

1 SR104
2 201905-1
3 By Senator Reed
4 RFD:
5 First Read: 29-MAY-19

THANKING THE CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS), THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (HHS), AND THE TRUMP ADMINISTRATION.

WHEREAS, Alabama's hospitals have provided excellent care to their communities for many years and were the example for modern hospitals across the country due to the influence of Senator Lister Hill and his vision for community-supported modern medical facilities; and

WHEREAS, over time, Alabama's hospitals have not only provided good care to patients, but they have done so in a very efficient manner; additionally, hospitals have a \$20 billion economic impact in Alabama each year, directly employing nearly 90,000 people, and each hospital job supports another job in the community; and

WHEREAS, rural hospitals are often the largest employer in a community; Alabama's rural hospitals contribute over \$550 million in payroll and benefits every year to the state's economy; and

1 WHEREAS, the formula for calculating Medicare
2 hospital payments has been especially challenging for
3 Alabama's hospitals due to the inequities built into the
4 payment calculation, specifically the wage index formula used
5 to incorporate variations in wages; and

6 WHEREAS, by applying the wage index, some hospitals
7 in the country receive a significantly higher payment for the
8 exact same procedure as those performed in Alabama, and with
9 approximately 40 percent of Alabama's patients covered by
10 Medicare, this inequity is crippling for many hospitals; and

11 WHEREAS, rural hospitals in Alabama are facing
12 significant challenges with high rates of uninsured patients,
13 a population with chronic conditions, and lower-than- average
14 reimbursement rates, forcing seven rural hospitals to close
15 since 2011; and

16 WHEREAS, as Alabama's lawmakers, we understand the
17 tremendous financial pressures that hospitals are facing,
18 caused, in large part, by the Medicare wage index and the
19 political fixes and manipulations that have created a system
20 that no longer reflects actual wages and markets; and

21 WHEREAS, reforming the wage index is essential to
22 ensure access to care for every American, especially those in
23 rural states; now therefore,

24 BE IT RESOLVED BY THE SENATE OF THE LEGISLATURE OF
25 ALABAMA, That we, members of the Alabama Legislature, do
26 hereby express our gratitude to CMS Administrator Seema Verma,
27 HHS Secretary Alex Azar, and President Trump for proposing

1 relief to this decades-old problem through the rulemaking
2 process by prioritizing a policy to Rethink Rural Health Care;
3 the Alabama Legislature encourages CMS to finalize the
4 proposed adjustments to the wage index to ensure an equitable
5 Medicare payment formula for all hospitals and protect access
6 to care for all Americans.