



Public and safety-net hospitals play a vital role in our nation's health care system, delivering care and providing access to essential health and social services in underserved communities. In more than 29 cities, public hospitals provide all levels of trauma care and operate 44 percent of the nation's burn care units. This is especially striking considering public hospitals represent just 2 percent of the nation's hospitals. In addition, more than half of public hospital patients are racial and ethnic minorities, and a majority of patients are uninsured or qualify for Medicaid. Public hospitals have long led the health care field in providing quality care to diverse and vulnerable communities. They are especially committed to helping reduce racial, ethnic, linguistic and socioeconomic health care disparities.

Outlined below are just some of the ways AHA is:

- Working for public hospitals;
- Engaging public hospital leaders; and
- Providing key resources.

Working for Public Hospitals

Outdated regulations, duplicative or conflicting rules, unworkable timelines – all of these increase the burden on all providers, including public hospitals, and draw much-needed resources away from patient care. AHA works to demonstrate the need for streamlined regulations, common sense rules and manageable timelines, as outlined below.

- **Working to Shape Implementation of MACRA.** AHA worked with Congress to pass bipartisan legislation to replace the flawed Medicare physician sustainable growth rate formula. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) created a new physician payment and performance measurement system, and AHA is working with the Centers for Medicare & Medicaid Services (CMS) to shape implementation of the new law. AHA also offers web resources and ongoing education of members; physicians via the Physician Leadership Forum; state, metro and regional hospital associations; and trustees. For more, visit www.aha.org/macra.
- **Recovery Audit Contractor (RAC) Program Improvements.** AHA worked with CMS to make changes to the RAC program, including limiting the look-back period for patient status reviews to six months after the date of service if the hospital has submitted its claim within three months of the date of service and requiring RACs to provide 30 days for hospitals to discuss denied claims in an effort to avoid appeals. In addition, AHA worked to limit RACs' ability to conduct patient status reviews. CMS recently significantly reduced the amount of claims RACs can audit per hospital from 2 percent of a hospital's Medicare claims volume to 0.5 percent. AHA is urging Congress to pass the Medicare Audit Improvement Act (H.R. 2156), which would eliminate the RAC contingency fee structure and instead direct CMS to pay RACs a flat fee, as every other Medicare contractor is paid, and rationalize payments to RACs by lowering payments for poor RAC performance due to high rates of incorrect denials. The RAC website highlights related AHA efforts, resources and education materials. For more, visit www.aha.org/rac.
- **Urged the Rejection of Additional Site-neutral Payment Policies.** AHA has urged Congress to protect hospital outpatient departments under development and reject calls for any additional site-neutral payment policies. AHA also will urge CMS

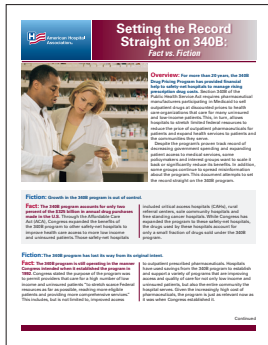
to implement the existing cut in the most favorable and flexible manner possible.

- **Drove Delay of CMS Release of Star Ratings.** Due to significant concerns raised by AHA and others about whether the hospital quality star rating methodology provides a fair, accurate and meaningful representation of hospital performance, CMS delayed until at least July 2016 the release of overall hospital quality "star ratings" on its Hospital Compare website. AHA will continue to work with CMS to refine its methodology.
- **"Two-midnight" Refinements.** In an effort to revise policies with burdensome regulations that divert time and resources away from patient care, AHA has helped persuade CMS to finalize several positive changes to its two-midnight policy. In addition, AHA successfully challenged through the courts the CMS interpretation of its 0.2 percent payment reduction for inpatient services, convincing the agency to restore the resources that hospitals are lawfully due. CMS's recent IPPS proposed rule for fiscal year (FY) 2017 proposes two adjustments to reverse the effects of the cut it unlawfully instituted when implementing the policy in FY 2014.
- **Educating Stakeholders on Insurer Consolidation.** AHA is working to ensure that the proposed acquisitions involving four of the five major national insurers receive the highest level of scrutiny. AHA has provided analysis to the Department of Justice and testified before Congress numerous times, introducing into the record concrete reasoning why the acquisitions would decrease competition and hurt the marketplace, in addition to working to educate the media and public on the potential consequences for patients and providers.
- **Helped Improve CMS's Comprehensive Care for Joint Replacement (CJR) Bundled Payment Program.** AHA was pleased that CMS's final rule on the CJR Payment Model made several critical improvements at AHA's urging, including reducing the limits it sets on hospitals' repayment responsibility to Medicare and delaying the start date to April 1, 2016 instead of Jan. 1, 2016. In addition, CMS chose not to finalize its proposed requirement that hospitals achieve 30th to 40th percentile of performance on specific quality measures to be eligible for reconciliation payments, favoring a composite quality score instead.

- **Promoted Equity in Hospital Readmissions.** The Hospital Readmissions Reduction Program (HRRP) requires CMS to penalize hospitals for “excess” readmissions when compared to “expected” levels of readmissions. America’s hospitals are strongly committed to reducing unnecessary readmissions. However, three years of experience with the HRRP shows that hospitals caring for the poorest patients are disproportionately more likely to incur a penalty. AHA supports the Establishing Beneficiary Equity in the Hospital Readmission Program Act of 2015 (S. 688/H.R. 1343) to ensure that hospitals caring for our nation’s most vulnerable patients are not unfairly penalized under the HRRP.

- **Encouraged Support for the 340B Drug Pricing Program.**

AHA continues to urge Congress to preserve the 340B Drug Pricing Program. AHA also supports the Health Resources and Services Administration’s (HRSA) efforts to improve the 340B program for eligible hospitals and clinics, including discounts for orphan drugs. In response to its detractors, AHA’s “Setting the Record Straight on 340B” fact sheet separates fact from fiction on the 340B program.



- **Clarified Foundation Health Plan Premium Payments.** AHA sought and received legal clarification from former HHS Secretary Kathleen Sebelius confirming that payments from private, not-for-profit foundations to qualified health plans on behalf of individuals who enrolled via the Health Insurance Marketplaces, were not prohibited.

- **Urged the Internal Revenue Service (IRS) to Support Community Benefits.** AHA and the Catholic Health Association (CHA) urged the IRS to formally acknowledge that hospitals’ support for improved housing to enhance community health is a community benefit and should be recognized on page one of Form 990 Schedule H.

- **Collaborated with National Organizations.** AHA works closely with many other national organizations to drive positive change in federal policies and improve care across the continuum. Liaison relationships are maintained with organizations including state and local hospital associations, CHA and America’s Essential Hospitals, to name a few.

- **Guided the Work of The Coalition to Protect America’s Health Care.** The Coalition is a recognized leader in digital advocacy, forming through social media and online ads a grassroots army of more than one million individuals who communicate directly to Congress about the harm cuts in hospital payments could have on patient care.

- **Provided Resources via the Advocacy Action Center.** This web-based kit provides a set of resources and materials tailored to help hospital executives effectively communicate key messages and explain concerns to legislators, the hospital family and the community at large.



A comprehensive list of AHA’s work can be found at www.aha.org/value.

Engaging Public Hospital Executives

Public hospital executives have a strong voice in AHA as they help shape key advocacy initiatives, policy positions and member services.

- **Task Force and Meetings on Ensuring Access to Care in Vulnerable Communities.** The AHA Board created a 30-member task force to focus on ensuring access to care in at-risk communities. The Task Force on Ensuring Access in Vulnerable Communities consists of two subcommittees that are examining the issue from the rural and urban perspectives. The task force has met several times, and listening sessions have been conducted with hospitals in the field. A report to the AHA Board of Trustees is expected in mid-2016.
- **Governance and Policy-making Roles.** AHA offers public hospital executives many opportunities to take an active role in shaping AHA policies and influencing the direction of the association. Opportunities include AHA’s Board of Trustees, Regional Policy Boards, and Governing Councils and committees. In addition, short-term advisory and work groups are an excellent

opportunity to weigh in on focused, time-sensitive policy issues.

- **AHA Constituency Sections for Metropolitan Hospitals and for Small or Rural Hospitals.** The AHA Constituency Section for Metropolitan Hospitals, comprised of CEOs from public, metropolitan/urban, suburban, and teaching hospitals, has almost 1,000 members from across the country. The section provides opportunities to advise AHA on policy and advocacy activities and to discuss common issues of great importance to metropolitan and public hospitals. These efforts are led by the Metropolitan Hospitals Governing Council, which meets three times a year. The AHA Constituency Section for Small or Rural Hospitals has more than 1,600 members. The section provides educational and technical assistance through webinars and workshops. In addition, members receive updates, alerts and information about federal policy changes affecting small or rural hospitals including payment, quality and delivery system reforms. The section is led by a governing council comprising small or rural hospital leaders from around the country.

- **Advocacy Alliances.** AHA's Advocacy Alliances provide members with another way to engage legislators on the specific issue or issues that have a direct impact on their ability to continue providing quality health care services in their communities. The Advocacy Alliance for the 340B Drug Discount Program focuses primarily on preventing attempts to scale back this vital drug discount program. The Advocacy Alliance for Graduate Medical Education focuses on advocacy related to graduate medical education funding and ensuring an adequate supply of



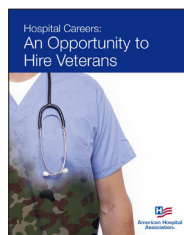
physicians. The Advocacy Alliance for Coordinated Care focuses on ensuring payment rates remain fair and equitable in the hospital outpatient setting for evaluation and management and other services, and for post-acute care providers. The Advocacy Alliance for Rural Hospitals focuses on extending Medicare provisions critical to rural hospitals. In addition, this Alliance continues to work to protect critical access and other rural hospital designations.

- **Member Outreach.** Several times throughout the year, AHA's public hospital member CEOs are individually contacted by AHA staff and/or are invited to participate in small group CEO conference calls to discuss key AHA initiatives.

Providing Key Resources for Public Hospitals

AHA offers public hospital leaders myriad tools and resources to support their efforts to improve care for the individuals and communities served.

- **Equity of Care.** Addressing disparities is essential for performance excellence and improved community health. AHA issued goals and milestones from the National Call to Action, launched in 2011 to end health care disparities and promote diversity, and encourages hospitals to take the #123forEquity Pledge to eliminate health care disparities. For more, visit www.equityofcare.org.
- **Cybersecurity Resources.** AHA offers cybersecurity resources for hospitals, including cybersecurity alerts, links to tools to assist with risk assessment and gap analysis, and connections to opportunities for information sharing. For more, visit www.aha.org/cybersecurity.
- **Telehealth Resource.** AHA offers a web resource with comprehensive information on telehealth. The site includes information on federal and state telehealth initiatives, research documenting telehealth value, AHA-member case studies showing telehealth in action and *AHA TrendWatch* reports on telehealth benefits to patients. For more, visit www.aha.org/telehealth.
- **AHA's Enrollment Toolkit.** AHA's enrollment toolkit supports hospitals' efforts to help consumers enroll in the Health Insurance Marketplace. The toolkit contains links to key resources from AHA and other national and local organizations, as well as case examples from hospitals on their enrollment efforts. AHA's "Get Enrolled!" webpage includes resources to help hospitals connect their community to coverage. For more, visit www.aha.org/getenrolled.
- **Physician Leadership Forum (PLF).** AHA's PLF seeks to foster strong collaborative relationships between hospitals and physicians through education, quality and patient safety, leadership development, and advocacy and public policy. Through webinars, seminars and reports, PLF has focused on team-based care, physician competency development and physician practice management.
- **Veterans Hiring Resource.** Hospital Careers: An Opportunity to Hire Veterans is a toolkit for hospitals with guidance on recruiting veterans



into hospital careers. The resource aims to assist hospitals in hiring veterans with clinical experience, as well as talent and leadership skills beyond their medical credentials.

- **Policy Reports and Research.** AHA's Committee on Research (COR) develops the AHA research agenda, studies topics in depth, and reports findings to the AHA Board and the field. Together with the Committee on Performance Improvement, COR released a 2016 report, *Care and Payment Models to Achieve the Triple Aim*, that identified seven key principles for creating a care delivery system and reviewed new payment models as the health care field moves to a value-based care system.
- **HPOE Guides and Reports.** AHA's Hospitals in Pursuit of Excellence (HPOE) shares action guides and reports to help accelerate performance improvement. For example, *The Second Curve of Population Health* builds upon prior AHA reports that outline a road map for hospitals to use as they transition to the second curve of population health.
- **Telling the Hospital Story.** In national news and traditional and social media, in print and on television and radio advertising, AHA advocates for hospitals and health care systems. AHA also equips health care system executives with tools and strategies to help respond to media inquiries on difficult and challenging issues. Sign up to follow the AHA on Twitter, YouTube and Facebook. AHA launched a digital campaign to help patients and consumers better understand the evolving role of the nation's hospitals. The website features a video and other resources showing how hospitals are creating partnerships and programs that reach beyond their walls to improve community health. For more, visit www.AdvancingHealthinAmerica.org.
- **RACTrac.** The AHA RACTrac website provides information on the RAC survey, which collects data from hospitals on a quarterly basis to assess the impact of the Medicare RAC program on hospitals. The site also offers webinars and reports that highlight the survey findings and provides access to the RACTrac analyzer tool that compares similar hospitals' RAC activity. For more, visit www.aha.org/rac.

