



National
Association
of Public
Hospitals
and Health
Systems

NAPH Health Reform Principles

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Summary of NAPH Health Reform Principles

Coverage

- NAPH strongly supports the goal of universal coverage.
- Expanded health coverage must be grounded in a complete benefit package.
- Coverage expansions will be most effective if safety net health systems – where the uninsured currently receive their care – are looked to as a partner in health reform. Safety net health systems provide access to care for vulnerable patients; enroll individuals in coverage plans; and manage patient care.
- Even with the goal of universal coverage, policymakers must plan for the individuals who will remain uninsured or under-insured.

Access

- Health insurance coverage alone does not guarantee that patients will have access to needed health care services.
- The Medicaid disproportionate share hospital (DSH) program ensures health care access in medically underserved areas for a wide range of patients, not just the uninsured.
 - In order to meet the needs of vulnerable patients, wraparound services – such as transportation, language assistance, patient navigation and social work services – must be adequately funded.
 - It is essential to ensure ongoing support for services that benefit all community residents such as burn centers, trauma centers, pharmacy services and mental health care.
 - Support for surge capacity and emergency readiness should be a priority.
- Expanded coverage should not be financed with Medicaid DSH funding as long as it is needed to ensure access to critical community-wide services and health care services for Medicaid and uninsured patients.
- Graduate medical education (GME) programs must continue to be supported to ensure a high quality and adequate physician workforce for the future.
- Physicians and hospitals must be paid adequately for treating all patients, including those with public health coverage.

Value

- Health care must be well-coordinated and patient centered; patients must have stable and consistent access to primary and preventive care.
- Policymakers should provide incentives to improve the continuum of care across health care providers.
- Innovative care delivery models that help control costs and improve quality must be the building block for health reform.
- The health care system must extract greater value and improved quality via payment system reforms.
- Providers must be accountable for quality care.
- Health reform initiatives must recognize that information technology is an effective tool to manage patient care and prevent medical errors.
- Well-financed community health initiatives are essential to protect public health and guard against health threats such as pandemic flu, HIV/AIDS and tuberculosis.



Detail on NAPH Health Reform Principles

Coverage

- **NAPH strongly supports the goal of universal coverage.** Universal health coverage is an essential element of improving the health care system and addressing the needs of 46 million uninsured Americans. In addition to universal health coverage, it is essential to ensure that patients have access to necessary health care services.
- **Expanded health coverage must be grounded in a complete benefit package.** Health coverage that is widespread, but with inadequate benefits for patients and below market payments for providers, will not result in increased health care access or efficient, cost-effective care.
- **Coverage expansions will be most effective if safety net health systems – where the uninsured currently receive their care – are looked to as a partner in health reform. Safety net health systems provide access to vulnerable patients; enroll individuals in coverage plans; and manage patient care.**
- **Even with the goal of universal coverage, policymakers must plan for the individuals who will remain uninsured or under-insured.** It is necessary to plan for the health needs of the ongoing uninsured – whether individuals are categorically ineligible for coverage or simply have not obtained insurance. Routinely assessing the number of uninsured accessing health care services via safety net health systems – and the actual services they require – is essential in order to adequately fund the safety net for their care.

Access

- **Health insurance coverage alone does not guarantee that patients will have access to needed health care services.** Special attention is required to ensure that publicly-insured and vulnerable patients can actually access providers and necessary health care services.
- **The Medicaid disproportionate share hospital (DSH) program ensures health care access in medically underserved areas for a wide range of patients, not just the uninsured.** DSH funding benefits individuals enrolled in Medicaid, SCHIP and other safety net programs, as well as the low income elderly, in part by supporting providers that receive low Medicaid payment rates. It also allows hospitals and health systems to provide access-related services such as trauma, burn, neonatal intensive care and other community-wide specialty services; stand-by readiness costs for medical emergencies; extra patient support services; and education and outreach services. Whether through DSH or through another mechanism, support for the following is critical to preserve health care access in the future:
 - **In order to meet the needs of vulnerable patients, wraparound services – such as transportation, language assistance, patient navigation and social work services – must be adequately funded.** We must recognize that not all patients are able to access the health care system, or its benefits, with ease.
 - **It is essential to ensure ongoing funding support for services that benefit all residents of the community.** As health care systems are increasingly squeezed by market-based plans, it will be difficult for them to adequately finance high-intensity and costly essential community services such as trauma care, burn care, neonatal intensive care services, pharmacy services and mental health care.
 - **Support for surge capacity and emergency readiness should be a priority.** Our nation must have an adequate public health infrastructure so that patients can access care during natural and manmade disasters.
- **Expanded coverage should not be financed with Medicaid DSH funding as long as it is needed to ensure access to critical community-wide services and health care services for Medicaid and uninsured patients.** DSH funds do not currently cover all the costs of caring for the uninsured. DSH



funds should not be diverted to fund expanded coverage until all health care access needs are met for patients who remain uninsured, Medicaid payment shortfalls are covered, Medicaid patient access needs are met and essential communitywide services are protected. Health care coverage expansions – via the market or public programs – take time. Funding that now supports the cost of hospital care to the uninsured and finances otherwise uncompensated Medicaid costs cannot be transitioned to any other use until such costs are fully covered.

- **Graduate medical education (GME) programs must continue to be supported to ensure a high quality and adequate physician workforce for the future.** Demand for physicians – especially primary care – continues to outpace supply. Creating a sufficient supply of primary and specialty care physicians that all patients can access in a timely fashion is critical. Currently, GME is funded primarily through supplemental Medicare and Medicaid payments. A reformed system must preserve and enhance these funding sources to ensure that patients can access high quality physicians now and in the future.
- **Physicians and hospitals must be paid adequately for treating all patients, including those with public health coverage.** When Medicare and Medicaid provider payments are inadequate, access for beneficiaries of both of these programs is jeopardized. Public programs should pay commercially competitive rates or provide additional support for providers serving higher levels of public patients.

Value

- **Health care must be well coordinated and patient centered; patients must have stable and consistent access to primary and preventive care.** This requires front-end investment in prevention and primary care as an integral part of health reform. Coordinated, patient-centered care – where patients have a real home for their health care needs – is critical and has been proven a worthwhile investment to reduce overall health care costs.
- **Policymakers should provide incentives to improve the continuum of care across health care providers.** Safety net health systems – which connect inpatient hospital care with primary care, specialty outpatient care, pharmacy services, social work and counseling in offsite clinics – provide a forum to develop best practices.
- **Innovative care delivery models that help control costs and improve quality must be the building block for health reform.** Policymakers should create opportunities for continued experimentation at the local and state level. Policymakers should capitalize on current innovations – particularly in safety net health systems – to improve care for vulnerable patients and decrease health disparities among all racial and ethnic minorities. Additional safety net innovations now under way to expand medical homes and improve chronic care management should also be examined to improve quality and lower costs.
- **The health care system must extract greater value and improved quality via payment system reforms.** The health care financing system can deliver better returns through incentives for continuous innovation and improvement.
- **Providers must be accountable for quality care.** Data should be transparent, accurate and useful to patients, policymakers and health care providers. Efforts to streamline the administrative burden of data collection are critical.
- **Health reform initiatives must recognize that information technology is an effective tool to manage patient care and prevent medical errors.** Health information technology (HIT) investments are especially critical in safety net health systems. Although safety net systems typically lack excess capital and cannot get reimbursed for HIT investments from patient care revenue, they can use technology effectively in their integrated care systems.
- **Well-financed community health initiatives are essential to protect public health and guard against health threats such as pandemic flu, HIV/AIDS and tuberculosis.** Community based health initiatives also deliver great value by reaching patients via education – encouraging preventive screenings and healthy lifestyles.



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