



OHA ADVOCACY DAY 2019 Initiatives Important to Hospitals April 17, 2019



Legislator Handout

Oklahoma Plan – Accept Federal Dollars to Cover the Uninsured

Oklahoma has the second highest uninsured rate in the U.S. at 19.7 percent – an increase from 15.4 percent, fifth highest in the nation in September 2015. (*U.S. Census Bureau, 2017 American Community Survey, one-year estimates.*)

- One in five working age (19-64) Oklahomans is without health insurance coverage.
- 59% of the uninsured are working poor.
- Those unable to pay for medical care seek treatment in the hospital emergency room, often waiting until their health has deteriorated to seek treatment, raising the overall cost of health care delivery.
- Because the uninsured have limited access to preventive care, in 2018 Oklahoma ranked 47th in health rankings. A contributing factor is the high percentage of uninsured.

Thirty-seven states have accepted federal dollars to expand access to care for the uninsured, whether through Medicaid programs or by subsidizing private coverage. In those states, broadening coverage has resulted in:

- Increased access to health care;
- State savings accrued by replacing state dollars for medical care for behavioral health with federal dollars; and,
- Positive effects on the state budget and labor market.

From 2017 to 2021, had Oklahoma accepted federal funds, more than \$14.5 billion would have been injected into our state's economy and more than 24,000 health care related jobs would have been created. (*"Estimated Impact of New Coverage – Accepting Federal Funds, 2017-2021," Analysis of state budget impact by Manatt Health by Dr. Gerald A. Doeksen, et al., OSU, April 2016.*)

Our Ask: Maximize federal funds for health care by:

1. Moving forward on developing an "Oklahoma Plan" to accept federal funds;
2. Working toward *restoring Medicaid provider rates to 2010 levels*, including behavioral health;
3. *Investing in rural hospitals* by appropriating state funds to draw down federal dollars for Medicaid Disproportionate Share Hospital (DSH) payments and rural health clinics (RHCs).

Invest in Rural Hospitals

Medicaid Disproportionate Share Hospital (DSH) payments are made to qualifying hospitals with a high percentage of Medicaid and uninsured patients. *An annual federal allotment of matching funds is available for each state for this program*, and requires an additional state appropriation to the Oklahoma Health Care Authority (OHCA):

- Oklahoma has not been using its entire federal DSH allotment.
- Appropriating an additional \$8.6 million to OHCA would draw down an additional \$14.2 million in federal funds at the current matching rate, providing \$22.8 million in additional DSH payments to hospitals.

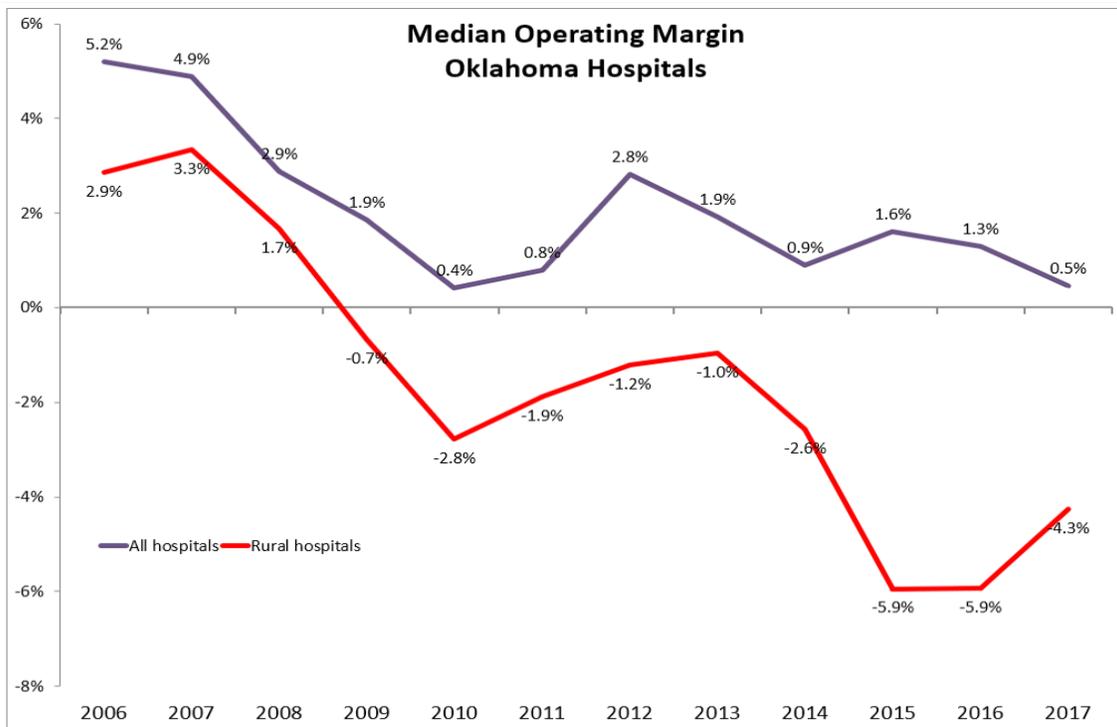
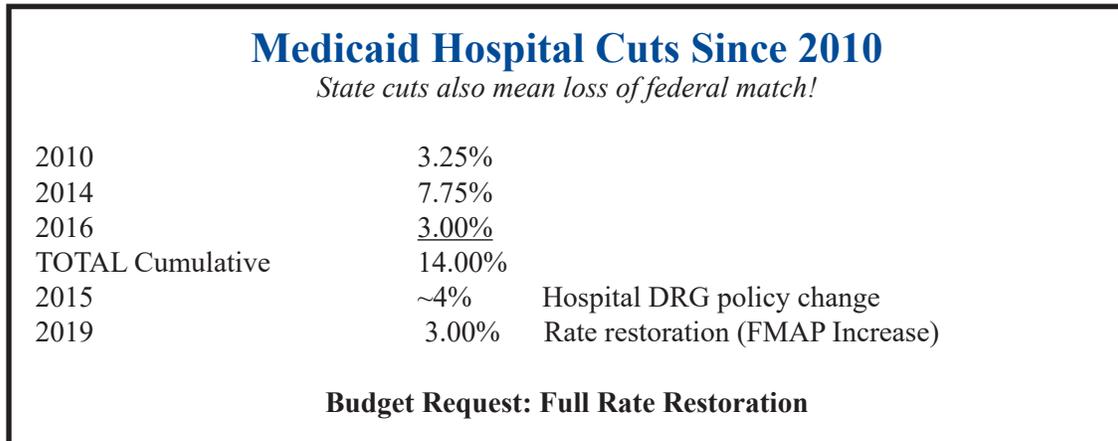
With this additional appropriation, OHCA could modify its DSH program to distribute all of this additional money to qualifying rural hospitals.

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Oklahoma Hospitals and Access to Care Remain in Crisis

More than \$500 million in reduced reimbursement to providers, including cuts of 14 percent in state Medicaid payment rates since 2010, has resulted in:

- More than two-thirds of the state's **rural hospitals now operate with negative margins;**
- A known **42 of 81 rural Oklahoma hospitals are now at risk of closing** (*iVantage Analytics*);
- **Five rural hospitals** have closed or no longer provide inpatient services.



For more information, please contact the Oklahoma Hospital Association, (405) 427-9537.