

# IOWA HOSPITAL ASSOCIATION LEGISLATIVE PRIORITIES

# 2020



IOWA HOSPITAL  
ASSOCIATION

*We care about Iowa's health*

Iowa hospitals are the economic engines of their local communities. Often, they are among the largest employers, ensuring access to quality health care and helping foster and grow vibrant and healthy communities. Iowa hospitals play a vital role in enhancing the physical and mental health of Iowans and creating a foundation for an economically strong state.

***The future of Iowa's economy and health depends on its health care infrastructure.***

## Hospital Fiscal Status

Hospitals have a tremendous economic impact on their communities. Unfortunately, due to low reimbursement and increasing administrative burdens, many hospitals struggle to maintain margins. Legislative solutions to help hospitals receive adequate reimbursement for care include:

### **Easing Medicaid Complexity:**

Hospitals still struggle with the administrative complexities as a result of Medicaid managed care. In addition, hospitals must learn to navigate new policies due to changes in managed care organizations. ***Uniform policies should be established that ease the administrative burden for providers, including reimbursement, prior authorizations, credentialing and appeals.***

### **Reimbursing Critical Access Hospitals:**

In 2019, the General Assembly acknowledged the fragile state of Iowa's Critical Access Hospitals and the importance of access to care in rural communities by establishing a cost adjustment factor. ***IHA urges the Legislature to continue supporting the cost adjustment factor and policies that help sustain Critical Access Hospitals.***

### **Reimbursing Days Waiting Placement:**

Hospitals often provide care to patients who need long-term or transitional care for days, weeks and even months. This is known as "days waiting placement" and is not reimbursed. ***The Legislature should create incentives for post-acute providers and managed care organizations to ensure individuals are quickly and efficiently discharged and that hospitals receive reimbursement for care provided during this period.***

## Behavioral Health

IHA commends the passage of legislation over the past two years to increase access to supports and services for Iowans in need of mental health assistance. Unfortunately, funding has not been allocated to support these programs and services, that are vital to the creation of a mental health system.

### **Behavioral Health System Development:**

***The Legislature should identify and allocate sustainable funding to support the creation, development and growth of mental health support services for children and adults in Iowa.***

### **Psychiatric Intensive Care:**

***The Legislature should increase reimbursement rates for hospitals providing intensive psychiatric care for complex needs patients.***

## Emergency Medical Services

In an emergency, having access to medical treatment in a timely fashion can be the difference between life and death. Yet, the state does not require every community to provide emergency medical services (EMS). As a result, local hospitals often provide the sole community ambulance and EMS service with minimal reimbursement.

***IHA supports legislation to make EMS an essential service at the local level to support local providers.***

## Health Care Data Collection

The 2019 Health and Human Services budget bill removes the Iowa Hospital Association (IHA) as the state's health data collection intermediary and directs the Iowa Department of Public Health (IDPH) to release a Request for Proposals (RFP) for this function. IHA has provided quality and secure data collection to IDPH and Iowa hospitals for 22 years without charge. Allowing a third party to take over could potentially cause the state and Iowa hospitals to pay for access to this vital source of information.

***IHA requests that the Legislature reverse the budget bill provision that forces an RFP process and restore IHA as the state's health data collection intermediary.***

## Telehealth Parity

While steps have been taken to bolster telehealth in Iowa and prohibit coverage discrimination for telehealth services, Iowa still lacks policies that bolster payment for telehealth. Payment parity laws will encourage doctors, hospitals and private companies to invest in telehealth services, resulting in increased health care access for rural communities and helping alleviate workforce shortages.

***Reimbursement for telehealth services should be equivalent to in-person services.***

***IHA supports changes to Iowa's medical liability system that will ease the financial burden of medical malpractice by placing a hard cap on noneconomic damages.***

## Tort Reform

Medical malpractice liability affects Iowa's ability to recruit and retain physicians and nurses. Many states have hard caps on noneconomic damages, allowing practitioners and providers to pay less in malpractice premiums and ensure more funds are used to pay wages and provide community services.

***The General Assembly should continue to develop and fund programs that demonstrate improved recruitment and retention for medical professionals in Iowa.***

## Workforce Development

Hospitals struggle to recruit, hire and maintain medical professionals in nearly every category. Iowa should ensure hospitals have the resources needed to pay competitive wages and attract high-quality candidates for employment by investing in workforce initiatives that incentivize health care professionals, loosen restrictions that prohibit workforce engagement and bolster telehealth.

## Certificate of Need

Iowa is among 35 states maintaining oversight of institutional health care services through Certificate of Need (CON). The CON process requires health care providers to demonstrate that a community need exists prior to establishing new facilities and services or purchasing high-dollar equipment. States that have abandoned CON laws have experienced a surge in for-profit health care enterprises.

***The Legislature should maintain the CON process to ensure that Iowa's health care system remains sustainable and efficient.***

## Sales Tax on Hospital Construction

Hospitals must invest in capital infrastructure projects to meet current and future patient needs, respond to advancement in technology and comply with government regulations. Although these improvements are necessary for all hospitals, the Iowa General Assembly has only allowed sales tax exemptions on certain hospital construction projects. Nonprofit hospitals should be refunded sales and use tax paid for all goods or services used in fulfillment of a written construction contract.

***IHA supports legislation to allow Iowa's not-for-profit hospitals to have a sales tax exemption on construction projects.***