

FW: [EXTERNAL] Hospital lobbyists press Congress to help their struggling urban members

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This is the urban hospital designation I was talking about. I guess it's something the AHA is lobbying for.

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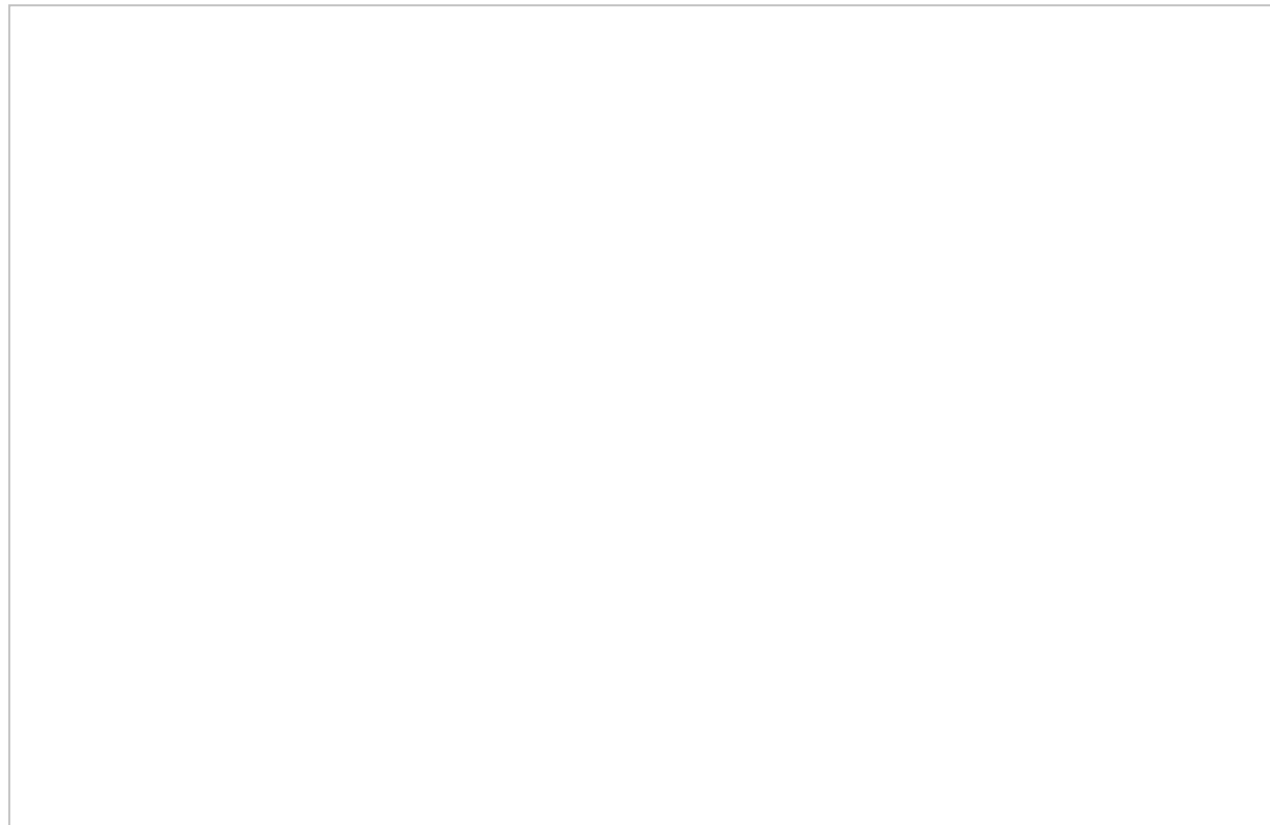
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Subject: [EXTERNAL] Hospital lobbyists press Congress to help their struggling urban members



Hospital lobbyists press Congress to help their struggling urban members

BY DANIEL PAYNE | 12/08/2022 05:02 PM EST



Proponents pointed to recent hospital closures in urban areas that could have benefited from a similar program: Wellstar Atlanta Medical Center, pictured, and St. Vincent Charity Medical Center in Cleveland. | Kevin C. Cox/Getty Images

The American Hospital Association is lobbying Congress to create a new designation for hospitals that provide an above-average amount of Medicaid and uncompensated care in a bid to boost those facilities' flagging finances.

The hospitals want facilities designated Metropolitan Anchor Hospitals to be recognized as essential, likely to eventually get increased reimbursements from the government.

“Given the financial struggle that virtually the entire hospital field is facing right now, we thought it was important to start this dialogue now to make sure that Congress was aware of our ongoing effort to try and create a designation,” said Aimee Kuhlman, AHA’s vice president of federal relations. “[We] fully appreciate that this is an effort that will likely continue on into the next Congress.”

It’s part of a larger effort to get more money for urban hospitals that may be struggling financially, with proponents pointing to recent hospital closures in urban areas that could have benefited from a similar program: Wellstar Atlanta Medical Center and St. Vincent Charity Medical Center in Cleveland.

Still, some hospitals thrived through the Covid-19 pandemic, reporting [larger profit margins](#) and [financial stability](#) as lobbyists sounded the alarm.

“These types of inner-city urban hospitals are in this downward spiral because they continue to see this influx of patients who can't pay,” Ashley Thompson, AHA’s senior vice president of public policy analysis and development, said in a November interview. “This is this downward

spiral of not having enough money to reinvest in infrastructure or to reinvest in their workforce or their security systems, etc.”

What the new designation would do: It wouldn’t immediately increase reimbursements, but getting the designation into law is a first step to ensure different — usually larger and more predictable — revenue streams from the government for hospitals serving Medicaid patients and those who are underinsured or who lack insurance.

Kuhlman said the designation would be, in some ways, similar to the Critical Access Hospital designation used to support rural facilities that are often the only option for care in their areas.

The hospitals have discussed the new designation idea for two years, Thompson said, with member hospitals deliberating about what they felt they needed going forward.

[A report](#) from earlier this year exploring the possible designation found that more than 450 hospitals would meet the criteria, with facilities in the group having smaller-than-average operating margins.

Which hospitals would be affected: That report found, in general, hospitals in the new designation would be larger, urban facilities, likely providing essential services like burn, psychiatric and neonatal intensive care.

They’re also more likely to be major teaching hospitals and larger employers in their area compared to other hospitals.

In its current proposal, Metropolitan Anchor Hospitals would be near an urban area area, have a Medicaid Inpatient Utilization Rate above its state average and meet one of three other requirements: having a disproportionate patient percentage (a measure of how many low-income patients are served) of 70 percent or higher, have a disproportionate patient percentage of at least 35 percent as well as an average uncompensated care cost of at least \$35,000 per bed over the last three years, or have a state designation as a “necessary provider.”

A sign of what’s to come: Though there are few indications that the new designation will be included in an omnibus package, the hospital association hopes that by laying the groundwork now, it can advance it in the new Congress.

“We think there's widespread agreement that there are certain hospitals in urban markets with financial difficulties right now and they do need assistance,” Priscilla Ross, part of the group’s federal relations team, said in November. “Our conversations are preliminary, but we definitely heard interest from the hill.”

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