



The influential voice of Nebraska's hospitals

# 2018 Legislative Agenda

## HIMSS Spring Meeting

April 24, 2018

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# Opportunities & Unknowns

- Political landscape
  - 31 Republicans
  - Sen. Thibodeau replaced Sen. Craighead, (West Omaha)
  - 15 Democrats
  - Two Independents, One Libertarian

# 2018 Legislative Session's BIG ISSUES

- 60 day session
- \$173.3 (\$200) million gap between projected revenues and spending for the two-year budget period ending June 30, 2019.
- Budget Cuts, Corrections, Agriculture, K-12 Spending, Property Tax, Income Tax
- Six senators out due to term limits.
- Another 18 of the Legislature's 49 senators are up for re-election.

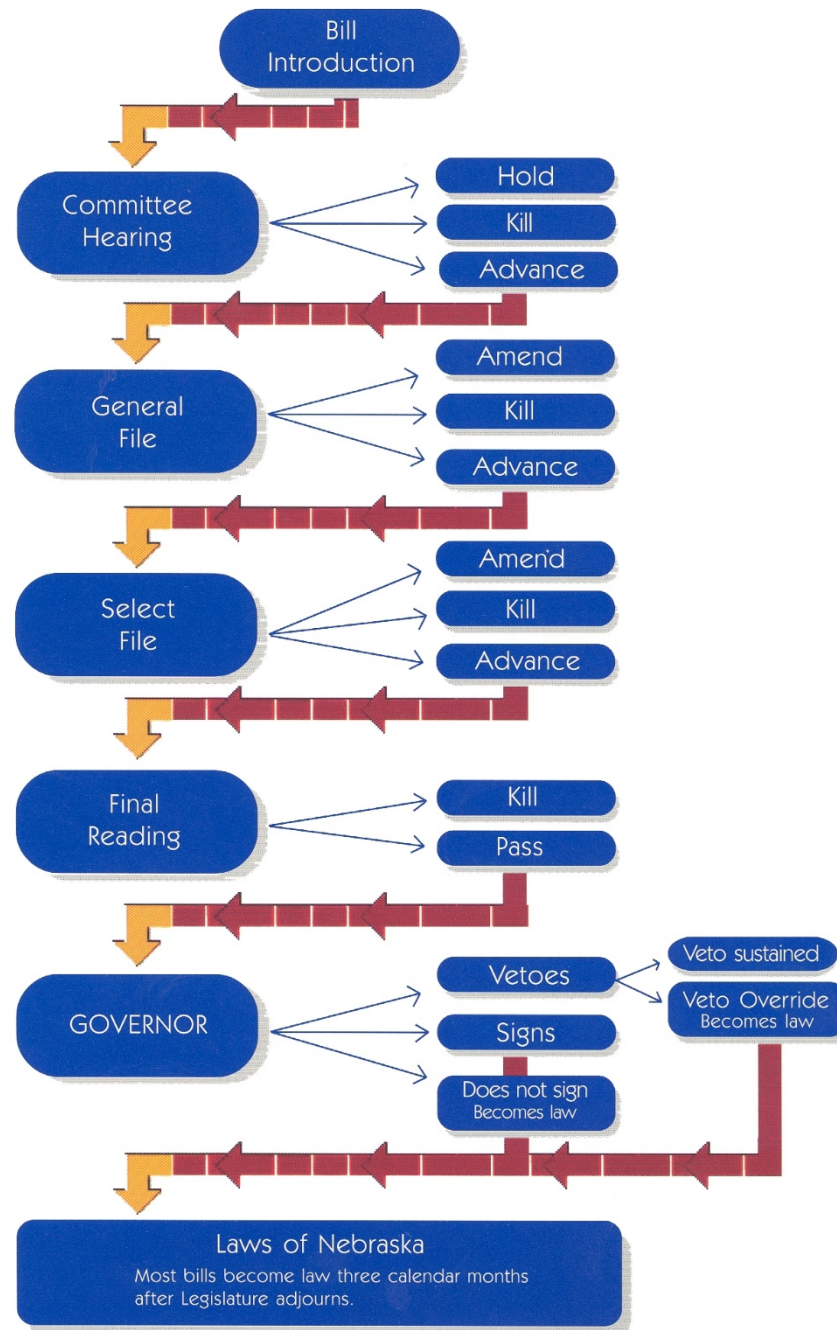
# NHA's Priorities 2018

- Senators introduced 469 bills this year, bringing the total number of bills introduced for the biennium to 1136.
- Senators have also introduced Constitutional Amendments ranging from medical cannabis to free early-childhood education starting at age three.

# NHA's Priorities 2018

- Budget
- Dual Eligible Change
- Heritage Health Issues
- Behavioral Health
- Telehealth - Parity in coverage
- Opiate Crisis Initiatives
- Economic Development
  - Housing
  - Workforce

# Lawmaking Process



# 2018 Legislative Session

## Bills of Interest

### Supported Legislation

- LB681 - Adopt the Physical Therapy Licensure Compact
- LB686 - Adopt the Psychology Interjurisdictional Compact
- LB687 - Adopt the Advanced Practice Registered Nurse Compact
- LB701 - Provide for telehealth practice by physicians and physician assistants
- LB913 - Change provisions relating to assault with a bodily fluid against a public safety officer (**Prioritized**)

# 2018 Legislative Session

## Bills of Interest

### Supported Legislation

- LB931 - Provide requirements for opiate prescriptions (**Prioritized**)
- LB933 - Provide prescription requirements for certain controlled substances (**Amended into LB931**)
- LB934 - Require identification prior to receipt of dispensed opiates (**Amended into LB931**)
- LB1119 - Adopt the Direct Primary Care Pilot Program Act (**Prioritized**)
- LR281CA - Constitutional amendment to expand eligibility under the medical assistance program.



# 2018 Legislative Session

## Bills of Interest

### OPPOSED Legislation

- LB368 would have removed a helmet requirement for riders older than 21 and prohibited children age 6 or younger from being passengers on motorcycles.
  - The 30-15 vote (needed 33) killed the bill for the rest of the session. Senator Robert Hilkemann, a retired podiatrist from Omaha, led the opposition against the bill.
- LB604 - Right to Shop Act. 50% incentive for state employees to select provider that charges less than the average.
  - Amended into LB1119 – Direct Primary Care Act.
  - Requires estimate of services within 3 working days.
- LB829 - Adopt the Property Tax Relief Act (**Prioritized**)

# 2018 Legislative Session

## Bills of Interest

### Legislation of Interest

- LB389 would have communications providers to invest in small cells to expand coverage fifth generation (5G) wireless capabilities.
  - "Small Wireless Facility" six cubic feet in volume.
- LB994 created the Rural Broadband Task Force and Rural Broadband Task Force Fund through PSC.
  - Awaiting Governor's signature.
- LB695 would have added Blockchain and Smart Contract to legal standing with paper or digital contracts.

# NHA Priorities

## BUDGET

- The governor proposed adjustments to the budget requesting cuts across the board of 2% this year and 4% next fiscal year. Hospitals were not included in these cuts.
- The Nebraska Economic Forecasting Advisory Board raised the revenue forecast by \$55 million for biennium (\$25 million for the current fiscal year 2017-18 and \$30 million for fiscal year 2018-19).
- The University of Nebraska, community colleges and state colleges received a 1% cut in the next fiscal year instead of 4% as proposed by the governor.
- State agencies received a 2% cut in the next fiscal year instead of 4%.
- The Appropriations Committee left \$296 million in the cash reserve.

# Dual Eligible Change

- Budget Shortfall 2017 (\$1.1 billion gap between projected revenues and spending for the two-year budget period ending June 30, 2019)
- “It is the intent of DHHS to avoid across-the-board provider rate cuts with the implementation of a new reimbursement model for dual-eligible Medicaid program participants. Under this new reimbursement model, Nebraska Medicaid will no longer reimburse for services utilizing the Medicare rate and will instead reimburse using the lower Medicaid rate.”
- Change is estimated to save Medicaid \$11.8 million. Impacts providers in state by \$23 million. Have asked DHHS to study the impact and if savings generated exceed the projections, put the dollars back into rate adjustments for providers.

# NHA Priorities

## HERITAGE HEALTH

- The state contracts with a managed care organization (MCO) to provide health care benefits and services for Nebraska's Medicaid.
- A survey of our members last summer found that more than 10,000 claims with a total value of \$24 million were unpaid by the plans for more than 60 days. Hospitals continue to have issues with unpaid claims, credentialing, and pre-authorizations.
- The Legislature has a responsibility to provide oversight for this program.
- The NHA has been a liaison between NHA members and DHHS, along with the legislature's health and human services committee, working to improve this situation.

# Heritage Health

- Continuing to monitor implementation of program.
- Keep Senators informed.
- Continue working with DHHS to get issues resolved.
- Meeting with hospital lobbyists weekly.

# NHA Priorities

## EAPG Enhanced Ambulatory Patient Groupings (EAPGs) implementation

- DHHS was intending to implement EAPGs on July 1, of 2018.
- DHHS has offered to postpone the implementation of the new reimbursement methodology until January 1, 2019, to ensure a successful implementation.
- DHHS also agreed that this change is not budget neutrality to our members and without including the inflation factor our hospitals would be absorbing a reimbursement cut.
- The NHA has asked DHHS to use 2017 claims data and apply an inflationary factor for 2018. The NHA is continuing conversations with DHHS on this subject.

# Nebraska Hospitals

- Nebraska's hospitals are substantial contributors to the state's economy. They are economic engines for our regions, serving as the largest employer in many communities, significantly contributing to workforce development.
- Nebraska Hospitals also provide essential jobs throughout the state, employing over 42,000 Nebraskans and creating a demand for an additional 42,000 jobs, due to hospitals buying goods and services from other local businesses.
- Every dollar spent by a hospital supports roughly \$2.30 of additional business activity. The goods and services hospitals purchase from other businesses create additional economic value for the community.



# Nebraska Hospitals

- Hospitals serving more rural regions of Nebraska provide vital care to the almost 670,000 people who live in those communities.
- Today's population has a higher rate of chronic disease, with nearly half of Americans having chronic conditions such as diabetes and heart disease.
- Rural areas tend to have older, poorer, sicker populations. That means they often have a higher percentage of patients covered by Medicare and Medicaid, which pay a lower reimbursement rate than private-sector insurers.

# Nebraska Hospitals

- The majority of people on Medicaid are children, the elderly, and the disabled. It is those populations that will be most harmed by the legislation.
- Medicaid provides health insurance for 124,000 low income children in Nebraska. Children make up 59.5 percent of Nebraska's Medicaid population. An estimated 25,000 of Nebraska's children under 18 are uninsured.
- When a hospital closes, the physicians, nurses, administrators leave, along with the health care infrastructure. Local businesses will be the next to leave. The schools suffer, they town suffers. There is a whole multiplier effect that really can be the death knell for some towns.

# NHA PAC

- The NHA would like to thank the 180 individual NHA members from 41 hospitals who contributed a total of \$31,735 to the NHA PAC last year. Thank you!
- The NHA conducted PAC appeals this year at Box Butte GH, CHI Health Good Sam, CHI Health St. Francis, Columbus Community, Great Plains Health, Lexington Regional HC, McCook Community Hospital, Ogallala Community Hospital, and York General.

# NHA PAC

## WHO SPENT THE MOST ON STATE RACES IN 2016

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