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Statement

of the

American Hospital Association

for the

Ways and Means Subcommittee on Health of the

U.S. House of Representatives

"Identifying Innovative Practices and Technology in Health Care"

April 26, 2018

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates the opportunity to submit comments on innovative practices and technology in health care.

The health care system is changing at a rapid pace, with technology enabling the transformation of how people receive health care and how the health care system is organized. This statement highlights some of the innovations happening in hospitals and health systems, with a particular focus on using telehealth, other technologies and new delivery models to coordinate care. These innovations are allowing hospitals to meet patients' needs for greater convenience and online access. However, updates are needed to legal and regulatory structures to continue to enhance the consumer experience, better coordinate care, and allow for greater use of technology.

INNOVATIONS IN ACTION

Hospitals and health systems are adopting innovative technologies to provide convenient access to care for patients, and these advancements hold great promise to provide a more friction-free experience and improve patient satisfaction. The implementation of telehealth, improved

information sharing and new delivery system models are not only enhancing convenience but providing greater value for patients.

Telehealth. Telehealth is changing health care delivery. Through videoconferencing, remote monitoring, electronic consultations and wireless communications, telehealth expands patient access to care while improving patient outcomes and satisfaction.

Telehealth offers a wide-range of benefits, such as:

- Immediate, around-the-clock access to physicians, specialists, and other health care providers that otherwise would not be available in many communities;
- The ability to perform remote monitoring without requiring patients to leave their homes;
- Less expensive and more convenient care options for patients; and
- Improved care outcomes.

Telehealth solutions also have the potential to improve hospital workforce stability. For example, telehealth empowers local physicians through access to distant specialists who can collaborate on diagnosis and a patient's treatment plan. Hospitals and health systems are at the forefront of expanding telehealth. More than 65 percent of hospitals have implemented telehealth in at least one care unit, while an additional 13 percent plan to implement telehealth within the next year.

Telehealth also provides hospitals a way to serve more patients suffering from behavioral health problems and substance use disorders. Many hospitals have implemented telepsychiatry programs in their emergency departments by forming partnerships with residential treatment facilities. A recent AHA report[1] highlights programs such as these and explores a range of innovative solutions that hospitals and health systems are utilizing to deliver the right care, in the right place, at the right time. These examples illustrate how the ingenuity of health care providers has created measurable improvements in patient outcomes and savings for the health care system. However, limitations in Medicare reimbursement for telehealth limit the ability of that program's beneficiaries to benefit from virtual care.

Sharing Health Information. Technology platforms allow for greater sharing of health information with consumers and across settings of care. According to AHA survey data[2], 93 percent of hospitals and health systems provide patients with the ability to access their electronic health records online, up from only 27 percent in 2012. Consumers also can download their information and choose to send it to a third party. Hospitals and health systems increasingly offer other online services, such as prescription refills, appointment scheduling, and secure messaging that make care more convenient. AHA data[3] also show that hospitals and health systems have deployed systems to share health records with other providers of care to better support care coordination and transitions across settings of care. Seventy-one percent of hospitals and health systems share clinical or summary of care records with ambulatory care providers outside their system, up from 37 percent in 2012. While information sharing is increasing, providers still encounter barriers, such as cumbersome workflows and difficulty matching patients to records.

[1] Telehealth: Delivering the Right Care, at the Right Place, at the Right Time. Case Examples of AHA Members in Action. https://www.aha.org/case-studies/2017-07-01-telehealth-delivering-right-care-right-place-right-time
[2] Sharing Health Information for Treatment. https://www.aha.org/guidesreports/2018-03-01-sharing-health-information-treatment
[3] Expanding Electronic Patient Engagement. https://www.aha.org/guidesreports/2018-03-01-expanding-electronic-patient-engagement

And, as systems become more connected, there are more opportunities for bad actors to target cyber attacks against health care systems. Indeed, recent years have seen a growing number of attacks. It is important, therefore, to recognize the tension between sharing information and keeping systems secure.

Embracing New Models of Care. Accountable care organizations (ACOs) and other new care delivery models are providing patients with more coordinated, high-value care than ever before. In Medicare alone, ACOs that participate in the Medicare Shared Savings Program (MSSP) serve 10.5 million Medicare patients, which is approximately one in three Medicare fee-for-service patients. Approximately half of MSSP ACOs have hospital participation, and an additional 14 or more Next Generation ACOs are hospital-led. Through these ACOs and other new models of care, providers are taking greater responsibility for patients' overall health, not simply whether they give the right diagnosis or advice. Some of these models also enable providers to address social determinants of health by holding hospitals and providers responsible for the total cost of patient care. Hospitals and providers are responding to this new responsibility in innovative ways, including establishing robust data feedback networks to inform providers about their performance, hiring case managers to focus on improving care coordination and transitions along the care continuum and engaging multidisciplinary teams in the design and management of care pathways. Despite these and other advances, providers are still unable to embrace certain new models and strategies to implement new care models due to regulatory barriers to care transformation.

POLICIES TO SUPPORT INNOVATION

Regulatory and legal requirements hamper the adoption of new technologies and care coordination activities. To accelerate transformation of the care delivery system and ensure that hospitals and health systems can efficiently incorporate innovative approaches, the AHA recommends that Congress and the Administration take steps to:

- Expand telehealth;
- Ease participation in new models of care;
- Complete the broadband infrastructure; and
- Reduce regulatory burden.

Expand Telehealth. As the use of telehealth has grown in recent years, well over half of U.S. hospitals connect with patients and consulting practitioners at a distance through the use of video and other technology. However, there are several barriers to wide use of telehealth, including statutory restrictions on how Medicare covers and pays for telehealth. While the AHA was pleased that the Bipartisan Budget Act (BiBA) of 2018 expanded Medicare coverage for telestroke and provided waivers in some alternative payment models, more fundamental change is needed. In addition, many hospitals and health systems find that the infrastructure costs for telehealth are significant. Establishing telehealth capacity requires expensive videoconferencing equipment, adequate and reliable connectivity to other providers, and staff training, among other things. The fiscal year (FY) 2018 omnibus appropriations bill included more than $50 million for rural telehealth programs, but greater support is needed.

The AHA urges Congress to further expand telehealth capacity by establishing a grant program to fund telehealth start-up costs. Congress also should remove Medicare's limitations on telehealth by: (1) eliminating geographic and setting requirements so patients outside of rural areas can benefit from telehealth; (2) expanding the types of technology that can be used, including remote monitoring; (3) covering all services that are safe to provide, rather than a small list of approved services; and (4) including telehealth in new payment models.

Ease Participation in New Models of Care. Hospitals and other providers are adapting to the changing health care landscape and new value-based models of care by eliminating silos and replacing them with a continuum of care to improve the quality of care delivered, the health of their communities and overall affordability. Standing in the way of their success is an outdated regulatory system predicated on enforcing laws no longer compatible with the new realities of health care delivery. Chief among these outdated barriers are portions of the Anti-kickback Statute, the Ethics in Patient Referral Act (also known as the "Stark Law") and certain civil monetary penalties. These laws make it difficult for providers to enter into clinical integration agreements that would allow them to collaborate to improve care in ways envisioned by new care models. Providers also need additional opportunities and support to participate in new models of care, especially in rural areas where there may be limited funds available for the significant infrastructure investments that many of the existing models require. More timely data, more accurate risk-adjustment methodologies, and more transparent model design would also ease participation in new models of care for many providers.

The AHA urges Congress to create a safe harbor under the Anti-kickback Statute to protect clinical integration arrangements so that physicians and hospitals can collaborate to improve care, and eliminate compensation from the Stark Law to return its focus to governing ownership arrangements. The AHA also urges Congress to better balance the risk versus reward equation in new models in a way that encourages providers to take on additional risk but does not penalize those that need additional time and experience to do so and to provide upfront support to providers for the infrastructure investments they need to make to participate in several new models of care.

Complete the Broadband Infrastructure. Many innovative approaches to care delivery require a strong telecommunications infrastructure. However, according to the Federal Communications Commission (FCC), 34 million Americans still lack access to adequate broadband. Lack of affordable, adequate broadband infrastructure impedes routine health care operations, such as widespread use of electronic health records (EHRs) and imaging tools, and limits the ability to use telehealth in both rural and urban areas. Congress took steps to address this challenge in the FY 2018 omnibus appropriations bill, which included $600 million to the Department of Agriculture for a new pilot program offering grants and loans for broadband projects in rural areas with insufficient broadband. The FCC also has a Rural Health Care Program, which supports broadband adoption for non-profit rural health care providers. Unfortunately, the $400 million annual cap has been unchanged for over 20 years, and was exceeded in both 2016 and 2017, leading to significant cuts for rural health care providers that have limited budgets. These cuts not only affect the ability of these rural health care providers to maintain strong broadband connections but also could force tough decisions affecting funding for essential health care

services. The AHA recently asked the FCC[4] to restore this funding and supported[5] an FCC proposal to adjust the funding cap annually for inflation, including a "catch up" increase for FY 2017 to account for inflation since the program began. We also urged the commission to assess future demand for broadband-enabled health care services to set a more accurate cap.

The AHA appreciates Congress' focus in this area and urges continued support for funding to help improve rural broadband access for health care providers.

Reduce Regulatory Burden. A recent AHA report on the regulatory burden faced by hospitals[6] indicates that the burden is substantial and unsustainable. Health systems and hospitals spend nearly $39 billion a year solely on administrative activities related to regulatory compliance from four federal agencies, such as quality reporting, Medicare conditions of participation, and audits of various kinds. Looked at another way, regulatory burden costs $1,200 every time a patient is admitted to a hospital. In addition, the analysis found that an average-sized hospital dedicates 59 full-time equivalent employees to regulatory compliance; one-quarter of those employees are physicians, nurses and other health professionals who would otherwise be caring for patients. Federal regulation is largely intended to ensure that health care patients receive safe, high-quality care. In recent years, however, clinical staff find themselves devoting more time regulatory compliance, taking them aware from patient care. An overall reduction in regulatory burden would enable providers to focus on patients, not paperwork, and reinvest resources in innovative approaches to improve care, improve health, and reduce costs.

The AHA urges Congress to exercise its oversight power to ensure regulatory requirements are better aligned and consistently applied within and across federal agencies and programs, and subject to routine review for effectiveness to ensure the benefits for the public good outweigh additional compliance burden. Congress also should ensure that regulators provide clear, concise guidance and reasonable timelines for the implementation of new rules.

CONCLUSION

We appreciate the committee's focus on innovations in health care and the opportunity to provide an overview of how hospitals and health systems are using technology to improve patient care. The AHA looks forward to working with Congress and other stakeholders to find ways to reduce and remove existing barriers to allow our members to continue making advancements in these areas.

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[4] AHA Comments to the Federal Communications Commission on Funding Cuts to the Rural Health Care Program. https://www.aha.org/letter/2018-04-24-aha-comments-federal-communications-commission-funding-cuts-rural-health-care

[5] AHA comments to the FCC on Promoting Telehealth in Rural Areas. https://www.aha.org/letter/2018-02-02-aha-comments-fcc-promoting-telehealth-rural-areas

[6] Regulatory Overload: Assessing the Regulatory Burden on Health Systems, Hospitals and Post-acute Care Providers. https://www.aha.org/guidesreports/2017-11-03-regulatory-overload-report