

# North Dakota e-Health/HIMSS Summit

Federal & State  
Legislative Update

# Federal Update

# Federal

- **2014 Congressional Elections Results**
  - **Senate** – Republicans take control
  - **House** – Increased majority
  - Election reflected strong anti-Washington mood for voters

# Federal

- **2014 Congressional Elections**

- Minimal impact on North Dakota delegation
  - **Senator Hoeven**
    - more opportunity to move into the republican leadership
  - **Senator Heitkamp**
    - move up one spot in seniority on Indian Affairs Committee
  - **Representative Cramer**
    - expect no change

# Federal

- **What next for Washington? (Short Term)**
  - Congress returned on November 12<sup>th</sup>
  - Lame Duck Session
  - **Major Item:**
    - Funding for Federal Agencies expires on December 11th

# Federal

- **What next for Washington? (Long Term)**
- **Debt Ceiling**
  - Expires March 2015
  - Allows gov't to borrow money
- **Medicare Physician Payment Cut**
  - 20% - 25% proposed payment cut
  - April 2015

# Federal – Possible Cuts

- **Site Neutral Payment Changes - Medicare**
  - Payment for same procedure done in hospital vs. clinic  
Annual impact on ND hospitals - \$29 million
- **Reducing Critical Access Hospitals Medicare payments**
  - 101% to 100% of allowable costs
  - Eliminate CAHs within 10 miles from nearest hospital

# Federal - Possible Cuts

- **Frontier States Wage Index Amendment**
  - Contained in Affordable Care Act
  - Allows for increased Medicare reimbursement for our big six hospitals
  - Annual ND impact \$68 million
  - Need our congressional leaders to protect provision

# Federal Policy Watch List - CAHs

- **Medicare Direct Supervision Policy**
  - Requires “direct supervision for certain OP therapeutic services
  - Establish general supervision for OP therapy services
    - Allows physician to report within 30 minutes
- **CAH 96 Hour Rule Requirement**
  - physician must certify that the beneficiary maybe expected to be discharged or transferred to a hospital within 96 hours after admission to the CAH.

# State Update

# State Update

- **State Legislative Session (2015-2017)**
  - January 6 – April 29
  - 80 days
- **Governor's Budget**
  - December 3
- **NDHA Legislative Committee**
  - Finalizing hospital needs

# 2015-2017 Legislative Platform

*1. Medicaid Reimbursement*

*2. Legislative Funding for Hospitals*

*3. Behavioral Health & Substance Abuse*

# 2015-2017 Platform

- **Medicaid Reimbursement**

- **4% increase each year of biennium**
  - Impacts PPS Hospitals, Physicians, & Nursing Homes
- **Critical Access Hospitals**
  - Maintain current Medicaid payment system
  - 100% of Medicare allowed costs

# 2015-2017 Platform

- *Legislative Funding for Hospitals*
  - **Uncompensated Care**
    - Bad debt/Charity Care  
50% increase from 2010 to 2014 (higher in western ND)
    - 2013-2015 biennium
      - \$8.9 million (oil producing counties)
  - **Low interest loans for building projects**
    - 1% loan from Bank of ND

# 2015-2017 Platform

- **Behavioral Health & Substance Abuse**
  - **Study Resolution 2243**
    - Study behavioral health needs, including consideration of behavioral health needs of youth and adults and consideration of access, availability, and delivery of services.
    - Final report given to Human Services Legislative Committee – Summer 2014

# 2015-2017 Platform

- **Medicaid Expansion**
  - Expecting 19,000 - 32,000 enrollees
  - 14,800 enrolled as of Nov. 1
  - \$158 million to fund expansion
    - 100% federal funds until 2017
    - 90% federal funds beginning in 2020
  - Estimated to reduce uncompensated care by \$68 million dollars for ND hospitals.

# Legislative Update

- Questions?
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