2025 Policy Priorities

Ensure Financial Sustainability and Quality of the Hospital and Healthcare Delivery System

Hospitals and health systems across the Arizona have extraordinarily risen to meet the needs of a quickly growing and aging state and are faced with rebuilding and expanding their workforce and business operations to ensure continued quality health care delivery. Hospitals and health systems are under tremendous financial strain as unprecedented increases in costs related to staffing, supplies, medications, and equipment persist. The Alliance continues to advocate for reimbursement from government payers to cover the cost of Medicaid and Medicare patients as well as reducing barriers to payment from commercial payers. The Alliance prioritizes efforts to establish cost-saving measures; to increase quality of care; to identify innovative funding solutions to compensate for associated expenses and impacts; and to protect and maximize federal and state reimbursement streams to ensure that the hospital and health system industry remains sustainable.

The Alliance also seeks to partner with government to reduce the risk of Cyberattacks on hospitals and health systems which pose major risks to patient care, have severe operational and financial ramifications, and are a threat to national security.

We advocate to:

- **Receive Commensurate Funding:** Hospitals working with policymakers need to ensure that Medicaid and Medicare reimbursement rates are sufficient to cover the costs of care, allowing the continuance of providing high-quality services without financial strain.

- Support measures that widen Medicaid eligibility without assessing the hospitals, as this will increase access to preventive and necessary medical services for underserved populations, reducing long-term healthcare costs and improving community health outcomes. Ensure that essential health care services are available in all communities by improving vital state and federal funding for Medicare, Medicaid, the Children's Health Insurance Program and the Health Insurance Marketplaces.

- Ensure that Medicaid hospital supplemental payments maximize federal funding opportunities including Directed Payments and other payment options, Medicaid Disproportionate Share Hospital (DSH), as well as the financing sources that support them, continue to be available to help hospitals serve the Medicaid, uninsured and structurally marginalized populations in their communities.

- Protect the 340B program and oppose efforts to scale back, reduce the benefits, or expand the regulatory burden of the program.

- Ensure that additional Medicaid coverage requirements do not result in an increase in the hospital assessment.

- Streamline and coordinate quality measures in payment programs to focus on the measures that most improve patient health and outcomes while reducing unnecessary burden on providers and reducing the amount of hospital financing and payments put at risk.

- Prevent further reductions in physician payments which may have a negative impact on patients' access to certain services, support adjustments for inflation and rising input costs, and eliminate the burden placed on hospitals to subsidize the difference in federal reimbursement rates.

- Ensure patient access to primary care and other outpatient services by rejecting additional payment cuts that do not recognize legitimate differences among provider settings (also known as so-called site-neutral payment policies), as well as policies that restrict patient access to certain sites of care.

- Work with the hospital and health care industry, state and federal governments, and other stakeholders to advance and adopt cyber policies that are streamlined, effective and feasible to implement to reduce cybercrimes.

- Manage enterprise risk across the health care continuum by supporting legislation to curb lawsuit abuse, address the sharp increases in settlements and verdict awards, and reduce litigation costs.
    - Restore preemptory strike rule in civil cases.

Increasing Coverage and Improving Access to Care

The Alliance supports efforts to increase the number of Arizonans with comprehensive health insurance and to create greater access to care including behavioral health. The Alliance supports a strong public-private model that relies on a strong commercial insurance market alongside government Medicare and Medicaid programs. Nearly half of all Arizonans including our most vulnerable populations and seniors receive healthcare coverage through Medicaid, Medicare, and other programs. It is essential that health care providers receive commensurate government funding for these programs to provide the necessary care to Arizona's underserved areas and populations while preventing uncompensated care costs.

The Alliance supports increasing coverage, creating innovations and efficiencies, and reducing costs in partnership with healthcare payers. The Alliance prioritizes working with commercial payers to eliminate policies and practices that contribute to delays in patient care and place undue burdens on enrollees and providers. The Alliance supports eliminating burdensome approval processes, excessive and inappropriate denial of covered services, overly restrictive medical necessity criteria, and improper use of utilization management programs while increasing payer accountability and transparency.

The Alliance also supports the use of secure advancing technologies including telehealth and a comprehensive health information exchange as important and accessible tools for healthcare providers to best serve their patients while creating cost-saving efficiencies within the delivery system.

We advocate to:

- Hold commercial health insurers accountable for ensuring appropriate patient access to care, including reducing the excessive use of prior authorization, ensuring adequate provider networks, ensuring prompt payment, and stopping pharmacy policies that create patient safety risks and limit patient access to certain medications in hospital settings.

- Make permanent state pilot health at home or telehealth programs.

- Maintain a regulatory framework that allows for the safe and ethical use of advancing technologies specific to the healthcare sector to improve patient care and recognize cost efficiencies.

- Implement policies and practices to better integrate and coordinate behavioral health services with physical health services to improve patient outcomes.

Grow and Support Arizona's Economy and Healthcare Workforce Needs

As one of the fastest growing states in the country, quality healthcare is an essential component of Arizona's infrastructure similar to water, energy, and transportation. The state must adequately plan for continued population growth, as well as an aging population that utilizes more healthcare services, to ensure continued economic development activity and vibrant communities. As some of the largest healthcare providers and employers in the state, health systems are constrained in their ability to provide quality care for patients and responsibly expand to meet Arizona's increasing health care needs due to severe workforce shortages. The Alliance is committed to work with policymakers and stakeholders to grow Arizona's healthcare workforce and economy by attracting, training, and retaining quality talent. The Alliance advocates for policies and practices to protect our healthcare workers, prevent workplace violence, and address issues that lead to burnout and stress.

We advocate to:

- Address physician shortages, including shortages of behavioral health providers, by increasing the number of residency slots eligible for Medicare and Medicaid funding and increasing graduate medical education (GME) funding in Arizona for direct and indirect medical education expenses.

- Address nursing shortages by continuing state support for nursing workforce development programs to support recruitment, retention and advanced education for nurses and other allied health professionals and investing in nursing schools, nurse faculty salaries, and hospital and healthcare facility training.

- Address behavioral health workforce shortages by continuing state support for behavioral health specialists training programs.

- Support increasing capabilities of support staff to reduce administrative burdens that take clinicians away from the bedside and contribute to burnout.

- Support K-12 dual enrollment opportunities, CTE expansion, apprenticeship and internships for healthcare workforce programs.

- Support eliminating expenditure authority limitations of Arizona's community colleges and support increase of funding for healthcare workforce training in higher education institutions within the state.

- Enhance workplace safety for all team members, including by enacting state and federal protections for health care workers against violence and intimidation, providing violence prevention training programs, coordination with state and local law enforcement, and victims' rights organizations.

Reduce Regulatory Burdens

It is critical to have a balanced regulatory environment that supports innovative delivery approaches, maximizes cost efficiency opportunities, and expands the provider network. The Alliance supports efforts to remove unnecessary, or oppose additional regulations and licensing requirements, that create administrative and cost burdens, add additional complexity and uncertainty, and/or are redundant or contradictory to federal laws and regulations with little or no impact to patient care or safety. The Alliance opposes employment provisions that place limitations on private employer rights to set operational and workforce policies.

We advocate to:

- Eliminate payer practices and regulations that create unnecessary administrative burdens and inhibit patient access to timely and quality care.

- Streamline and coordinate quality measures in payment programs to focus on the measures that most improve health and outcomes while reducing unnecessary burden on providers.

- Make permanent certain telehealth and other flexibilities that reduced unnecessary administrative burden during the PHE.

- Reduce disparate and unnecessary regulatory requirements placed on hospitals from state regulatory agencies.

- Ensure public policies are aligned with state and federal laws and government regulatory bodies, so hospitals are not held to conflicting regulations.