STAT News

Published bi-monthly by the Suburban Hospital Alliance of New York State, LLC, a consortium of not-for-profit and public hospitals advocating for better health care policy for all those living and working in the nine counties north and east of New York City. August 14, 2017

# FEDERAL UPDATE: September Crucial Month in DC

Next month, September, will be a pivotal one in Washington DC, for healthcare legislation and regulation. Decisions made by lawmakers and the White House will touch all communities and, in most cases, the fallout could be disastrous for hospitals and millions of Americans. First up are bi-partisan hearings, beginning September 4 and led by Senators Lamar Alexander and Patty Murray (Health, Education, Labor and Pensions Committee), to address insurance marketplace stabilization, cost-sharing reduction payments to insurers, and the continuation of the Children's Health Insurance Program (CHIP). Funding for CHIP expires September 30. Cost-sharing subsidies sent directly to insurers, authorized by the Affordable Care Act (ACA), help low-income Americans afford their insurance. In New York, 700,000 people depend on this assistance. President Trump has offered no assurance that these subsidies will continue, which is why legislation is needed to ensure the subsidies flow each month and markets are stabilized. In response to the instability, insurers are threatening to abandon the market altogether and/or to excessively raise premiums to guard against the unknown.

**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.

On September 30, funding for operations of the federal government expires; a decision about raising the nation's debt ceiling must occur by September 29 in order to avoid default. When legislators return from their August recess, they have only 12 legislative days to tackle these pressing issues.

Meanwhile, the desire to forward legislation to repeal/replace the ACA lives on. Plans that favor block-granting Medicaid to the states remain active. States would receive a capped pot of money to care for their Medicaid beneficiaries, regardless of enrollment surges and routine rising costs to provide healthcare services. A block grant program would also leave New York State with a gaping budget hole, as Medicaid is currently a federal/state supported program. This could result in payment reductions to hospitals and other healthcare providers, curtailment of covered services, and more stringent eligibility thresholds. The state could also decide to raise taxes on businesses and individuals or set in motion some other fee assessment in order to close the budget gap.

The Problem Solvers Caucus, a bipartisan group of about 40 House members, offered a proposal aimed at ensuring that cost-sharing subsidies are paid and markets are stabilized. It also suggests the employer mandate apply to employers with 500 or more employees, as opposed to the current law's minimum of 50. Most worrisome with this plan, says Suburban Hospital Alliance president/CEO Kevin Dahill, is the suggestion to cut payments to providers to pay for the policies. This would follow on the heels of a planned October 1, 2017 cut in Disproportionate Share Hospital (DSH) payments to hospitals that serve a high percentage of Medicaid and uninsured patients. The loss to New York hospitals over the next 10 years is $5.2 billion. DSH payments help cover the cost of care at hospitals that serve a disproportionate number of indigent and uninsured. "With the uncertainty of the ACA's future and continued expansion of coverage for the uninsured, these cuts effectively strike hospitals twice," said Dahill.

# STATE UPDATE: States Win Right to Challenge CSR Payments

A coalition of 16 state attorneys and the District of Columbia attorney, led by New York Attorney General Eric Schneiderman and California Attorney General Xavier Becerra, were granted a motion by the U.S. Court of Appeals for the DC Circuit to intervene in the *House of Representatives v. Price* case that challenges the legality of cost-sharing subsidies under the ACA. The case began under the Obama administration. The decision does not mean that the administration is barred from ending the CSR payments, but if the CSR payments are stopped, the states can sue to require that the payments be made. The state attorneys adequately demonstrated their states "would suffer concrete injury."