

WHA Expresses Concerns with WI Congressional Delegation Over Site-Neutral Proposals in House and Senate

WHA [continues to raise alarm with federal lawmakers over site-neutral payment policies](#) that have recently been advanced in the U.S. House and Senate.

On Sept. 16, WHA sent out a [HEAT alert](#) to its grassroots network, urging hospital leaders to contact their federal lawmakers to voice concerns with their representatives and senators. So-called "site-neutral" payment policies would reimburse hospital-based settings at a lower amount, based on the physician fee schedule payments that independent clinics bill. Lawmakers have said they want to use such policies to bring down the cost of health care by encouraging care in lower-cost settings.



Unfortunately, proponents of site-neutral policies fail to recognize that the higher payments hospital-based settings receive are used to fund the higher level of care hospital settings provide, including:

- Providing emergency room and inpatient care 24 hours a day and 7 days a week
- Providing more specialized care for patients with higher acuity needs
- Serving patients regardless of their ability to pay, including a higher mix of Medicaid/Medicare patients.

[H.R. 5378, the Lower Costs, More Transparency Act](#) contains two site-neutral provisions:

1. Site-neutral payments (based on the physician fee schedule) for drug administration services in off-campus hospital outpatient departments. Each off-campus hospital outpatient department would be assigned a separate unique health identifier and submit an attestation of compliance for each off-campus HOPD as a condition of payment in Medicare.

WHA sent a [memo to the Wisconsin House Congressional Delegation](#) on Sept. 18 expressing concerns over this proposal. The cuts to drug administration services are estimated to decrease Medicare reimbursements to Wisconsin hospitals by \$114 million over 10 years if they are enacted. The requirements for providers to obtain a separate, unique identifier would be an administratively burdensome requirement on hospitals, with questionable benefit. Provider-based locations are already required to include their exact billing address and a modifier signaling the type of site.

WHA also sent a [letter to Sen. Tammy Baldwin](#) expressing concerns with [S. 2840, the Bipartisan Primary Care and Health Workforce Act](#). This legislation contains site-neutral provisions that would prohibit hospitals from billing facility fees for evaluation and management codes or telehealth services. It also prohibits health care providers from including terms in contracts designed to keep health insurers honest and prevent cherry-picking. The legislation was scheduled for a markup in the Senate HELP committee on Sept. 21. While the legislation also includes funding for community health centers and health care workforce initiatives, the [American Hospital Association wrote in its letter to the committee](#) that "provisions in the legislation to cut hospitals and health systems are cuts to the health care workforce, as more than half of hospital expenses reimburse the nurses, physicians, technicians and other team members who make hospital care possible."

WHA noted that these policies are coming at an extremely challenging time where hospitals are still dealing with supply chain shortages, high inflation, a sustained health care workforce shortage driving rising labor costs, severe challenges discharging patients due to nursing homes shuttering, and steep increases in drug costs, particularly given drugmakers' actions to deny 340B discounts at community pharmacies hospitals contract with.

"Because hospitals use facility fees to fund the safety-net services they provide, it begs the question: how do the authors of this policy expect hospitals to maintain these safety-net services if they no longer have the revenue to support them?" asked WHA President and CEO Eric Borgerding in the letter.

While the House had been scheduled to vote on this legislation this week under the suspension calendar (which requires a vote of 2/3 to pass), it was later pulled after a number of Democrats noted their intent to vote against the legislation. The Senate HELP Committee voted 14-7 to advance its legislation during its markup with three Republicans joining all Democrats on the committee, including Sen. Tammy Baldwin, in voting to approve it.

WHA will continue to closely follow these issues and make them a top advocacy priority.

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