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**STATEMENT
of the
Federation of American Hospitals
to the
U.S. House of Representatives
Committee on Energy and Commerce
Subcommittee on Health**

**Re: “Legislative Proposals to Increase Medicaid Access and Improve Program Integrity”
April 30, 2024**

The Federation of American Hospitals (FAH) submits the following statement for the record in advance of the House Committee on Energy and Commerce hearing entitled “Legislative Proposals to Increase Medicaid Access and Improve Program Integrity.” The FAH believes that our nation’s most vulnerable patients must have access to vital hospital care, and we therefore appreciate the Committee’s attention to increasing access and improving Medicaid coverage.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children’s, and cancer services. Tax-paying hospitals account for approximately 20 percent of community hospitals nationally.

The FAH submits the following comments regarding the legislation under consideration by the Committee:

H.R. 8113, To amend title XIX of the Social Security Act to require reporting on certain directed payments under the Medicaid program

State directed payments paid to hospitals through Medicaid managed care organizations have become a growing and critical component of the Medicaid program and are essential to ensuring access to care for Medicaid beneficiaries. Inadequate payments under Medicaid create significant challenges for hospitals trying to serve vulnerable populations. Without state directed payment programs, Medicaid fee-for-service and Medicaid managed care payments would be even more unstable – leading to significant financial pressure on providers and access challenges for Medicaid patients.

The FAH recognizes the importance of ensuring the appropriate use of these limited funds that are so critical for ensuring access. However, many of the provisions in H.R. 8113 are addressed in current state

reporting requirements, as well as in the greatly expanded reporting requirements included in the Center for Medicare and Medicaid Services' (CMS) recent final rule on Medicaid Managed Care.¹ Given the new and existing requirements CMS has established for reporting of state directed payments, we recommend instead that Congress request a report from the agency on the success of these reporting requirements following their implementation and ascertain whether the Agency needs any additional authorities from Congress.

H.R. 7513, *Protecting America's Seniors Access to Care Act*

FAH strongly supports H.R.7513, *Protecting America's Seniors Access to Care Act*, and we appreciate the Committee's leadership in advancing legislation that prevents one-size-fits-all staffing requirements.

While FAH is committed to ensuring that residents of long-term care facilities receive safe, reliable, and quality care, we firmly oppose the approaches proposed by CMS that mandate specific minimum hours per resident day for registered nurses and nurse aides, as well as the requirement for a registered nurse to be on site and available to provide direct resident care 24 hours a day, 7 days per week.

Mandating nurse staffing standards is an approach informed by outdated evidence that will hinder rather than enhance facilities' abilities to maintain an adequate workforce. The U.S. Bureau of Labor Statistics projects that more than 275,000 additional nurses will be needed from 2020 to 2030 to meet *current* workforce needs.³ This policy, if enacted in the current labor market without a pipeline of new caregivers, new nurse educators, and new resources to recruit and retain the workforce of the future, will force facilities to downsize or possibly even close entirely due to the inability to meet ratio requirements, thus limiting access to care for our nation's most vulnerable seniors.

Rather than imposing rigid one-size fits all staffing mandates, FAH supports an approach that promotes innovation and investment in technology, and embraces emerging care models which have proven both effective and safe for patients and the workforce. Utilizing new technology and workforce efficiencies can alleviate administrative burdens on nurses, allowing them to focus on direct patient care. These solutions enhance nursing staff retention by reducing burnout and improving efficiencies in nursing workflow, staffing, training, and administrative responsibilities.

We thank the Committee for advancing H.R.7513 and urge Congress to enact the legislation. FAH stands ready to collaborate with the Committee on improving the Medicaid program by increasing access and improving integrity and we look forward to working together on these critical issues.

¹ <https://www.federalregister.gov/public-inspection/2024-08085/medicaid-program-medicare-and-childrens-health-insurance-program-managed-care-access-finance-and>

³ Park J, Stearns SC. Effects of state minimum staffing standards on nursing home staffing and quality of care. *Health Serv Res.* 2009 Feb;44(1):56-78. doi: 10.1111/j.1475-6773.2008.00906.x. Epub 2008 Sep 17. PMID: 18823448; PMCID: PMC2669632.