



During an era when the need for both physical and behavioral health care is acute in Texas and across the nation, Texas hospitals continue to pursue their lifesaving mission in the face of numerous headwinds: below-cost reimbursement; inflationary pressures and higher drug costs; bottlenecks in the hospital workforce pipeline; sicker patients and ever-thickening insurer red tape that impedes care and raises costs. They battle through these challenges while continuing to be the only providers who offer 24/7 care every day of the year.

Texas hospitals remain vital to their communities not only as caregivers, but also as large employers. In turn, soundly crafted assistance from policymakers in Washington, D.C., is critical to helping hospitals serve those communities to their fullest capabilities.

### **THA priorities for the 119th Congress include:**

#### **1. STOP SITE-NEUTRAL PAYMENT POLICIES.**



Site-neutral payments – which involve paying the same for care regardless of the setting – have been the focus of legislation that would apply them to drug administration services at off-campus hospital outpatient departments, as well as other broader efforts. Just as all patients are not the same, all sites of care are not the same – and should not be reimbursed as though they are. Texas hospitals oppose all payment cuts resulting from new site-neutral policies, which would particularly reduce access to care in rural and other underserved communities.

#### **2. PROTECT TEXAS' SAFETY-NET HOSPITALS FROM DEVASTATING FUNDING CUTS.**



Medicare and Medicaid are critical payers for Texas hospitals, but these programs pay below the cost of care. Texas hospitals oppose any reduction to vital Medicaid and Medicare payments so that patients can access the care they need, when they need it. THA is advocating for a full repeal of three years' worth of planned cuts in the Medicaid Disproportionate Share Hospital (DSH) program, which – absent congressional action – will kick in on April 1, 2025. These cuts must be repealed – or at minimum delayed – for Texas' safety-net providers to stay viable.

#### **3. PRESERVE STATE FUNDING OPTIONS FOR MEDICAID.**



Texas hospitals oppose efforts to limit states' ability to draw down critical federal Medicaid payments, which providers nationwide use under the current 1115 waiver to ensure access to essential care for Medicaid enrollees and the uninsured. States need the flexibility to utilize lawful methods to finance the non-federal share of Medicaid payments, which are required to draw down federal matching funds. Shifting rules and new financing conditions will undermine the safety net and stability of the Texas Medicaid program. Without lawfully approved supplemental payments, access to care will suffer for all Texans.

#### **4. SUPPORT RURAL HOSPITALS BY CONTINUING CRITICAL PAYMENT PROGRAMS.**



Two vital lifelines for rural hospitals – the Medicare-Dependent Hospital (MDH) and Low-Volume Adjustment (LVA) programs – are set to expire after March 31, 2025. MDH is a payment source for facilities with a particularly high Medicare patient population, while LVA provides payments to facilities that don't reach a certain threshold of discharge numbers, among other requirements. For the stability of the vulnerable rural facilities they benefit, these programs must be made permanent or extended.

## 5. PRESERVE PREMIUM TAX CREDITS THAT ARE HELPING TEXANS OBTAIN HEALTH INSURANCE.



Premium tax credits passed in 2021 have helped bolster enrollment in federal Marketplace plans, with nearly 3.3 million Texans signing up during the 2024 plan year. But these credits will expire at the end of 2025 without congressional action to renew them. Given the state's nation-leading number of uninsured, Texas hospitals support maintaining these credits and will continue striving to increase the number of Texans with comprehensive health care coverage.

## 6. STREAMLINE AND REDUCE THE BURDEN OF INSURERS' PRIOR AUTHORIZATION REQUIREMENTS.



Health insurers' prior authorization requirements continue to be bureaucratic and costly for hospitals and a care impediment for patients, posing a particular challenge in the Medicare Advantage (MA) program. Texas hospitals support the Improving Seniors' Timely Access to Care Act and other legislation that would streamline prior authorization in MA plans, reducing this burden that hits all types of hospitals, but especially rural ones.

## 7. 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 often at a lower rate. These plans offer benefits and cost-sharing arrangements that differ from 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 small, rural and vulnerable Texas hospitals.

## 8. PROTECT ACCESS TO THE 340B DRUG PRICING PROGRAM.



The 340B program allows eligible providers to stretch their resources to better serve the needs of their patients and communities. Savings through the program fund health services tailored to meet community needs and free or discounted drugs to patients. Texas hospitals oppose efforts to diminish the value and scope of the 340B program, including new mandates on eligible providers that will result in reduced access to care.

## 9. SUPPORT PERMANENCE FOR TELEHEALTH FLEXIBILITIES AND THE HOSPITAL-AT-HOME PROGRAM.



Telehealth flexibilities that Medicare authorities granted as a result of the COVID-19 pandemic have netted lasting benefits for remote care. The federal Acute Hospital Care at Home program was likewise a beneficial pandemic-era initiative, allowing hospitals to control surge capacity by treating eligible patients at home. Authorization for telehealth flexibilities and the hospital-at-home program run through March 31, 2025. THA is asking for them to be extended or made permanent.

## 10. PROTECT HEALTH CARE WORKERS FROM VIOLENT ENCOUNTERS ON THE JOB.



Texas hospitals have reported a significant increase of violence in their facilities despite robust prevention efforts. Physical and verbal abuse contribute to burnout and workforce shortages, which increase the cost of care. Texas hospitals support the Safety from Violence for Healthcare Employees (SAVE) Act, bipartisan legislation that would provide federal protections for health care workers like those that already apply to aircraft and airport workers.

