

## END-OF-YEAR LEGISLATIVE PRIORITIES

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Illinois hospitals and health systems are facing unprecedented challenges and pressures, including severe staffing shortages, supply chain breakdowns, and record inflation for drugs, supplies and equipment. Congress' generous support for providers during the COVID-19 public health emergency (PHE) has not blunted the full impact of the immense expense and revenue pressures hospitals continue to face. A recent American Hospital Association (AHA) report by Kaufman Hall projects that margins will be down 37% the remainder of the year relative to pre-pandemic levels.

Hospitals cannot simply increase their prices to offset rising costs and reductions in revenues. The majority of inpatient utilization in Illinois hospitals involves Medicare and Medicaid, which provide fixed payments and reimburse less than the cost of providing care. According to a recent projection by MedPAC, hospital and health system margins on Medicare services will fall to -9% in 2022.<sup>1</sup> In Illinois, 94% of hospitals have 50% or more inpatient days paid by Medicare or Medicaid.<sup>2</sup>

To ensure Illinois hospitals can continue to provide essential care to patients and communities, IHA requests Congress take the following actions:

### PREVENT 4% PAYGO CUTS TO HOSPITALS

Absent Congressional action, hospitals face a 4% cut to their Medicare payments in 2023, risking further destabilization to our already strained healthcare system. Largely due to the impact of the American Rescue Plan Act of 2021, PAYGO cuts are scheduled to take effect in 2023.

### SUPPORT THE HEALTHCARE WORKFORCE

#### Invest in the healthcare workforce pipeline

- **Pass the *Resident Physician Shortage Reduction Act (S. 834/H.R. 2256)*** to raise the number of Medicare supported graduate medical education (GME) positions by 14,000 over seven years. IHA also supports the *Opioid Workforce Act/Substance Use Disorder Workforce Act (S. 1438/H.R. 3441)*, introduced by Rep. Brad Schneider (IL-10), which would add 1,000 positions in addiction medicine or pain management. Additionally, IHA supports draft legislation from the Senate Finance Committee that would add 400 new GME slots for psychiatry and psychiatry subspecialties.

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<sup>1</sup> <https://www.aha.org/news/blog/2022-04-29-four-reasons-medicare-inadequate-benchmark-commercial-health-plans>

<sup>2</sup> <https://www.aha.org/system/files/media/file/2022/05/fact-sheet-majority-hospital-payments-dependent-on-medicare-or-medicaid-congress-continues-to-cut-hospital-reimbursements-for-medicare.pdf>

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- **Increase funding for the Children’s Hospitals Graduate Medical Education (GME) program** to support federal investment in physician training for children.
- **Pass the *TRAIN Act (S. 1568/H.R. 4407)*** introduced by Rep. Darin LaHood (IL-18) to restore funding to nursing and allied health programs.
- **Pass the *Conrad State 30 and Physician Access Act (S. 1810/H.R. 3541)***, introduced by Rep. Schneider to allow foreign doctors studying in the US to obtain a visa following medical residency if they practice in a medically underserved area for at least three years.
- **Increase funding for the National Health Service Corps program** and direct higher numbers of participants to serve in hospital settings. IHA supports the *Strengthening America’s Health Care Readiness Act (S. 54)*, introduced by Sen. Dick Durbin (IL), which includes a particular focus on diversifying the workforce. IHA also supports the *Rural America Health Corps Act (S. 924/H.R. 2130)* to create a loan repayment program focusing on rural areas.

### Reduce administrative burden on healthcare workers

- **Finalize passage of the *Improving Seniors’ Timely Access to Care Act (S. 3018/H.R. 3173)*** to streamline the prior authorization process in Medicare Advantage (MA) plans by establishing an electronic process and reducing how long a health plan may consider a prior authorization request. The legislation would also create a “real-time decisions” process for routinely approved services and require MA plans to report on their prior authorization use and rate of approvals and denials.

### Increase penalties for acts of violence against healthcare workers

- **Pass the *Safety from Violence for Healthcare Employees (SAVE) Act (H.R. 7961)*** to increase penalties for individuals who commit acts of violence against healthcare workers. This legislation is modeled after current protections for airline workers and would criminalize assault or intimidation of hospital employees, with protections for mentally incapacitated individuals due to illness or substance use.

### EXTEND CRITICAL PROGRAMS AND FLEXIBILITIES

- **Extend the Medicare-dependent hospital (MDH) program and the enhanced low-volume adjustment (LVA).** These critical rural programs support hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges, or those with low patient volume.
- **Advance the House-passed *Advancing Telehealth Beyond COVID-19 Act of 2021 (H.R. 4040)*** to extend telehealth policies implemented during the COVID-19 PHE through 2024. The bipartisan bill would extend important flexibilities, including removing

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geographic restrictions, allowing use of audio-only services and expanding the types of practitioners eligible to be reimbursed for telehealth services.

- **Extend the hospital-at-home program for two years beyond the end of the PHE by passing the *Hospital Inpatient Services Modernization Act (S. 3792/H.R. 7053)*.** Through temporary waivers, several Illinois hospitals have either established a hospital-at-home program or are in the process of doing so. These hospitals include Blessing Hospital in Quincy, OSF HealthCare St. Francis, University of Chicago Medical Center, and Northwestern Memorial Hospital. The hospital-at-home program, which allows qualified patients to receive acute care in their homes, has been found in early studies to increase quality, reduce cost, and result in high patient satisfaction. We urge Congress to extend this innovative program so that data, best practices, and other information may inform establishment of a more permanent program.
- **Extend the Advanced Alternative Payment Model incentive payments by passing the *Value in Health Care Act of 2021 (H.R. 4587)*, introduced by Rep. Darin LaHood (IL-18).** These payments provide crucial support to providers as they transition to value-based care models, such as ACOs.

### PROVIDE TARGETED HOSPITAL RELIEF TO OFFSET WORKFORCE, INFLATION COSTS

- **IHA supports the AHA's request to establish a temporary per diem payment** to address the issue of hospitals not being able to discharge patients to post-acute care or behavioral facilities because of staffing shortages