

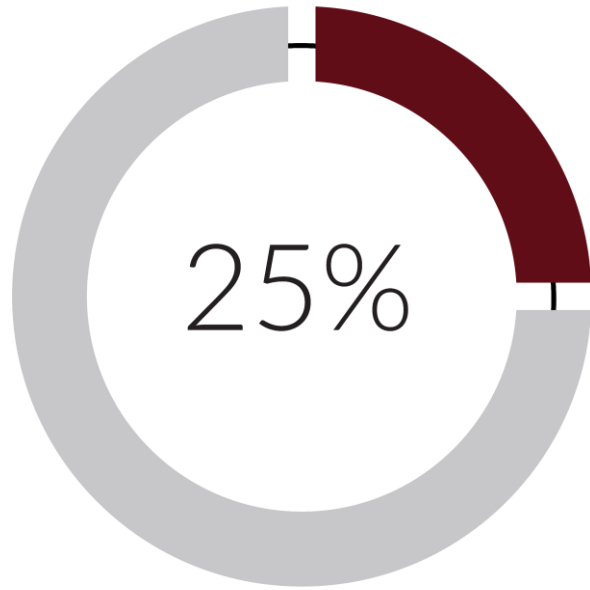


IOWA HOSPITAL
ASSOCIATION

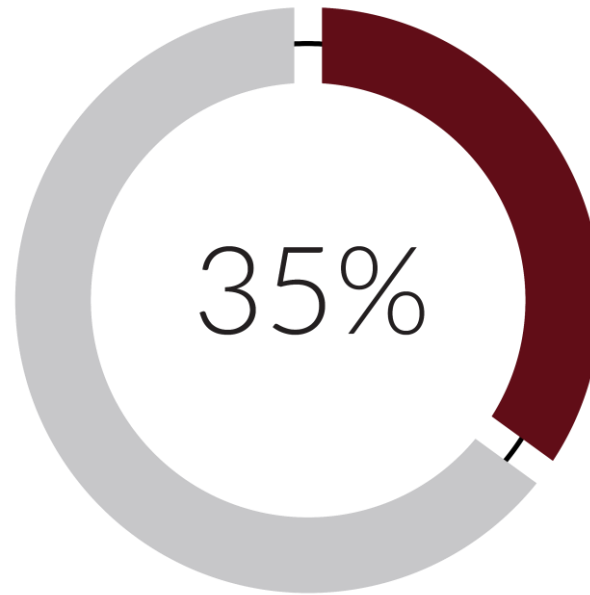
We care about Iowa's health



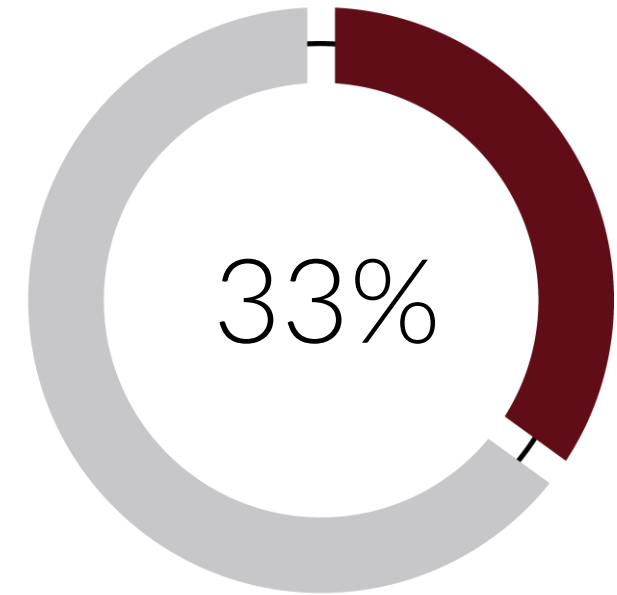
Unstable financials, workforce shortages and rapidly rising professional liability insurance costs are forcing hospitals to cut patient services.



25% of Iowa hospitals have reduced or eliminated services to mitigate staffing challenges and ensure their most-critical services remain.



35% have delayed or canceled building and improvement projects because of fiscal challenges, further eroding access to health care services.



Only 27 of Iowa's 82 critical access hospitals have obstetrics services. This threatens access across large portions of Iowa.

Health care workforce shortages are forcing Iowa hospitals to use costly contract labor, driving up expenses alongside substantial increases in drug, supply and energy costs.



Iowa hospitals' total expenses are up \$2.4 billion since 2019. \$1 billion from 2021 to 2022. And \$350 million from 2022 to 2023.

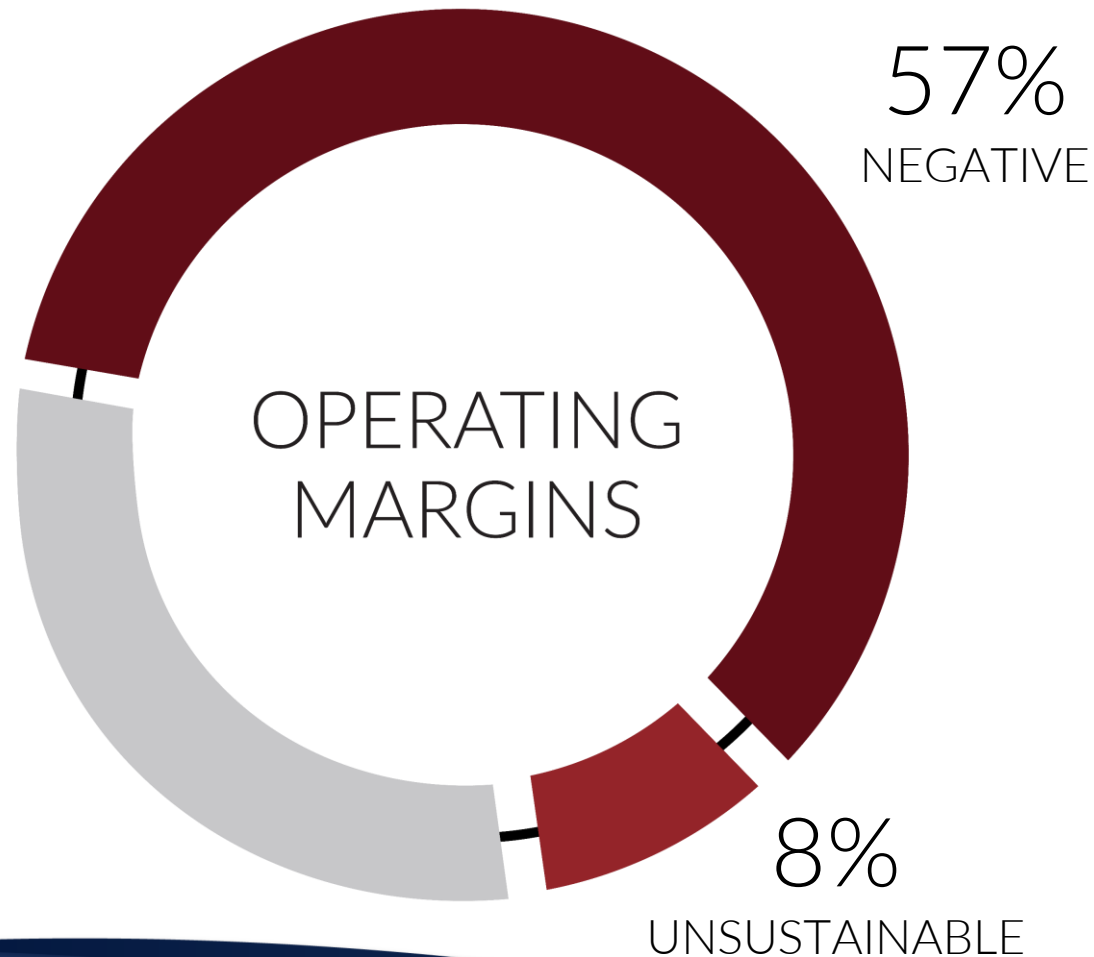


Labor costs aren't the only challenge. From 2019 to 2023, Iowa hospital drug costs were up 60%. Supplies, energy and bad-debt costs rapidly increased up double digits' percentage.



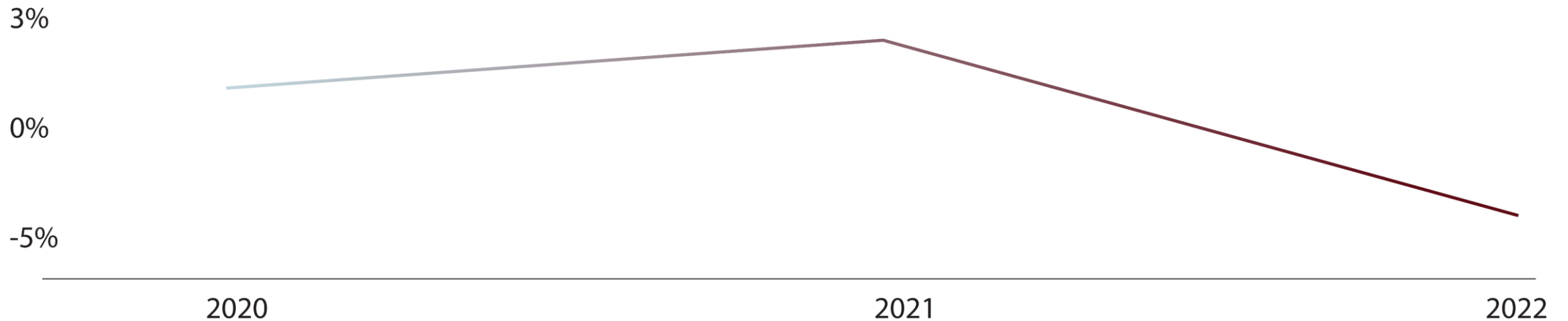
From 2021 to 2023, labor costs increased by 13% (\$500 million), driven by an increase in hospitals' contract-staffing costs (an increase of 33% between 2021 and 2022 alone).

More than six out of ten hospitals in Iowa report negative or unsustainable operating margins.



- In 2023, 57% of Iowa's hospitals and health systems have negative operating margins. In other words, their reimbursement for providing care did not keep up with costs.
- 65% had negative or unsustainable operating margins (less than 2%).
- The number of Iowa hospitals and health systems with negative operating margins increased 60% from 2019 to 2023 (from 45 to 65 hospitals).

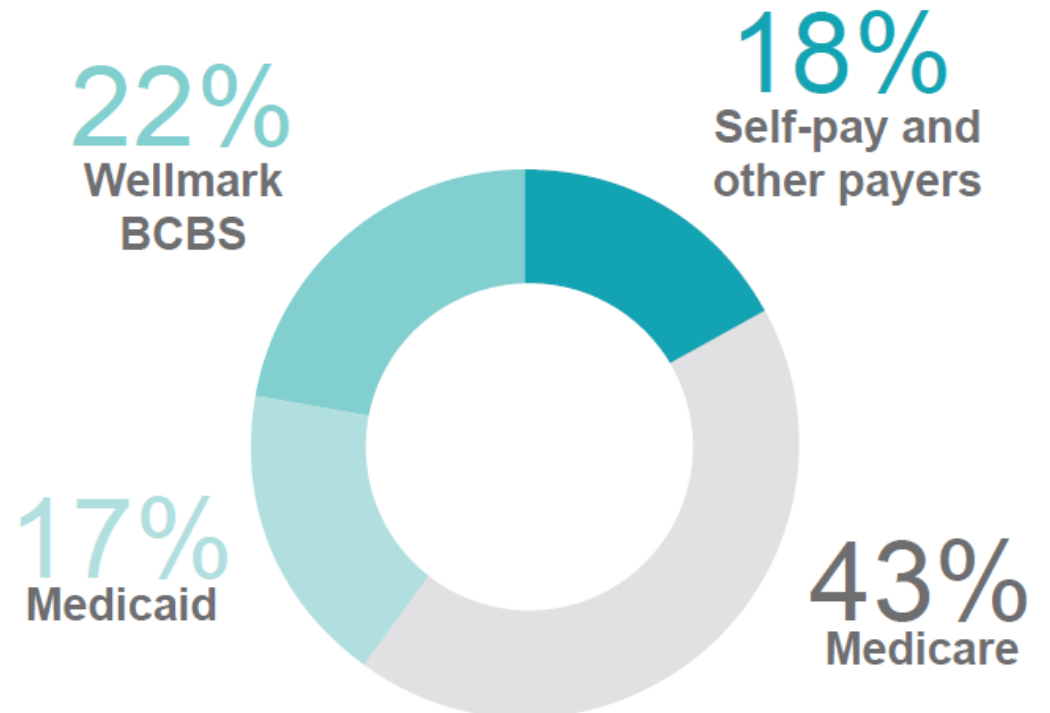
Financial pressures are likely to get worse for Iowa hospitals with the termination of recent federal support and continued escalating expenses.



Iowa hospitals' operating margins from 2019 to 2021 ranged from 1.5% to 2.5%. In 2022, the operating margin deteriorated to **negative 4%** resulting in a \$507 million loss from providing patient care. Federal relief funding helped stabilize the health care system and operating margins in 2020 and 2021. New support is not on the horizon.

Statewide Payer Landscape

- Medicare rate increases far below inflation.
- Medicaid rates have not increased in over a decade.
- Commercial Insurers (private contracts)



IHA 2024 Policy Priorities

[2024 policy priorities](#)

IHA 2024 Policy Priorities

- Financial Strength & Access to Care: Advocate for policies and programs that strengthen the financial position of Iowa's hospitals and enhance Iowans' access to care.
- Healthcare Workforce: Support policies and programs that strengthen, grow, and protect Iowa's healthcare workforce.
- Payer Accountability: Pursue strategies to hold payers accountable for compliance with regulatory requirements and reduce provider administrative burden.
- Technology & Security: Monitor policies and proposals impacting hospitals' use of digital health technologies to innovate, provide high quality care, and protect patient privacy.

Healthcare Finance Policy

- Support authorization and use of hospital provider participation funds to finance Medicaid hospital quality programs, defray uncompensated care costs and support access to care.
- Oppose decreases in hospital reimbursements, including implementation of site-neutral payments.
- Support extension of Medicaid's postpartum benefit from 60 days to 12 months.
- Support efforts by the Iowa Department of Health and Human Services to identify and implement solutions to reduce delays in post-acute care transitions.
- Oppose actions by pharmaceutical companies to impede distribution of 340B-acquired drugs through contract pharmacies.
- Support increased payer accountability in payment policies.

Resources

Resources Medicaid

Provider Enrollment, Credentialing and Contracting

Fee for Service	Iowa Medicaid Provider Services	1-800-338-7909 or 515-256-4609 (Des Moines)
Wellpoint	Assigned Provider Representative Provider Call Center 1-800-454-3730	ProviderSolutionsIA@amerigroup.com 515-493-6575
Iowa Total Care	Assigned Provider Representative Provider Call Center 1-833-404-1061	Networkmanagement@iowatotalcare.com
Molina	Provider Services Contact Center 1-844-236-1464	Provider Services General iaproviderrelations@molinahealthcare.com

Source: IHHS

Resources Medicaid

Service Issues

Fee for Service	Iowa Medicaid Member Services 1-800-338-8366 or 515-256-4606 (Des Moines)	1-800-338-8366 or 515-256-4606 (Des Moines)
Wellpoint	Contact your case manager or member services 1-800-600-4441	File a grievance or an appeal https://www.wellpoint.com/ia/medicaid/complaints-grievances#:~:text=To%20file%20a%20grievance%3A%20Call%20us%3A%20Member%20Services%3A,Write%20to%20us%20%E2%80%94%20Send%20a%20letter%20to%3A
Iowa Total Care	Contact your case manager or member services 1-833-404-1061	File a grievance or an appeal https://www.iowatotalcare.com/members/medicaid/resources/complaints-appeals.html
Molina	Contact your case manager or member services 1-844-236-0894	Contact lowamemberappealsgrievances@molinahealthcare.com

Resources Medicaid

- Medicaid Issue Escalation

- Provider - Bianca Finley bfinley@dhs.state.ia.us
- Medicaid Member – Derek McComas
dmccoma@dhs.state.ia.us

Resources Medicaid

Monthly Medicaid Town Halls

- **Town Halls are virtual monthly meetings for Medicaid members and providers to learn about the Medicaid program, receive updates and voice any questions or concerns directly to the Iowa Medicaid state team. Town halls are also a way for Iowa Medicaid to gather feedback from members and providers and work towards solutions.**
 - The first Thursday of every month - Members only
 - The third Thursday of every month - Providers and members
- **Advance registration is encouraged, but not required. Login information for the virtual meetings will be shared on the day of the event to ensure Iowa Medicaid has enough virtual spots to accommodate all guests.**
- **Send specific questions to: IMETownHall@dhs.state.ia.us**
- **<https://hhs.iowa.gov/programs/welcome-iowa-medicaid/public-meetings/town-halls>**

Resources Medicare Advantage

- **AHA CY 2024 Medicare Advantage Final Rule Implementation Handbook**
 - Key Provisions
 - FAQ
 - Best Practices for Monitoring MA Plan Compliance
 - Suggested Metrics to Track

IHA Resources

- IHA Account Managers Group ListServ

The Account Managers group is a great way to connect with others working in areas like the business office, CFOs, finance, and revenue cycle in Iowa hospitals. This platform allows you to post, comment and connect with each other to discuss questions, changes, challenges and hot topics together. If anyone would like added to this group, email Allison Martin at IHA (martina@ihaonline.org), with your name, email and organization.

Thank you!