

January 15, 2010

U. S. Senate
Washington, DC 20510

Dear Senator:

On behalf of the Catholic Health Association of the United States (CHA) and its more than 2,000 members, I am writing to commend Congressional efforts to extend affordable health insurance to all and to advocate the inclusion of a number of key provisions in final legislation.



CHA is the national leadership organization of the Catholic health ministry, representing the largest group of not-for-profit providers of health care services in the nation:

- 1 in 6 patients in the United States is cared for in a Catholic hospital each year;
- All 50 states and the District of Columbia are served by Catholic health care organizations;
- Over 600 hundred hospitals and more 1,200 post-acute care organizations provide the full continuum of health care.

CHA and its members are committed to creating a health care system that ensures everyone will get the health care they need, when they need it, and we are encouraged by many of the efforts members of Congress have made on health care reform. As you work to reach a final agreement on reform legislation, we recommend that among other provisions you ensure that the legislation sent to the President accomplishes the following important measures:

Provides Affordable Health Care Coverage for All

- At a minimum, the coverage level of 96 percent of residents in the U. S. achieved by the House bill should be maintained.
- Coverage expansions should begin in 2013.
- The Medicaid eligibility level should be extended to the greatest extent possible, preferably to everyone under 150 percent of the federal poverty level (FPL).
- The subsidies for low-income families should be increased to ensure the affordability of health insurance coverage.
- The Children's Health Insurance Program (CHIP) should be continued at least through 2015, or until such time as it can be shown the proposed Exchange is providing effective replacement coverage.
- The Medicaid five-year bar on low-income legal immigrants' eligibility should be eliminated.
- Strong individual and employer mandates, as well as strong insurance market reforms including an 85 percent medical loss ratio, should be included.

- Support for long-term care services should be included, specifically provisions strengthening access to Medicaid home and community-based services and the provisions contained in the Community Living Assistance Services and Support (CLASS) Act.

Protects and Improves the Medicaid Safety Net

- Medicaid primary care service reimbursement rates should be increased to Medicare levels.
- Medicaid presumptive eligibility law should be expanded to allow hospitals to make presumptive eligibility determinations and auto-enroll all eligible individuals in Medicaid, as provided for in the Senate bill.
- The 340B discount drug program should be expanded to include additional safety net hospitals and to apply to inpatient drugs.
- All states should receive 100 percent federal Medicaid matching funds for the expanded populations for the longest time period possible, and the FMAP increase under the *American Reinvestment and Recovery Act* should be extended for an additional six months.

Ensures Hospital Payment Reductions Coincide with Coverage Increases

- Any hospital market basket reductions from 2010 through 2013 should be minimized, unless coverage is extended in those years.
- Medicaid and Medicare Disproportionate Share Hospital (DSH) payment reductions should only be triggered if anticipated reductions in the number of uninsured are achieved.
- If the 96% coverage level cannot be achieved, then the cuts in hospital payment should be reduced to recognize the continued financial burden hospitals will bear in caring for the uninsured.

Preserves Provider Conscience Protections & Maintains Current Law on Abortion

- CHA advocates and supports health reform legislation that prohibits the use of federal funds for abortion; respects provider conscience rights; and does not mandate abortion as part of a benefit package.
- Both the Senate and House bills contain provisions prohibiting mandated coverage of abortion as part of a basic/essential benefit package, which should be retained.
- CHA supported the House bill's inclusion of "Hyde amendment" language that clearly and definitively maintains in health care reform the longstanding prohibition on federal funding for abortion. CHA supports the inclusion of this or alternative language in final legislation that would achieve the goal of no federal funding of abortion.
- CHA supports the provider conscience protections included in the annual Labor/HHS Appropriation legislation every year since 2004 known as the "Weldon amendment." The "Weldon amendment" language protects hospitals and other institutional and individual health care providers from discrimination on the basis that the health care entity does not provide, pay

for, or refer for abortions. CHA believes that it is important to ensure these existing protections continue to apply in health care reform legislation.

Maintains Consistency in Requirements for Charitable Hospitals

- Not-for-profit hospitals fulfill their charitable tax-exempt purpose by providing community benefit programs and activities that improve health in communities and that increase access to needed health services
- Over the past twenty years, the Catholic Health Association, in collaboration with other organizations, has developed guidelines for planning and reporting community benefit. These guidelines are widely used and formed the basis of the new Internal Revenue Service requirement for reporting community benefit and other information related to tax exemption.
- The Senate health reform provisions related to tax-exempt hospitals are consistent with the Catholic Health Association’s guidelines for assessing community need and for adopting and implementing charity care, patient financial assistance, and billing policies.

Narrows the Medicare Hospital Readmissions Policy & Supports Delivery System Reforms to Improve Quality of Care

- The hospital readmissions policy should be restructured to target avoidable and unplanned hospital readmissions related to the initial admission, and adjusted for factors beyond hospital control.
- The Value Based Purchasing Program for hospitals in the Senate bill, which reimburses hospitals based on improved quality of care and implemented in a budget neutral manner, should be included.
- A national pilot program on bundled payments to test the feasibility of bundled hospital and post acute care payments to improve coordination of care should be undertaken and studied prior to considering a broad adoption.

Again, we thank you for all the efforts you have made in moving health reform forward, and we hope these recommendations will be helpful in crafting a final bill. If we can be of any further assistance, please do not hesitate to contact me.

Sincerely,



Sr. Carol Keehan, DC
President and CEO