

Strong Hospitals. Strong Communities.

West Virginia Healthcare Financial Management Association
Fall Conference
October 3, 2024

Challenges and Opportunities in West Virginia Health Care

A Preview of the Upcoming Legislative Session

The election results, both federal and state will have a huge impact on health care in West Virginia since 75% of the funding for the average hospital starts in Washington D.C. through governmental health care programs. The session will provide an environmental scan as well as review challenges and opportunities facing health care providers in a very dynamic public policy environment.





William R. Sharpe, Jr. Hospital



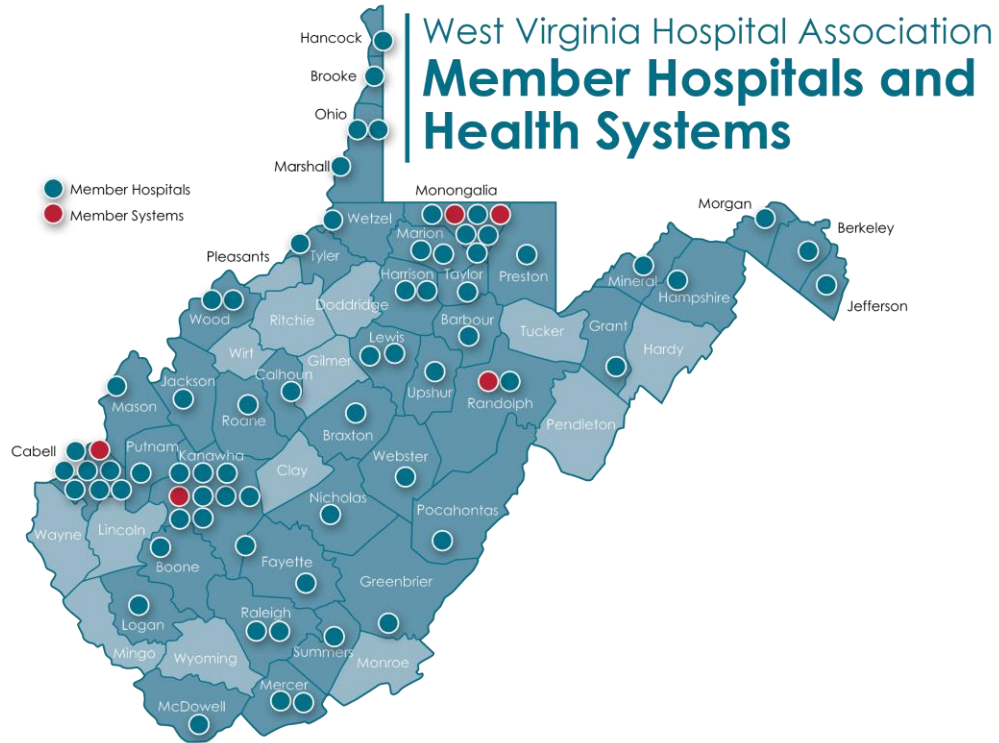
WEST VIRGINIA HOSPITAL ASSOCIATION



wvha.org @WVHospitals



West Virginia Hospitals



71

Hospitals in West Virginia

31

General acute care hospitals

21

Critical Access Hospitals (CAH)

19

Specialty facilities including VAs

WV Hospitals:
Directly Employ nearly

53,000

West Virginians

Pay

\$3.77 Billion

in Direct Wages and Benefits

Indirectly support another

45,000

West Virginia Jobs

wvha.org

@WVHospitals  



West Virginia Hospitals – Caring for West Virginia

Community Benefits: **\$1.05 Billion**

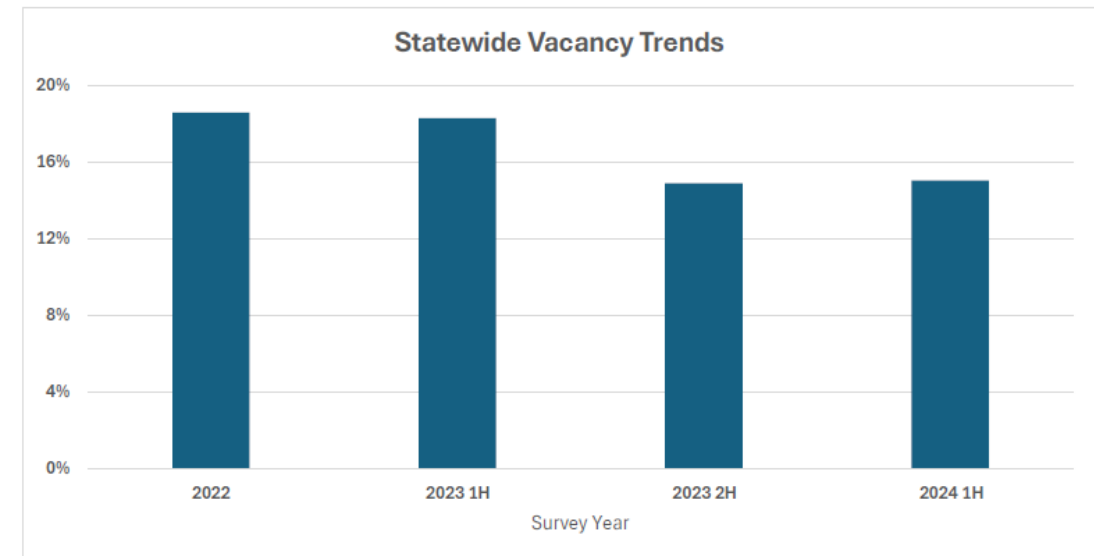
- Provider Taxes: \$214 million
- Uncompensated Care: \$203 million
- Underpayment: \$550 million
- Medical Education: \$81 million

\$\$ Economic Impact: \$13.9 Billion
Direct Employment: 53,000 West Virginians



Challenges: West Virginia Health Care Workforce Shortages

- Hospitals report workforce shortages across all clinical and non-clinical positions needed for the safe operation of the hospital 24/7/365
- Hospitals are reporting staffing shortages with:
 - Nursing and nursing support staff
 - Environmental services
 - Materials management
 - Phlebotomist
 - Respiratory therapists
 - Radiology technicians
 - Pharmacy technicians
 - Lab technicians



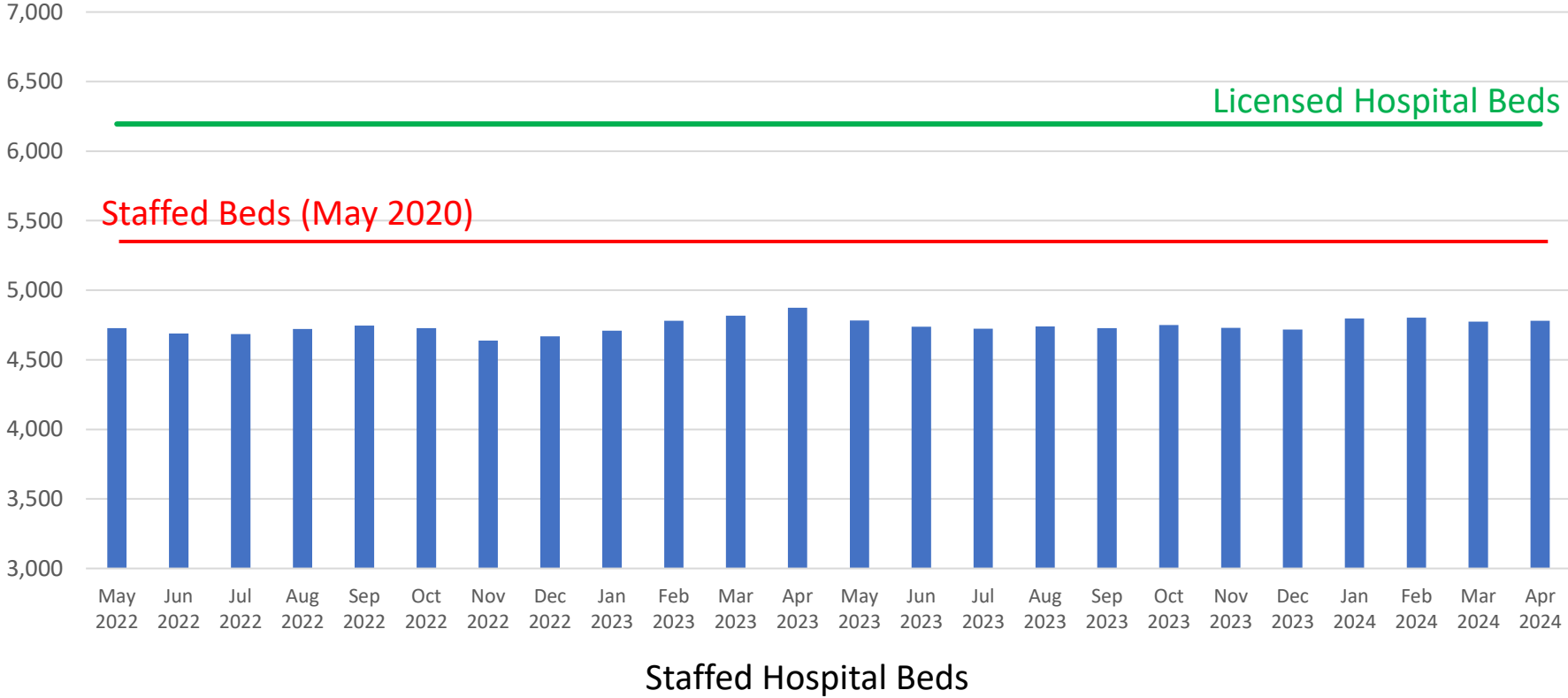
Challenges: Offering Competitive Salaries

	West Virginia	Virginia	Kentucky	Ohio	Penn.	Maryland	United States
Nursing Assistants	\$31,320	\$32,620 (-1300)	\$32,280 (-960)	\$34,990 (-3670)	\$36,340 (-5020)	\$36,290 (-4970)	\$35,760 (-4440)
Lic. Practical Nurses	\$44,410	\$51,150 (-6740)	\$49,210 (-4800)	\$50,590 (-6180)	\$54,370 (-9960)	\$69,890 (-25480)	\$54,620 (-10210)
Registered Nurses	\$74,160	\$79,700 (-5550)	\$75,800 (-1640)	\$76,810 (-2650)	\$78,740 (-4580)	\$83,850 (-9690)	\$81,220 (-7060)
Radiological Tech.	\$60,300	\$66,570 (-6270)	\$61,050 (-750)	\$63,860 (-3560)	\$62,400 (-2100)	\$74,880 (-14580)	\$65,140 (-4840)
Medical Lab Tech.	\$56,480	\$55,180 (+1300)	\$50,080 (+6400)	\$57,380 (-900)	\$56,630 (-150)	\$51,920 (+4560)	\$57,380 (-900)
Respiratory Therapists	\$60,320	\$65,790 (-5740)	\$61,010 (-690)	\$65,760 (-5440)	\$65,860 (-5540)	\$78,140 (-17820)	\$70,540 (-10220)
Surgical Tech.	\$46,850	\$58,420 (-11570)	\$49,360 (-2510)	\$51,650 (-4800)	\$50,020 (-3170)	\$60,110 (-13260)	\$55,960 (-9110)

Source: Bureau of Labor Statistics

Challenges: Staffing and Declining Capacity

Staffing Challenges:
Fewer Staffed Hospital Beds in West Virginia



Opportunities: Staff Development



Program Objectives:

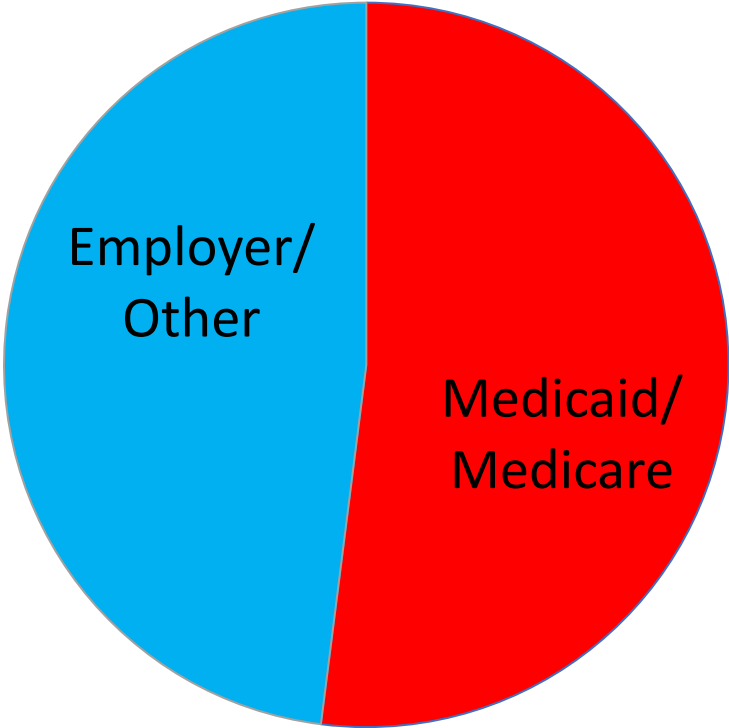
- Emotional Intelligence
- Communication
- Leadership Skills
- Workplace Practices and Compliance
 - Harassment prevention and legal requirements
 - Family Medical Leave Act
 - Americans with Disabilities Act
 - Pregnant Workers Fairness Act
- Navigate Challenging Leadership Transitions

October 29-30, 2024

Embassy Suites, Charleston, WV

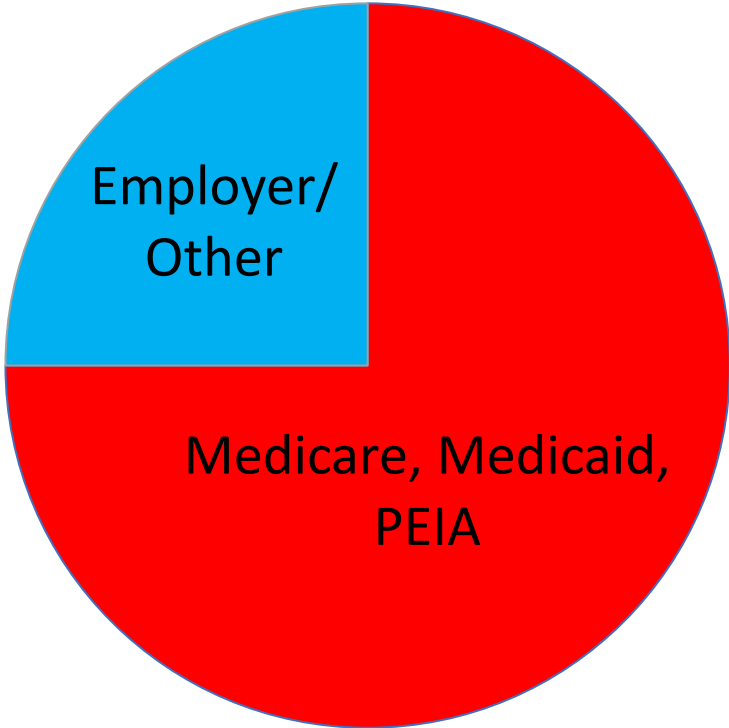
Challenges: West Virginia Hospital Payor Mix

U.S. Hospital Revenue by Source



Source: National Health Care Expenditures. 2022
Centers for Medicare and Medicaid Services

West Virginia Hospitals Revenue by Source

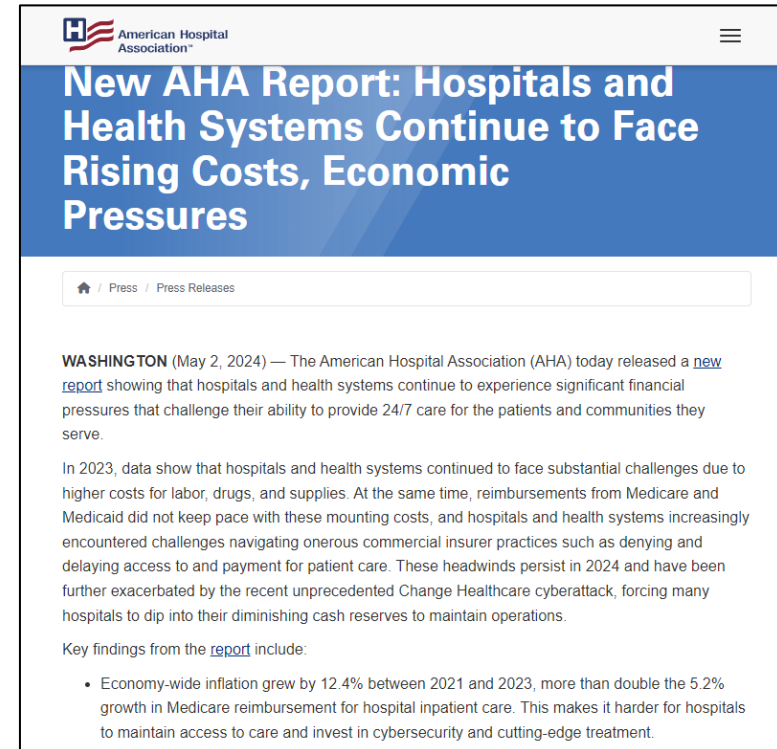


Source: Medicare Cost Report

Challenges: Hospitals Financial Pressures

Hospitals continue to experience significant financial pressures

- Inflation
- Costs of Caring
 - Labor Costs
 - Drug Expenses
 - Supplies and Equipment
 - Administrative Costs

A screenshot of a press release from the American Hospital Association. The header is blue with white text: 'New AHA Report: Hospitals and Health Systems Continue to Face Rising Costs, Economic Pressures'. Below the header is a breadcrumb trail: 'Home / Press / Press Releases'. The main text begins with 'WASHINGTON (May 2, 2024) — The American Hospital Association (AHA) today released a new report showing that hospitals and health systems continue to experience significant financial pressures that challenge their ability to provide 24/7 care for the patients and communities they serve.' It continues with a paragraph about 2023 data and challenges, and a section for key findings, including a bullet point about inflation and Medicare reimbursement.

WASHINGTON (May 2, 2024) — The American Hospital Association (AHA) today released a [new report](#) showing that hospitals and health systems continue to experience significant financial pressures that challenge their ability to provide 24/7 care for the patients and communities they serve.

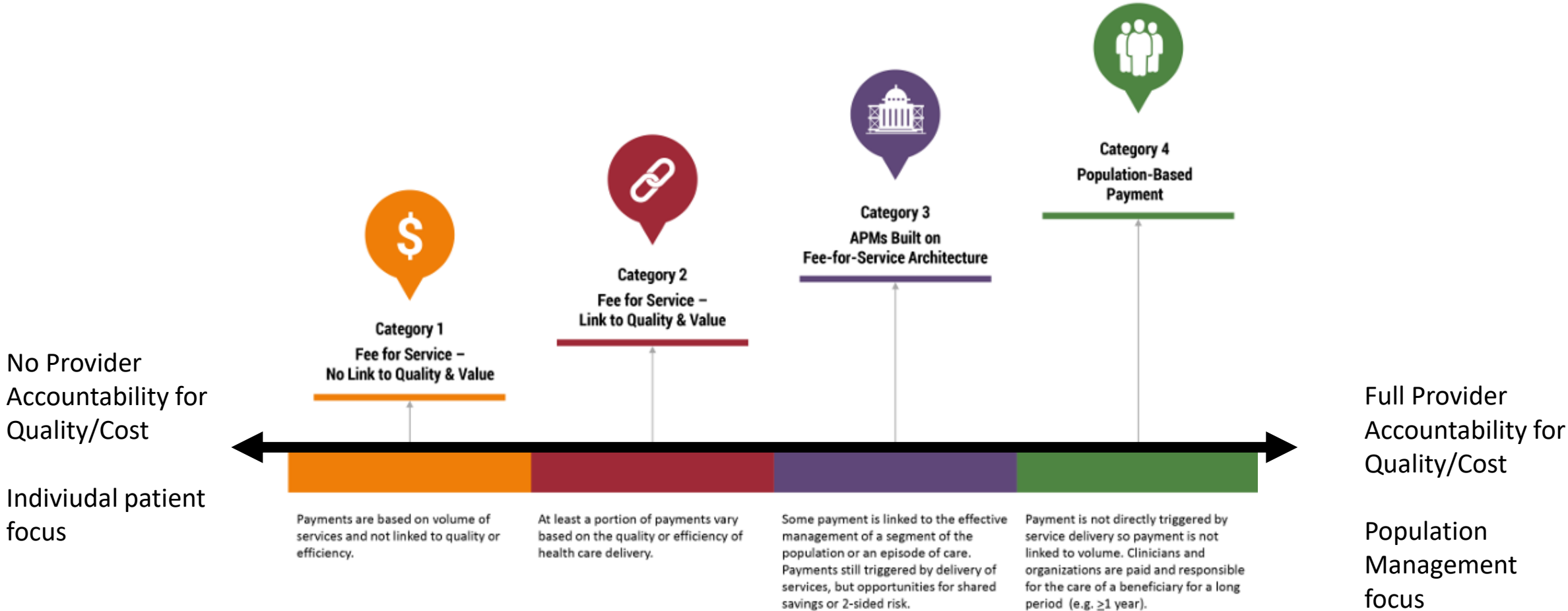
In 2023, data show that hospitals and health systems continued to face substantial challenges due to higher costs for labor, drugs, and supplies. At the same time, reimbursements from Medicare and Medicaid did not keep pace with these mounting costs, and hospitals and health systems increasingly encountered challenges navigating onerous commercial insurer practices such as denying and delaying access to and payment for patient care. These headwinds persist in 2024 and have been further exacerbated by the recent unprecedented Change Healthcare cyberattack, forcing many hospitals to dip into their diminishing cash reserves to maintain operations.

Key findings from the [report](#) include:

- Economy-wide inflation grew by 12.4% between 2021 and 2023, more than double the 5.2% growth in Medicare reimbursement for hospital inpatient care. This makes it harder for hospitals to maintain access to care and invest in cybersecurity and cutting-edge treatment.

Challenges & Opportunities: Alternative Payment Models

CMS Goal – to have 100% of Medicare beneficiaries in accountable care relationships by 2030.



Challenges & Opportunities: Transforming Episode Accountability Model (TEAM)

CMS Goal – to have 100% of Medicare beneficiaries in accountable care relationships by 2030.

Transforming Episode Accountability Model

Mandatory Model: 2026-2030

The Transforming Episode Accountability Model (TEAM) will support people with Medicare undergoing certain surgical procedures by promoting better care coordination, seamless transitions between providers, and successful recovery.

Included procedures: lower extremity joint replacement, surgical hip femur fracture treatment, spinal fusion, coronary artery bypass graft, and major bowel procedure.



WV Hospitals Selected for TEAM Model

West Virginia University Hospitals, Inc

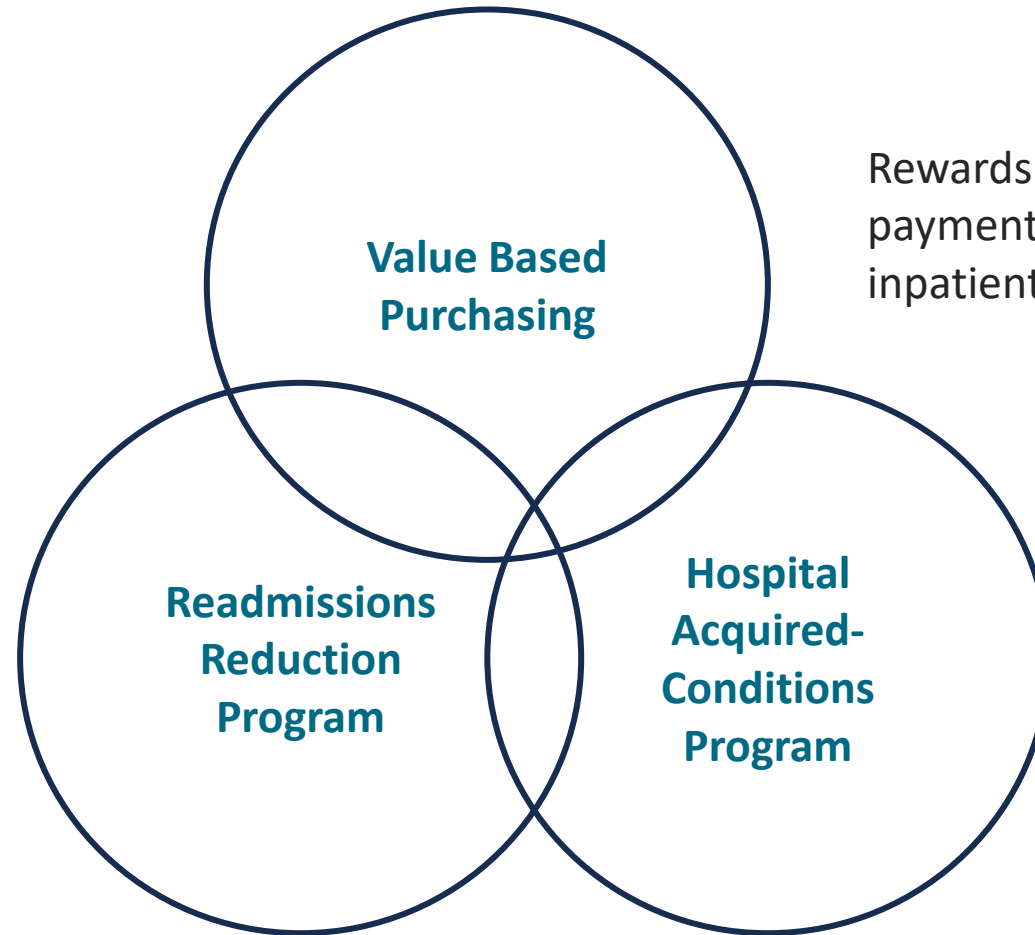
Weirton Medical Center, Inc

Mon Health Medical Center

Camden Clark Medical Center

Challenges & Opportunities: Hospital Value-based Payment Programs

Encourages hospitals to improve communication and care coordination to better engage patients and caregivers in discharge plans and, in turn, reduce avoidable readmissions.



Rewards acute care hospitals with incentive payments for the quality of care provided in the inpatient hospital setting.

Reduces payments to hospitals based on their performance on measures of hospital-acquired conditions.

Challenges & Opportunities: Social Determinants, Inpatient Quality Reporting

Inpatient Quality Reporting Program (IQR)

Hospital Commitment to Health Equity
Structure Measure

Domain 1 – Equity is a Strategic Priority

Domain 2 – Data Collection

Domain 3 – Data Analysis

Domain 4 – Quality Improvement

Domain 5 – Leadership Engagement

Screening for Social Drivers of Health
and the Screen Positive Rate for
Social Drivers of Health

HRSN 1 – Food Insecurity

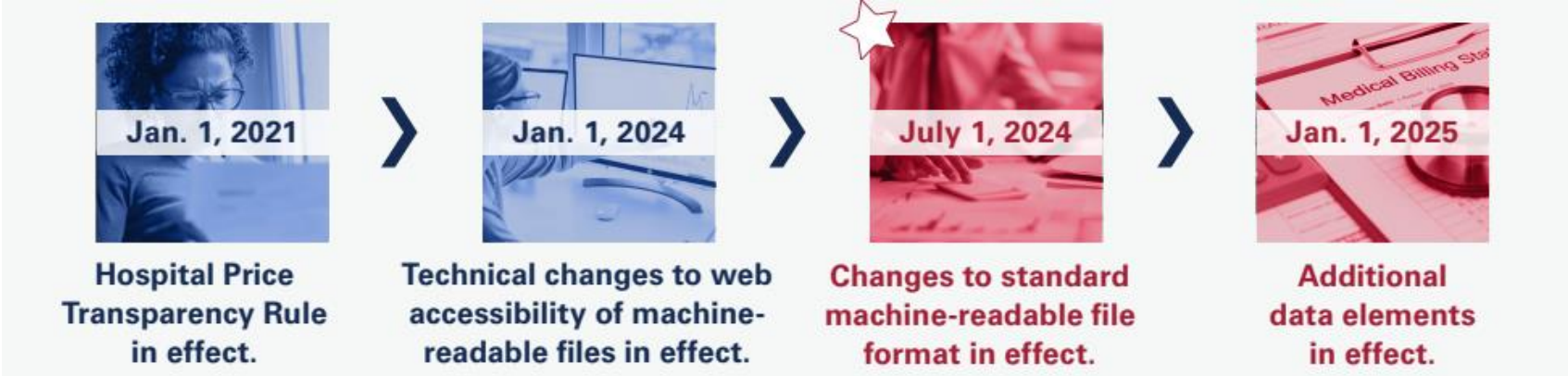
HRSN 2 – Housing Instability

HRSN 3 – Transportation Needs

HRSN 4 – Utility Difficulties

HRSN 5 – Interpersonal Safety

Challenges & Opportunities: Price Transparency



1

Standard Machine-Readable File

2

Consumer-friendly Display of Shoppable Services

Enforcement

Challenges & Opportunities: Public Policy



Challenges & Opportunities: Federal Policy Calendar

September

October

November

December

January



Congress

Frenzy of Hill activity shaping bills before recess

Campaigning, no Congressional activity

“Lame duck” session, i.e. “must pass” end-of-year legislation

New Congress

Administration

Flurry of regulatory activity with Nov. 1st also deadline to release regs with required 60 days notice ahead of Jan. 1, 2025, implementation date

Regulatory activity will depend on election results, slower period as new administration ramps up but could see “rule dump”

New Administration

Challenges & Opportunities: Federal Health Care Issues “Must Pass”

- Physician Payment
- Medicaid DSH cut relief
- Ambulance add-on
- Telehealth waiver extension
- Hospital at home waiver extension
- Medicare Dependent Hospital / Low Volume Adjustment
- Community health centers funding
- Teaching Centers GME



Challenges & Opportunities: WVHA 2023 Legislative Priorities

2023 Legislative Priorities – All signed into law

IMPROVING FINANCIAL STABILITY OF HOSPITALS

- **SB 268** – Required PEIA to pay hospitals and providers 110% of Medicare, an additional \$49 million in provider payments

MODERNIZING PRIOR AUTHORIZATION PROCESS

- **SB 267** - Gold Card exempts provider from all prior authorizations for 6-months (>30 procedures annually and >90% approval rating, and requires all forms/communications through portal

OTHER BILLS PASSED

- Legislation updating provider tax for physician payment program
- Requirement for acuity-based classification system for staffing



2023 Legislative Priorities: Financial Stability of Hospitals

SB 268: Relates to the Public Employees Insurance Act (PEIA)

- Requires PEIA pay hospital and providers at least 110% of Medicare
- \$49 million in additional PEIA provider payments
- Several benefits adjustments to make PEIA sustainable long-term
- Restores 80/20 split between the State and employees
- Requires spouses with access to health care benefits to accept those benefits or pay the actuarial value of the plan
- Requires PEIA Finance Board to complete five-year cost analysis
- For non-state employees, these changes will be determined by their sponsoring organizations (i.e., county or local government)

PEIA Case Mix Adjusted Average Payments 2021		
	In-State	Out-of-State
Inpatient	\$2,526	\$9,984
Outpatient	\$377	\$1,423
Professional Services	\$102	\$150

2023 Legislative Priorities: Modernizing Prior Authorization Process

SB 267: Updating law regarding prior authorizations

- Updates and modernizes the prior authorization process
- Changes Gold Card requirements to all procedures from that provider, but limited to procedural services
- Gold Card provider, exempts all prior authorizations for 6-months:
 - at least 30 procedures annually
 - 90% final approval rating
- Prior authorization forms, including related communication must be submitted through the electronic portal
- Clarifies prior authorization request reviewed within 5 business days or 2 business days for emergency situations



Challenges & Opportunities: WVHA 2024 Legislative Priorities

2024 Legislative Priorities – All signed into law

IMPROVING FINANCIAL STABILITY OF HOSPITALS

- **HB 5157** - Legislation to maximize federal matching dollars directed to Medicaid Supplemental Payment Programs.

ADVANCING AFFORDABLE PRESCRIPTIONS

- **SB 325** - Legislation to protect the *340B Drug Pricing Program* for hospitals/other providers.

OTHER BILLS PASSED

- Legislation to protect health care workers through anti-doxing
- Ensuring access to behavioral health
- Protect public health – childhood immunization



2024 Legislative Priorities: Improving Financial Stability For Hospitals

HB 5157 – Facility Medicaid Directed Payment Program Bill

- Program purpose – To increase Medicaid payments for hospitals closer to what Commercial Insurance would pay for the same services.
- Recent changes by CMS allows the payment ceiling to be calculated on the Average-Commercial Rate (ACR) instead of Medicare.
- Bill changes existing static tax rate to allow hospitals to assess themselves the maximum rate allowed by CMS.
- Expands the number of hospitals eligible under the program from 23 to 57, including critical access hospitals and specialty facilities.

Status: Signed by Governor on February 29, 2024

- Next steps: work with Medicaid on CMS application



2024 Legislative Priorities: Advancing Affordable Prescriptions / 340B

SB 325 – 340B Drug Pricing Program

- High priority bill for WVHA along with organizations representing community health centers, pharmacies, and clinics across the State
- Protects the distribution of discounted drugs purchased under the federal 340B program and it ensures discounted medications reach conveniently located pharmacies where patients can access them
- Beginning in 2020, profitable drug companies unilaterally changed the rules by refusing to ship 340B drugs to contract pharmacies
- SB 325 will stop this predatory practice and protect delivery of 340B drugs to pharmacies where underserved patients can access them

Status: Signed by Governor on March 27, 2024



West Virginia Hospital Association: EMS Bills Passed

SB 533 - EMS Treat in Place

- Requires private insurance to cover pre-hospital screening and stabilization of an emergency medical condition
- Allows EMS to treat low-acuity patients at the scene, based on protocols to be developed by the Department of Health
- Permits EMS to transport patient, with coordination through medical command, to a lower acuity facility including FQHC, clinic, or behavioral health facility

Status: Signed by Governor March 26, 2024

HB 5347 – Program for EMS personnel to become certified paramedics

- Establishes a program for emergency medical technicians, after three years of service, to be eligible for state assistance to become a certified paramedic

Status: Signed by Governor March 27, 2024



2024 Legislative Priorities: Certificate of Need

WVHA supports maintaining the CON Program and while several bills were considered, all failed to complete legislative action

HB 4408 – Development of specialized intermediate care facility

- Redistributes empty beds to other facilities in same geographic location

Status: **Died in Senate Health Committee**

HB 4433 - Mobile Mammography and Low-Density CT Exemption

- Exempts mobile facilities offering mammography or low-density CT

Status: **Died in Senate Health Committee**

HB4909 – CON Repeal

- Eliminates CON for all services except hospice services

Status: **Died on House floor (inactive calendar)**

HB 5286 – CON Personal Care Services

- Eliminates the ability to subcontract under CON

Status: **Died in Senate Health Committee**

HB 5303 - Neighbor Hospital CON Exemption

- Eliminates CON for a “neighborhood” (40,000 sq facility, 25 inpatient beds)

Status: **Died in House Health Committee**



2024 Legislative Interim Meetings and Key Dates

2024 Legislative Interim Meetings and Elections

April 14-16

May 14 – Primary Election

May 19-21

August 11-13

September 8-10 (Parkersburg)

September 30 - Special Session (childcare, taxes, hospital facilities)

October 6-8

November 5 – General Election

November 10-12

December 8-10





Five Things to Know: Healthcare and the U.S. Election

1. Two in three Americans -- including majorities of both political parties -- say healthcare is not receiving enough attention during the presidential campaign so far.
2. While independents are slightly more trusting of Harris than Trump when it comes to acting on key healthcare issues, about a third report not trusting either candidate.
3. Nearly half of Americans report that a candidate's position on lowering drug costs and mental healthcare policy are important issues in determining their vote in the upcoming election.
4. Protecting Medicare and lowering drug costs are among the most important issues older Americans care about when determining their vote.
5. Democrats are much more optimistic than Republicans and independents about improving access to affordable healthcare in the next five years.

Source: Gallup, September 30, 2024

2024 GOP PLATFORM MAKE AMERICA GREAT AGAIN!

CHAPTER FOUR: BRING BACK THE AMERICAN DREAM AND MAKE IT AFFORDABLE AGAIN FOR FAMILIES, YOUNG PEOPLE, AND EVERYONE

Our Commitment:

Republicans offer a plan to make the American Dream affordable again. We commit to reducing Housing, Education, and Healthcare costs, while lowering everyday expenses, and increasing opportunities.

1. Housing Affordability

To help new home buyers, Republicans will reduce mortgage rates by slashing Inflation, open limited portions of Federal Lands to allow for new home construction, promote homeownership through Tax Incentives and support for first-time buyers, and cut unnecessary Regulations that raise housing costs.

2. Accessible Higher Education

To reduce the cost of Higher Education, Republicans will support the creation of additional, drastically more affordable alternatives to a traditional four-year College degree.

3. Affordable Healthcare

Healthcare and prescription drug costs are out of control. Republicans will increase Transparency, promote Choice and Competition, and expand access to new Affordable Healthcare and prescription drug options. We will protect Medicare, and ensure Seniors receive the care they need without being burdened by excessive costs.

4. Lower Everyday Costs

Republicans will reduce the Regulatory burden, lower Energy costs, and promote Economic Policies that drive down the cost of living and prices for everyday goods and services.





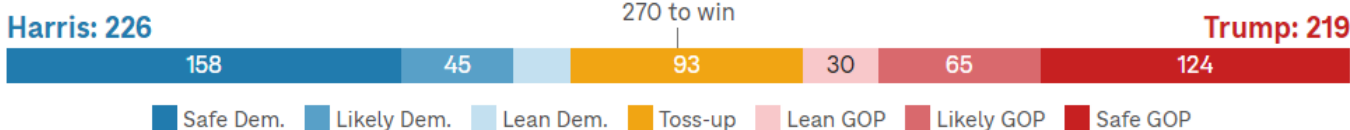
Strengthen and Bring Down the Cost of Health Care

As Attorney General of California, Kamala Harris took on insurance companies and Big Pharma and got them to lower prices. As a Senator, she fought Donald Trump's attempts to repeal the Affordable Care Act.

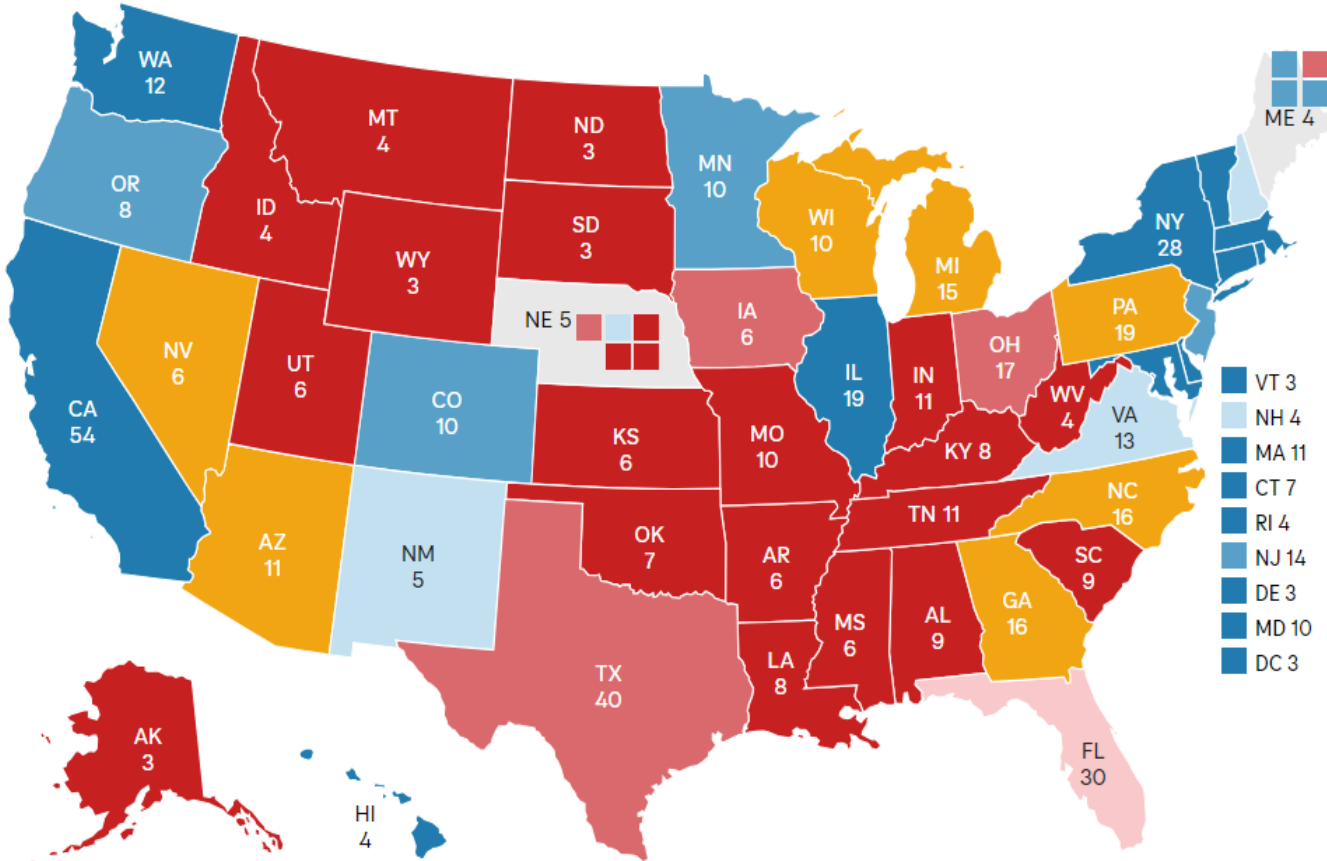
Vice President Harris will make affordable health care a right, not a privilege by expanding and strengthening the Affordable Care Act and making permanent the Biden-Harris tax credit enhancements that are lowering health care premiums by an average of about \$800 a year for millions of Americans. She'll build on the Biden-Harris Administration's successes in bringing down the cost of lifesaving prescription drugs for Medicare beneficiaries by extending the \$35 cap on insulin and \$2,000 cap on out-of-pocket spending for seniors to all Americans. Her tie-breaking vote on the Inflation Reduction Act gave Medicare the power to go toe to toe with Big Pharma and negotiate lower drug prices. As President, she'll accelerate the negotiations to cover more drugs and lower prices for Americans. As Vice President, she also announced that medical debt will be removed from credit reports, and helped cancel \$7 billion of medical debt for 3 million Americans. As President, she'll work with states to cancel medical debt for even more Americans.

And Vice President Harris has led the Administration's efforts to combat maternal mortality. Women nationwide are dying from childbirth at higher rates than in any other developed nation. The Vice President called on states to extend Medicaid postpartum coverage from two months to twelve: today, 46 states do so — up from just three near the Administration's start.

Presidential Elections 2024 – The States to Watch



ELECTORAL WEIGHT
GEOGRAPHY



U.S. Senate Elections 2024

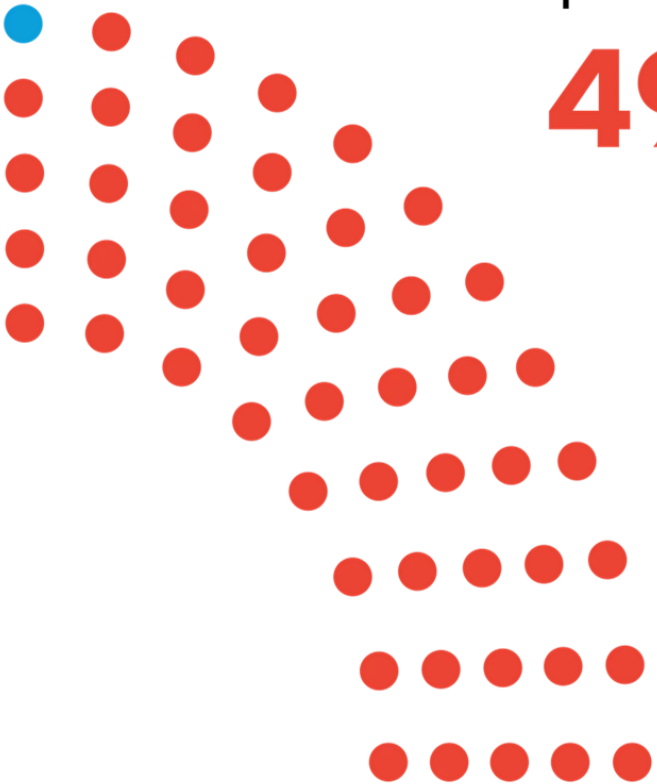
Democrats

51



Republicans

49



Republicans need a net gain of 2 seats for control of the Senate

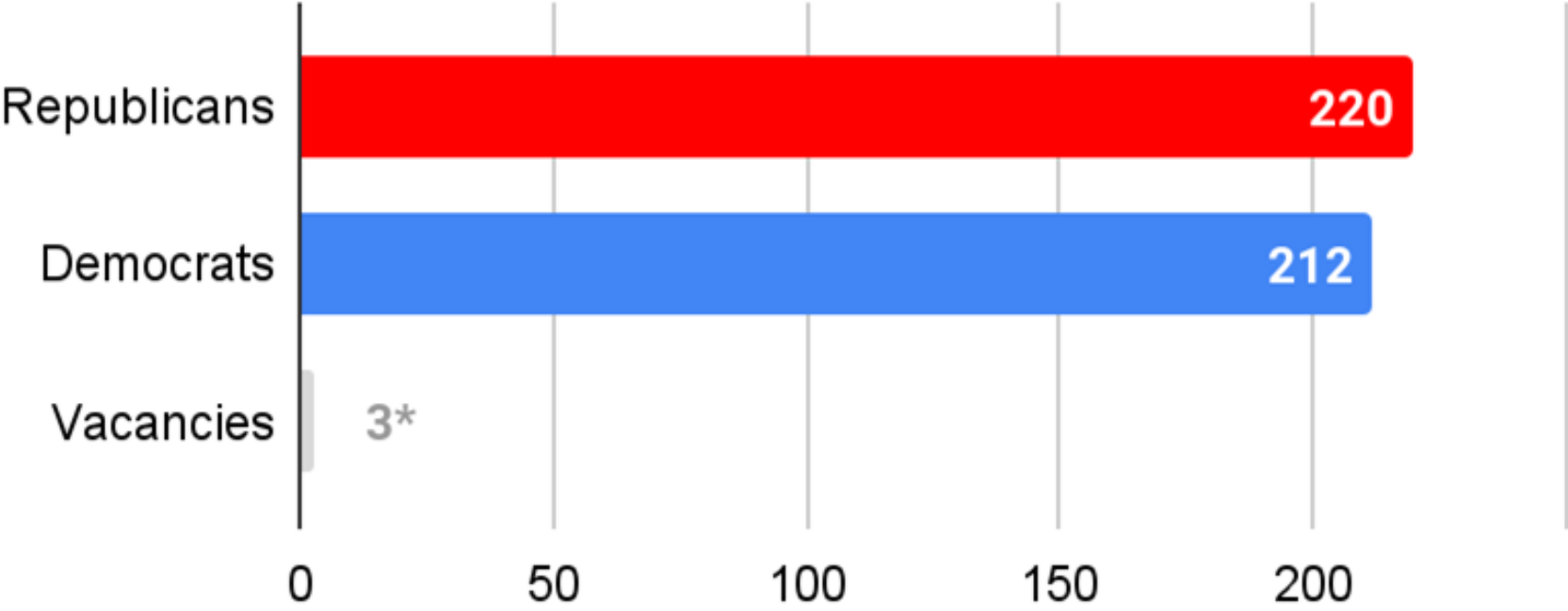
Or

1 seat plus the White House

Yellow indicates independents who caucus with Democrats. -----

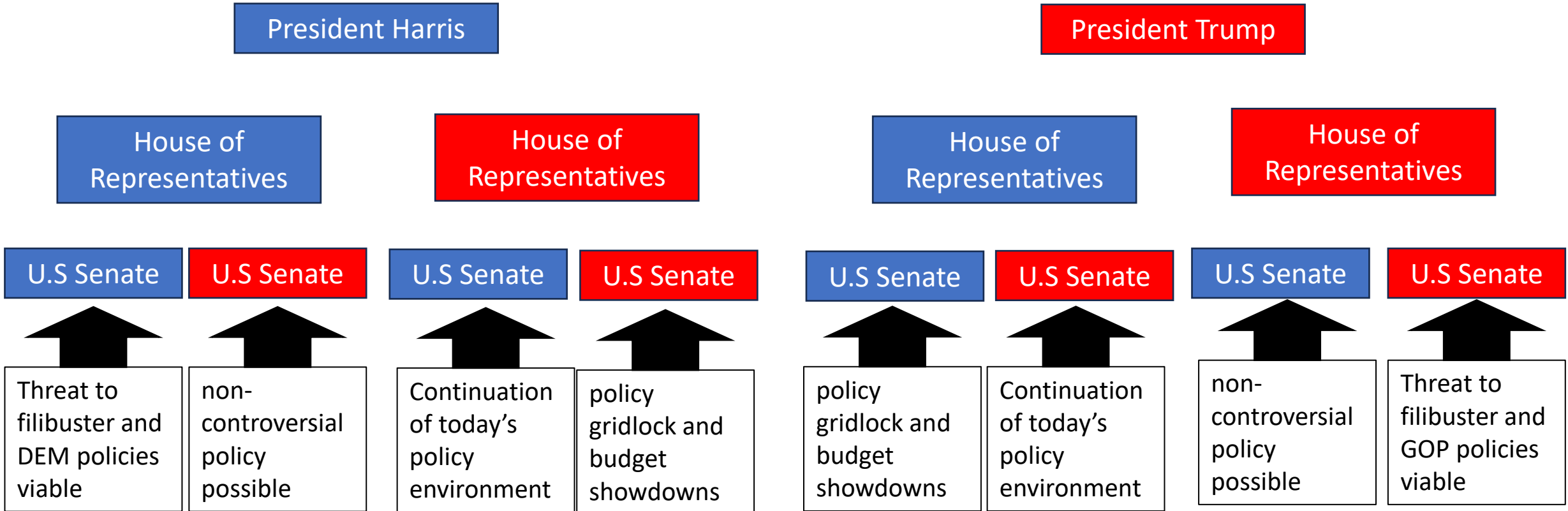
Bloomberg Government

U.S. House of Representatives Elections 2024



Democrats need a net gain of 4 seats to pick up the House

Possible Policy Environment for 119th US Congress





Health Care

Before becoming Attorney General, Patrick Morrisey was a long-time accomplished health care attorney who developed innovative and dynamic policies to address health care access, affordability, cost, and innovation challenges. As Attorney General, Morrisey has been a leading advocate against fraudulent, wasteful, and abusive practices that harm our citizens. As Governor, Morrisey will establish a new Task Force to evaluate and recommend changes to the health care systems in our state and ensure that West Virginians have affordable health care policies and access to the healthcare items and services they deserve.

Morrisey plans to bring a number of these changes about by eliminating West Virginia's certificate of need laws, and other policies which makes it difficult for new healthcare providers to locate in our state. Promoting freedom must also mean ending the protectionist policies which restrict competition and innovation. Our nation is in a period of great technological advancement; we can't afford to be held back as a state by antiquated policies that block competition. Morrisey has been a champion of expanding telemedicine access as Attorney General; he will work to eliminate even more regulatory barriers to telemedicine services as Governor.



It's Time for West Virginia to Legalize Recreational Cannabis



Emphasizing Personal Freedom – Steve Williams Announces Support for Legalizing Cannabis for Adult Use in West Virginia



Steve Williams Slams Patrick Morrisey for Blocking Cannabis Legalization Vote, Opposing Trump on Marijuana Reform

West Virginia Legislature Elections 2024

Leadership Roles	Senate	House of Delegates
Presiding Officer	Lost Re-election	Roger Hanshaw
Majority Leader	Tom Takubo	Ran for Other Office
Minority Leader	Mike Woelfel	Sean Hornbuckle
Health Committee Chair	Lost Re-election	Chose not to run
Finance Committee Chair	Eric Tarr	Vernon Criss
Judiciary Committee Chair	Ran for Other Office	Ran for Other Office

West Virginia Hospital Association: 2025 Legislative Priorities – Member Driven Process

Currently seeking input from all hospitals
Re: 2025 Legislative Agenda



Core Areas of Focus

- Financial stability and access to care
- Clinical, regulatory, and operational issues to reduce regulatory burden and improve processes
- Health Care Workforce



WEST VIRGINIA
HOSPITAL ASSOCIATION



**Your Health is the
Heartbeat of Our
Communities.**

www.wvha.org