

TRACKING TRENDS

General Assembly 2017

Hospitals are transforming the way healthcare is delivered in their communities, working with other providers and community leaders to build a continuum of care to make sure every individual gets the right care at the right time in the right setting. To continue this transformation, and to provide patients with the access to care they need and expect, hospitals need a supportive and modernized public policy environment. HARI worked with state leaders during the 2017 General Assembly session to implement policy that will advance this goal.

State Budget

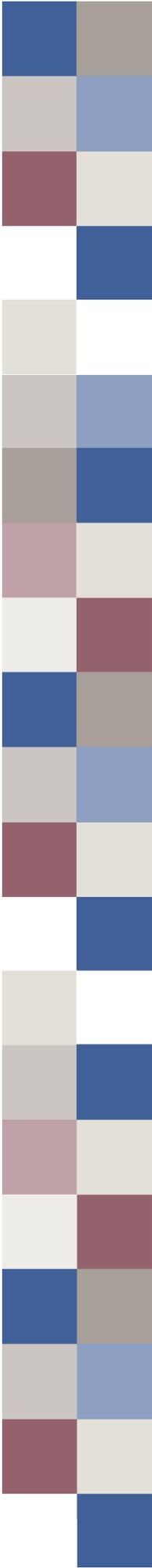
Last month, the House of Representatives advanced an FY18 budget that provides hospitals with funding to offset Medicaid losses and an increase in Medicaid rates for the first time in five years. In addition, planned cuts to inpatient mental health providers were reversed. The budget is a \$28.3 million improvement for hospitals from the governor's original proposal. This funding is critically important to hospitals that are struggling each day to maintain their important mission.

Hospitals provide more than \$7 billion in economic impact to our state. We're pleased to see elected officials making overdue investments in our hospitals. A financially-stable healthcare system is critical to a strong, healthy and vibrant Rhode Island.

Hospitals have joined other stakeholders and elected officials in voicing concern about activities in Washington aimed at repealing the Affordable Care Act. There is still much uncertainty about the future of healthcare coverage and access for nearly ten percent of Rhode Islanders. In addition, hospitals face the prospect of facing additional cuts on top of the \$1 billion in reductions used to fund the implementation of the Affordable Care Act.

We strongly urge state leaders to approve an FY18 state budget, so hospitals and other important community organizations can get back to the work of caring for and supporting the most vulnerable in our state.





HARI Advocacy Priorities

HARI and its members are concerned with the regulatory burden that has increasingly been imposed on hospitals and healthcare systems. The regulatory burden increases administrative complexities, costs, and time and resources spent away from direct patient care.

In response, HARI's Board of Trustees identified two bills as 2017 advocacy priorities, hospital licensing and credentialing. Both pieces of legislation have been enacted and will take effect January 1, 2018.

Credentialing

In 2009, it was estimated physician practices spend approximately \$31 billion on administrative support for interacting with health plans, which often includes credentialing. The importance of this issue was heightened following implementation of the Affordable Care Act (ACA). Increased access was a key goal of the ACA and a slow credentialing process has limited providers' ability to meet increased demand.

Legislation (H. 5219 sponsored by Daniel McKiernan, William O'Brien, J. Aaron Regunberg, Marcia Ranglin-Vassell and S. 145 sponsored by Gayle Goldin, Joshua Miller) introduced by the Rhode Island Medical Society and supported by HARI aims to improve the process of physician credentialing.

- As of January 1, 2018, health insurers will be required to establish a written standard on what constitutes a complete credentialing application and issue credentialing decisions to healthcare professionals within 45 days of receiving a complete credentialing application.
- For credentialed healthcare professionals who need to update their demographic information, insurers are now required to complete the update within seven business days.

Licensing

Hospitals and healthcare systems face significant regulatory burdens after the acquisition of a physician practice, despite no change in service. This process often produces unnecessary expenses, and is contradictory to efforts to improve efficiency and reduce cost.

HARI introduced legislation this session that allows physician practices to maintain their regulatory structure following the acquisition by a hospital or healthcare system. However, the acquiring hospital or healthcare system will be responsible for ensuring the physician practice complies with their respective licensing or accreditation requirements.

HARI worked with the Department of Health and representatives from hospitals and healthcare systems to amend the language to ensure it would benefit both hospitals and healthcare systems.

The bills (H.5840 sponsored by Teresa Tanzi, Carol McEntee, Kathleen Fogarty and S.577 sponsored by Susan Sosnowski, James Sheehan, Josh Miller, Elizabeth Crowley, Gayle Goldin) were enacted and take effect immediately upon passage.