

***New Hampshire Hospital Association
Legislative Update***

***NNE HFMA Legislative Update Webinar
April 9, 2024***

***Steve Ahnen, President
New Hampshire Hospital Association***



Federal Update

- **Key Fiscal Dates in 2024**

- Funding cliffs (3/8, 3/22)
- Start of the fiscal year (10/1)
- Lame Duck (November/December)
- PAYGO (December/January)



- **Funding Packages**

- Good News:
 - Medicaid DSH relief, health center funding, teaching centers GME, Medicare Dependent Hospital, MD payment relief and NO site neutral policies, price transparency provisions
- Bad News:
 - Site neutral/price transparency will no doubt be back tied to another must pass piece of legislation

Federal Update

- **Change Healthcare**

- Largest cyberattack on US health care infrastructure
- Impacted hospitals across the country and here in New Hampshire
- Medicare and Medicaid Advanced and Accelerated Payment programs
- United's lackluster response and push back from AHA, NHHA and others to secure more favorable advanced payments and other flexibilities
 - Sen Hassan pushed United CEO to come to the table, but took repeated pushes

Cyberattack Paralyzes the Largest U.S. Health Care Payment System

The hacking shut down the nation's biggest health care payment system, causing financial chaos that affected a broad spectrum ranging from large hospitals to single-doctor practices.



Hassan secures better loan terms for NH hospitals hit by cyberattack

Federal Update

- According to the AHA, 94% of hospitals financially impacted by Change Healthcare's cyberattack
 - Despite the assurances we hear from United and Change Healthcare, we are still not through this crisis and will be dealing with this for weeks and months to come
 - Will need to look at a much more robust, whole of government response to address these issues in the future



74% of hospitals report direct patient care impact.

- Nearly 40% report patients having difficulty accessing care because of delays in processing of health plan utilization requirements (e.g. prior authorization).



94% of hospitals report financial impact, with more than half reporting "significant or serious" impact.

- 82% of hospitals report impacts on their cash flow. Of these:
 - More than 33% report impact to more than half of their revenue.
 - Nearly 60% report that the impacts to revenue is \$1 million per day or greater.
 - 44% report they expect the negative impact on revenue to continue for 2-4 more months.
 - There is still substantial uncertainty over revenue cycle impacts, with more than 20% currently uncertain of the magnitude of the impacts.



Most hospitals are implementing workarounds, but they are labor intensive and costly.

- 67% report it is "difficult or very difficult" to switch clearinghouses.
- 81% have found the workarounds to be only somewhat successful, while an additional 11% have not found them to be successful.

Federal Update

Congressional Retirements/Key Races

House

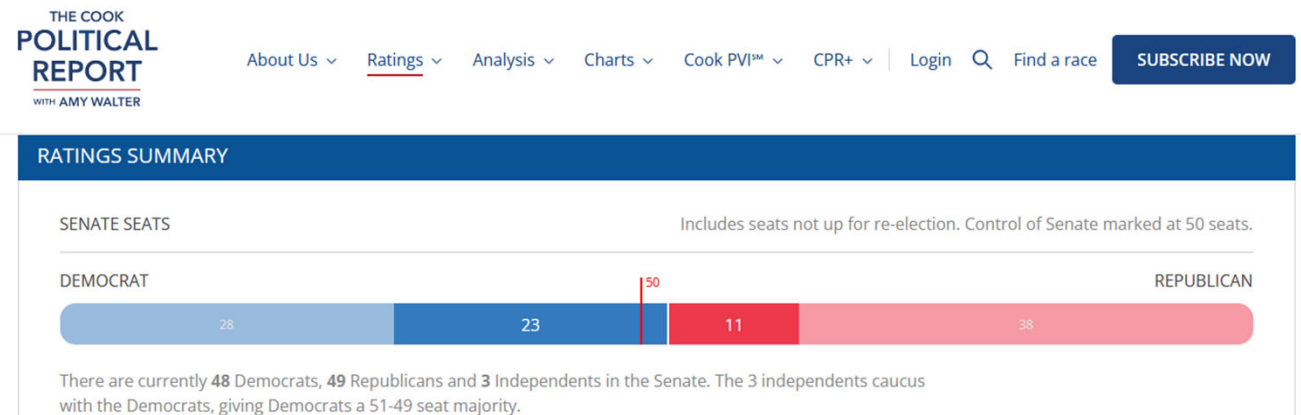
- Rep Anne McLane Kuster (D-NH) announced she would not seek reelection, setting off a wave of interest on both sides of the aisle
- GOP House Majority has shrunk with recent retirements



Senate

- Democratic Majority at risk with 23 Democratic seats up in 2024

White House



New Hampshire Update

Key Issues

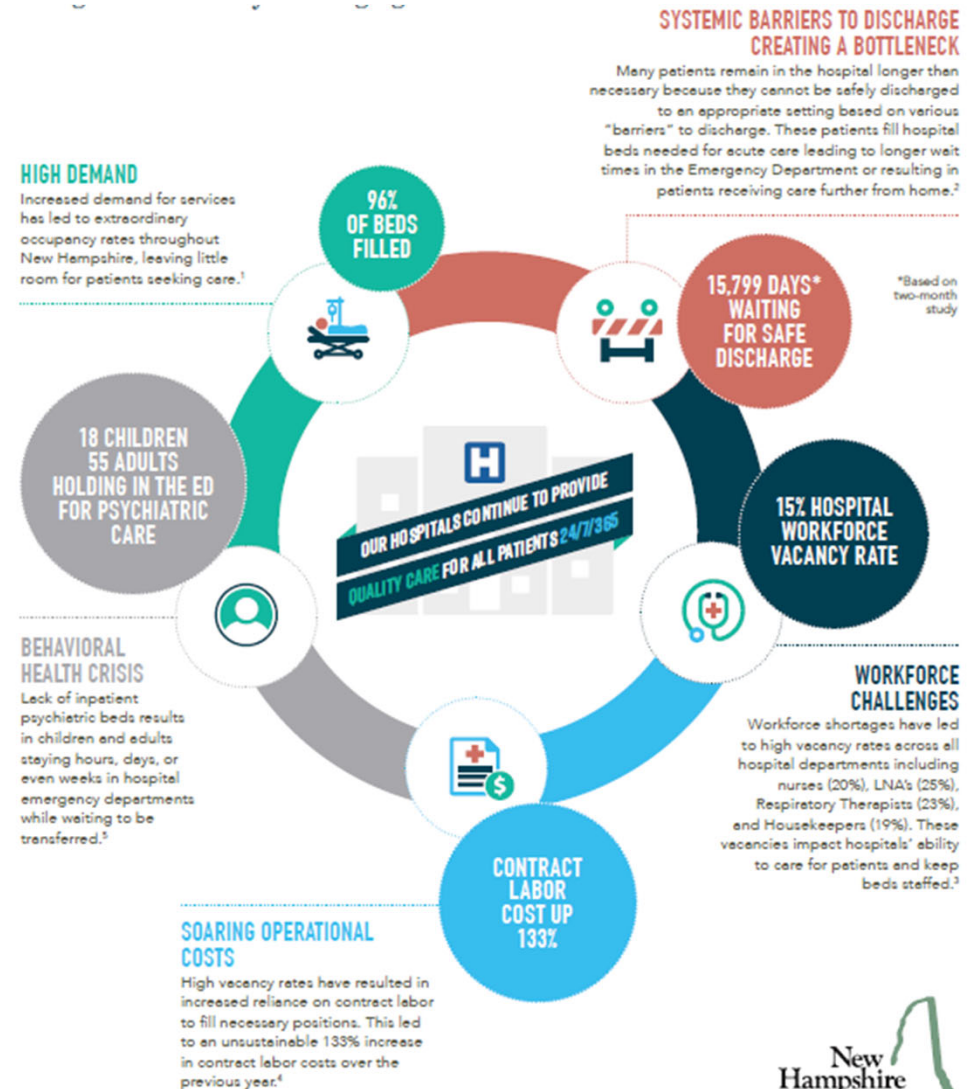
- Ongoing Challenges
- 2024 Legislative Session
- Campaign '24 Has Begun!



New Hampshire Update

PHE May be Over, but Ongoing Challenges Continue...

- High Demand
- **Delays and backups across the system**
 - **Front door**
 - **Back door**
- Staffing challenges
 - Vacancy rates
 - Labor costs
- Ongoing behavioral health crisis



New Hampshire Update

2024 Legislative Session

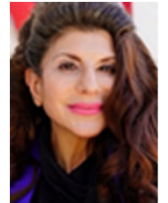
- Many familiar faces:
 - Governor Chris Sununu
 - Senate: GOP retains control (14-10)
 - Senate President, Jeb Bradley
 - Senate Democratic Leader, Donna Soucy
 - House: GOP retains control by a razor thin majority
 - Speaker Sherm Packard
 - Democratic Leader, Matt Wilhelm
- Many familiar battle lines, but opportunities for bipartisanship remain



New Hampshire Update

Barriers to Discharge

- SB 185-FN, establishing a committee to study the various barriers to discharge for patients to be safely discharged from acute care facilities (Sen Sue Prentiss, D-Hanover)



Prior Authorization

- SB 561, relative to prior authorization for health care (Sen Denise Ricciardi, R-Bedford)
 - Includes and aligns key reforms for prior authorization with recent CMS final rule

New Hampshire Update

Workforce

- SB 403-FN, relative to health care workforce investments (Sen Cindy Rosenwald, D-Nashua)
- SB 456-FN, relative to state loan repayment program for qualified nursing professionals (R-Brentwood)
- Several bills related to streamlining the Office of Professional Licensure and Certification (OPLC)



Health Information Privacy

- HB 1663-FN, relative to the confidentiality of medical records and patient information
 - Thanks to a large coalition of providers, payors, businesses and others, the bill was referred to “interim study”

New Hampshire Update

MET/DSH Agreement

- Current settlement agreement is set to expire 6/30/24
- Longstanding dispute dating back over a decade and litigation over the constitutionality of NH's provider tax
- Currently, hospitals receive 91% of the Medicaid Enhancement Tax (MET) in the aggregate for DSH and other payments
- Clear interest on the part of hospitals and the state to move away from Medicaid DSH payments for a variety of reasons, but devil is in the details
- Ongoing discussions, hopeful we can reach an agreement, but as the saying goes, "buckle up!"

New Hampshire Update

- THANK YOU!
- We continue to be inspired by the tremendous work that all of you are continue to do day in and day out to take care of your patients and staff during these challenging times...and honored to be your partners in supporting those efforts.
- Stay safe, be well.



Questions?

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MAINE LEGISLATURE

A photograph of the Maine State Capitol building, a grand neoclassical structure with a prominent white dome topped with a bronze cap. The building features a portico with tall columns and a set of wide stone steps leading to the entrance. The scene is set against a clear blue sky with scattered clouds, and lush green trees and manicured lawns surround the building. A flagpole with the Maine state flag is visible to the right.

Jeffrey Austin
Maine Hospital
Association

April, 2024



Maine Hospital Association

Outline

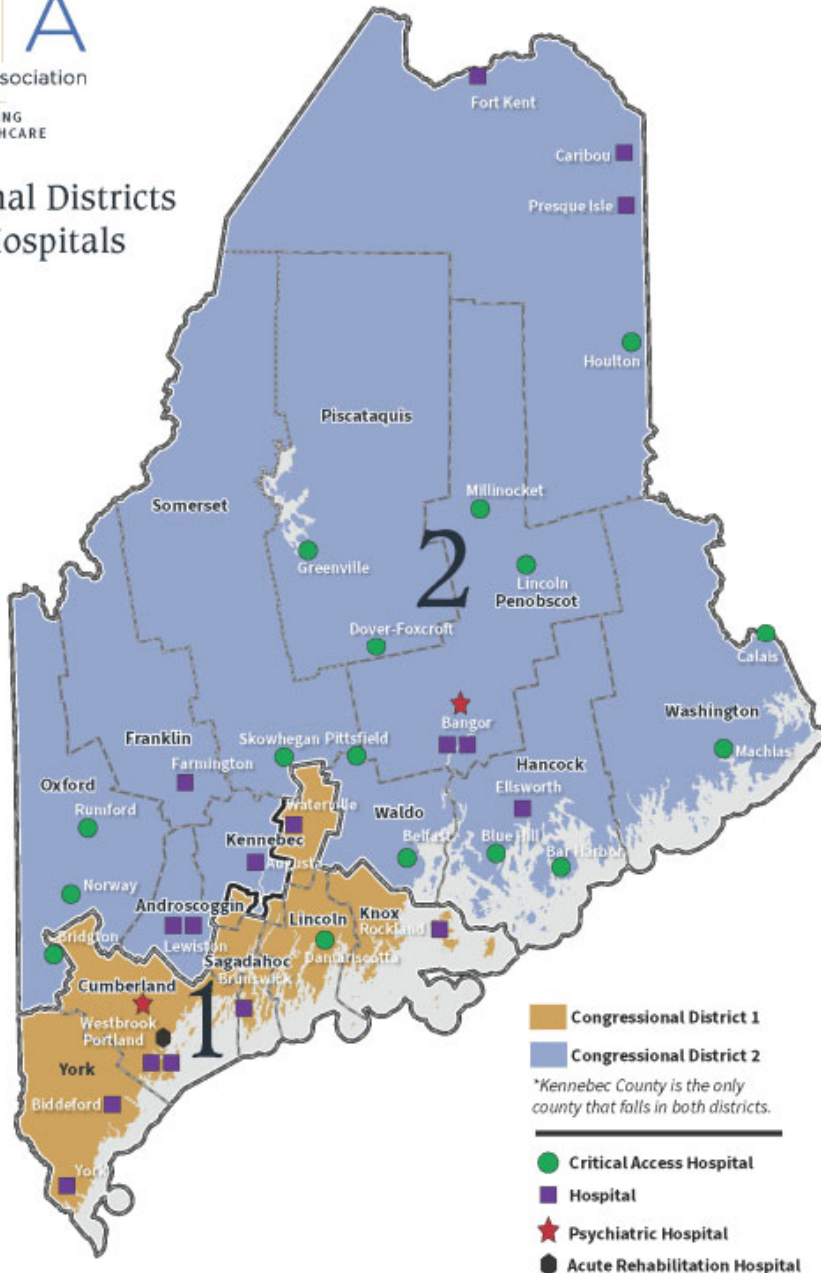
1. Overview
2. Budget
3. Legislation
4. Questions



Maine Hospital Association

1. Overview

Congressional Districts
 for Maine Hospitals



Overview

Maine Hospitals
 36 Total
 33 Acute (16 CAH)
 2 Psychiatric
 1 Rehabilitation

All but 2 are non-profit.



Maine Hospital Association

This is our “margin chart” to help policymakers visualize our losses.

Maine Hospitals Comparison of Operating Margins

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Bridgton Hospital	3.45%	3.19%	7.27%	4.05%	-0.27%	1.81%	-3.12%	-4.05%	4.04%
Calais Community Hospital	-8.84%	-6.95%	-9.02%	-5.23%	-3.49%	-6.58%	-2.28%	-3.24%	13.48%
Cary Medical Center	-1.05%	-3.91%	3.63%	3.17%	-1.00%	-1.35%	1.41%	1.28%	1.31%
Central Maine Medical Center	-1.08%	-4.36%	1.76%	2.95%	-1.84%	-3.18%	-3.15%	-4.83%	-2.63%
Down East Community Hospital	-2.48%	-4.53%	-5.35%	-0.57%	2.00%	1.60%	0.27%	4.11%	5.27%
Franklin Memorial Hospital	-0.29%	-9.78%	-4.20%	-0.69%	-6.21%	-6.38%	-7.18%	-12.02%	-0.03%
Houlton Regional Hospital	-4.43%	-8.90%	-1.73%	-1.46%	-2.40%	-1.07%	-0.79%	-1.20%	0.14%
LincolnHealth	*	*	-1.26%	2.47%	0.52%	3.39%	3.58%	2.62%	-1.76%
Maine Medical Center	3.29%	1.05%	3.50%	3.51%	4.73%	4.60%	4.60%	4.60%	0.31%
MaineGeneral Medical Center	3.52%	3.16%	-3.61%	-6.15%	0.05%	-4.26%	0.42%	1.23%	-1.48%
Mid Coast Hospital	0.89%	1.38%	2.54%	1.91%	0.60%	1.65%	0.36%	2.85%	-8.64%
Millinocket Regional Hospital	-1.77%	-1.63%	-9.04%	-3.12%	-2.90%	-4.66%	-20.89%	-6.54%	-1.16%
Mount Desert Island Hospital	-4.27%	-1.78%	-2.43%	1.12%	0.51%	3.93%	2.96%	0.85%	2.40%
Northern Light A.R. Gould Hospital	-1.97%	1.11%	-3.14%	0.14%	-10.44%	0.94%	2.56%	-0.38%	-0.39%
Northern Light Acadia Hospital	4.14%	9.47%	2.30%	4.68%	6.33%	19.82%	5.90%	15.56%	10.50%
Northern Light Blue Hill Hospital	2.01%	4.34%	5.27%	6.46%	2.72%	2.34%	10.86%	4.50%	7.06%
Northern Light C. A. Dean Hospital	1.92%	3.69%	-1.59%	-1.20%	-10.93%	6.26%	11.00%	10.02%	6.31%
Northern Light Eastern Maine Medical Center	8.84%	4.58%	2.50%	5.49%	3.83%	3.25%	1.01%	5.18%	-4.00%
Northern Light Inland Hospital	0.99%	1.17%	-2.31%	0.31%	-0.80%	1.20%	-4.00%	-7.69%	-3.97%
Northern Light Maine Coast Hospital	-1.28%	-0.47%	-6.52%	-9.68%	-7.43%	-7.52%	-5.58%	2.26%	-6.66%
Northern Light Mayo Hospital	-2.40%	-4.37%	-1.88%	-0.02%	-3.27%	-3.60%	-2.96%	-5.94%	-8.13%
Northern Light Mercy Hospital	-6.76%	-4.21%	1.15%	-10.22%	-7.92%	-1.85%	0.69%	5.28%	-5.31%
Northern Light Sebecook Valley Hospital	0.76%	4.68%	6.49%	3.31%	3.95%	10.40%	13.83%	10.00%	6.77%
Northern Maine Medical Center	29.61%	4.56%	0.50%	1.50%	0.40%	13.30%	0.70%	0.82%	2.50%
Pen Bay Medical Center	-4.04%	-0.04%	0.94%	-3.35%	-6.76%	-3.95%	0.74%	1.95%	3.55%
Penobscot Valley Hospital	-0.42%	-2.01%	-3.90%	-5.24%	-9.84%	-8.72%	-5.44%	-1.93%	8.04%
Redington-Fairview General Hospital	-0.87%	-2.85%	-3.65%	-3.65%	0.01%	0.12%	0.17%	2.65%	2.26%
Rumford Hospital	-1.18%	-1.58%	0.94%	-1.23%	-2.44%	-0.29%	-4.22%	-2.30%	6.33%
Southern Maine Health Care	*	*	*	-3.41%	-2.83%	-0.17%	-2.26%	1.85%	-7.07%
Spring Harbor Hospital/Maine Behavioral Healthcare	-1.90%	1.74%	0.41%	0.43%	-1.63%	2.26%	1.48%	1.43%	-2.08%
St. Joseph Hospital	5.38%	8.04%	8.97%	1.33%	2.20%	0.63%	-9.42%	0.72%	-0.33%
St. Mary's Regional Medical Center	-2.60%	0.07%	-1.67%	-1.68%	1.01%	-0.52%	-11.93%	-0.41%	-6.06%
Stephens Memorial Hospital	5.44%	3.97%	6.38%	4.95%	2.54%	2.10%	2.18%	4.20%	6.45%
Waldo County General Hospital	4.75%	1.96%	-1.54%	6.71%	5.73%	7.63%	4.53%	5.38%	4.03%
York Hospital	-1.06%	-1.12%	-1.91%	-0.51%	-1.45%	-1.60%	-1.17%	-3.89%	-8.33%

Color Code

- Operating Margins < 0
- Operating Margins 0-4.99%
- Operating Margins 5%+

Source: Maine Health Data Organization, Audited Financial Statements
* Not Available

Democrat Controlled

Governor – Janet Mills (Democrat – Second Term/Term Limited)

Senate (35 Senators) – Democrat Controlled (22 - 13)

House (151 Representatives) – Democrat Controlled (81 - 68 - 2)

Over 600 new laws in First Session (2023).

	131st (2023)
Bills Filed	2,019
Bills Enacted	632
% Enacted	31%

Second Session (2024) – Lots of Bills

	Total	Followed By MHA
Carryover Bills	483	73
New Bills	265	46
Total	748	119

2. Budget



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Budget

State adopts two-year Biennial Budgets

SFY 2024 – July 1, 2023 to June 30, 2024

SFY 2025 – July 1, 2024 to June 30, 2025

Biennial budgets adopted last year:

LD 424 – PL 2023, Chapter 17

LD 258 – PL 2023, Chapter 412

State is currently deliberating a supplemental budget (LD 2214)

Hospital – DHHS “Deal” Has Been Discussed and Described.
Sometimes inaccurately.

Five major provisions:

1. Increase Hospital Tax Rate from 2.23% to 3.23%;
2. Increase GF Contribution to rates by \$8.7M per year;
3. Increase PPS Hospital Reimbursement by net \$50M per year;
4. Exempt CAH hospitals from tax;
5. Reduce CAH reimbursement rate to 104.5% of cost.



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Budget

Other major DHHS budget issues:

1. Nursing Home Sustainability
2. Behavioral Health Issues
3. Ambulance Sustainability
4. Child Care
5. General Assistance/Immigrant Support

3. Legislation

❖ Insurance Committee

❖ HHS Committee

❖ Labor Committee

LD 796 – Prior Authorization

This legislation, supported by providers and opposed by carriers, does essentially three things:

1. It requires state-regulated plans to publish data on prior authorization practices.
2. It permits providers to file appeals directly with the Bureau of Insurance on behalf of patients.
3. It regulates carrier implementation of prior authorization policies:
 - *Date of service denials are curbed (14-day rule);*
 - *Reimbursement penalties failure to file a prior authorization for medically necessary care are capped at 15%;*
 - *Emergency-adjacent, inpatient care requiring a prior authorization.*

LD 1407 – Unilateral Policy Changes

This legislation, supported by providers and semi-opposed by carriers does two things:

1. It regulates the time/place/manner by which carriers impose unilateral contract policy changes:
 - *Changes may only occur 4 times per year (January 1, April 1, July 1, October 1);*
 - *Changes must be noted by underlines (new language) and strikethroughs (deleted language);*
 - *Changes producing a change in reimbursement of more than \$500K statewide; the carrier must produce a statewide estimate of the impact.*
2. It establishes a second statute of limitations (of 36 months) for retrospective denials for four of the six statutory exceptions to the general 1-year rule:
 - *Double-payment; non-delivered service; another carrier's involvement; legal claims*
 - *Still no limit for claims related to fraud or certain federal-related claims.*



Maine Hospital Association

Insurance Committee

LD 1498 – Small Provider Complaint Process at Bureau of Insurance

This legislation creates a complaint process for small providers (practices smaller than 6 clinicians) at the Bureau of Insurance (BOI).

Currently, the BOI is a consumer protection bureau. It does not mediate disputes between providers and carriers.

This legislation will dip the BOI toe into these waters.



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Insurance Committee

LD 1533 – Provider Billing Process

This legislation, supported by carriers and semi-opposed by hospitals, requires providers submitting “facility-based” claims to identify the address of the facility where the service took place, including “hospital off-campus locations.”

ENACTED: PL 2023, Chapter 521.

LD 1470 – Provider Billing “Transparency” Regulation

This legislation, semi-opposed by hospitals, attempts to codify into state law the various new federal billing transparency requirements.

Hospitals, don't necessarily oppose codifying federal requirements into state law.

However, the manner by which LD 1740 does this is garbled...that is, it does not exactly mirror the federal legislation.

Two issues to be aware of:

1. Federal law requires CARRIERS to provide Good Faith Estimates to insureds. Providers have to provide GFE to carriers, for insureds. This law requires PROVIDERS to provide GFE to insureds – until the federal rules for CARRIERS kicks-in.
2. The penalty provision for not providing a requested GFE to the UNINSURED is NON-PAYMENT. Given them all a GFE.



Maine Hospital Association

Insurance Committee

LD 2174 – Medical Credit Cards

This legislation seeks to regulate the “medical credit cards” that some providers are marketing to patients.

The provisions in the bill that regulate the time/place/manner of discussing these cards with patients are fine with us.

There was a provision that would have required hospitals to screen every user of ANY credit card for charity care before accepting payment by credit card. Despite being impossible to do, it was just wasteful. This provision is being removed.

LD 2174 – Medical Debt

This bill seeks to regulate debt buyers and others as they seek to collect debts. I believe this legislation will prohibit litigation for any debt owed by someone under 300% of the FPL.

LD 1995 – Charity Care Overhaul

This legislation is a significant change to Maine’s existing mandatory charity care law.

1. Eligibility:

- *FPL increase from 150% to 200%*
- *Some temporary residents; including some college kids/non-citizen migrant workers;*

2. Application Process Changed

3. Payment Plans:

- *Mandates that hospitals offer payment plans (no such requirement exists today)*
- *Regulates the plans by capping what can be charged at no more than:*
 - ❖ *3% for those under 300% FPL.*
 - ❖ *5% for those under 400% FPL.*

4. Collections Practices: 45-Day Notice Required for EVERY account delinquent for more than 30 days.



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Labor Committee

Minimum Wage Increase (LD 1376) – Overrides current law to increase minimum wage.

On Appropriations Table.

Scheduling (LD 1190) – Force employers to pay for schedule changes. Government exempted from regulation.

On Appropriations Table.

LD 513 – Increasing Overtime Threshold by more than 50%; Tens of millions in employer expense.

Out of Committee, party lines.

LD 1496 – Prohibit Noncompete Clauses

Passing in both chambers.

LD 2184 - DOL Rule Adoption: Wage & Hour Enforcement without Complaints

Passing in both chambers.



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OTHER

1. Nursing Home Survival
2. Ambulance Reimbursements
3. Behavioral Health Kids Stuck in the Emergency Room
4. Behavioral Health Services (Crisis Centers, ACT Teams, Medication Management)
5. Foreign-trained Clinicians
6. PFAS Regulations
7. Food Waste Recycling
8. Online Privacy Laws
9. Guns / Yellow Flag
10. Don't forget to implement Paid Family Leave!



Questions?

The background image shows a grand, classical-style legislative chamber. It features a high ceiling with decorative moldings, a series of tall, arched windows along the back wall, and rows of dark wooden desks with green-tinted papers. The room is well-lit, with light streaming in from the windows.

MAINE HOSPITAL ASSOCIATION

Jeffrey Austin

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HFMA Vermont Update

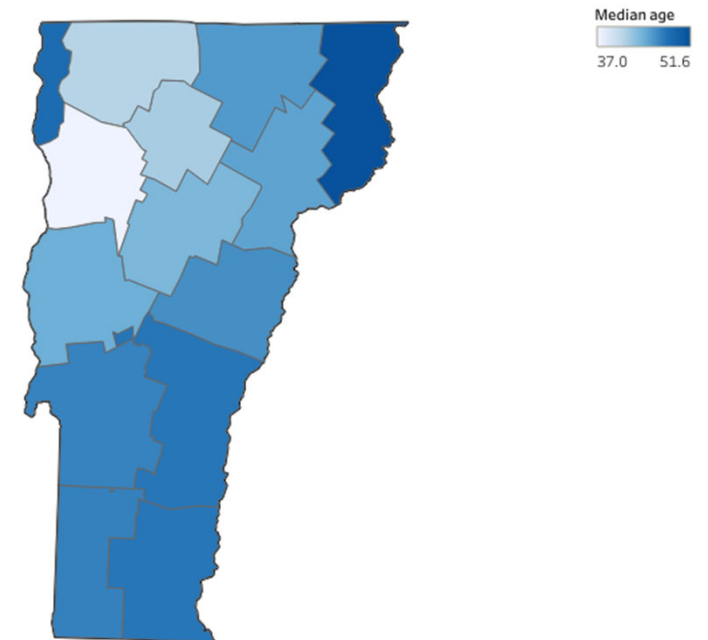
Mike Del Trecco, President and CEO

April 9, 2024

Vermont Landscape: Rural and Aging Population

- According to the 2020 census, Vermont is the most rural state in the nation, with 65% of population residing in rural areas
- Since 2000, the number of Vermonters 60 years and older has increased by 80% while the number of Vermonters under 20 years old has decreased by 17%.

2020 Census, Median Age



Vermont Landscape: Capacity



Emergency Dept.

- 15-25 people waiting for mental health placement on any given day.
- 30 patients boarding in ED waiting for a medical surgical bed



Sub-Acute Care

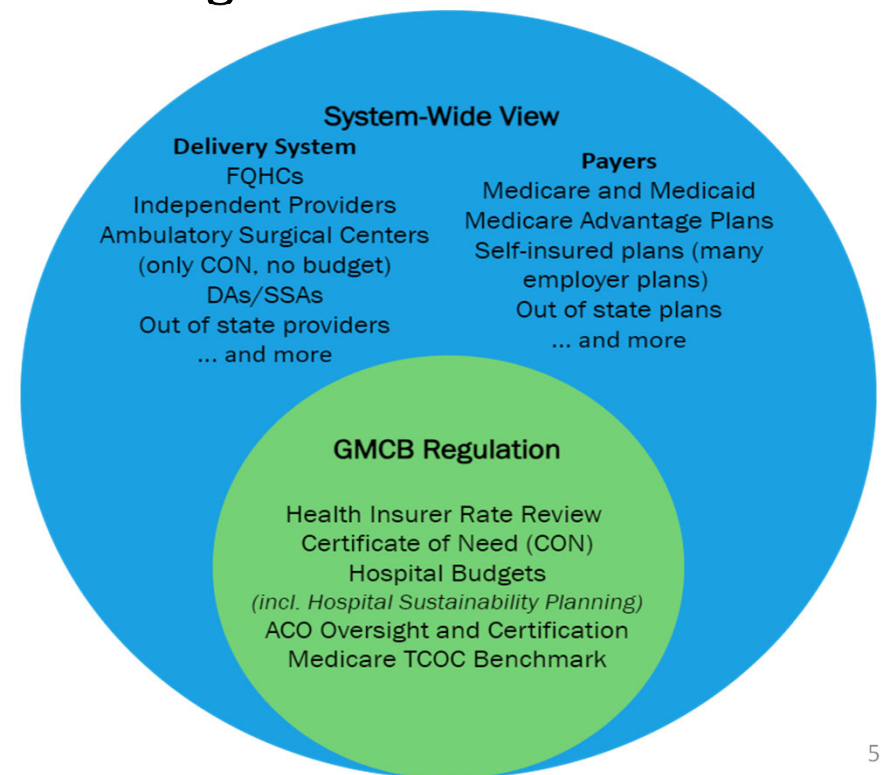
- Often 130-140 patients waiting for discharge because there are no placement options– compared to 70 people waiting for placement in 2021
- Largest hospital often has 0 medical surgical beds
- ICU beds are often in single digits

Vermont Landscape: Financial Pressures

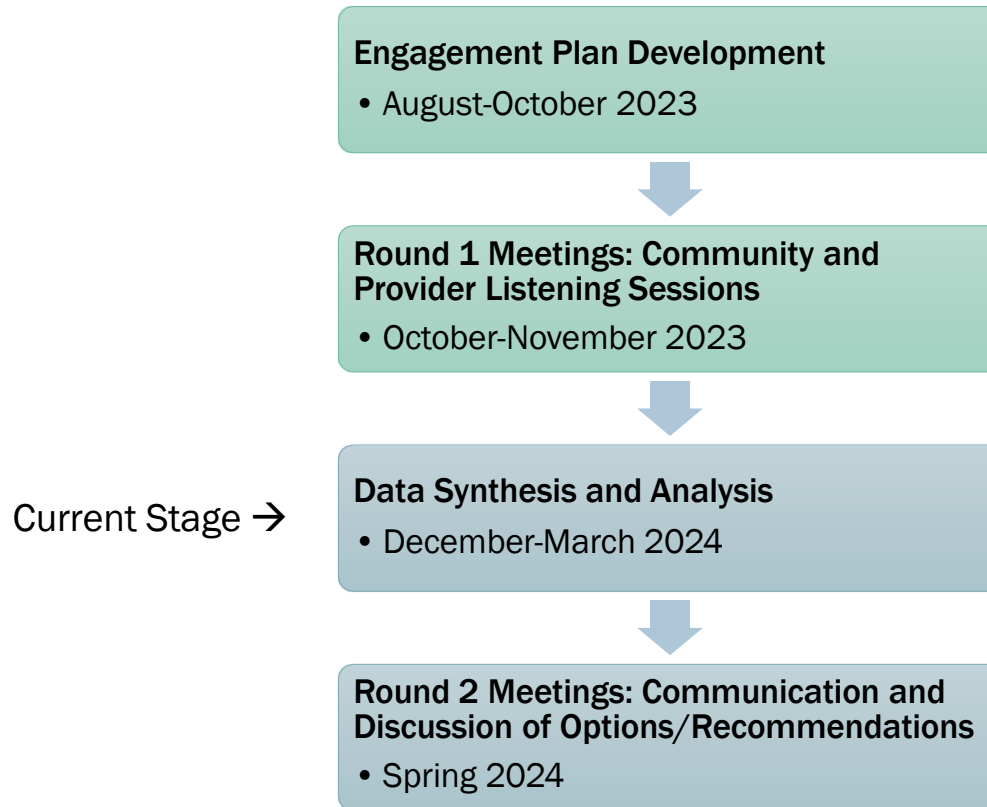
- Pressures:
 - Workforce (RN, Techs, Other)
 - Inflation and Supply Chain
 - SNF, LTC and Mental Health Transitions
 - Reimbursement (340B threats, New Payment Models)
- Hospital Performance:
 - Net Patient Revenue Growth Pre-GMCB was 8 – 9 % , post-GMCB 4 – 5%
 - FY 2019 Financial Performance on the decline
 - GMCB Established workgroup on Hospital Sustainability
 - FY 23 Actuals:
 - Nine out of Fourteen Hospitals incurring Operating losses
 - Days Cash on Hand - Decline of 15% (136 Days to 116 Days every day is worth \$9 – \$10m)

Regulation: Green Mountain Care Board

- 2011 - Act 48 Establishes Independent Board to Regulate Reform
- Five Member Board including a Chair
- Regulatory Oversight:
 - All Payer Model
 - Hospital Budgets
 - ACO Budget
 - Rate Review – Insurance on Health Exchange
 - Certificate of Need
- **Board Focus**
 - **Act 167**
 - **AHEAD Model – Global Budgets**



Act 167 Community Engagement:



Reform: Medicare AHEAD Model

The Model:

- **AHEAD - Advancing All-Payer Health Equity Approaches and Development**
- Multi-State Demonstration
- Payment Model based on global Budget for Certain Services – (Medicare Part A & B, with a primary care incentive model)
- 9 Year Model – Start Date: 1/2026 – End Date 12/2034

Opportunities:

- Maximize Medicare funding (avoid memorializing negative operating margins)
- Ecosystem improvement
- All Payer Participation

Challenges:

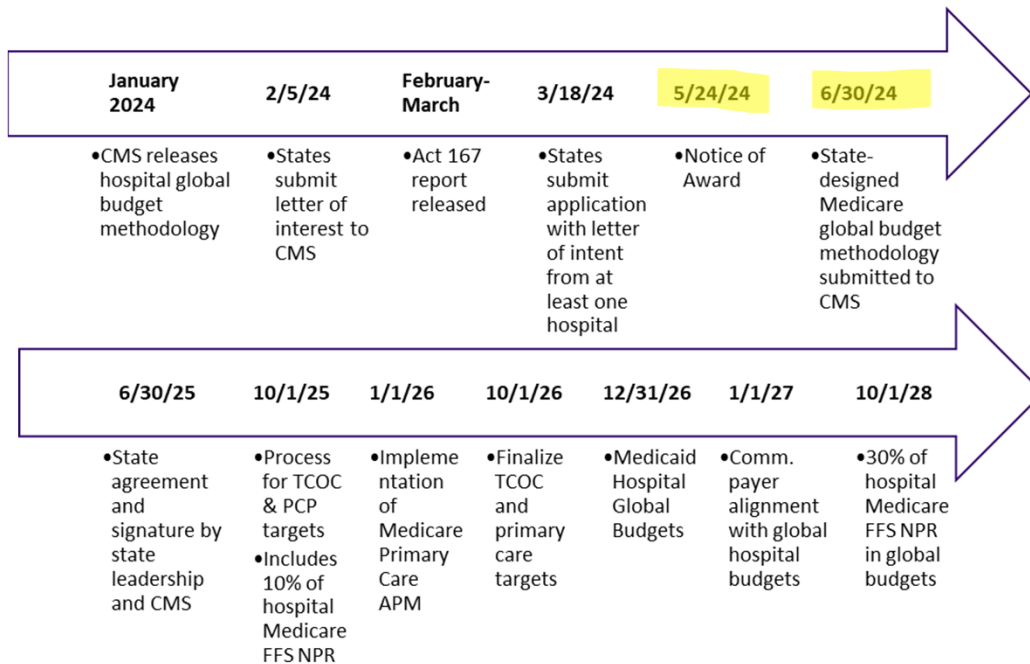
- Uncertainty
- Lack of transformation funding
- Trust

Needs:

- Clear definition of roles without duplication of efforts
- Administrative alignment (Quality, Data, Credentialing and enrollment)
- Stakeholder representation in global budget setting process
- Payment model governance and fee for service regulation

Reform: Medicare AHEAD Model

- VAHHS Principles: Equitable Access, Stabilization and sufficient resources for investments, Strong Ecosystem
- Current APM arrangement with Medicare sunsets end of calendar Year 2025 – Overlap with Act 167



2024 Legislature: Healthcare Bills

- Regulatory and Health Care Reform
 - S.211: formalizing hospital budget process and new regulatory process for global budgets
 - S.151: same standards for hospitals as insurance, such as solvency
- Health Insurance Administrative Simplification
 - H.766 Claims edits, Policy changes, Prior Authorization, Insurer Direct Billing
- Medicaid Expansion
 - H.121 Study– including greater Medicaid reimbursement, especially for services for pregnancy and birth

2024 Legislature: Healthcare Bills

S.151 Health Care and Regulatory Reform Bill

- Property tax and health care
- Bill content had committee in conflict
- Multiple political dynamics at play
- Going forward:
 - Meet with GMCB in April

2024 Legislature: Healthcare Bills

H.766 Administrative Simplification

- Aligns claims edits with Medicare
- Aligns prior authorizations with Medicaid
- Grassroots support needed in Senate

2024 Legislature: Healthcare Bills

H.121 Medicaid Expansion

- Expands Dr. Dynasaur to Vermonters up to 21 years of age
- Expands Medicaid eligibility to pregnant individuals to 312% federal poverty level
- Analysis for further expansion, including provider reimbursement
- Funded with increase in corporate income tax to 10%

Thank You and Questions