

2010 Public Policy Priorities January 2010

Alliance Board Approved - 3/16/10

On January 28, 2010 the advocacy team leaders from the Alliance's member systems identified the following issues as the Alliance's 2010 public policy priorities¹:

Health Care Reform. The Catholic tradition holds that access to necessary health care is a fundamental right and justice demands advocacy on behalf of universal health insurance coverage. Given the current economic turndown and federal and state budget crises, we believe that health reform is essential to reducing the number of uninsured Americans and controlling the rate of increase in health care costs. Health care reform must, therefore, continue to command priority attention in Congress, along with job creation and other efforts to protect working families. The Alliance will continue to collaborate with its member health systems and hospitals on behalf of a reformed health care system based on the Ministry's Principles of a Just Health Care System (attached).

Access to Health Care: Protecting the Safety Net. Sustaining access to health care for vulnerable persons will continue to be a top state priority for the Catholic health care ministry. The state's continuing fiscal crisis will create considerable pressure to reduce Medi-Cal and Healthy Families program costs including, among other things, reducing eligibility and benefits, increasing cost sharing through premiums and co-payments, adjusting provider rates, reducing funding to safety net providers and increasing utilization controls. The Alliance will focus its advocacy efforts on: maintaining the eligibility and benefits provided by the Healthy Families Program; mitigating the effects of the Administration's budget recommendations that gives it almost unfettered authority to: authorize adjustments in provider rates, increase utilization controls such as a cap on inpatient services, and increase cost-sharing through higher co-payments and premiums. The Alliance will partner with other organizations to protect vital disproportionate share hospital (DSH) funding. The Alliance also recognizes that there needs to be attention to policy efforts that increase the availability of and access to physicians for vulnerable persons, especially in underserved and rural areas.

In addition to efforts to mitigate any budget reductions to hospitals and services to the most vulnerable, a key focus will be on the Administration's effort to obtain additional federal funding in the next Section 1115 waiver. The current hospital funding waiver expires on August 31, 2010. As part of its waiver renewal negotiations with the federal government, the Administration has provided a concept paper that calls for creating more accountable coordinated systems of care, strengthening the health care safety net, rewarding health care quality and improving outcomes, slowing the long-term expenditure growth rate of Medi-Cal, and expanding coverage to uninsured Californians. In partnership with the broader hospital community and its member hospitals which rely on DSH funding, the Alliance will advocate for the inclusion of funding for private safety net hospitals, protection of the vital role that hospitals play in any restructuring of the delivery system, and positively influence the effects of transitioning

¹ The proposed 2010 public policy priorities were developed consistent with the Alliance's Values and Mission, as well as the Alliance Board-approved strategic goals.

payments for private hospital inpatient services from the current per diem system to an alternative, such as a diagnosis or acuity based system.

And finally, during 2009 the hospital community focused its resources on the passage of the hospital provider fee program. In large measure, the benefit of passing the hospital provider fee program was to take advantage of the increased federal Medicaid matching rate (FMAP), resulting from federal stimulus funding, for California from 50-50 to a 62-38 match. If the FMAP reverts back to the 50-50 match, the state will have to restore approximately \$700 million in General Fund (GF) money to maintain Medi-Cal payments to hospitals at current levels – which some predict is an unlikely scenario given the state’s severe budget shortfall. In addition, the Governor’s proposed budget also contemplates \$560 million in GF savings by substituting a like amount of the hospital provider fee revenue to pay for children’s health coverage. The Alliance will support federal and state efforts to extend the increase in FMAP; and will work to protect the hospital provider fee program and mitigate attempts to use the hospital provider fee, to the detriment of hospitals, e.g., to back-fill GF budget reductions to the Medi-Cal and other programs.

Protecting Not-For-Profit Health Care: Tax-Exempt Status, Charity Care and Community Benefit. For the last several years, federal and state legislators continue to advocate for increased accountability and reporting related to the community-benefit obligations of tax-exempt hospitals. The Alliance will continue to provide leadership within the health care community on state and federal legislation/regulation dealing with hospital charity care policies/billing practices, community benefit obligations, protection of tax-exempt status. In 2010, the Alliance will continue to work with its member systems and hospitals to mitigate efforts to require burdensome, redundant or unnecessary reporting requirements, such as those required by the Board of Equalization (BOE).

Palliative and End of Life Care. The Catholic health care ministry has long supported public policies and programs that address the special needs of persons at the end of life. In the face of repeated attempts to legalize assisted suicide in California, the Ministry must be proactive in promoting positive alternatives to this troubling policy proposal. Proponents of assisted suicide often argue that existing palliative care programs are inadequate to meet the needs of patients who are at the end of life. While the Alliance will continue to provide leadership and financial support to the coalition of health care, disability rights and faith-based organizations that are opposed to physician assisted suicide in California, it will also address and promote positive end of life policies. The Alliance and the Catholic health ministry will continue to promote the implementation of Physicians Orders for Life Sustaining Treatment (POLST) throughout California, including implementation of policies and engagement in community coalitions, and will continue to provide leadership to statewide palliative care and end of life coalitions.

In light of the United States Catholic Conference of Bishops (USCCB) revision to Directive 58 of the *Ethical and Religious Directives for Health Care Services*, which incorporates recent authoritative Church teaching regarding nutrition and hydration of persons in a “permanent vegetative state,” the Alliance will coordinate any statewide response to issues that may arise due to the revision, including working to mitigate any attempts to legislate a change in public policy that would compel Catholic hospitals to violate the intent of the Directives.

Sustaining Catholic Ethical Integrity: Religious Freedom. During the past thirty years, the U.S. Congress has enacted a series of conscience laws that protect health care providers from being compelled to provide abortion, if doing so would violate their ethical or religious beliefs.

The most recent conscience clause – the Weldon Conscience Protection Amendment – specifically protects institutional health care providers and has been re-enacted annually as a rider to the Labor-HHS appropriations bill. Also, during the last part of the Bush Administration (2008) the U.S. Department of Health and Human Services issued a regulation that would enforce the conscience clauses. President Obama has publicly indicated that he supports a “sensible” conscience regulation, including one that would be every bit as strong as the Bush-era conscience regulation his Administration announced, early last year, its intention to rescind. Despite the President’s stated support for conscience rights, the status of the Bush-era conscience regulation remains unclear. The federal conscience laws are especially important to Catholic health care providers in California, where certain state elected officials have engaged in a decade-long effort to compel hospitals to provide or arrange for the provision of abortion – despite the fact that, with the third highest abortion rate in the nation, abortion is readily available in California. The Catholic health ministry must remain vigilant in protecting the provider conscience laws. During 2010, the Alliance will continue to advocate for the inclusion of Weldon in the annual appropriations bills and work with the Obama Administration to develop an effective conscience provider regulation. In general, it will defend its members’ ethical integrity in the legislative and regulatory arenas, as well in the courts.

Community Health/ Eco-Justice. As a health care ministry, Catholic hospitals seek to promote the broader health of their communities, responsible stewardship of the environment, and environmentally responsible practices in health care. The prominence of Catholic health care organizations in their communities and in the overall state economy provides them with a unique opportunity to positively impact community health and eco-justice concerns. During 2010, the Alliance in partnership with its ministry health systems and hospitals will support efforts related to wellness, childhood obesity and other related matters affecting the health of communities.

*The following have been identified as issues that the Alliance will monitor and assist in advocacy with its health system members and association partners: **Workforce/Labor Issues; Seismic Safety Mandate Deadlines; Employment of Physicians and Peer Review.***