



Arizona Hospital and Healthcare Association

THERE TO CARE: STRONGER HOSPITALS FOR A HEALTHIER ARIZONA

Arizona Hospital and Healthcare Association 2010 Federal Advocacy Agenda

Health Reform's Medicaid Expansion: Two Edges of the Same Sword

- Arizona faces the worst fiscal crisis in state history, prompting the Legislature to pass an FY 2011 budget that includes \$1.4 billion in cuts to Arizona Health Care Cost Containment System (AHCCCS) eligibility, services, provider payments and care for behavioral health patients. More than **310,000 adults** and **47,000 children** stand to lose their healthcare coverage under the budget as enacted.
- The Patient Protection and Affordable Care Act (PPACA)'s maintenance of effort (MOE) requirements and Medicaid expansion will require Arizona to reinstate KidsCare and fully fund Prop. 204 AHCCCS coverage, but will cost the state \$394 million in FY 2011 and \$947.5 million in FY 2012.
- Arizona hospitals will be increasingly vulnerable to deeper payment cuts in FY 2011-2013—and beyond—as state lawmakers look for options to fund MOE levels of eligibility. AHCCCS already underpays Arizona hospitals, which receive just 76 percent of the cost of caring for AHCCCS patients. Hospitals are forced to shift the remaining 24 percent to commercial health plans, which in turn increase the premiums they charge to businesses and families. This results in a *hidden healthcare tax* on all Arizonans who purchase private health insurance.
- The Arizona Hospital and Healthcare Association (AzHHA) urges Arizona's congressional delegation to support H.R. 4213, the American Workers, State and Business Relief Act to extend until June 30, 2011 the enhanced federal matching assistance percentage (FMAP) included in the American Recovery and Reinvestment Act of 2009.
- AzHHA calls upon Arizona's congressional delegation to lead an effort to enact legislation that ensures "do-gooder" states like Arizona that have already expanded their Medicaid populations have parity with other states and are not penalized. This legislation should 1) establish an enhanced FMAP for "do-gooder" states beginning on January 1, 2012 through December 31, 2013; and 2) pay "do-gooder" states the same FMAP rate every other state will receive in 2014 through 2019.

Beyond Health Reform: Hospitals at the Crossroad

- AzHHA shares Congress' goal with H.R. 3590, the Patient Protection and Affordable Care Act, of improving access to healthcare coverage for all Americans. We appreciate the changes made to key delivery system reform and payment provisions to address the hospital community's concerns. Moving forward, work remains to be done before Congress' vision of expanded access to quality care can be fully realized. With expanded coverage will come increased demand for physician services, a particular challenge in Arizona where our physician workforce still falls well below the national average. To address this and other challenges, AzHHA urges Congress to:
 - Enact meaningful medical liability reform
 - Permanently fix the Medicare physician payment formula
 - Address defects in the readmissions policy
 - Resolve inequities created for Critical Access Hospitals (CAHs)

Caring for Foreign National Patients: Reauthorize Section 1011

- Section 1011 of the Medicare Modernization Act of 2003, which authorized funds to offset a portion of the costs hospitals and other providers incur treating undocumented immigrants, expired September 30, 2008. Hospitals may continue to file claims until the remaining funds are exhausted, but eventually those funds will be depleted. AzHHA urges Congress to authorize funds necessary to administer the program until all remaining monies are expended.
- Hospitals' legal obligation to treat these patients continues despite the fact that section 1011 was allowed to expire.
- AzHHA strongly supports reauthorization of the section 1011 funds for care hospitals, physicians and ambulance providers deliver to undocumented immigrants.

Free & Fair Union Elections

- AzHHA strongly opposes H.R. 1409/S. 560, the Employee Free Choice Act, and urges Congress to preserve the current election system that ensures ballots are cast in private, free from interference or influence from either side.