

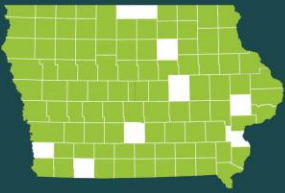
# IHA Legislative Update

April 18, 2024



IOWA HOSPITAL  
ASSOCIATION

*We care about Iowa's health*



**123**

hospitals in 90 counties

## WHO WE ARE

Iowa's hospitals are essential to the health and economic well-being of Iowa and the communities we serve.

**\$5.7B**

in wages and benefits paid to 77,000 people employed in Iowa hospitals



**145K**

additional jobs supported by Iowa hospitals



Ranked **3rd**  
by U.S. News and World Report  
for health care affordability

**1 in 21**

nonfarm-employed Iowans  
work for hospitals



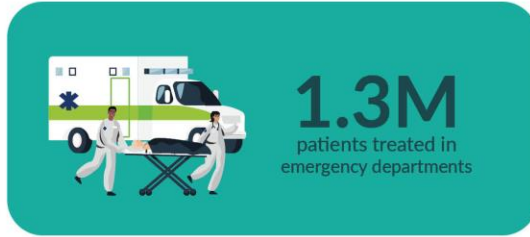
**\$21.5B**

contributed to Iowa's economy - 12%  
of the state's gross domestic product

**\$1B**

provided in annual community benefits





# WHO WE SERVE

Iowa's hospitals provide all Iowans with continuous, safe, high-quality care.

SELF-PAY 2.6%

OTHER (EG. VETERANS) 2.6%

OTHER COMMERCIAL 12.2%

MEDICAID 16.3%

WELLMARK 21.8%

MEDICARE/MEDICARE ADVANTAGE 44.5%

2023 Iowa hospital  
inpatient + outpatient  
payer mix:

# OUR CHALLENGES: WORKFORCE, MARGINS, INFLATION

Iowa's hospitals continue to face significant financial and workforce challenges.



## Workforce

- Over **10,000** job openings in Iowa hospitals.
- **30%** of these openings are in nursing.
- Laboratory, radiology and ultrasonography are other critical areas of workforce shortage.

## Operating margin

- **60%** of Iowa hospitals have negative operating margins.
- **\$600 million** combined 2022-2023 operational loss.



## Increased costs and inflation from 2019 to 2023:

19%

Supplies increased by **\$247 million**

27%

Contracted labor increased by **\$420 million**

60%

Pharmaceuticals increased by **\$490 million**

27%

Payroll and benefits increased by **\$1.34 billion**

28%

Total expenses increased by **\$2.8 billion**

# 2024 IHA Policy Priorities



## Financial Strength & Access to Care

Advocate for policies and programs that strengthen the financial position of Iowa's hospitals and enhance Iowans' access to care.



## Healthcare Workforce

Support policies and programs that strengthen, grow, and protect Iowa's healthcare workforce.



## Payer Accountability

Pursue strategies to hold payers accountable for compliance with regulatory requirements and reduce provider administrative burden.



## Technology & Security

Monitor policies and proposals impacting hospitals' use of digital health technologies to innovate, provide high quality care, and protect patient privacy.



# Financial Strength & Access to Care

## Certificate of Need – SF506

*IHA Position: Against*

*Status: Passed the Senate 29-21 in 2023; Eligible for floor debate in the House*

- ❖ Proposes changes to the capital expenditure thresholds and eliminates CON requirements for certain health facility types and services
- ❖ 2024 House committee amendment reflects IHA board compromises
- ❖ Floor amendment would add **maximum charge schedule for agency workers**



# Financial Strength & Access to Care

## State Boards and Commissions – HF2574/SF2385

*IHA Position: Monitoring*

*Status: Eligible for floor debate in the House*

- ❖ *HHS and DIAL "with the assistance of other interested parties, shall conduct a study of the effectiveness of the existing certificate of need process and shall make findings and recommendations related to the continuation of the process or the implementation of a less restrictive alternative."*
- ❖ *Report with recommendations due 12/31/25*



# Financial Strength & Access to Care

## Behavioral Health System Alignment – HF2673 & SF2420

*IHA Position: Support*

*Status: Passed the House 88-6; Eligible for floor debate in the Senate*

- ❖ Restructures the State's behavioral health, substance use disorder & disability system
- ❖ Eliminates the MHDS regions and transfers oversight to the state with regional Administrative Services Organizations (ASOs)





# Financial Strength & Access to Care

## Medicaid Postpartum Coverage Extension - SF2251

*IHA Position: Support*

*Status: Passed the Senate 34-13; Passed the House 70-25*

- ❖ Extends coverage from 60 days to 12 months
- ❖ Reduces pregnant woman eligibility from 375% FPL to 215% FPL
- ❖ Infants eligible up to 215% FPL; 216%-302% FPL eligible for Hawki



# Healthcare Workforce

## **Workforce Omnibus/Governor Workforce Bill – HF2516 & SF2411**

*IHA Position: Monitor*

*Status: Passed a House Appropriations subcommittee; Passed the Senate 33-13*

- ❖ Bills are similar but not identical
- ❖ Establishes the Workforce Opportunity Fund within the Department of Workforce Development
- ❖ Modifies provisions in the Future Ready Iowa Skilled Workforce Last-Dollar Scholarship Program



# Healthcare Workforce

## International Medical Graduates – SF477

*IHA Position: Monitor*

*Status: Passed the House 96-0; Passed the Senate 48-0*

- ❖ Requires the Board of Medicine to grant licenses to international medical graduates who meet specified criteria and who are licensed in specific countries
- ❖ Amended in the House to include language from HF2064, allowing guardians to access minor's electronic health information unless prohibited by law

## ARNP Preceptor Tax Credit – HF2017

*IHA Position: Support*

*Status: Passed a House Ways & Means subcommittee*

- ❖ Creates an advanced registered nurse practitioner preceptor tax credit available against the individual income tax



# Healthcare Workforce

## Workplace Violence – HF2321

*IHA Position: Support* (IHA-sponsored bill)

*Status: Did not advance*

- ❖ Current law provides enhanced penalties for assaults committed against physicians, nurses, physician assistants and resident physicians in hospitals
- ❖ Enhanced penalties don't apply to assaults committed against other hospital employees
- ❖ Bill seeks to expand the definition of "health care provider" in the assault code to include all hospital employees, volunteers and individuals engaged in educational programs (e.g. student nurses)



# Healthcare Workforce

## Workplace Violence – HF2302 & SF2279

*IHA Position: Support (Attorney General's bill)*

*Status: Passed House 96-1; Eligible for floor debate in the Senate*

- ❖ Increases the penalties by one step for assaults on protected workers
- ❖ Adds saliva to the list of bodily fluids used in an assaultive way as a class C felony
- ❖ Does not expand the list of protected workers



# Healthcare Workforce

## Federal Minimum Nursing Facility Staffing Standards

*IHA Position: Against*

*Status: No movement since comments were due in November 2023*

- ❖ CMS proposed rule issued Sept. 1, 2023
- ❖ 0.55 hours of care from RN per resident per day
- ❖ 2.45 hours of care from a CAN per resident per day
- ❖ RN on site 24/7
- ❖ Rural NFs would have 5 years to comply; non-rural would have 3 years
- ❖ IHA comments were submitted Nov. 28, 2023
- ❖ CMS received more than 46,000 comments
- ❖ Federal rules allow CMS up to 3 years to finalize Medicare rules



# Payer Accountability

## Prior Authorization Required Payment – HSB743

*IHA Position: Support*

*Status: Passed a House Ways & Means subcommittee*

- ❖ Requires Medicaid MCOs to pay providers 100% of a claim if the MCO approved a prior authorization for the service/item
- ❖ Prohibits MCOs from seeking repayment, offsets or recoupment for said service unless fraud or misrepresentation is founded



# Payer Accountability

## Prior Authorizations – HF2488

*IHA Position: Support*

*Status: Passed the House 95-0; Passed the Senate 47-1 with “cash for care” amendment*

- ❖ 48-hour response for urgent PA requests; 10 days for non-urgent
- ❖ Eliminate PA requirement for routinely approved services
- ❖ PA Exemption Pilot Program





# Payer Accountability

## Breast Exam Coverage – HF2489

*IHA Position: Monitor*

*Status: Passed the House 97-0; Passed the Senate 47-0*

❖ Requires various health insurance coverages to cover diagnostic breast cancer exams



# Payer Accountability

## Medicaid Claims – HF2268

*IHA Position: Support*

*Status: Did not advance*

- ❖ Limits the review of paid Medicaid claims after 24 months except for fraud or misrepresentation
- ❖ Does not allow for repayment or for an offset of the old claim



# Technology & Security

## Disclosure of Minor's Health Information – HF2271

*IHA Position: Monitor*

*Status: Included in SF477 – International Medical Graduates bill*

- ❖ Requires a health care professional or facility to disclose to the legal guardian of a child any electronic protected health information
- ❖ Includes an exception for disclosures that are prohibited by law or for matters that the minor is legally allowed to consent to with consent from the guardian
- ❖ House amendment added allows hospitals unable to meet the electronic requirements to provide a guardian a paper copy of the health record



# Technology & Security

## Health Data Utility – HF2623

*IHA Position: Against*

*Status: Did not advance*

- ❖ Outlines requirements for the organization that administers and governs the state-designated health data utility for the state
- ❖ Requires program participation from hospitals and critical access hospitals

**Questions?**

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