

## **2015 Legislative Priorities**

### **Closing the Coverage Gap**

Drawing down federal funding to cover uninsured Virginians continues to be a top priority for hospitals and health systems. As Medicare reimbursements and DSH payments are reduced to pay for the Affordable Care Act (ACA), the importance of creating a coverage program to allow the uninsured to access preventive, acute and other forms of health care is growing.

Virginia can still develop and implement a solution that draws down 100% federal funding through FY2016. Doing so would allow other state health care costs, such as prisoner and indigent care, to be shifted into the Medicaid program, realizing savings to the General Fund while covering the uninsured.

VHHA supports reclaiming Virginia's federal tax dollars under the ACA to make coverage available to low-income adults at or below 133% of poverty. This should be done in a fiscally responsible manner that promotes value, improves access to preventive services, elevates quality and further reduces health care costs. VHHA will continue to work with members, legislators, the business community and other stakeholders to develop policy solutions that provide access to patients and protect health care providers from the unintended negative consequences of maintaining the safety net.

### **Reimbursement Adequacy**

Maintaining reimbursement adequacy becomes increasingly important when juxtaposed against the General Assembly's failure to close the coverage gap and its removal of Medicaid inflation updates. Medicaid inpatient reimbursements currently cover only 68 percent of hospital cost to provide care. Without an inflation adjustment for FY16, that will fall to 66 percent of costs. As these cuts compound, it is increasingly difficult to maintain service lines, an adequate workforce and entire facilities. Unfortunately, the largest recipients of General Fund spending – health care, K-12 education and higher education – are the most tempting targets for closing the current \$346 million budget shortfall, with health care topping the list in an election year.

VHHA supports increasing Medicaid reimbursements to adequate levels or, depending on General Fund revenues, maintaining current levels through inflation adjustments. If General Fund cuts are necessary, all programs must share the reductions rather than one industry bearing the brunt.

### **Certificate of Public Need**

Over the past several years, debate on Virginia's COPN process has generally been limited to exemptions to the application process (not the approval process) and imposition and satisfaction of COPN conditions to provide indigent or primary care. The COPN process is long standing public policy in Virginia upon which much of the existing hospital and healthcare system is built. By using COPN to allocate healthcare resources, Virginia ensures hospitals and health systems

are better able to cover the cost of money-losing services that would otherwise be unavailable in the community.

VHHA supports Virginia's COPN program. It would be difficult and disruptive to eliminate or modify the existing COPN program without simultaneously addressing the current composition, services and financial design of the current hospital and health care network and the other regulations that govern it. VHHA, however, is prepared to work with any stakeholder to address verifiable problems in order to increase fairness and competition while ensuring the availability of essential services across the Commonwealth.

### **Behavioral Health**

The focus on behavioral health issues continues to be intense and is likely to result in more legislation this year. One issue of particular interest to hospitals is the possibility of legislation to define "real time" as it appears in the psychiatric bed registry statute. Another issue that could generate legislation includes the role of CSBs in pre-screening patients under an emergency custody order. Also, the SJ47 joint subcommittee chaired by Sen. Deeds has begun to meet and, although they have several years to complete their work, there may be issues they will choose to address in the 2015 session.

VHHA will evaluate the impact of specific proposals as they are recommended by legislative task forces and work groups or introduced by legislators.

### **Workers Compensation**

In 2014, the General Assembly passed legislation creating prompt payment requirements, a statute of limitations on claims submissions, assistant-at-surgery discounts, and multiple procedure discounts. However, there remains some lobbyist-prompted interest in continuing to reform Virginia's workers compensation program with particular focus on creating a Medicare-based fee schedule. For several reasons this approach is problematic and may be unworkable.

VHHA continues to work with legislators and stakeholders to propose alternatives to a Medicare-based fee schedule. VHHA will remain at the table in order to ensure that hospitals, health systems and other providers are protected if further workers compensation reform is sought.

### **Workforce Regulation**

Professional groups representing laboratory scientists and technicians have signaled their interest in seeking new state regulation of these practitioner groups. VHHA continues to oppose new practitioner regulation unless there is evidence showing that it is necessary to protect the public. Unnecessary and duplicative practitioner regulation restricts the number of practitioners and/or their scopes of practice, limiting access to health care and increasing costs without adding value in the health delivery system.

### **Tax Preferences**

In an effort to expand and diversify General Fund revenue sources, the General Assembly may attempt to remove certain tax preferences from tax-exempt entities like 501(c)(3) hospitals and health systems. These efforts may take several forms affecting hospitals and health systems: removal of non-profit sales tax exemptions, adjusting definitions of non-profit entities or taxing services provided in the Commonwealth. VHHA evaluates tax preferences proposals on a case-by-case basis.

### **Medical Malpractice**

Last year a series of bills related to medical malpractice and product liability were proposed, but were passed by. Some of those proposals could resurface, including efforts to require health care providers to furnish patients with “metadata” from electronic medical records and to extend the statute of limitations for delays in communicating diagnoses of a malignant tumor or cancer.

### **Joint Commission Studies**

The General Assembly’s Joint Commission on Health Care (JCHC) is currently studying several issues sent to them by the General Assembly. These studies include:

- Admission of Minors for Inpatient Mental Health Treatment
- Review of Viral Hepatitis in the Commonwealth
- Follow-Up Review of Access to Brain Injury Services
- Dental Safety Net Capacity and Opportunities for Improving Oral Hygiene
- Targeted Review of Scope of Practice

VHHA serves as an engaged stakeholder in developing these studies and will take an active position on recommendations adopted by the JCHC as needed.