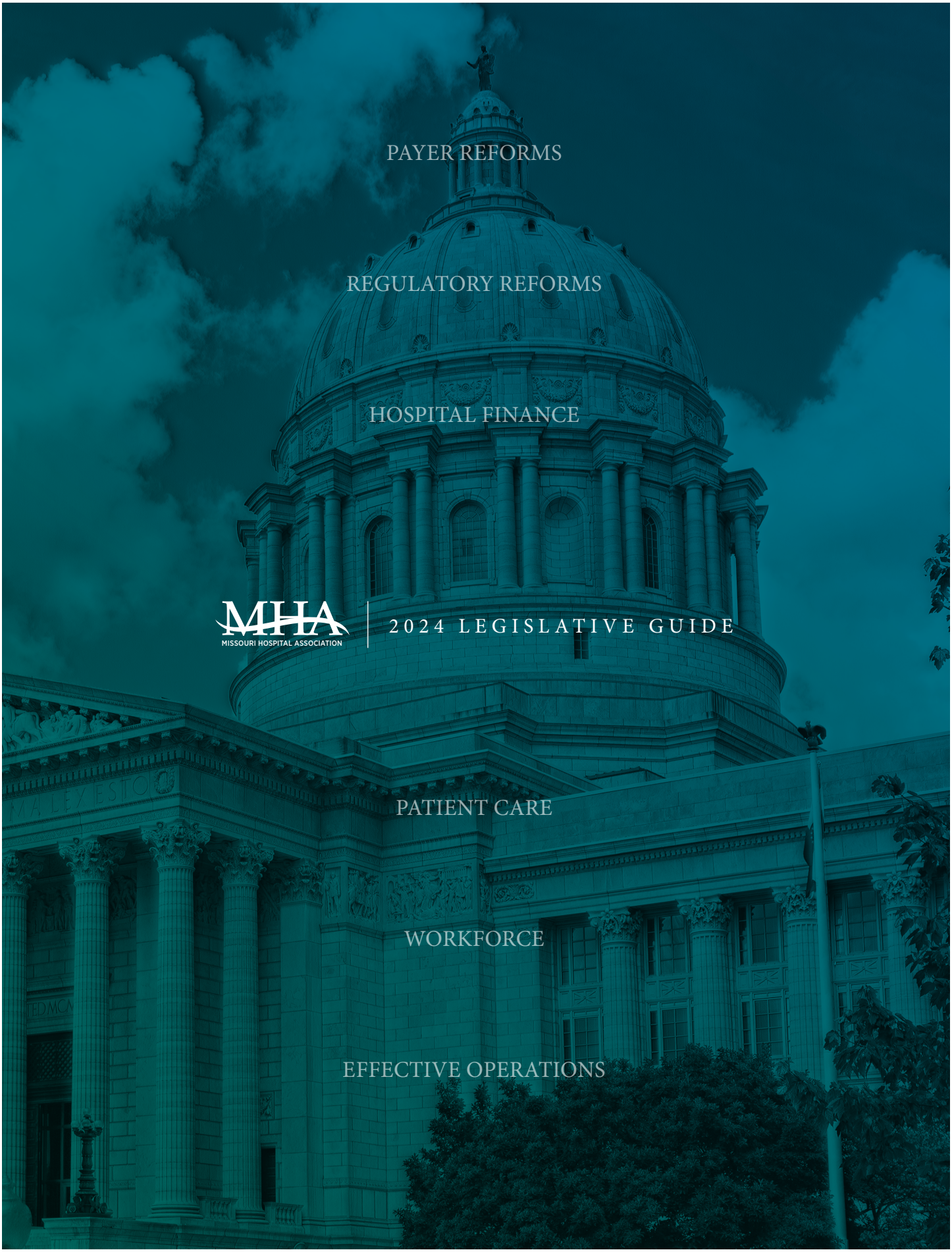
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“As a community of hospitals, we have a shared interest in an environment that fosters our missions of strengthening individual and community health. From January to May, lawmakers meet to develop and debate policies that further their vision of a better Missouri. The state’s health care system looms large in these efforts.

The 2024 MHA Legislative Guide provides an overview of the issues expected to be negotiated during the legislative session and articulates the core of our advocacy program. In an environment that already has one eye on Campaign 2024 and the politics of personality, MHA knowingly blends that context with a serious and thoughtful focus on urgent opportunities to strengthen our state through support of hospitals and health care.

In 2024, our agenda includes the following.

- support reform of structural and payer systems that harm hospitals’ ability to deliver care or that increase the financial burden on hospitals
- reduce unnecessary regulatory burdens and bureaucratic inefficiencies
- seek fiscal relief to alleviate financial stresses imposed by inefficient systems
- safeguard the Federal Reimbursement Allowance
- facilitate delivery of high-quality patient care in the appropriate setting
- promote investments in today’s workforce and systems that help deliver tomorrow’s workforce
- build the systems that support strong hospitals and that address the evolution of health delivery

Advocacy is a team sport. MHA’s advocates are engaged year-round to provide the groundwork for our session-related agenda. Every hospital has a stake and role in supporting these efforts.

Throughout the 2024 legislative session, we will ask hospital leaders to engage with lawmakers — in their communities, in Jefferson City and through our advocacy systems. Your engagement helps localize and ground the law- and budget-making process.

Together, we will promote solutions that improve the health care system, support the state’s hospitals and improve Missourians’ lives.

Jon D. Doolittle
President and CEO
Missouri Hospital Association

Payer Reforms

Missouri's hospitals and health systems strive to provide first-class care so that Missourians have access to needed diagnostics and treatments, regardless of location or ability to pay. To do this, hospitals must maintain clinical staff and necessary equipment 24/7/365. That state of quality and readiness requires significant ongoing investment in expertise and resources, and hospitals should be reimbursed appropriately for the services they provide. Unfortunately, Medicare and Medicaid continue to pay less than it costs to care for their beneficiaries, shifting the burden onto commercial payers and patients to make up the difference. As insurers seek to reduce their payments to hospitals through contract leverage, unilateral policy changes and unfair tactics, they undermine the stability of hospitals and jeopardize their ability to serve their patients and communities.

Ensure Access to Medications Through the 340B Program

The federal 340B Drug Pricing Program compels pharmaceutical manufacturers to sell drugs at a discount to eligible entities, including hospitals. Eligible entities, whether urban or rural, commonly serve large numbers of low-income patients. In addition to providing needed drugs at low cost to patients, the program allows hospitals to direct the savings to needed but unprofitable services in their communities, such as labor and delivery, mental health treatment, and nutrition assistance.

Drug manufacturers and insurance companies undermine the effectiveness of the 340B Program in various ways. Manufacturers limit the number of contract pharmacies through which hospitals can provide necessary medications to their patients. Insurers attempt to keep the discounts for themselves or restrict patients from seeing providers that participate in the 340B Program. These tactics limit patient access to care and divert money away from safety-net hospitals to commercial insurance companies and out-of-state drug manufacturers. These activities threaten already slim hospital margins, while drug companies enjoy margins of 20% to 30%.

During the 2024 legislative session, MHA will advocate for Senate Bill 751 and House Bill 2267, which require manufacturers to allow hospitals to contract with multiple pharmacies, ensure all patients receive the benefit of 340B discounts, and prohibit insurers from discriminating against hospitals that purchase drugs through the 340B Program.

Stop Prior Authorization Abuses

Insurance companies save money by manipulating the prior authorization process. Indiscriminately denying treatment recommended by a patient's physician — often through artificial algorithms — delays and disrupts care, and contributes to negative outcomes for those patients. Many of these denials are overturned in the appeals process, so the practice serves no purpose but to inconvenience patients and place administrative burden on providers.

Insurance companies must be held accountable for practices that unnecessarily impede patients' access to health care and interfere with the physician/patient relationship. In the 2024 legislative session, MHA will advocate for HB 1976 and SB 983 to stop these abuses by requiring insurers to authorize care requested by providers who have a demonstrated history of requesting treatment that is appropriate and necessary.

Prohibit Unsafe White Bagging Practices

White bagging occurs when an insurance company requires a hospital to administer a drug from the insurance company's preferred pharmacy instead of allowing the hospital to dispense the drug directly from the hospital's pharmacy. Infusion drugs, including cancer treatments, often are white bagged for the sole purpose of saving the insurance company money, without regard for patient safety. These drugs are highly specialized and compounded to the specific condition of the patient. White-bagged drugs often arrive with improper labeling, leading to suboptimal storage conditions. Often, a patient's condition changes between the time the insurer's pharmacy ships the drug and the patient is scheduled to receive it, leading to unnecessary waste. It is far more efficient for the hospital to dispense these drugs just before administration to the patient. MHA-backed legislation would prohibit insurance companies from forcing patients to access needed drugs only from these white-bagged sources.

Regulatory Reforms

Regulatory burdens, red tape and inefficient government systems impede access to care, increase costs and contribute to burnout for health care workers. MHA's legislative priorities include bills to reduce barriers to the effective delivery of health care.

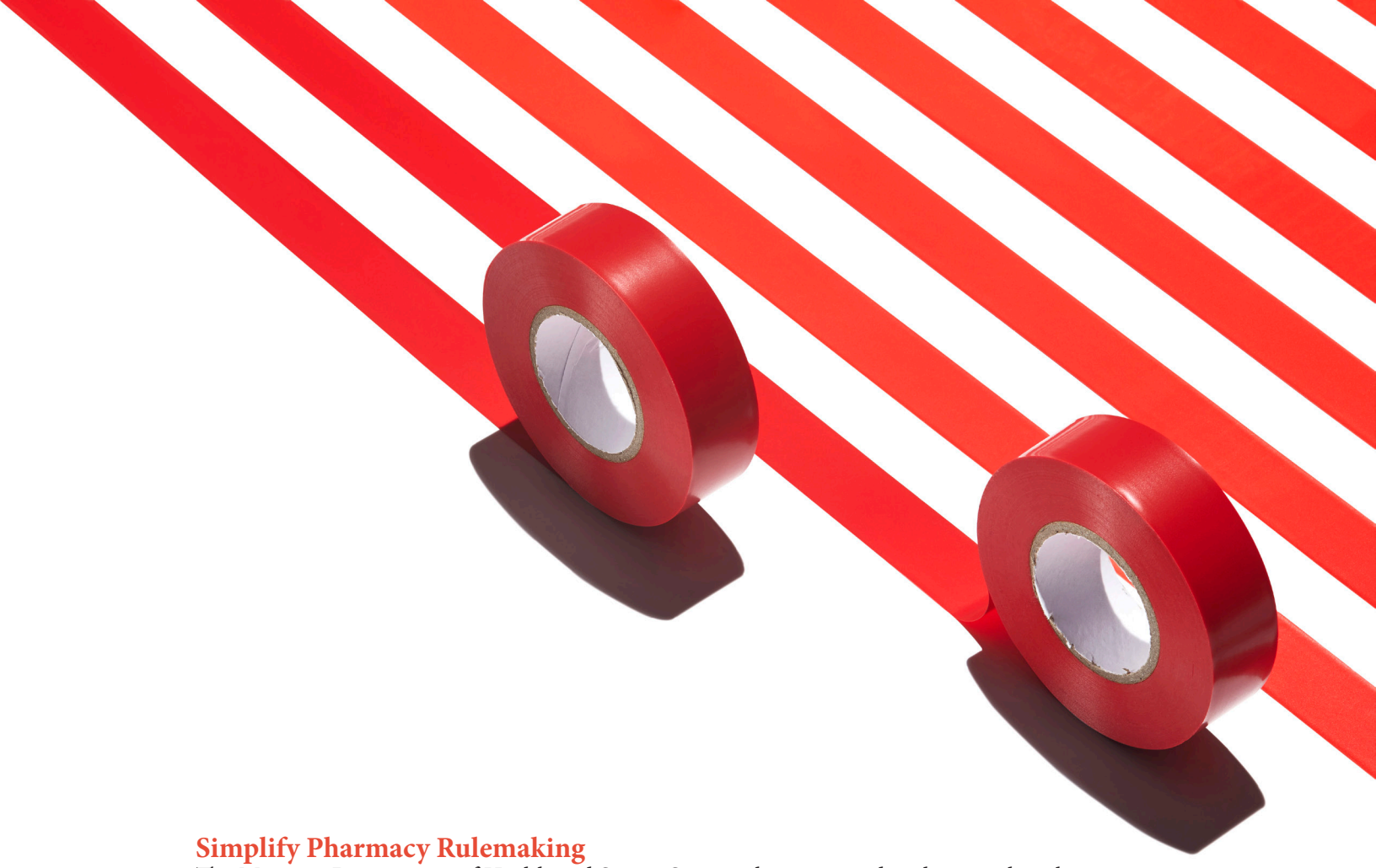
Improve the Time Critical Diagnosis System

MHA continuously has strived for improvements to the Time Critical Diagnosis system and advocated for hospitals to have a strong voice in crafting a robust continuum of stroke, STEMI and trauma care. Unfortunately, regulatory overreach is threatening the ability of many hospitals to maintain their TCD designations. Overly rigorous interpretations of physician coverage requirements will lead to the loss of critical care services in many communities. In many instances, state surveyors are imposing more stringent requirements than national designating bodies, while ignoring the current physician labor shortage. Unnecessary enforcement activity also increases administrative burden and health care costs. MHA supports HB 2220 and SB 873, which clarify physician coverage standards, authorize shared consultative services among designated hospitals, and allow a hospital certified by The Joint Commission as a comprehensive cardiac center or a comprehensive heart attack center to be designated in Missouri as a Level I STEMI center.

Streamline Physician Licensure

MHA regularly intervenes on behalf of members to reduce the lag times for physician licensure. The application process administered by the Missouri Board of Registration for the Healing Arts is overly cumbersome, and applicants are required to submit burdensome and irrelevant materials. The submission of many documents could be eliminated through a simple background screening process. It is difficult for hospitals to recruit and retain physicians in a tight labor market, and the current lapse between hiring and licensure is creating undue hardship on hospitals and their patients.

SB 1030 substantially would streamline the physician licensure process by reducing the amount of paperwork associated with the application. It would require the Board of Healing Arts to verify certain information by background screening instead of burdening applicants with the collection and submission of basic information. The bill also imposes strict timeframes by which applications must be processed.



Simplify Pharmacy Rulemaking

The Missouri Department of Health and Senior Services has exercised exclusive rulemaking authority over inpatient hospital pharmacies for years. Statutory changes in 2014 created ambiguity about the Missouri Board of Pharmacy's oversight role for hospital pharmacies. Because of these changes, DHSS has been reluctant to promulgate inpatient pharmacy rules without approval from the Board of Pharmacy. Statutory changes are needed to return to the intended structure, so MHA has proposed SB 1251 to clarify regulatory jurisdiction over the delivery of pharmacy services within hospitals.

Defeat Additional Price Transparency Requirements

Hospitals are subject to competing price transparency requirements imposed by Congress, federal agencies and the state. HB 1837 and SB 1212 would penalize hospitals deemed not in material compliance with price transparency requirements, creating a private right of action against hospitals seeking to collect medical debt. The bills do not define material compliance with federal price transparency laws and create an unnecessary additional layer of regulatory complexity and enforcement activity. MHA opposes these bills.

Oppose Unnecessary Billing Requirements

Policymakers seeking transparency in health care costs and billing sometimes impose increased administrative burden with little benefit. SB 986 and HB 1943, titled as "Honest Billing" acts, are examples of such legislation. These bills would require hospitals to obtain and use an outpatient National Provider Identifier separate from the hospital's main NPI. No claims submitted without the appropriate NPI would be paid by an insurer or enrollee.

This bill is unnecessary, as hospitals already use codes to identify services provided by outpatient departments. MHA will oppose the bill.

Hospital Finance

Hospitals care for patients at all acuity levels, regardless of payment source. Incremental reimbursement reductions from governmental payers and competitive pressures from insurance companies drive down hospital revenues, while inflation and labor shortages increase costs. While the average operating margin of a Missouri hospital is shrinking and often in the red, the median operating margin for health insurance companies and pharmaceutical manufacturers remain healthy. Unlike their health care industry cohorts, hospitals cannot flex in the face of market challenges because most of their payments are nonnegotiable. At the same time, they are held to many stringent and inflexible regulatory requirements that add administrative burden and cost. MHA will advocate for appropriations that sustain hospitals' bottom lines to ensure appropriate access for Missourians in need of care.

Extend the Federal Reimbursement Allowance

The Federal Reimbursement Allowance generates $1.27 billion in hospital taxes and produces nearly $3 billion in additional federal matching dollars to support the state's Medicaid program. The FRA provider tax is critical to the state's ability to fund the state's health care infrastructure and ensure access for Missourians needing care. The tax will sunset on Sept. 30, 2024, if the General Assembly does not act to extend it.

SB 748 and SB 840 seek to renew the FRA without any future sunset. MHA supports these bills and will advocate to ensure this necessary funding mechanism passes unencumbered.

Support Lower Hospital Taxes

In 2023, MHA successfully advocated for the state to supplant the Federal Reimbursement Allowance Fund with $20 million in general revenue funds to lower the tax. In state fiscal year 2024, the FRA tax on hospitals was 4.8%, down from 5.4% in the preceding fiscal year. Hospitals can use these tax savings to support their operations and address existing financial challenges. MHA will advocate for a continuation of this funding stream.

Pay Hospitals Fairly for Patients Lacking Placement

Individuals experiencing a mental health crisis or other acute health condition frequently present to a hospital emergency department. Once they are stabilized, ongoing treatment can be difficult to obtain. Acute care hospitals are built and staffed to treat acute medical conditions and to stabilize individuals experiencing a mental health crisis. Once stabilized, patients should be discharged to home or an appropriate community care setting that offers much-needed social and emotional supports and follow-up care. Too often, patients who are ready for discharge are boarded in the hospital because there is no place for them to receive ongoing care.

Because these patients do not require hospitalization, hospitals typically are not reimbursed for these stays. Patients may end up boarding in a hospital for days, weeks, months or more than a year. Because a hospital is not the best care setting for these patients, their mental health frequently degrades, leading to aggressive and violent behavior that endangers caregivers and other patients. Hospitals compensate by increasing staff or closing beds. Uncompensated boarding costs hospitals millions of dollars every year.

Similarly, developmentally disabled clients of the Missouri Department of Mental Health frequently are boarded in acute care hospitals while waiting for placement in an appropriate care setting. MHA advocated for and received $2 million in FYs 2023 and 2024 to reimburse hospitals that care for these individuals. Reimbursement requests far exceeded available funds for FY 2024. MHA will advocate for an overall increase in the appropriation to $7 million for SFY 2025. MHA also will request $2 million in new funding to reimburse hospitals for behavioral health patients who lack placement in an appropriate care setting.

Enhance Payments for Behavioral Health Care

MHA advocacy, in close collaboration with the MO HealthNet Division, led to a $25 million allocation for inpatient behavioral health services provided to MO HealthNet beneficiaries in SFY 2024. MHA will seek to continue that funding through the next state fiscal year.

Incentivize Citizen Support for Hospitals

Funds raised by hospital foundations improve the quality of hospital services and enrich the programs hospitals provide to their communities. Fundraising efforts connect citizens with their local hospital and strengthen ties between community members and the facility. MHA supports HB 1731, which provides tax credits to incentivize donations to a hospital foundation.

Patient Care

Hospitals provide comprehensive, quality, patient-centered care to millions of Missourians in a complex regulatory environment with new requirements imposed each year. Some legislative changes enhance patient safety or improve their experience and quality of care. Some laws create administrative burden or inadvertently complicate hospital operations. Each year, MHA seeks legislative changes that create a more favorable environment for hospitals to better care for patients and serve their communities.

Direct Patients to Appropriate Care Settings

In 2020, SB 569 created a telehealth network for victims of sexual assault. The legislation created Section 197.135, RSMo, requiring all hospitals to conduct a forensic examination of sexual assault victims. Hospitals without a sexual assault nurse examiner, or similarly trained physician or nurse, must conduct the exam with assistance through the Missouri Telehealth Network. DHSS, which is charged with oversight of the program, requires all personnel who may be required to conduct a forensic exam to receive several hours of training.

Specialty hospitals, such as psychiatric facilities, long-term acute care hospitals and inpatient rehabilitation facilities, normally do not treat victims of sexual assault and are not staffed to treat the medical conditions associated with sexual assault. To ensure that victims of sexual assault receive care in an appropriate setting, MHA will advocate for legislation that exempts specialty hospitals from these requirements if they have a policy for transferring victims to an appropriate setting with an ED.

Decrease Boarding of Children in Hospitals

Missouri hospitals are seeing an influx of patients, including children, that present to the ED with an acute mental health crisis but who, once stabilized and no longer require hospitalization, lack placement opportunities for ongoing care. These children end up boarding in the hospital, which is not equipped to provide the social, emotional or educational supports they need. As a result, their mental health frequently degrades, leading to violent and aggressive behaviors that contribute to violence against the health care workforce.

Many of these children would benefit from services offered by the Missouri Department of Social Services, Division of Children's Services, but are not properly referred into the juvenile justice system. MHA will advocate for legislation that compels the juvenile justice system to take custody of children boarding in hospitals to ensure they receive the appropriate care and supports, including services through DMH.

Increase Access Through Telehealth

Telehealth promotes access to needed health care services across the state. It connects Missourians to primary care and specialty providers, and it improves patient satisfaction and convenience. The use of telehealth greatly expanded during the COVID-19 pandemic, with positive outcomes for patients and providers. MHA supports efforts to maximize the benefits of virtual health care while ensuring care is provided safely and effectively. Several bills have been filed to expand telemedicine platforms to include audiovisual and audio-only technologies, which will enhance communications between patients and their providers. MHA supports these bills.

Establish Health Care Decision-Makers

Missouri is one of the few states without laws establishing the order in which family members are authorized to make health care decisions on behalf of an incapacitated patient. When family members disagree on the best course of treatment, hospitals cannot rely on a single authority to speak for the patient. MHA supports legislation that would address the order in which family members are authorized to make health care decisions in these situations.

Workforce

Hospitals continue to experience labor shortages in nearly all aspects of their operations. Nurses, physicians and technicians are in short supply as workers retire, burn out or leave for other professions. A skilled, resilient workforce is necessary to the provision of quality care. MHA advocacy efforts are focused on ensuring individuals have access to the education and training necessary to enter health professions, as well as removing environmental and regulatory impediments that interfere with the ability to perform their jobs.

Boost the Nursing Pipeline

The Nursing Education Incentive Program works to increase capacity in nurse education programs. Funds are used to enhance the salaries of clinical nurse faculty and provide training opportunities for nursing students.

The NEIP historically was funded through licensure fees collected by the Missouri State Board of Nursing. While nursing education program capacity for students increased over time, most funding requests were denied due to a lack of funds or the program's cap of $150,000 per award.

In 2022, MHA successfully advocated for legislation that increased the cap on grants awarded through the program to $300,000 and secured $3 million in general revenue for the program. In 2023, MHA was able to increase that appropriation to $5 million. MHA will request that funding level continues in FY 2025.

Support Nursing Scope of Practice

Advanced practice registered nurses are critical to providing quality care in all areas of the state. In rural areas, APRNs are key to ensuring access to quality health care for primary and chronic conditions. These practitioners foster collaborative, patient-centered care across multidisciplinary teams and enhance the capacity and capability of the health care continuum.

MHA supports allowing APRNs and certified registered nurse anesthetists to function to the fullest extent allowed within their scope of practice, with appropriate physician collaboration and oversight. MHA believes that collaboration between advanced practice nurses and physicians creates better patient outcomes and helps to advance the knowledge and skills of the nursing workforce.

Numerous bills have been filed to remove various restrictions on advanced practice nurses' ability to exercise autonomy within their practice. MHA is supportive of measures that create an appropriate balance of collaboration and practice authority for professional nurses.

Expand the Maternal Workforce

Quality pre- and postnatal care is critical to the health of mothers and infants, as the causes of pregnancy-associated morbidity and mortality largely are preventable. Accessing maternity care is increasingly difficult, mainly due to labor shortages and geographic disparities. Numerous states are expanding workforce capacity by establishing criteria for doulas to be reimbursed for care provided to expectant and postpartum women. Two bills have been filed in Missouri to regulate the practice of doulas, HB 1446 and HB 2239.

Increase the Number of Rural Providers

In SFY 2024, the legislature appropriated $2.3 million to support the establishment of state-based residency slots in primary care and psychiatry. DHSS has been working to establish the criteria for these slots, which will place needed services in underserved areas of the state. MHA will support ongoing funding for this program.

Legislation containing additional incentives for rural providers has been filed. HB 1925 would establish a rural health care professional grant program providing $20,000 annually for five years to health care providers who practice in rural counties. The grants would be made available to primary care physicians, dentists, RNs, psychiatrists and chiropractors.

Improve Child Care Opportunities

Workforce issues are exacerbated by the lack of available and affordable child care services throughout the state. HB 1488 and SB 742 establish various tax credits to incentivize improvements to or expansion of child care facilities, the establishment of employer-provided child care, and individual contributions to child care facilities.

Combat Human Trafficking

Two bills have been introduced to require various health care personnel receive training to recognize and mitigate sex and human trafficking. HB 1706 would establish a committee to develop and evaluate training requirements for providers, including paramedics and nurses. HB 1916 imposes training requirements for first responders and hospital employees. Recognizing that these victims often are seen in hospital emergency and outpatient departments, MHA supports efforts to reduce sex and human trafficking but will advocate for training that is appropriate and reasonable for the hospital setting.

Prevent Mandated Staffing Ratios

Two bills implementing minimum nurse staffing ratios have been filed in the House. HB 1675 and HB 1684 would require hospitals to develop detailed staffing plans that ensure a minimum number of direct care nurses always are available on a given unit. These bills restrict how nurses may be deployed to provide coverage unless certain training or orientation requirements are met.

The number of patients for whom a nurse can provide safe, competent and quality care is dependent upon multiple factors, including patient acuity, care delivery models, nurse education and experience, support staff, and unit layout. These bills would prohibit hospitals from using technology, including video monitoring, to meet mandated coverage requirements. Mandated nurse staffing ratios are a static and ineffective tool that cannot guarantee a safe health care environment or quality level to achieve optimal patient outcomes. This approach exacerbates an escalating nurse labor shortage and will result in reduced access to care as hospitals are required to close beds due to a lack of required staff.

Effective Operations

Hospitals strive to provide safe and effective care settings for their staff, patients and visitors. During the legislative session, MHA will advocate for legislation that creates a favorable environment for hospital operations and oppose attempts to impose unnecessary and highly burdensome conditions that impede hospitals' ability to effectively compete and serve their communities.

Support Tort Reform

MHA supports judicial reforms that protect hospitals from untimely lawsuits and excessive litigation costs. HB 1964 reduces the statute of limitations for personal injury actions from five to two years, bringing Missouri in line with other states. HB 1965 modifies the collateral source rule by preventing plaintiffs from introducing evidence of medical charges that far exceed what they or their insurer actually paid, thereby preventing them from receiving windfall judgments.

Protect Hospitals' Ability to Collaborate and Consolidate

While undoubtedly providing a public service, hospitals and health systems are not immune to market pressures and competition of all types. Market pressures increasingly are inducing hospitals to forge partnerships with other facilities or health systems, or to consolidate operations to achieve economies of scale. Absent merger, some independent hospitals would be threatened with closure. Hospitals should be free to enter into agreements that ensure continued economic viability and long-term survival, including agreements with hospitals or health systems that operate in multiple states. These partnerships also enhance best practices and ensure Missourians' access to the highest quality care. SB 789 includes overly broad prohibitions on hospitals' ability to collaborate with institutions in other states intended to improve care offered by Missouri hospitals. MHA supports hospitals' ability to freely contract with other hospitals and health care institutions to ensure financial stability or improve patient care.

Support Policies That Ensure Staff and Patient Safety

While numerous bills have been filed since 2020 to prohibit employer-required vaccinations, MHA has successfully advocated for reasonable vaccine policies that allow hospitals to comply with federal vaccine mandates and ensure safe care environments for patients and staff. Several bills have been filed for the 2024 session that would impede hospitals' ability to impose appropriate vaccine policies or follow federal mandates, should they be issued.

HB 1424 and SB 1085 would require employers to allow religious, philosophical, ethical and moral exemptions from any policy mandating COVID-19 vaccinations. While federal law recognizes the right of employees to decline vaccination for religious or disability-related reasons, exemptions based on personal beliefs are not recognized. MHA will oppose these bills because they potentially force hospitals to choose between compliance with state or federal law. SB 909 would not allow a health care facility that refuses to treat an individual based on his or her COVID-19 vaccination status to receive public funds, including Medicaid payments.

Preserve the Certificate of Need Program

The Certificate of Need program ensures that proposed health care services meet the needs of the community and do not result in oversaturation of a particular market. Absent CON, specialty providers that cherry-pick the most lucrative lines of service could proliferate and threaten the viability of hospitals providing essential care. As hospitals lose patients supported by commercial insurance, they are left with a payer mix consisting largely of governmental payers that pay less than the cost of care. This shift could force the closure of financially strapped hospitals, especially in rural areas. SB 1087 would repeal the CON program. MHA will continue to oppose this measure and other efforts to undermine CON. MHA is supportive of reasonable reforms to the program.

Support Efforts to Provide Equitable Care

In 2023, several measures were filed to restrict hospitals' ability to educate staff on principles related to "diversity, equity, inclusion and belonging." Regardless of the labels used, hospitals should strive to ensure their patients and members of their communities have full and fair opportunities to be as healthy as they choose. Sensitivity to environmental and social barriers that deter or impede access to health care is key to the provision of effective and quality care. MHA will oppose efforts to limit hospitals' ability to appropriately train staff to treat all patients with dignity and respect.

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