

Federal Issues Brief

2018



ADVANCING **HEALTHY**
COMMUNITIES



Federal Issues Brief

Dear Colleague,

Every day, health care providers in South Dakota and across the nation deliver safe, high quality and essential health care services, especially in medically underserved rural and vulnerable communities. The challenges they face to continually improve quality integration, workforce shortages, new models of care, reimbursement cuts and regulatory requirements are daunting.

As Congress considers changes that will impact Medicare and Medicaid beneficiaries, health care providers have amplified their focus on advancing healthy communities, improving affordability through innovative system delivery reforms and managing care across the continuum.

On behalf of the communities we serve, we look forward to working with you to achieve meaningful outcomes.

Thank you.



Scott A. Duke
President/CEO



Kim J. Gillan
Vice President



Gilbert Johnson
Vice President



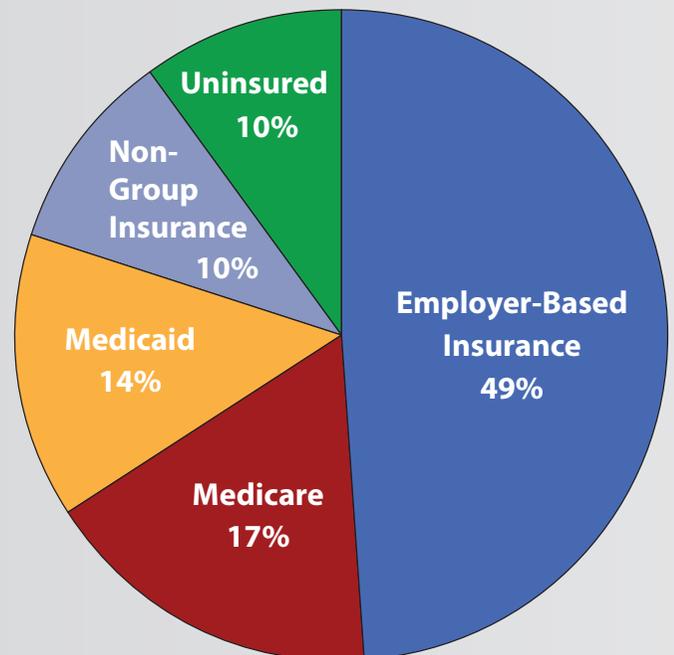


Access to Care

Ensure coverage and access for those most in need of health care services. Preserve the gains in health coverage in South Dakota. Recognize the importance of maintaining the rural health safety net.

- ✓ Support and protect the 340B drug pricing program and the essential benefits it provides for vulnerable patients in rural communities.
- ✓ Support stabilizing the health insurance market by restoring and fully funding the cost sharing reductions (CSR) subsidies; ensure accurate risk adjustment for plans.
- ✓ Support multi-faceted initiatives to ensure state and community ability to address opioid and substance abuse.
- ✓ Improve delivery strategies for veterans' care, expand the role of integrated community-based health care networks and use of telehealth.
- ✓ Address health disparities and improve access to care for Native Americans. Streamline the 100 percent Federal Medical Assistance Percentages (FMAP) process for Medicaid.
- ✓ Support the *Save Rural Hospitals Act* to stabilize and strengthen hospitals and ensure quality primary care. Eliminate Medicare and Medicaid cuts to protect vital funding.
- ✓ Support Medicaid funding to address demographic factors including age and income avoiding cost shifting to South Dakota seniors.
- ✓ Address workforce shortages to ensure coverage for vulnerable rural and frontier communities.

Health Insurance Coverage in South Dakota



*The graph above illustrates health insurance coverage, by category, for 870K South Dakotans.



Medicare & Medicaid

Medicare & Medicaid provide vital access to health services for South Dakota seniors and those who cannot afford insurance. Explore structural reforms to make these programs sustainable, empower innovation and ensure adequate payments for providers.

- ✓ Protect the Frontier Amendment, which is crucial to sustaining access to health care especially in medically underserved areas across South Dakota.
- ✓ Support performance improvements through an equitable and less complex post-acute care value-based payment program.
- ✓ Support legislation to modify the Certified Nursing Assistant (CNA) Training Lock-Out penalty, making the remedy discretionary rather than compulsory. Encourage joint training of state surveyors and nursing home staff to ensure consistency.
- ✓ Support legislation for hospice patients through Rural Health Clinics (RHC) to maintain their physician and allow payment for hospice care.
- ✓ Encourage development of new delivery models and support funding.
- ✓ Retain the ban on self-referral to new physician-owned hospitals.
- ✓ Amend the Medicaid Institutions for Mental Diseases (IMD) exclusion, eliminating the 16-bed limit and the 190-day lifetime limit on inpatient psychiatric treatment.
- ✓ Preserve and protect Critical Access Hospital (CAH) designation and restore reimbursement rates.
- ✓ Remove barriers to expanding the use of telehealth and other technologies.





Regulatory Relief

The regulatory burden faced by health care providers across the health care continuum is substantial and diverts limited resources away from patient care. Excessive and antiquated regulations need to be eliminated. Innovation in coverage and delivery models should be encouraged through timely review and approval of waiver applications.

- ✓ Permanently remove the requirement for physician supervision of hospital outpatient therapy services.
- ✓ Restrict the application of Civil Monetary Penalties (CMPs) to more specifically match deficiencies. Discontinue escalating caps.
- ✓ Eliminate Recovery Audit Contractors (RAC) contingency fee structure and replace with a flat fee.
- ✓ Advance quality measures that are focused on improving health and outcomes.
- ✓ Encourage state's ability to innovate through waivers, streamlining the Centers for Medicare & Medicaid (CMS) approval process for 1115 and 1332 waivers.
- ✓ Encourage CMS to conduct pilot programs allowing states to test alternative nursing home oversight processes.





Legislative Actions

Evaluate and consider new legislative proposals that impact access, delivery and reimbursement. Ensure effective access and delivery of quality services for all individuals across the health care continuum.

- ✓ Prioritize programs and funding for elderly housing under the Housing & Urban Development Section 202 program. Oppose rent increases and continue public housing vouchers and community support services.
- ✓ Eliminate the three-day observation requirement for Medicare beneficiaries entering a nursing home.
- ✓ Encourage and support innovative approaches for funding post-acute care.
- ✓ Eliminate Medicare sequestration.
- ✓ Permanently remove the CAH 96-hour rule for physician certification.
- ✓ Support funding for community development, telehealth grants, resources for rural opioid programs and Supplemental Nutrition Assistance Program (SNAP) contained in the Farm Bill.
- ✓ Improve and expand broadband infrastructure in rural and frontier communities.

