

## **NHA NEWS RELEASE**

*For Immediate Release*

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### **NHA Statement on President's Address on Health Care**

*Lincoln, NE* — Nebraska's hospitals appreciate President Obama's continued focus on health reform and were pleased to hear him reaffirm his commitment to expanding coverage to the millions of Americans without health insurance. Our hope is for meaningful reform, along with expanded coverage, which also allows for important delivery system changes, permitting physicians and hospitals to better coordinate care and move health care toward a system of prevention and wellness.

Every day, hospitals and caregivers are on the front lines in providing care to all, regardless of whether they have insurance coverage. Of the estimated 47 million uninsured in our country, 9.7 million currently qualify for government programs but are not enrolled; 9 million earn more than \$75,000 a year; 6 million are eligible for employer-sponsored insurance, but are not enrolled; and 5.2 million are undocumented, non-citizens.

Without coverage, patients are less likely to receive the preventive care that could keep them well. Patients are showing up in hospital emergency rooms sicker and with more chronic conditions than ever before. Nebraska's hospitals support the national framework *Health for Life – Better Health, Better Health Care*, which identifies five essential elements of reform upon which we must build if our nation wants to achieve better health and better health care: health coverage for all, paid for by all; a focus on wellness; the most efficient, affordable care; the highest quality care; and the best information—for both consumers and providers.

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Nebraska Hospital Association (NHA) President Laura J. Redoutey stated, “We support insurance reforms that incorporate portability and the elimination of pre-existing conditions and other reforms that would make it easier for beneficiaries to acquire adequate health insurance coverage.”

The NHA encourages Congress and the Administration to explore better alternatives to today’s medical liability system, and urge that even stronger actions be taken in this area to reign in excessive lawsuits that are currently driving physicians to practice defensive medicine and raise the cost of care for everyone.

We have concerns on how a public plan would be constructed and urge that Congress and the Administration be open to exploring other ideas that would help us achieve our shared goal of universal coverage. Nebraska’s community hospitals are concerned about establishing a new public plan that could exacerbate the underpayment of providers by paying rates at Medicare and Medicaid levels. As such, we are opposed to a public plan and any option that links payment to Medicare rates.

Medicare’s under reimbursement, as a result of failing to account for inflationary increases in the cost of providing care, has long been an area of deep concern for Nebraska hospitals. These types of payment reductions are being used as a major funding source for several health reform proposals under consideration amounting to between \$105 and \$120 billion over 10 years, with an approximate \$632 million reduction over ten years for Nebraska PPS hospitals. On their own, such cuts do not create health reform and ignore that the Medicare program already underfunds hospitals. The statewide Medicare margin for Nebraska hospitals is already a negative 16 percent. One of our first priorities must be to fix this widening gap between costs and payments.

Administrative simplification is another key component towards a health reform. “Congress should expand the scope of the administrative simplification provisions of the Health Insurance Portability and Accountability Act (HIPAA) to include standardization of routine business practices associated with claims submission, processing and adjudication,” stated Redoutey. “Consumers could more easily compare health plans and better understand their coverage with the adoption of a standardized framework and

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terminology within which all health plans describe plans, benefits covered, conditions for coverage and cost-sharing required.”

While there is still much work to be done in Washington, all stakeholders—insurers, suppliers, unions, employers, providers and individuals—must work together to achieve meaningful reform. It is critical that any health reform bill be based on expanding coverage to at least 95 percent of the population and must ensure that our hospitals remain strong and viable as they provide care to patients and communities.

We look forward to working with Congress and the Administration to make reform a reality. We are hopeful that a thoughtful bipartisan approach is achieved that keeps true to the most important goal of improving care for patients.

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The Nebraska Hospital Association is the influential voice of Nebraska’s hospitals and health systems, helping hospitals provide comprehensive care to their communities. The Association offers collaborative leadership, assisting its members to improve the health status of their communities. Since 1927, the NHA has provided legislative advocacy, educational programming, data information and communication to Nebraska’s hospitals. For more information, please visit the NHA Web site at [www.nhanet.org](http://www.nhanet.org).