



KHA's Current Report
November 10, 2023

President's Perspective – KHA Board Hears from AHA Leadership

Last week, the Kansas Hospital Association Board of Directors met in person for the final time prior to the end of 2023. The KHA Board meeting kicked off with a presentation from Chris DeRienzo, MD, American Hospital Association's chief physician executive. Dr. DeRienzo highlighted the latest AHA initiatives, including its work to improve the health care workforce and the image of the nation's hospitals. AHA's dedication to promoting the positive stories of our industry is much appreciated.

The KHA Board also dedicated time to lean into the current financial status of Kansas hospitals. Through small group discussions, the KHA Board identified current challenges and potential strategies to support the KHA membership. This guidance will assist KHA staff as we continue to delve into this important issue, including exploring how the current environment in Kansas compares to other surrounding states.

Additional highlights of the November board meeting are bulleted below:

- Recognized Carrie Saia for her service as the KHA Board Chair for 2023. On behalf of the entire KHA membership and staff, we would like to thank Carrie for her leadership and service.
- Selected Tammy Peterman, The University of Kansas Health System, to serve as the at-large member on the KHA executive committee in 2024.
- Recognized those KHA Board members ending their service on the KHA Board. We would like to thank Sherri Vaughn, MD, Curt Colson, Lynn Fisher, MD, and Allen Van Driel for their leadership.
- Accepted the KHA associate membership application for AblePay.
- Shared highlights from the recent AHA Regional Policy Board meeting.
- Adopted the KHA finance and investment report, as well as the 2024 budget.
- Approved a KHA membership dues rebate for 2023. More information will be shared in the coming weeks.
- Recapped advocacy efforts on federal and state levels. KHA staff has been working on policy initiatives related to the upcoming 2024 Kansas legislative session, including several policies related to workforce and Medicaid. On the federal level, much attention has been given to Congress' end-of-year agenda concerning the federal budget. Additional federal issues include site-neutral payments, the 340B Drug Discount Program and rural emergency hospital requirements.

- Discussed KHA's public campaign to improve the perception of hospitals and health care in Kansas.
- Updated the KHA Board on the 2024 Health Care Virtual Career Day that will take place on Feb. 1, 2024.

Please let us know if you have questions or need assistance on matters affecting your hospital. KHA staff are available to assist you with your needs.

--Chad Austin

Last Chance to Register for the Rural Health Symposium – Nov. 16

Register and plan to attend the Rural Health Symposium on Nov. 16, at the Hilton Garden Inn Hays in Hays.

Rural health care providers are constantly faced with new challenges and fewer resources. The purpose of this symposium is to provide attendees with the skills, ideas and information necessary to survive in the rapidly changing world of rural health care.

Target Audience:

This symposium is designed for senior-level administrators, hospital trustees and others interested in rural health issues.

Session Topics:

- Compassionomics: The Revolutionary Scientific Evidence that Caring Makes a Difference
- Financial Picture of Hospitals
- State Programs to Support Rural Communities
- Sustaining Rural Communities



--Hayley Finch-Genschorck

Register Now for the Healthy Kansas Hospitals Webinar – Nov. 29

Join Kansas Hospital Association staff for an educational webinar at noon on Wednesday, Nov. 29, to learn best practices and resources for how to create a sustainable wellness committee in your facility. KHA staff will also share the updated Healthy Kansas Hospitals toolkits.



--Hayley Finch-Genschorck

CMS Releases Proposed Rule for 2025 Medicare Advantage, Prescription Drug Plans

This week, the Centers for Medicare & Medicaid Services proposed changes to the Medicare Advantage and prescription drug programs for the contract year 2025. These changes are intended to:

- Improve access to behavioral health care
- Ensures agents and brokers enroll individuals in the best plan for their needs
- Make sure Medicare Advantage plans offer appropriate supplemental benefits
- Streamline enrollment for individuals dually eligible for Medicare and Medicaid
- Provide an annual review of MA utilization management policies for health equity considerations

Among other changes, the proposed rule:

- Streamlines the appeals process for enrollees if their MA plan terminates coverage for certain post-acute care services
- Standardizes the appeals process for MA Risk Adjustment Data Validation audit findings
- Limits out-of-network patient cost-sharing for certain plans serving dually eligible enrollees
- Gives Part D plans more flexibility to substitute biosimilars for reference drug products

For more on the rule, see the [CMS fact sheet](#).

--Shannan Flach

County Economic Impact Reports Available

Kansas Hospital Association members know a good local health care system is part of the prescription for maintaining a healthy economy. However, we often forget to share this message with our local communities. KHA is pleased to release a new, county-level, analysis of the economic contributions to the local health care sector on the economies of each of the state's 105 counties.

We hand-delivered these reports during our October District Meetings, but if you were not able to attend, or want additional counties, all 105 county economic impact reports are now available [online](#). The Institute of Policy & Social Research at The University of Kansas completed these reports, in addition to our state-wide report released in March.

The purpose of the county reports is to provide hospitals with data and information to be used to communicate to community leaders, policymakers and citizens on the importance of health care to the local economy. The Kansas Hospital Association shares the findings of these reports with legislators and the media.

According to the report's authors, the health care sector in each county makes substantial contributions to the local economy through employment and income. Along with providing direct employment and income, the health care sector creates multiplier effects as businesses purchase local goods and services, such as utilities, and employees spend their income at local businesses such as stores and restaurants. In many counties, hospitals, nursing and residential care facilities as well as outpatient care centers comprise the largest health care employers in the county. In addition to jobs and income, the health care sector provides economic development effects that are less easily quantified. A quality health care sector improves the well-being of the population, and that, in turn, improves business productivity. Quality health care aids in the recruitment and retention of businesses and attracts and retains retirees.

Hospitals and health services are an economic anchor in Kansas. This report documents the importance of the health care sector to the Kansas economy. While the estimates of economic impact are substantial, they are only a partial accounting of the benefits health care in general, and community hospitals in particular, provide to the state. Kansas community hospitals help stabilize the population base, invigorate their communities and contribute significantly to quality of life.

Apart from these county reports, KHA also produces a statewide report annually. A brochure, PowerPoint and media release from March of this year are available on the [KHA website](#).

If you would like assistance in presenting this information to a board or community group or would like a template media release with your county data, or any additional materials, please email [Cindy Samuelson](#).

--Cindy Samuelson

Federal and National News

Policymaker Speaks Out Against Site-Neutral Payment Policies

An [op-ed](#) for AL.com, written by Alabama State Representative Anthony Daniels explains why "it is especially alarming to see so-called site-neutral legislation now being pushed through Congress, which could make high-quality health care less accessible for women, particularly in rural areas."

Speaking to the challenges already facing women seeking maternal health care in rural and underserved communities, Daniels writes that "these realities should give pause to lawmakers advocating for site-neutral legislation. Such bills would cut payments for hospitals and health care systems regardless of the distinct and higher costs they face to deliver care."

The [Coalition to Protect America's Health Care](#), of which the AHA is a founding member, is sharing the piece with media and across its communications channels.

Please contact [Alicia Mitchell](#), AHA senior vice president of communications, if you have questions.

CMS Publishes CY 2025 Technical Changes to MA, Prescription Drug Program and All-Inclusive Care

The Centers for Medicare and Medicaid Services [released](#) a proposed [rule revising](#) the Medicare Advantage program, Medicare Part D, Medicare Cost Plan Programs and Programs of All-Inclusive Care for the Elderly. The rule provides guardrails for MA compensation to agents and brokers, improves access to behavioral health care providers, ensures that MA plans analyze their utilization management policies and procedures from a health equity perspective and enhances enrollees' rights to appeal to an MA plan's decision to terminate coverage.

CMS Publishes Final CY 2024 Medicare Outpatient PPS Payment and Policy Updates

The Centers for Medicare & Medicaid Services [released](#) the calendar year 2024 final payment and policy updates for the Medicare Ambulatory Surgical Center and Outpatient prospective payment system. The 2024 payment update is 3.1 percent, which includes a 3.3 percent market basket increase reduced by a 0.2 percent productivity adjustment. The following are major components of the rule.

- CMS estimates CY 2024 OPPI payments to increase by \$6 billion compared to CY 2023
- CMS estimates CY 2024 ASC payments to increase by \$207 million compared to CY 2023
- Hospitals that fail to meet outpatient quality payment reporting will receive a 2 percent reduction to the OPPI payments through a 0.9806 adjustment factor
- CMS applies changes to Community Mental Health Centers CoPs
- Medicare payment rates are being finalized for 240 dental codes
- Hospital price transparency policies are being revised
- Policies are changing to expand access to behavioral health care

CMS Issues Hospital Outpatient PPS Remedy for 340B-Acquired Drug Payments

Based on a 2022 Supreme Court Decision, the Centers for Medicare & Medicaid Services [issued](#) a [final rule](#) that includes a remedy for the Medicare Outpatient Prospective Payment System 340B-acquired drug payment policy for calendar years 2018–2022. The remedy includes lump sum payments totaling \$9 billion to affected 340B providers for claims covering calendar years 2018 through Sept. 27, 2022. CMS announced that approximately 1,700 affected 340B-covered entities would receive the payment. CMS will implement the remedy through a budget neutrality adjustment that will reduce the OPPI conversion factor by 0.5 percent beginning in CY 2026.

CMS Publishes Final CY 2024 Medicare PFS Payment and Policy Updates

The Centers for Medicare & Medicaid Services [released](#) the calendar year 2024 [final payment and policy updates](#) for Medicare payments under the physician fee schedule. The payment rates will be reduced by 1.25 percent in calendar year 2024, as compared to CY 2023, while including significant increases in payments for primary care services. The rule also:

- Finalizes payments paid to practitioners who train caregivers to support patients with certain medical needs
- Finalizes coding and payment changes to better account for resources involved in furnishing patient-centered care
- Includes a [policy](#) to pay separately for Community Health Integration, Social Determinants of Health Risk Assessment and Principal Illness Navigation services
- Temporarily adds health and well-being coaching services to the Medicare telehealth service lists
- Includes payments for preventive vaccine administration services

FMT Releases New CAHMPAS Financial Data for CAHs

The Flex Monitoring Team added new data to the [Critical Access Hospital Measurement and Performance Assessment System tool](#). This data tool allows CAHs to assess their performance on financial, quality and community benefit measures. The CAHMPAS financial data have been updated with the 2022 data available to date (using June 2023 hospital cost report data).

MLN Connects Provider eNews Available

The Centers for Medicare & Medicaid Services issued the following updates to *MLN Connects Provider eNews*:

- [CMS Roundup \(Nov 3, 2023\)](#)
- [Marriage and Family Therapists and Mental Health Counselors: Enroll in Medicare Now](#)
- [American Indians or Alaska Natives: Help Your Patients Achieve Optimal Health](#)

Before You Go...

- The American Hospital Association released a series of posters focused on patient-centered, respectful language. [The People Matter, Words Matter series](#) covers a wide range of behavioral health topics, including suicide, substance use disorders and maternal mental health.
- The American Hospital Association is hosting a [complimentary webinar](#), *Strategic Onboarding: Maximize Employee Retention from Day One*, at noon on Wednesday, Nov. 15. Felicia Sadler, vice president of quality and partner at Relias, will discuss steps organizations can take to attract and retain clinical staff, as well as highlight low-cost incentives to recognize and reward employees.
- Research shows that transgender and gender-diverse populations experience higher rates of minority stress because of actual and perceived stigma. This has detrimental effects on all areas of life, especially mental and physical health. This [meta-analysis](#) delves into the impacts of enacted stigma on psychological distress and substance use within the transgender and gender-diverse populations.