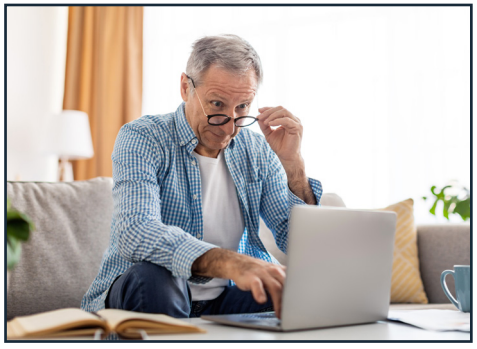
FEDERAL KANSAS PRIORITIES

Medicare Reimbursement

Medicare reimbursement continues to be a challenge for Kansas hospitals. Statewide, the Medicare margin has varied from a low of negative 6.1 percent and high of negative 4.8 percent. That means even without the two percent sequestration reduction, Medicare is not covering the cost of providing care to beneficiaries in Kansas.

The impact is compounded when viewed in comparison to other payers in the state. Medicare accounts for 47 percent of revenue for Kansas hospitals, compared to only 28 percent from commercial payers. With only Medicaid and self-pay payers remaining, shortfalls in Medicare significantly threaten hospitals' financial viability. We ask for an end to sequestration and improvements to CMS rate setting calculations that reflect real-time cost drivers like inflations, supply shortages and staffing costs.

Medicare Advantage



Medicare Advantage programs often overpromise and under deliver for seniors. Oftentimes, patients are surprised to learn the physicians they rely on, or procedures previously covered, are no longer part of the plan they have chosen. Steps have been taken to crack down on some of the most egregious behaviors by insurance companies, however, more work must be done. Legislation like the *Medicare and You: Handbook Improvement Act* (S. 5117) are needed to ensure seniors are fully informed of their choices. In addition, legislation is needed to allow seniors to switch back to traditional Medicare when their Medicare Advantage plan fails to live up to beneficiaries' expectations.

Rural Emergency Hospital Program

Necessary Provider Issue – The REH Technical Assistance Center has interpreted CMS policies as prohibiting an REH that converted to a CAH under the "necessary provider" waiver from reverting back to CAH status if the REH model does not work for them. The ability to return to CAH status is a critical component to hospitals in Kansas considering an REH conversion because it provides a safety net for maintaining services in their community. Without this flexibility, Kansas hospitals are less likely to consider the REH model we fought so hard to create. We ask our congressional delegation to press CMS to clarify that this prohibition does not exist.

Expansion of REH Eligibility – Kansas has been fortunate that in several communities where the hospitals closed, other hospitals stepped in to provide necessary care in a format that looks like a rural emergency hospital. However, this happened before the REH option was available. We would like to see eligibility extended, within a limited timeframe, to allow these facilities that provide health care needs the ability to convert to REH status.

KANSAS PRIORITIES CONT.

Prior Authorization

Prior authorization is a tool used by health insurance plans to ensure patients receive the proper care at the right time. Unfortunately, many insurance plans apply prior authorization requirements in ways that create delays in care and drive up health care costs. New regulations have helped, but KHA will continue to advocate for legislation like the *Improving Seniors' Timely Access to Care Act* (H. 8487) to ensure unnecessary encumbrances do not keep seniors–or anyone–from receiving the care they need in a timely manner.

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Rapid Fire Requests

Ensure surprise billing regulations reflect Congressional intent.

Make Medicare telehealth flexibilities permanent.

Make Medicare-dependent hospital program permanent. Make low-volume hospital higher

Make nursing education programs part of STEM for work authorization.

Protect the 340B program.

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