



Our nation's hospitals are open around the clock in their communities to serve any patient that walks in the door regardless of their ability to pay. **Hospitals are essential to the health and wellbeing of the communities they serve.** With the COVID-19 pandemic, hospitals were tested and strained unlike ever before. Hospitals continue to deal with the impact of COVID-19 related to ongoing workforce costs, inflation, drug costs and challenges with financial stability.

The Texas Hospital Association greatly appreciates the ongoing engagement and steadfast leadership of the congressional delegation and is committed to working alongside our elected officials to ensure the stability and accessibility of Texas hospitals.

THA has the following priorities for the 118th Congress:

1. PREVENT HARMFUL FUNDING CUTS TO HOSPITALS.



Medicare and Medicaid are critical payers for Texas hospitals. Hospitals need adequate and stable funding to invest in workforce, equipment, operations, and infrastructure to ensure high-quality care. But without Congressional action, the Medicaid Disproportionate Share Hospital (DSH) program is scheduled to be cut by \$8 billion on Oct. 1. Medicaid DSH payments are made to approximately 180 hospitals across the state that serve a disproportionate number of low-income and uninsured Texans. In 2021, these payments totaled \$1.8 billion. A permanent repeal or long-term delay of the Medicaid DSH payment cuts will help support the hospital safety net in Texas and the patients it serves. Cuts to the Medicare program – which already pays below cost – can also cause financial strain for hospitals and lead to a reduction of services. Small changes to reimbursement can have a cumulative effect that causes stress on hospital operations, especially for facilities already struggling financially. Texas hospitals oppose any reduction to vital Medicaid and Medicare payments so that patients can access the care they need, when they need it.

2. PROTECT TEXAS' RURAL HOSPITALS.



Texas has seen more rural hospital closures than any other state. Any cuts to Medicare payments jeopardize the financial stability of rural hospitals and threaten the delivery of critical care in remote communities. Texas hospitals support policies that ensure adequate and consistent reimbursement for rural hospitals. The newly created rural emergency hospital designation will add much-needed flexibility for financially stressed hospitals, and THA will continue its work alongside Texas' congressional delegation to ensure access to care in rural areas is protected across the state. Rural hospitals are particularly impacted by the reimbursement policies of Medicare Advantage (MA), and THA will continue to advocate for greater scrutiny and reform of MA plans.

3. ENSURE CONTINUATION OF CRITICAL DELIVERY SYSTEM FLEXIBILITIES THAT ORIGINATED DURING THE PANDEMIC.



Hospitals pivoted in countless ways throughout the pandemic, including in their systems of care delivery. The adoption of widely used telemedicine services was critical to patients all over Texas in urban, suburban and rural areas, ensuring maintenance of access to care and minimal disruptions. Texas hospitals support continuing or making permanent waivers and flexibilities for telehealth and hospital-at-home programs that have led to improved access to care across the state.

4. ALIGN POLICIES FOR AND REIMBURSEMENT FROM MEDICARE ADVANTAGE PLANS WITH THOSE OF TRADITIONAL MEDICARE.



Medicare Advantage (MA) plans reimburse hospitals at a slower pace and lower rate, and offer benefits and cost-sharing arrangements that differ from traditional Medicare. Audits have



consistently showed MA plans delay and limit beneficiaries’ access to necessary medical care through more frequent prior authorizations, inappropriate claim denials and recertifications than traditional Medicare. Rural hospitals, especially critical access hospitals (CAHs), are disadvantaged in an MA system. Congress should support policies to ensure adequate MA reimbursement, especially for CAHs, by allowing hospitals to consider MA patient days as traditional Medicare days on the Medicare cost report. Consistency across MA plans and traditional Medicare will protect patients’ access to medically necessary care and reduce financial instability and administrative burdens for Texas hospitals.

5. STREAMLINE COMMERCIAL HEALTH PLAN PRACTICES THAT CAUSE ADMINISTRATIVE BARRIERS FOR PATIENT CARE.



Administrative burdens on clinicians take time away from patients, impede access to care and increase health care costs. THA supports Congress continuing its scrutiny of insurer-implemented barriers to care, such as overly burdensome prior authorization and utilization review requirements, as well as abusive payment delays and denials. Health plans need greater regulatory oversight, and Texas hospitals support ongoing federal efforts to make sure insurance practices are simplified, including streamlining prior authorization processes and requirements.

6. SUPPORT RECRUITMENT AND RETENTION OF THE HEALTH CARE WORKFORCE.



Labor costs accounted for more than half of hospitals’ total expenses even before the pandemic began. Now, critical workforce shortages have sent those expenses to unscaled new heights, straining hospitals and health systems like never before. By the end of 2021, per-patient hospital labor expenses were nearly 20% higher than pre-pandemic levels.

Hospitals support increasing workforce supply by expanding health care education pipelines and tuition and grant support; prioritizing and expediting visas for eligible physicians and nurses; and increasing Medicare residency slots. Additionally, to help increase safety in health care settings, hospitals support legislation that provides protections for nurses similar to those that exist for airline industry workers.

7. SUPPORT TEXAS’ MEDICAID 1115 WAIVER, UNCOMPENSATED CARE FUNDING AND DIRECTED PAYMENT PROGRAMS.



The Centers for Medicare & Medicaid Services has extended Texas’ Medicaid 1115 Waiver through 2030. The waiver extension continues uncompensated care pool funding and provides a path for directed payment programs to help stabilize the state’s health care safety net. Medicaid underfunding and providing care to the uninsured caused Texas hospitals to incur more than \$4.6 billion in uncompensated care costs in 2020. Texas has more uninsured residents than any state in the nation, and THA has been consistent in its call for expansion of health insurance to that population. Broader coverage, coupled with essential funding through the waiver, is critical to maintaining a stable health care safety net to meet the state’s needs.

8. PROTECT THE HEALTH CARE SAFETY NET AND MAKE PRIVATE HEALTH INSURANCE MORE ACCESSIBLE.



Texas hospitals oppose one-size-fits-all government health insurance proposals – Medicare for All, Medicare buy-in or a public option – that would strain Texas’ fragile health care safety net and force Texans to pay more and wait longer for lower-quality care. Medicare is not designed for or capable of providing health care for every American. Texas hospitals support free-market competition to incentivize innovation, reduce costs and increase consumer choice. Texas should explore options under the Affordable Care Act or through other means to increase the number of Texans with comprehensive health care coverage.

