



STAT News

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FEDERAL UPDATE: Hospitals Monitor Potential ACA Changes

The confirmation of Rep. Tom Price to lead the U.S. Department of Health and Human Services (HHS) is another signal that changes are ahead for the Affordable Care Act. As secretary of HHS, Rep. Price has authority to rewrite rules of the ACA and to rework regulations and guidance. Some policies that could change under his leadership include elimination of cost-free contraceptive coverage, cost-sharing subsidies for insurance plans purchased through health exchanges, and experimental payment programs under the Centers for Medicare and Medicaid Innovation (CMMI) – a sub-agency created by the ACA. Some of these value-based payment structures have saved Medicare dollars, such as the Comprehensive Primary Care initiative, which generated \$57.7 million in gross savings for Medicare in 2015, the second year of the program. Last year, then Rep. Price authored the Empowering Patients First Act, a bill that sought full repeal of the ACA and replaced its coverage provisions with tax credits, high-risk pools, and health savings accounts. President Obama vetoed the legislation, but the bill can be viewed as a guidepost for the approach the Trump administration may take. The hospital industry is steadfast that any repeal of the ACA must come with an immediate and meaningful replacement plan. Since inception of New York's health insurance exchange in 2013, 3.6 million New Yorkers gained health insurance coverage. Hospitals on Long Island and in the Hudson Valley are also looking at \$4.3 billion in lost revenue during the next 10 years, unless a replacement plan eliminates scheduled cuts to hospitals. These cuts are reductions in Disproportionate Share (DSH) payments that hospitals receive for caring for the poor and uninsured. The ACA's insurance expansion has been decreasing the uninsured rate each year.

Healthcare
voices

Healthcare Voices rise up in stories told by individuals who have gained coverage through New York's health insurance exchange. These are the individuals behind the numbers whose lives have been helped and changed by the Affordable Care Act. Read their stories [here](#).

STATE UPDATE: Hospitals Cautiously Examine Gov's Budget

On January 17, 2017, Governor Cuomo released his 2017 -2018 proposed budget for the state. The \$153.2 spending plan calls for new capital funding, regulatory reform opportunities, and continued operational support for hospitals. Capital funds are needed to assist financially struggling hospitals, especially those serving a higher percentage of Medicaid and underinsured populations, and to enable hospitals to re-tool hard and soft infrastructure needs as the industry transforms to more outpatient-based, community-centered care. Spurred by the goal to reduce costs, enhance access, and improve quality, state and federal reform policies are pressuring hospitals' care delivery and reimbursement structures.

Additionally, one very worrisome proposal in the governor's plan is his request that broad authority be given to the Division of the Budget to hold back or reduce payments if revenue falls short. The governor says this flexibility is needed if Washington reduces funding, which could be the consequence of the repeal of the ACA and other reforms. New York expects \$52 billion from Washington, a third of the state's spending plan. **Permission to reprint articles granted. Attribution required.*

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