

# MHA's Public Policy Agenda

MHA has developed a comprehensive agenda to address the public policy challenges facing member facilities and organizations. This includes federal and state legislative and regulatory initiatives in areas listed below and reflects the fact that members provide inpatient and outpatient hospital, nursing home, home health, hospice and physician care.

**Equitable Reimbursement Rates.** One of the most effective ways to control health care costs is to make sure Medicare, Medicaid and other government insurance programs pay the full cost for treating their beneficiaries. When they don't, providers must recover these unpaid costs by raising rates for privately-insured Montanans.

For this reason, one of MHA's top priorities is to ensure equitable Medicare and Medicaid payment rates. The Medicaid hospital user fee program has significantly reduced the cost-to-payment gap for Medicaid, and the [Medicare Modernization Act of 2003](#) contained several key Medicare payment reforms. However, more remains to be done. Specifically, MHA advocates:

- Annual Medicare and Medicaid reimbursement rate increases for all providers equal to the actual increase in the cost of providing care and preservation of the MMA payment reforms.
- Preservation of the hospital and nursing home user fee programs and continued use of inter-governmental transfers to supplement Medicaid payments to nursing facilities.
- Special payment rate policies that take into account the unique needs of low-cost, low-volume providers in rural states, especially those providing home health and skilled nursing services.
- Additional vehicles to make capital available to rural hospitals to replace and upgrade their aging physical plants.

**Strengthening the Health Delivery System.** The recent development of for-profit physician-owned specialty hospitals, imaging centers, ambulatory surgery centers and other facilities could pose a grave threat to Montana's health care safety net. Physician owners of these facilities tend to refer higher-paying procedures to their facilities, relegating procedures that don't pay as well to the community hospital.

In our view, physician self-referral raises conflict of interest issues and could lead to inappropriate delivery of care. MHA also is concerned that it will raise the overall cost of health care and could weaken the community health safety net.

A federal moratorium on the licensure of new specialty hospitals expired on August 8, 2006. A state moratorium runs through June 30, 2007.

Several measures are needed to address this problem, including prohibiting physician self-referral, a permanent federal moratorium on licensure of specialty hospitals and more effective approaches to determining the need for niche providers.

**An Ample Supply of Health Care Professionals.** Ensuring an adequate supply of health care professionals to meet the future health care needs of an aging population will require a major effort involving state and federal officials in partnership with health care providers. Specifically, MHA advocates:

- Increasing the supply of health care workers by expanding current training programs and developing new, innovative ways to train health care professionals.
- Shaping the professional licensure system to today's needs and easing the regulatory and paperwork burdens that take caregivers away from providing care to patients.

**Access to Mental Health Services.** The mushrooming demand for mental health services has created a crisis at the state hospital in Warm Springs as well as in local hospitals all over the state.

MHA is working with the [Department of Public Health and Human Services](#) to develop a comprehensive response to this crisis. This could include providing additional crisis intervention services in local communities as well as expanding the capacity at the state hospital.

**The Benefits of Tax-Exempt Status.** Recent scrutiny of hospitals' charity care policies and billing and collections practices has stimulated discussion of the responsibilities of tax-exempt health care organizations.

MHA's member organizations – nearly all of which are not-for-profit, community-based entities – recognize their responsibility to serve the health care needs of their communities. MHA strongly advocates preserving the current system that allows not-for-profit health care entities to enjoy a tax exemption in return for their service to their communities.

**A Common Sense Regulatory Approach.** Even though health care is one of the most highly-regulated sectors of the economy, new regulatory mandates seem to be imposed every year.

While MHA has not advocated repeal of these mandates, we do strongly support efforts to streamline the regulatory process and provide facilities with financial resources to offset the cost of meeting new regulatory requirements. Regulatory compliance falls hardest on small, rural facilities; federal policies should take this into account.

**Health Care Coverage for All Montanans.** The number of Montanans without health care coverage remains troublingly high, resulting in high levels of charity and uncompensated care and often leads the uninsured to delay or put off appropriate medical attention.

MHA consistently has supported efforts to expand the [Children's Health Insurance Program](#) and proposals – such as Insure Montana – that use pooling and tax credits to expand coverage among the state's small businesses and uninsured individuals.

MHA also urges businesses and consumers to join its effort to ensure adequate Medicare and Medicaid reimbursement rates. Ensuring that government payers pay their fair share of the health care tab will help stabilize insurance rates for privately-insured persons.