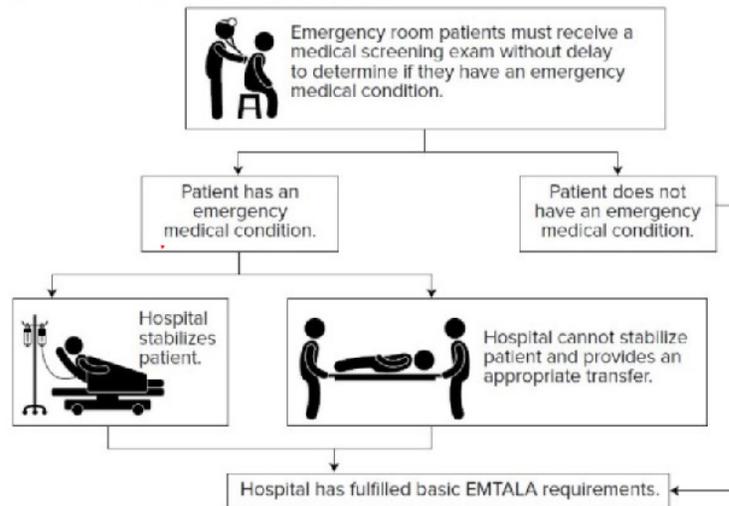


THE SOLUTION: STOP site-neutral payment policies; PROTECT Medicare

Hospitals with emergency departments are legally bound to treat patients in an emergency room setting. This is known as the EMTALA. The basic EMTALA requirements are below.

FIGURE. Basic EMTALA Requirements



Running a hospital is expensive—more expensive than running a health clinic or a primary care physician’s practice. Hospitals provide emergency room care to whoever needs it regardless of their ability to pay, 24 hours a day.

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.

Such 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.

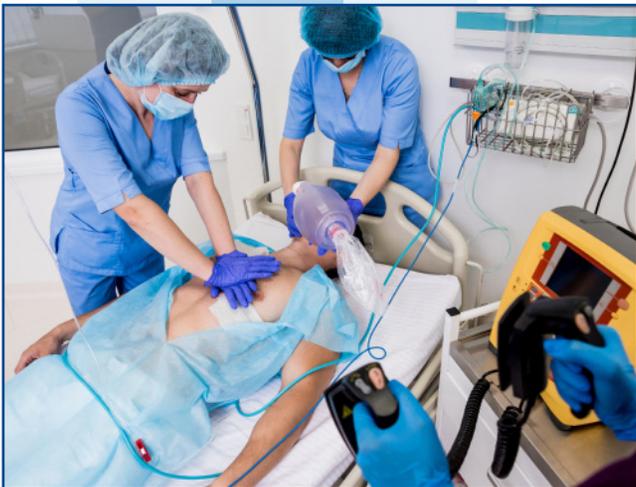
HEALTH CARE PRICE TRANSPARENCY ACT AND SIMILAR BILLS

H.R. 5378, the Lower Costs, More Transparency Act, and similar bills would begin these “site-neutral” Medicare cuts in 2026. While the cuts would apply to off-site hospital outpatient departments, this would have a large impact on rural, regional hospitals as they try to minimize patient drive time over a wide catchment area.

In fact, H.R. 5378 implicitly acknowledges this imbalance by delaying the implementation of such cuts by one year. In general, these proposals fail to acknowledge the profound difference in scale, scope and quality of services between a hospital and other provider types. KHA opposes any proposal that caps Medicare reimbursements to hospitals at rates reserved for providers who do not have to meet hospitals’ incredibly high legal and care standards.

THE SOLUTION:

STOP site-neutral payment policies; PROTECT Medicare reimbursements.



NOT PROBLEM SOLVING, PROBLEM SHIFTING

The insurance industry is trying to build momentum for a proposal that would apply such “site-neutral” cuts to the private marketplace, cramming government solutions into contract negotiations between them and hospitals. They claim they can save \$8 billion in health care costs if Congress tilts private contracts between hospitals and insurance carriers toward insurers. The truth is that the costs will remain, but hospitals will be forced by federal law to shoulder them all. KHA opposes these attempts to alter the private health care marketplace in favor of insurance companies.

A CONGRESSIONAL SOLUTION

Vote against funding policies that implement site-neutral payments for hospitals, as well as policies that would create fixed payment rates from private insurers.



215 S.E. Eighth Ave.
Topeka, KS 66603-3906

LEGISLATIVE CONTACTS



Chad Austin
President and CEO
caustin@kha-net.org
(785) 276-3127 (o)
(785) 213-0904 (c)



Audrey Dunkel
Vice President
Government Relations
adunkel@kha-net.org
(785) 276-3116 (o)
(785) 221-8789 (c)