Kansas Congressional Member Discussion Items

Items to thank them for:

1. Signing the letter that included the entire Kansas delegation to CMS asking the agency to approve the changes in the provider assessment to increase Medicaid payments to hospitals. (All delegation members)
2. Signing the letter to CMS regarding the inadequacy of the 2023 IPPS Proposed Payment Rule (Moran, Marshall, Davids, LaTurner, Mann), particularly as it relates to LVH and MDH hospitals.
3. Cosponsoring H.R. 4390, the PROTECT 340B Act (Mann, LaTurner, Davids).
4. Voting to support the Advancing Telehealth Beyond COVID-19 Act of 2021
   a. (Only the House has voted, but all four congressional members voted for the bill.)
   b. (The Senate will likely vote on a bill later this year, and both Senators are cosponsors of multiple telehealth bills.)

Sequestration—KHA has always opposed sequestration. It is not fair for the government to pay only 99% of its bills to hospitals. While the 2% mandated Medicare sequestration cut is already in effect, another 4% will go into effect on January 1, 2023 without congressional action waving or delaying PAYGO’s application to the COVID-19-related sequestration holiday. The government paying only 95% of its bills to hospitals would be disastrous to providers. Indeed, if a private insurance company did this, the government would likely intervene to right the injustice. We hope that Congress will waive this impending 4% cut in an end-of-the-year appropriations or tax-related bill.

Thoughts to share:
   1. How has sequestration impacted your hospital?
   2. What does your hospital’s Medicare margin look like?
   3. How would a 6% total sequestration percentage impact your hospital?

Financial Challenges – Hospitals across the state are dealing with significant financial challenges due to inflation, supply chain disruptions and workforce shortages.

Thoughts to share:
   1. What has the increased labor cost been for your hospital (is it more than 3.2%)?
   2. How is your hospital preparing for costs over the next 12 to 24 months? What assumption are you making on costs?
   3. What will happen if payment reductions occur at the state or federal level to the services your facility can provide?

Rural Programs (MDH and LVH) – The Medicare-dependent Hospital (MDH)is set to expire at the end of the federal fiscal year on September 30, and the enhanced Low-volume Hospital (LVH) program is set to revert to a lower eligibility threshold on that same date. Both of these programs are indispensable for rural hospitals seeking to keep their finances healthy. All KCD members signed a letter to CMS asking them to address problems in the FY 2023 IPPS, but this one needs statutory changes to go into effect. H.R. 1887, H.R. 8565, and S. 4009 would address these problems, and we encourage all KCD members to sign on as cosponsors.

Thoughts to share:
   1. How will these changes impact your hospital?
   2. How will these reductions impact your ability to serve patients in your area?

340B—The 340B Drug Savings Program is essential to helping safety-net providers stretch limited resources to increase service to their patients and communities. Congress should reject any efforts to scale back or reduce the benefits of the 340B program. Also, thank Rep. Mann, Rep. LaTurner, and Rep. Davids for cosponsoring H.R. 4390, the PROTECT 340B Act.
Thoughts to share:
  1. How have the actions of the drug companies impacted your hospital and patients?
  2. What will you have to stop doing with the loss of the 340B savings?

**Prior Authorization**--Prior authorization is a tool used by health insurance plans to ensure patients receive the proper care at the right time. While Kansas hospitals support this goal, many insurance plans are applying prior authorization requirements in ways that create delays in care and drive up health care costs.

Thoughts to share:
  1. How many staff or how much staff time is spent on prior authorizations at your hospital?
  2. Have prior authorization delays caused issues for patients at your hospital?
  3. What does your prior authorization denial rate look like for your hospital?

**Surprise Billing**--In the Balance Billing Protection Act, Congress specifically established a mediation process by which insurers will have amounts determined as payable to providers when a surprise bill hits a consumer. The HHS rulemaking process on this bill, however, has started to lean back toward allowing insurers to pay the median in-network rate without consideration of other factors—a process deliberately rejected by Congress. Members of Congress and their staffs should be aware that HHS is likely to reject their intent, opting instead for an arbitration process dominated by insurance company rate setting rather than taking into account multiple factors like the health of the patient and costs to the actual facility where the surprise bill originated. When HHS issues its final rule, KHA may be talking with the KCD about remedies.