

CAPITOL-TO-CAPITOL

SACRAMENTO, CA WASHINGTON, D.C.

HEALTH CARE

Team Leaders: Shelly Schlenker, EVP, Chief Advocacy Officer, CommonSpirit Health (Dignity Health)
Shelly.Schlenker@commonspirit.org
Kelly Ash, VP Public Policy and CA Govt. Relations, CommonSpirit Health (Dignity Health)
Kelly.Ash900@commonspirit.org

Issue Experts: Kelly Ash, VP Public Policy and CA Govt. Relations, CommonSpirit Health (Dignity Health)

PROTECT SACRAMENTO'S HEALTH CARE ECOSYSTEM

Requested Action

Support the Capital Region's ecosystem of hospitals, health systems, medical groups, physicians, community health centers, and other providers:

- Reject cuts to Medicare or Medicaid reimbursement. Specifically eliminate the Medicaid DSH cuts to hospitals, restore the 3.37 percent cut to Medicare payments to physicians, and fix the flawed Medicare physician payment system. Likewise, Congress should work with the Administration to support stable Medicare Advantage rates.
- Reject so-called "site neutral" payment cuts to hospital outpatient departments and support community health center funding reauthorization.
- Encourage passage of the SAVE Act and designate any violence toward the health care workforce a felony.
- Support legislation that addresses the health care industry workforce shortage, including an increase in GME slots for physicians.
- Support the permanent extension of the telehealth flexibilities that expire at the end of 2024.
- Support legislation that will require calls and messages to the 988 Suicide and Crisis Lifeline to be routed to the call center geographically nearest to the caller and encourage the Federal Communications Commission (FCC) to immediately promulgate rulemaking that allows this action.

Business Nexus

America's hospitals, health systems, community health centers, physicians and other healthcare providers have always been on the frontlines caring for patients. While COVID-19 cases have decreased, the pandemic's impacts are still being felt. The health care sector faces an unprecedented workforce shortage, which along

CAPITOL-TO-CAPITOL

SACRAMENTO, CA

WASHINGTON, D.C.

with increased inflation creates a perfect storm of financial pressures that, if left unaddressed, will further impact access to care.

At the same time, we are seeing higher incidents of mental and behavioral healthcare needs, the erosion of the social safety net, and increased patient demand, which have put a strain on the Sacramento region and the providers who serve this community.

Background

Support the Sacramento Safety Net and Reject Medicare and Medicaid Reimbursement Cuts to Providers

Combined, Medicare and Medicaid pay on average 75 cents for every dollar it costs to care for patients in California. In some parts of the state, government reimbursement is as low as 50 cents on the dollar. Statewide, 72 percent of hospital volume comes from Medicaid and Medicare combined. Labor costs are up 8 percent over the past year (and projected to grow significantly), medical supplies are up 22 percent, and pharmaceuticals are up roughly \$700 million over pre-pandemic levels. Hospital emergency departments are overflowing with patients, yet their ability to discharge to the next level of care is hampered by inadequate networks of available and willing providers with many citing lack of adequate reimbursement. Over the past several years, the cost of caring for patients in every setting has skyrocketed and government reimbursements remain fixed and well below the cost to provide care, putting hospital and other providers on a financial cliff. Further erosion of payments to providers is untenable and will have devastating impacts on access to care, especially for the most vulnerable.

- ***Congress must act to eliminate devastating reimbursement cuts to physicians that took effect January 1 and implement an annual inflation update that keeps pace with the costs to provide care.*** This year's 3.37 percent Medicare physician pay cut comes on top of the 2 percent cut physicians saw in 2023. When adjusted for inflation, the payment rate to physicians who care for Medicare patients is 26 percent less than it was in 2001. Physicians do not automatically get an annual increase based on the Medicare Economic Index to cover the rising costs of doing business.
- ***Congress must act to eliminate or delay Medicaid disproportionate share allotments (DSH) cuts.*** Under current law, \$8 billion in cuts is scheduled to begin this year and will continue annually through Federal FY 2027. In addition, so-called "site neutral cuts" are cuts to hospital outpatient departments and if enacted will only further erode the safety net. Finally, Congress should be cautious about significant downward pressure on Medicare Advantage rates that would in turn have a financial impact on providers.

Protect our Caregivers from Violence

The Federal Bureau of Labor Statistics reports that health care workers are five times more likely to experience workplace violence than employees in other sectors. In fact, a 2021 study found that 44 percent of nurses reported being subject to physical violence, while 68 percent reported verbal harassment. In a 2023 survey conducted by the Sierra Sacramento Valley Medical Society, nearly 40 percent of responding physicians in the region reported that they

CAPITOL-TO-CAPITOL

SACRAMENTO, CA

WASHINGTON, D.C.

were mistreated over the past year, including 31 percent who received abuse or threats from patients or family members of patients. Mistreatment and violence are unacceptable and a top concern among physicians.

California hospitals and health systems have comprehensive workplace violence prevention plans, regularly report incidents of violence to CalOSHA, and are designing facilities and workflows that increase safety such as installation of metal detectors, use of additional security personnel, and enhanced weapon detection protocols.

- ***Congress must take immediate action to enact the SAVE Act and make it a felony to assault a health care worker.***

Take Steps to Address the Health Care Workforce Shortage

Addressing the workforce shortage will take a multi-pronged approach and continued partnership between government and the private sector.

- More than 11 million Californians live in an area without enough primary care providers.
- California needs to add 500,000 new allied health care professionals such as medical assistants, imaging specialists, and other non-nursing staff in 2024.
- In 2022, 33 percent of the state's doctors and nurses are over the age of 55. An additional 139,000 physicians are needed nationwide by 2033.
- ***Congress must act to pass legislation that will increase the number of GME residency slots and support reauthorization of nursing workforce development programs to improve recruitment, retention and advanced education for nurses and other allied health professionals.***

Make Access to Telehealth a Part of How We Deliver Care

Telehealth has become an essential tool used to provide equitable access to needed care for all. It is now the expectation of our patients to have access to their providers via telehealth and we continue to see its benefits in allowing us to provide access, especially to our underserved and rural communities.

- ***Congress must act to extend telehealth flexibilities through the end of 2024 and to ensure patients continue to allow access to telehealth services.***

Behavioral Health

The National Suicide Hotline Designation Act, now referred to as "988," was passed in 2020. Currently, calls are routed based on a person's telephone area code. Geo-routing would ensure a person is primarily routed to the closest local crisis center to respond to the crisis virtually through talk, text, or chat, but also would be empowered to work with local crisis response teams if a person requires in-person assistance.

CAPITOL-TO-CAPITOL

SACRAMENTO, CA WASHINGTON, D.C.

- ***Congress should encourage the Federal Communications Commission to immediately promulgate rulemaking permitting the 988 Suicide and Crisis Lifeline Network to route crisis calls based on a person's geographic location, rather than area code and support legislation that would require calls and messages to the 988 Suicide and Crisis Lifeline to be routed to the call center geographically nearest to the caller, rather than by area code.***

340B Hospitals

The 340B drug discount program is vital to support nonprofit hospitals and other entities that serve large numbers of uninsured and underinsured. The savings achieved through participation in the 340B program are critical to ensuring access to care in the community and offering programs and services outside our hospital and clinic walls. Additional regulatory requirements for 340B entities must be coupled with equal transparency by manufacturers.

- ***Congress should continue to support the 340B program as it is an essential part of the Capital Region's safety net.***