

News and Views from the Safety-Net Association of Pennsylvania**August 2009****SNAP and Medical Assistance Payment Reform**

One of the core beliefs that inspired SNAP's founding nearly seven years ago is that more of the state's limited Medical Assistance resources must be directed where they are needed most: to the safety-net hospitals that play the biggest role in caring for low-income and uninsured Pennsylvanians. This concept remains a driving force behind the association's activities today, at a time when the state's resources are more limited than ever.

SNAP's perspective is that Pennsylvania's Medical Assistance payment system must have a sound, rational public policy basis. At the same time, however, the transition from the current payment system to a new approach must find a way to be fair to hospitals that find themselves receiving less of those state resources than they have in the past – but not at the expense of the safety-net hospitals that have been starved of those resources for so many years.

Working With the Hospital Industry

For years, SNAP took the lead within the hospital industry in pursuing Medical Assistance payment reform. The most recent such effort made excellent progress, only to be sidetracked by the national economic slump and the state's need to find new ways to reduce overall Medical Assistance spending. This spring, however, the Hospital & Healthsystem Association of Pennsylvania (HAP) decided to attempt to keep the payment reform movement alive by creating a committee to advise it on future Medical Assistance payment reform efforts. HAP has agreed to consider SNAP's Medical Assistance payment reform principles in its committee's deliberations.

Advancing SNAP's Reform Principles

Representatives of several SNAP hospitals serve on HAP's new advisory committee and will represent SNAP's Medical Assistance payment reform principles during the committee's deliberations. SNAP will staff their work, helping them analyze the committee's proposals, quantify their potential impact, and evaluate whether they reflect SNAP's reform principles. In this manner, SNAP hopes to help the hospital industry reach a consensus on how to direct more Medical Assistance funding to the hospitals that play the biggest role in caring for Pennsylvania's Medical Assistance population. ■

SNAP's Payment Reform Principles

1. Foster a process in which state officials and hospital industry leaders work cooperatively to cultivate improvements in Pennsylvania's Medical Assistance program that will enhance the ability of health care providers to deliver high-quality, cost-effective, timely services to Medical Assistance recipients.
2. Ensure that hospitals/providers receive sufficient Medical Assistance revenue to enable them to assure sustainable access to quality inpatient and outpatient services to Medical Assistance patients on a timely basis.
3. Recognize the variation of hospitals' dependency on Medical Assistance payments in sustaining access and quality.
4. Recognize that policy and reimbursement for services provided to the Medical Assistance and uninsured populations affects the delivery of health care services to all Pennsylvanians.
5. Recognize the role of the Medical Assistance program in facilitating access to care for uncompensated patients.
6. Use commonwealth resources as efficiently and effectively as possible.
7. Simplify the administrative burden on the Department of Public Welfare in an effort to improve the timeliness and accuracy of various provider payments.
8. Ensure that the Department of Public Welfare takes a stronger role in the design, implementation, and ongoing operation of the entire Medical Assistance program.
9. Recognize the responsibility of hospitals and the state to work in partnership to provide health care to the Medical Assistance and uninsured populations.

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SNAP's Payment Reform Principals, cont'd

10. Recognize the role of the Medical Assistance Program in supporting the education of Pennsylvania's physicians and allied health professionals.
11. Recognize the role of the Medical Assistance Program in facilitating hospitals' ability to maintain their physical plant.
12. Ensure that Medical Assistance payment systems are designed to recognize and support appropriate levels and places of services.
13. Ensure that Medical Assistance policy reflects current trends and practices in the health care industry.
14. Ensure that Medical Assistance policy is flexible enough to respond to unusual circumstances not covered by current policy.

What is SNAP?

The Safety-Net Association of Pennsylvania represents the interests of private, acute-care hospitals that play the leading role in caring for the poor, the disadvantaged, and the uninsured residents of the commonwealth. Safety-net hospitals are the twenty-five percent of hospitals in Pennsylvania that care for the highest combined proportion of uninsured patients, Medical Assistance recipients, and Medicare SSI recipients and that therefore constitute the state's health care safety net. As a result of the patients they serve, safety-net hospitals face a significant, continuing, disproportionate challenge to their financial health.

For further information about the Safety-Net Association of Pennsylvania or any of the information or views offered in SNAPshots, please contact Michael Chirieleison, SNAP's president, at 717-234-6970.