House Energy and Commerce Committee, Subcommittee on Health

Investing in America's Health Care

June 4, 2019

10:00 AM 2123 Rayburn

Purpose

The purpose of this hearing was to consider 12 bills related to health care extenders: H.R. 1767, the "Excellence in Mental Health and Addiction Treatment Expansion Act"; H.R. 1943, the "Community Health Center and Primary Care Workforce Expansion Act of 2019"; H.R. 2328, the "Community Health Investment, Modernization, and Excellence Act of 2019"; H.R. 2668, the "Special Diabetes Program Reauthorization Act of 2019"; H.R. 2680, the "Special Diabetes Programs for Indians Reauthorization Act of 2019"; H.R. 2815, the "Training the Next Generation of Primary Care Doctors Act of 2019"; H.R. 2822, the "Family-to-Family Reauthorization Act of 2019"; H.R. 3022, the "Patient Access Protection Act"; H.R. 3029, the "Improving Low Income Access to Prescription Drugs Act of 2019"; H.R. 3030, the "Patient-Centered Outcomes Research Extension Act of 2019"; H.R. 3031, a bill to amend title XVIII of the Social Security Act to extend funding for quality measure endorsement, input, and selection under the Medicare program; and H.R. 3039, a bill to provide for a 5-year extension of funding outreach and assistance for low-income programs.

Members Present

Chairman Eshoo, Ranking Member Burgess, Representatives Pallone, O'Halleran, Walden, Upton, Matsui, Griffith, Engel, Long, Castor, Guthrie, Lujan, Bucshon, Sarbanes, Shimkus, Schrader, Brooks, Ruiz, Bilirakis, Gianforte, Rush, Butterfield, Schakowsky, Cardenas, Kuster, Kelly, Barragan, Blunt Rochester, Carter, and McMorris Rogers

Witnesses

Panel 1:

Mr. Dean Germano, Chief Executive Officer, Shasta Community Health Center
Ms. Diana Autin, Executive Co-Director, SPAN Parent Advocacy Network
Mr. Aaron Kowalski, President and Chief Executive Officer. JDRF
Ms. Lisa Cooper, Professor of Medicine, Johns Hopkins University School of Medicine

Panel 2:

Mr. Thomas Barker, Partner, Co-Chair, Healthcare Practice, Foley Hoag
Ms. Mary-Catherine Bohan, Vice President of Outpatient Services, Rutgers University Behavioral Health Care
Mr. Michael Waldrum, Chief Executive Officer, Vidant Health
Mr. Fred Riccardi, President, Medicare Rights Center

Opening Statements

Chairman Eshoo said that the committee is considering 12 bills to reauthorize several health care programs that are set to expire on September 30. Congress has to act now to ensure that these important health care programs continue. Many of them are stuck in a biennial cycle because of congressional inaction. Reauthorizing these programs for a longer

timeframe will give them the stability and certainty to better serve patients and the American taxpayer.

Ranking Member Burgess said that several vital public health programs are going to expire in a matter of months. This is a timely hearing, and he looks forward to reauthorizing these important, bipartisan programs. However, he is concerned that many of the bills before the committee include funding increases but no offsets. Additionally, the community health center funding bill does not include Hyde amendment language. He introduced a bill, which would use the $5 billion generated by the drug pricing bills that recently passed out of committee to pay for one year of public health extenders. While one year is not enough, this bill demonstrates Republicans' commitment to reauthorizing these programs in a fiscally responsible way. One bill before the committee would completely eliminate the cuts to Disproportionate Share Hospital (DSH) payments. He is supportive of delaying the cuts for two years, but repealing them completely is extremely costly and eliminates the opportunity to make changes to ensure that DSH payments have a meaningful relationship with the amount of uncompensated care actually being provided at the state level. A two year delay would provide Congress with ample time to revisit DSH and make any necessary changes to improve efficiency and effectiveness. He is also concerned that the committee is not currently considering the reauthorization of Medicaid for American territories.

Rep. Pallone said that these 12 bills make critical investments in the American health care system. It is important that Congress come to bipartisan agreement on these bills, because without congressional action, these programs will expire on September 30. Medicaid DSH funds provide critical support to hospitals that care for some of the most vulnerable. The impending cuts would place an incredible strain on hospitals, and he supports permanently eliminating them.

Rep. Walden said that extending these critical, bipartisan programs will strengthen the health care safety net, and Congress should work together to get this done. He is concerned that the language in some of the bills may have unintended consequences, in particular, the community health center funding bill does not include Hyde protections. In addition, he is concerned that many of the bills do not identify pay-fors to offset their funding levels. This is a particular concern for the bill to eliminate the DSH cuts. The repeal would be very costly, and Congress should not surrender the opportunity to strengthen the DSH program.

<u>Panel 1 Testimony</u>

Mr. Germano said that he strongly encourages Congress to provide increased and stable funding for community health centers, teaching health centers, and the National Health Service Corps (NHSC). These programs are critical to addressing the shortage of physicians in the country, especially encouraging new physicians to practice in rural and underserved areas. Health centers across the nation have experienced deep uncertainty over the years due to the short funding cycle. He is thankful that many of the proposals before the committee provide more stable funding.

Ms. Autin said that she supports Congress' effort to reauthorize the family-to-family (F2F) program. This program provides critical support for families with children with special health care needs. F2Fs are staffed by parents of children with special medical needs who are well equipped with both skills and empathy to help other families. F2Fs provide a great service to tax payers. Their efforts result in lower health care costs and better outcomes for the one in five families with a child with special medical needs. The bill before the committee would reauthorize funding for the program for five years, longer than ever before.

Mr. Kowalski said that he has focused his career on combatting diabetes. The Special Diabetes Program (SDP) is critical, and it deservers Congress' robust support. Congressional funding for this program has led directly to improvements in the health and quality of life for people with diabetes. American Indians and Alaska Natives have a diabetes rate that is double the national average, and the Special Diabetes Programs for Indians (SDPI) is critical for these communities. These programs are making a real difference in the lives of diabetes patients.

Ms. Cooper said that she has dedicated her career to caring for patients and improving the US health care system. Too often, patients do not have enough accessible and relevant information to make informed decisions about their care. That is why the Patient-Centered Outcomes Research Institute (PCORI) is so important. It is the leading source of patient-centered research, which helps patients and those who care for them choose the best treatment options for the individual. PCORI needs long-term, stable funding. Congress should enact a ten-year reauthorization of the program.

<u>Panel 1 Questions and Answers</u>
Chairman Eshoo asked how teaching health centers lead to more doctors in underserved areas. **Mr. Germano** said that teaching residents in the community encourages them to serve that community once they graduate. **Chairman Eshoo** asked how the research conducted by PCORI directly impacts patients' lives. **Ms. Cooper** said that PCORI is unique because patients are involved from the very beginning in the design of the studies. Once the research is done, PCORI disseminates the information they find. The institute has produced proven tools that improve patient outcomes.

Ranking Member Burgess asked if PCORI can demonstrate a return on investment. **Ms. Cooper** said she could work with the PCORI staff to get back to the committee on that. **Ranking Member Burgess** asked if PCORI examines other studies, such as those conducted by specialty societies. **Ms. Cooper** said yes. **Ranking Member Burgess** asked why Congress should not expand the list of providers that can participate in the NHSC. **Mr. Germano** said that only about 40 percent of current applicants are able to be accepted into the program. Unless the funds are significantly increased, adding more players to the field will just strain the resources. **Ranking Member Burgess** asked how JDRF collaborates with the NIH on research. **Mr. Kowalski** said they work very closely on every area related to diabetes.

Rep. Pallone asked what impact a long-term extension of funding would have on health centers. **Mr. Germano** said that most of what health centers do for their communities is long term,

whether its training new physicians, caring for patients over the course of their lives, or building new facilities. They need stable funding to do all that. **Rep. Pallone** asked how F2Fs have helped in New Jersey. **Ms. Autin** said that SPAN was one of the first F2Fs to be created, and has served as a leader for the rest of the country.

Rep. Upton asked how the SDP has contributed to helping patients with diabetes and lowering health care costs. **Mr. Kowalski** said that SDP has contributed to development of tools like continuous glucose monitors that make it easier for patients to manage their conditions. **Rep. Upton** asked why it is important to reauthorize the F2F program for 5 years. **Ms. Autin** said that a long-term extension is very important for planning, for the ability to attract other funding partners, and for retaining staff.

Rep. Matsui asked what kind of partnerships Shasta has formed with mental health providers in the area. **Mr. Germano** said that Shasta has created an integrated behavior health system within its primary care practice. **Rep. Matsui** said it is her priority to make sure behavioral and mental health is central to the health care debate.

Rep. Engel asked what difficulties community health centers face with short-term funding. **Mr. Germano** said that the biggest issue is the paralyzing effect of not knowing what future funding will look like. **Rep. Engel** asked how SDP is improving diabetes care. **Mr. Kowalski** said that continuous glucose monitoring and artificial pancreas technology have both been significant advances in diabetes care. **Rep. Engel** asked how a five-year reauthorization of teaching health centers would help train the next generation of physicians. **Mr. Germano** said that teaching health centers need the stability to train doctors that will serve their communities.

Mr. Long asked how teaching hospital residencies differ from teaching health center residencies. **Mr. Germano** said that teaching health centers look for medical students who are passionate about working in their communities. **Mr. Long** asked how many residents stay and practice in the communities where they're trained. **Mr. Germano** said it's about 60 percent.

Rep. Castor asked how community health centers use their federal funding. **Mr. Germano** said their primary mission is to serve the uninsured. The federal grants also relieve the burden of malpractice insurance. **Rep. Castor** asked why it is important to expand the community health center program. **Mr. Germano** said there is absolutely a need for expanded funding of services. But the funding certainty has to come first. A health center can't build a new facility if they won't know if they'll have funding two years down the road.

Rep. Guthrie asked where community health centers are innovating. **Mr. Germano** said there are a lot of advances in the ambulatory space. It's important to make sure health centers have the resources to take advantage of these new advances. **Rep. Guthrie** asked how the SDP is eliminating barriers to diabetes care. **Mr. Kowalski** said that SDP is working tirelessly to develop potential cures for the disease.

Rep. Lujan said that Native Americans are unnecessarily dying from diabetes. He asked how SDPI is helping this community. **Mr. Kowalski** said that SDPI is supporting an underserved community with special considerations. The program has been successful at improving outcomes

and saving money. **Rep. Lujan** asked what happens if this program isn't reauthorized. **Mr. Kowalski** said that outcomes will get worse.

Rep. Bucshon asked how federal funding helps support community health center activities that otherwise would not exist. **Mr. Germano** said that oral health is often one of the forgotten services in underserved communities. His health center has worked to combat this, including through the use of telemedicine.

Rep. Sarbanes asked how school based health centers interact with community health centers. **Mr. Germano** said that school based health centers bring care to where it's needed. But they are more effective when they're connected to a community health system.

Rep. Schrader asked if patients consider costs when deciding what kind of care to receive. **Ms. Cooper** said yes. **Rep. Schrader** asked if PCORI should be allowed to include cost effectiveness as a factor in its studies. **Ms. Cooper** said that is up to Congress as the policymakers. **Rep. Schrader** asked if Congress should better align community health center outcome requirements with Medicaid outcome requirements. **Mr. Germano** said yes.

Rep. Brooks asked if teaching health centers train residents on how to treat addiction and other behavioral health disorders. **Mr. Germano** said yes, many of them have specific programs for that. **Rep. Brooks** asked if PCORI is conducting research related to addiction treatment. **Ms. Cooper** said yes.

Rep. Ruiz asked how teaching health centers train doctors for underserved areas. **Mr. Germano** said that teaching health center residents tend to practice primary care in the communities where they're trained. **Rep. Ruiz** asked why the two year reauthorization schedule is a problem. **Mr. Germano** said that every class of residents a teaching health center takes is a three year commitment. So the funding cycle creates a lot of uncertainty.

Rep. Bilirakis asked how often doctors choose to stay in a medically underserved area if federal funding is not available. **Mr. Germano** said a lack of funding makes that decision hard. Physicians need security. **Rep. Bilirakis** asked if community health centers could be more of a resource for veterans. **Mr. Germano** said absolutely, if policymakers support that.

Rep. Gianforte asked why Native Americans are more susceptible to Type 2 diabetes. **Mr. Kowalski** said it is genetic. The disease is unfairly stigmatized when many people don't know that it is largely inherited. **Rep. Gianforte** asked what role community health centers play in making sure patients have access to mental health care. **Mr. Germano** said that health centers have really embraced integrated behavioral health care to introduce patients to mental health services in the primary care context.

Rep. Rush asked if community health centers dispense prescriptions. **Mr. Germano** said his does, and many others do as well. **Rep. Rush** asked if Congress should give community health centers the authority to run free standing pharmacies. **Mr. Germano** said that many communities don't have easy access to a pharmacy. The biggest issue is lack of demand in very small

communities. Health centers are increasingly taking advantage of tele-pharmacies and mail order prescriptions to help their patients.

Rep. Butterfield asked what it would mean to fully fund the NHSC. **Mr. Germano** said it would have a huge impact. Right now, only about 40 percent of applicants are accepted.

Rep. Schakowsky asked why it's important to invest in a diverse health care workforce. **Mr. Germano** said that student debt is a huge problem for physicians. That is a factor when residents choose their specialties, and primary care doctors make less than other specialties. Programs like the NHSC can help even out that gap. **Ms. Cooper** said that increasing diversity among health professionals in very important. Studies have shown that patients have better health outcomes when the providers are diverse.

Rep. Walden asked what challenges community health centers face beyond funding. **Mr. Germano** said that transportation is a big problem. **Rep. Walden** asked if they also have problems with cross-state regulations for telemedicine and other services. **Mr. Germano** said yes. It forces them to operate only within their small region.

Rep. Cardenas asked what kind of community outreach health centers do. **Mr. Germano** said community outreach is a primary function of community health centers.

Rep. Kuster asked how health centers address the medical workforce shortage issue. **Mr. Germano** said that community health centers have become de facto health departments, touching nearly every area of public health in a community.

Rep. Kelly asked if PCORI is helping to address racial health disparities. **Ms. Cooper** said yes, that is an important area of research.

Rep. Barragan asked what would happen in communities of color if health centers aren't funded. **Mr. Germano** said that health centers are most often in underserved communities of color. He is concerned that if funding lapses, it will prevent further investment in these communities.

Rep. Blunt Rochester asked why teaching health centers have better rates of keeping residents in the area than teaching hospitals. **Mr. Germano** said that they look for applicants with a demonstrated passion for serving that community.

Rep. Carter asked why it's so important that community health centers address oral health care. **Mr. Germano** said that poor oral health can lead to other complications. For example, pregnant women with an oral disease can have complications with the pregnancy. But a lot of oral disease is preventable. **Rep. Carter** asked what more can be done to address maternal mortality issues in poor and rural areas. **Mr. Germano** said most OB-GYN training programs are in big cities, so there is already a lack of good maternal care in rural areas. Enhanced training for nurse practitioners would help.

Rep. McMorris Rogers asked why Shasta decided to become a teaching health center. **Mr. Germano** said it was a big decision. It is a long-term investment. But it was worth it to address the physician shortage in their area.

Panel 2 Testimony

Mr. Barker said that the DSH cuts in the Affordable Care Act (ACA) did not happen in isolation. Rather, they are part of a 40 year history of Congress recognizing the special needs of disproportionate share hospitals. MACPAC has made recommendations to structure the DSH cuts differently by phasing them in over a longer period of time, allocating the cuts first to states that have unspent DSH dollars, and restructuring the DSH allotments to better align them with the percentage of low-income individuals in a state.

Ms. Bohan said that unfortunately, mental health and addiction services are often siloed. Certified Community Behavioral Health Clinics (CCBHCs) have been an important setting for offering integrated services and providing holistic care to patients. With funding at risk, they are unable to pursue long-term initiatives that drive innovation. Clinics like hers will close if the demonstration project is not extended.

Mr. Waldrum said that DSH funding is critical to the work Vidant does and to other hospital systems like it. Vidant provides more than $200 million in uncompensated care annually. Medicaid DSH helps close that gap. A $4 billion cut in DSH funding would significantly change Vidant's ability to meet the needs of patients and families who depend on it and devastate the safety net across the country.

Mr. Riccardi said that Congress should pass permanent reauthorization of the funding for low-income program outreach and the Part D safety net program known as LINet, and continue funding for the National Quality Forum (NQF). Too many low-income patients are unable to take advantage of Medicare's benefits. Health care costs are taking up an increasing and disproportionate share of Medicare beneficiaries' limited income. Thankfully, there are supports available. But Congress must adequately fund them.

Panel 2 Questions and Answers

Rep. Butterfield said that the ACA included DSH cuts with the expectation that Medicaid expansion would lead to a decrease in uncompensated care. However, only 33 states and DC have expanded Medicaid. He asked what difficulties safety net providers face in non-expansion states. **Mr. Waldrum** said that Vidant serves a primarily rural area with lots of uninsured and underinsured patients. DSH helps them cover those costs. **Rep. Butterfield** asked if Vidant supports Medicaid expansion in North Carolina. **Mr. Waldrum** said yes.

Ranking Member Burgess asked if the country still needs DSH. **Mr. Barker** said yes. **Ranking Member Burgess** asked if it is wise to simply repeal the cuts. **Mr. Barker** said that MACPAC has made some thoughtful recommendations about how to structure the DSH cuts, and it would be wise to revisit the program. **Ranking Member Burgess** asked if it would be a good idea to better align DSH allotments with the percentage of low-income people in a state. **Mr. Barker** said yes, because when the DSH allotments were established, they were not tied to the poverty rate. **Ranking Member Burgess** asked if there are policy proposals that would take into account

the uncompensated care that doctors provide outside of hospitals. **Mr. Barker** said that high uncompensated care costs for physicians is one of the reasons there has been an increase in hospital acquisition of physician practices. **Ranking Member Burgess** asked if a full repeal of the cuts would make reforms to the program more or less likely. **Mr. Barker** said less.

Rep. Engel asked what role the NQF will have in the transition to value-based care. **Mr. Riccardi** said that it will play an increasingly important role. NQF is critical in facilitating dialogue across the public and private sectors. **Rep. Engel** asked how hospitals use DSH funds to care for the community. **Mr. Waldrum** said Vidant has partnerships throughout the community. One example is their initiative to educate children on healthy eating and a healthy lifestyle.

Rep. Matsui asked how expanding the CCBHC program would help vulnerable populations. **Ms. Bohan** said that CCBHCs have been able to do great work in their communities, including fighting the opioid epidemic. Congress should absolutely continue the program.

Rep. Bilirakis said that he supports delaying the cuts, but is concerned that full repeal would stop Congress from addressing the underlying issues. He asked if Congress should update the DSH allotment formula. **Mr. Barker** said that repealing the cuts would remove the impetus for Congress to update the formula. **Rep. Bilirakis** asked how Congress should consider reforming the formula. **Mr. Barker** said that one idea is that allocations should be based on a measure of low-income and elderly people in each state.

Rep. Ruiz said that often, people who are not automatically enrolled in Medicare make honest mistakes when trying to enroll in the program. He asked what Congress can do to address this issue. **Mr. Riccardi** said that his organization has seen a rise in the number of calls from people asking for help navigating all the different options. One easy thing that Congress could do is require that notice be sent to people when they turn 65 informing them that they are eligible for Medicare.

Chairman Eshoo asked how DSH hospitals have fared in non-expansion states. **Mr. Waldrum** said there have been more rural hospital closures in those states, which has increased the burden on remaining hospitals. **Chairman Eshoo** asked what will happen in rural areas if the DSH cuts go into effect. **Mr. Waldrum** said there will be a reduction in services, and some rural hospitals may close.

Rep. Guthrie asked if there have been any cuts to DSH already. **Mr. Waldrum** said not yet. **Rep. Guthrie** said that the assumption of the ACA was that DSH funding could be reduced because the uninsured rate would go down. He asked why that assumption hasn't proven true. **Mr. Barker** said he agrees that that was the assumption, but he can't speak to why it didn't pan out. **Rep. Guthrie** asked what effect it would have on Vidant if Congress changed the DSH formula to align with the number of low-income people in the state. **Mr. Waldrum** said he does not know how a formula change would impact his hospital. **Rep. Guthrie** asked Mr. Barker to weigh in. **Mr. Barker** said individual states determine how to distribute any DSH funds they get. **Rep. Guthrie** asked if Congress should change the formula. **Mr. Barker** said it would be a good idea to revisit the allocation.

Rep. Schrader said that the MACPAC recommendations would be a good place to start on revisiting DSH. He asked if the witnesses would support aligning the quality metrics of Medicaid and community health centers. **Mr. Riccardi** said yes, as long as the information is clear and readily available to patients and providers.

Rep. Carter asked why the NQF is valuable to Medicare Beneficiaries. **Mr. Riccardi** said that the NQF has created the highest level of health care quality standards, and has had particular success in the Medicare program. **Rep. Carter** asked why some states have unused DSH allotments. **Mr. Barker** said there are three states that are not using their full DSH allotments. That is because DSH payments to a hospital cannot exceed that hospital's uncompensated care. So the only reason he can think of is that in those states, the level of uncompensated care is lower than the DSH allotment.