

Hospital Issues for State Office Candidates

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Maine Hospital Association

MAINE'S LEADING
VOICE FOR HEALTHCARE

A publication of the
Maine Hospital Association

September 1, 2020





September 1, 2020

Dear Candidate for State Office,

On behalf of Maine's hospitals, the Maine Hospital Association (MHA) is pleased to provide you with this year's edition of *Hospital Issues for State Office Candidates*. We hope you find the information in the document useful as you campaign for state office.

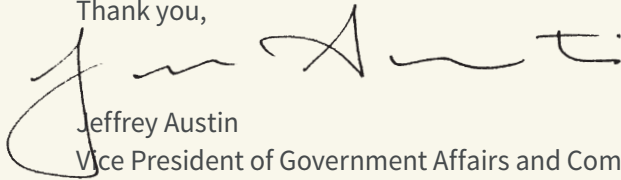
Maine Hospital Association represents all 36 hospitals in Maine and advocates for hospitals on state issues before the Maine Legislature and state agencies.

MHA does not endorse candidates, issue questionnaires or compile scorecards. We are sending you this publication so that you can have a sense of the issues and concerns of Maine's hospitals.

We applaud you on your willingness to run for state office. It is a challenging job and can often seem thankless. But, it is also an extremely important job as you will decide policy matters, including healthcare-related issues, for the state.

Thank you for accepting this document and we hope it is useful to you. I'm happy to speak with you anytime about the issues raised in this publication or on other hospital matters.

Thank you,

A handwritten signature in black ink, appearing to read "Jeffrey Austin". The signature is fluid and cursive, with a large initial "J" and a distinct "A".

Jeffrey Austin

Vice President of Government Affairs and Communications

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Maine Hospitals Meeting the Pandemic

It seems like COVID-19 changed everything. Yet, when it comes to the core mission of Maine's hospitals, meeting a healthcare crisis is exactly what they do 24 hours per day, 365 days per year.

Maine hospitals have been on the front lines, the actual front lines, of this pandemic from the first patient.

We can't say enough about the entire hospital team:

- doctors and nurses caring for patients;
- facilities staff keeping the hospitals clean;
- supply-chain administrators hunting night and day and all over the world for PPE;
- IT administrators keeping up with both state and federal government data demands; and
- Compliance officers tracking each new regulatory change at the state and federal level.

The entire team has come together to meet this challenge.

Hospitals have also, as usual, gone beyond their own walls to help keep our community partners safe. Nursing homes that have had outbreaks turned to their local hospitals for help in getting PPE; assisted living facilities with no clinicians on-site have turned to their local hospitals for help in getting tests performed; local homeless shelters with needs for everything received help when requested from their local hospitals.

We believe these extra efforts have helped Maine limit the damage from COVID-19 as compared to other states.

All the while, front-line workers have faced significant personal risk. Almost 25% of the positive COVID-19 cases have been among healthcare workers. That personal sacrifice and dedication to community is what local hospitals are all about.

Yet, what may be most vulnerable to COVID-19 is the hospital itself.

In March, both the President and the Governor urged hospitals to immediately cease elective procedures. (The term "elective" really being a reference to scheduling or timing, not to necessity.) And hospitals and patients complied.

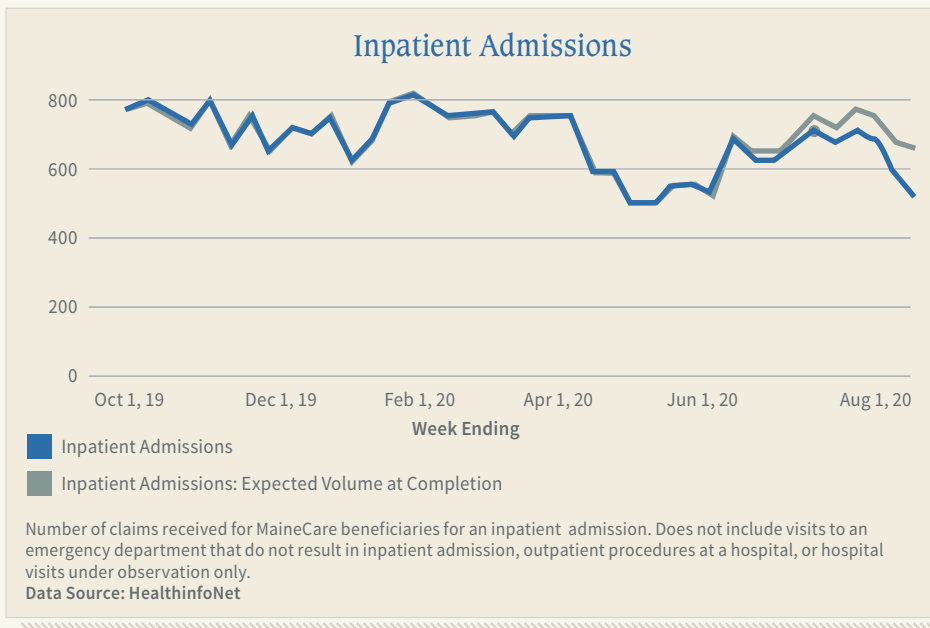
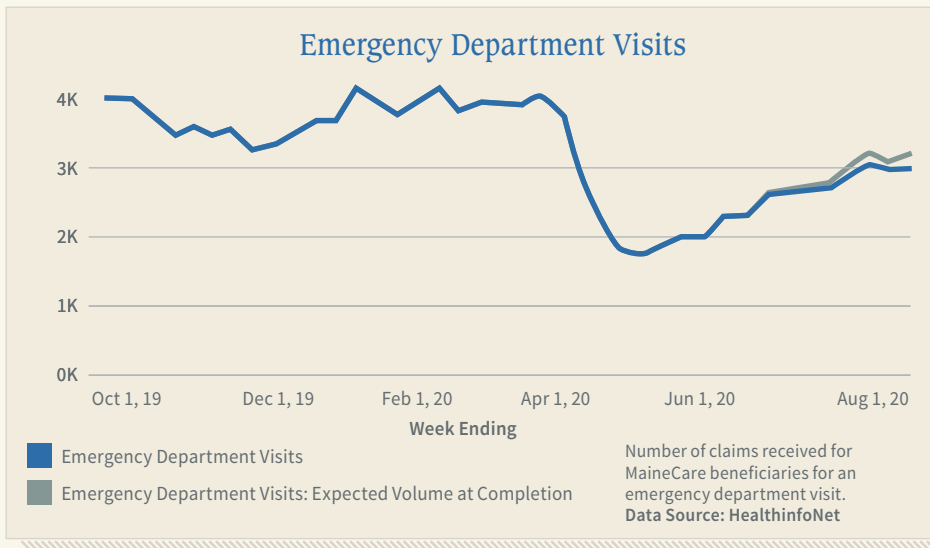
This compliance came at great financial cost. Weekly hospital revenues fell approximately 50% and stayed that low for over a month. Once the initial wave passed and hospitals were allowed to resume work, it took several weeks for patients to return. While work loads have almost returned to pre-COVID expectations, that is not true everywhere.

Hospitals have suffered an aggregate loss of over \$600 million due to the COVID-19 pandemic and the associated government response. Thankfully, the federal government has stepped-up and provided a great deal of financial assistance to hospitals. However, a large loss of over \$250 million remains.

To date, the state has provided \$3 million in general fund dollars to hospitals (matched by the federal government with another \$7 million). We recognize that the state is going to have real financial challenges ahead. But, it too saved money when Medicaid patients stopped going to hospitals.

We ask that you work with us and help us meet our financial challenge with the same courage, creativity and dedication with which our members have met the COVID pandemic.

MaineCare Hospital Utilization Decline



About MHA

The Maine Hospital Association represents all 36 community-governed hospitals in Maine. Formed in 1937, the Augusta-based non-profit association is the primary advocate for hospitals in the Maine State Legislature, the U.S. Congress and state and federal regulatory agencies. It also provides educational services and serves as a clearinghouse for comprehensive information for its hospital members, lawmakers and the public. MHA is a leader in developing healthcare policy and works to stimulate public debate on important healthcare issues that affect all of Maine's citizens.

Mission Statement

To provide leadership through advocacy, information and education to support its members in improving the health of patients and communities they serve.

Maine Hospitals are Among the Best in the Country

The top priority for Maine hospitals is to provide high-quality care, which, according to the federal government agency charged with improving the quality of healthcare nationwide, means “doing the right thing for the right patient, at the right time, in the right way to achieve the best possible results.”

Over the years, national organizations that evaluate hospital quality have begun to move away from state-level evaluations and have focused on hospital-specific quality reports. As a result, it’s harder to quantify the superior quality that Maine hospitals offer overall. Nevertheless, there are still some state-level comparisons.

According to the most recent analysis available from the federal government’s Agency for Healthcare Research and Quality (AHRQ), Maine healthcare is third best in the nation. In addition, AHRQ’s 2017 report, “Taking a Closer Look—State-by-State—at Healthcare Quality” says that “The newest calculations show that Wisconsin, Massachusetts, Pennsylvania, Maine and North Dakota were the Nation’s top-performing States when it comes to overall healthcare quality.”

Maine hospitals have consistently been in the top 10 of the Leapfrog Group’s Hospital Safety Scores. In the spring 2020 report, Maine ranked second in the country for the highest percentage of hospitals earning A’s.

Hospitals know that quality is not just about how to treat the illness, it’s also about how to treat the patient. The Centers for Medicare and Medicaid Services Hospital Compare provides the national standard for measuring patients’ own assessments of the experience of their care. Hospitals are required to use a standard survey that asks patients about their experiences during a recent hospital stay. The questions are about different facets of patient experience, such as how well doctors and nurses communicated, how well patients believed their pain was addressed, and whether they would recommend the hospital to others.

We believe the Legislature plays an important role in promoting quality healthcare and we want to work with you toward that end.

How is quality measured?

There are essentially two kinds of quality metrics—those that measure processes of care and those that measure outcomes.

A process metric will compare a hospital’s performance to an accepted best practice. For example, how often a hospital provides an aspirin within one-hour of a patient’s heart attack.

An outcome measure will generally look at the prevalence of a condition or circumstance. For example, how many patients are readmitted to the hospital for heart-related problems within 30 days of being discharged following treatment for a heart attack.





Hospitals Provide Vital Public Services as Private Entities

Maine's hospitals provide a valuable public service. They receive payment from both the state and federal governments to provide care. Maine's acute care hospitals are all nonprofits.

These forces combine to obscure the fact that Maine's hospitals are private organizations. Hospitals are governed by Boards of Trustees made up of local leaders. These trustees are best able to weigh the costs and benefits of the myriad decisions hospitals have to make. While no system of governance is perfect or without challenges, it is a far better system, we believe, than having the Legislature attempt to govern all hospitals from Augusta.

Each year, legislation is filed that is not respectful of hospitals' private status. These bills would:

- Establish in state law compensation for hospital employees;
- Require hospital board meetings to be open to the public; and
- Give the press access to internal medical documents.

These bills have historically been rejected and should continue to be rejected.

Many entities perform services and receive payment from the government. The Bath Iron Works CEO's pay is not capped in statute, the Board meetings of BIW are not open to the public and the internal files of private companies remain protected.

Maine's private hospitals should not receive fewer basic protections than other private entities.

That said, as nonprofits, there are thousands of pages of information about hospitals open to the public. As but one example of our commitment to transparency, each year the hospitals in Maine provide enormous amounts of financial data to the Maine Health Data Organization (MHDO). MHDO is a quasi-government agency that compiles and publicizes healthcare information. Hospitals and insurance carriers are the source of that information. In fact, hospitals and insurance carriers not only provide data to MHDO, the hospitals and carriers fund this agency via an assessment.

MHA asks that legislators continue to resist inappropriate intrusions into Maine's private hospitals.



Hospitals are an Important Part of the Local Community

Maine's hospitals are some of the largest and most active economic and civic institutions in the state, employing thousands and spending billions of dollars.

In 2020, Maine hospitals directly employed almost 33,000 people and paid more than \$3.2 billion in salaries and benefits. Their total spending was over \$6 billion, including \$250 million in capital expenditures. As that money circulated through the Maine economy, it generated an additional \$4-5 billion in indirect and induced economic activity, leading to a total economic contribution of more than \$10 billion. This supported a total of 67,000 jobs, over \$4 billion in wages and benefits and almost \$400 million in state and local taxes.

In addition to these statewide contributions, Maine hospitals play vital roles within their regions. They provide access to medical care that allows rural communities to sustain their populations and they employ thousands of rural residents. Maine hospitals are located in 15 of 16 Maine counties. Hospitals are among the top five largest employers in all 15 of those counties.

A Maine hospital
is the largest employer in
8 of Maine's 16 counties.

Hospitals are vital economic engines. Although they represent only 1.8% of the 2,587 reporting public charities, hospitals are responsible for 56% of the sector's \$12.6 billion impact on the Maine economy, according to the Maine Association of Nonprofits.

In addition to the economic impact that hospitals can have as large employers, hospitals provide innumerable other community benefits.

For example, hospitals conduct comprehensive community health needs assessments and then develop the programs necessary to meet those needs. Hospitals are also the local source for flu shots, health screenings, professional and community education and charity care. In aggregate, these hospital investments not only improve the health of Maine people, but also provide extensive additional economic benefit to the local community in which these services occur.

Hospitals are proud members of the local economy in Maine.

Maine Hospital Tax

Maine imposes a revenue tax on hospitals annually.

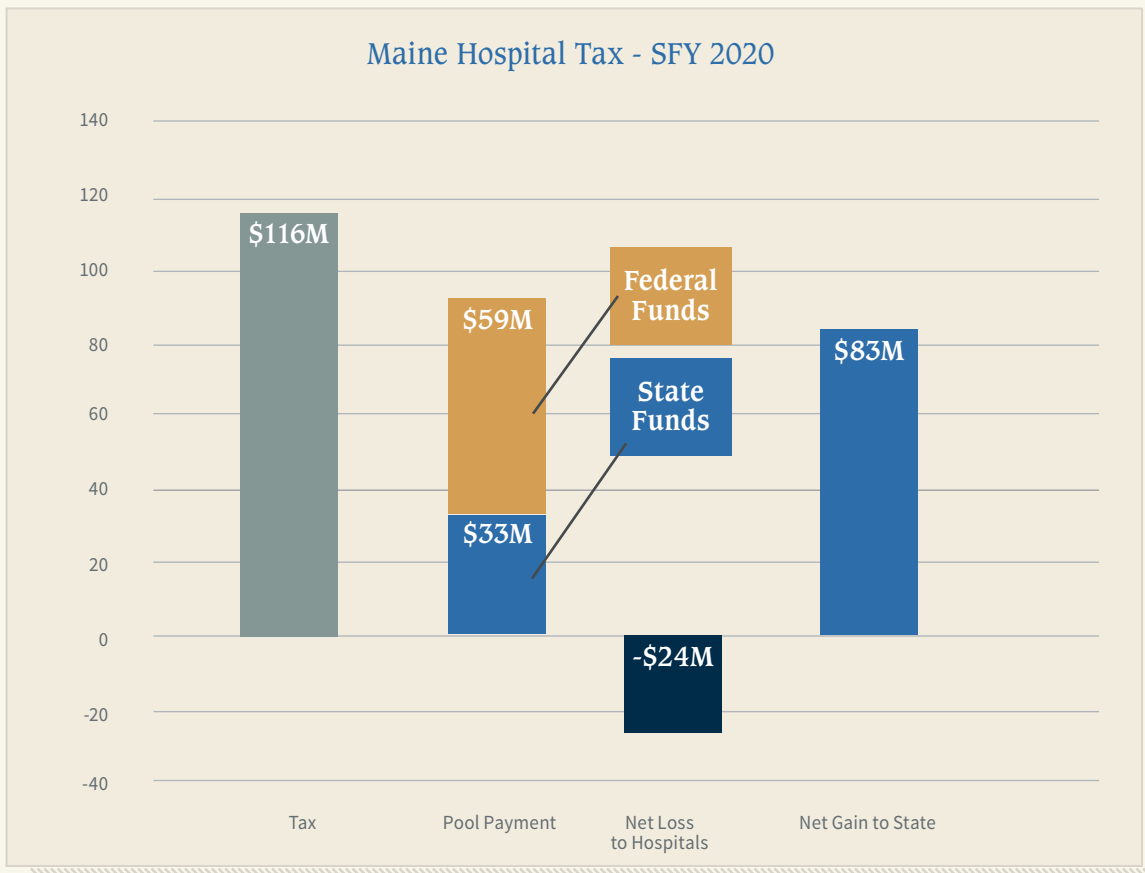
Maine’s hospital tax program roughly works like this:

- Maine hospitals pay a tax of approximately \$116 million to the state general fund each year. Maine’s statute does NOT dedicate that payment to any particular program.
- The Maine Medicaid program makes supplemental pool payments to hospitals proportionate to the hospitals’ Medicaid caseload (e.g., the more Medicaid patients a hospital serves, the higher the supplemental payment to that hospital).
- The aggregate amount of these supplemental pool payments to hospitals is approximately \$92 million each year.

In other words, hospitals **lose approximately \$24 million** from this supplemental payment program each year.

The Legislature has increased the hospital tax more than 20% since SFY 2017 (\$95M to \$115M).

While the hospital tax revenue is not dedicated, it generates enough revenue such that hospitals themselves cover roughly half of the state’s share of costs for hospitals in the Medicaid program. The Medicaid program spends approximately \$250 million of state funds on hospital care for Medicaid patients. The \$115 million hospital tax covers half of that cost. That is, hospitals are roughly equal partners with the state in terms of financing the state’s costs in Medicaid due to care provided at hospitals. No other provider group supplies this level of financial support for their own Medicaid costs.



Medicaid Continues to Undercompensate Hospitals

The Maine Legislature is responsible for setting the state’s Medicaid (known as MaineCare) budget each year. Although the federal government covers a majority of the cost of the program, it is the state government that determines reimbursement amounts within federal guidelines.

Medicaid Undercompensates Hospitals: Medicaid does not fully compensate hospitals and doctors for the cost of providing care to Maine’s Medicaid population.

Hospitals are compensated differently based upon their organization. Payment systems for inpatient and outpatient services are structured differently. That said, Medicaid provides 72 cents in reimbursement for each dollar of care provided in the aggregate.

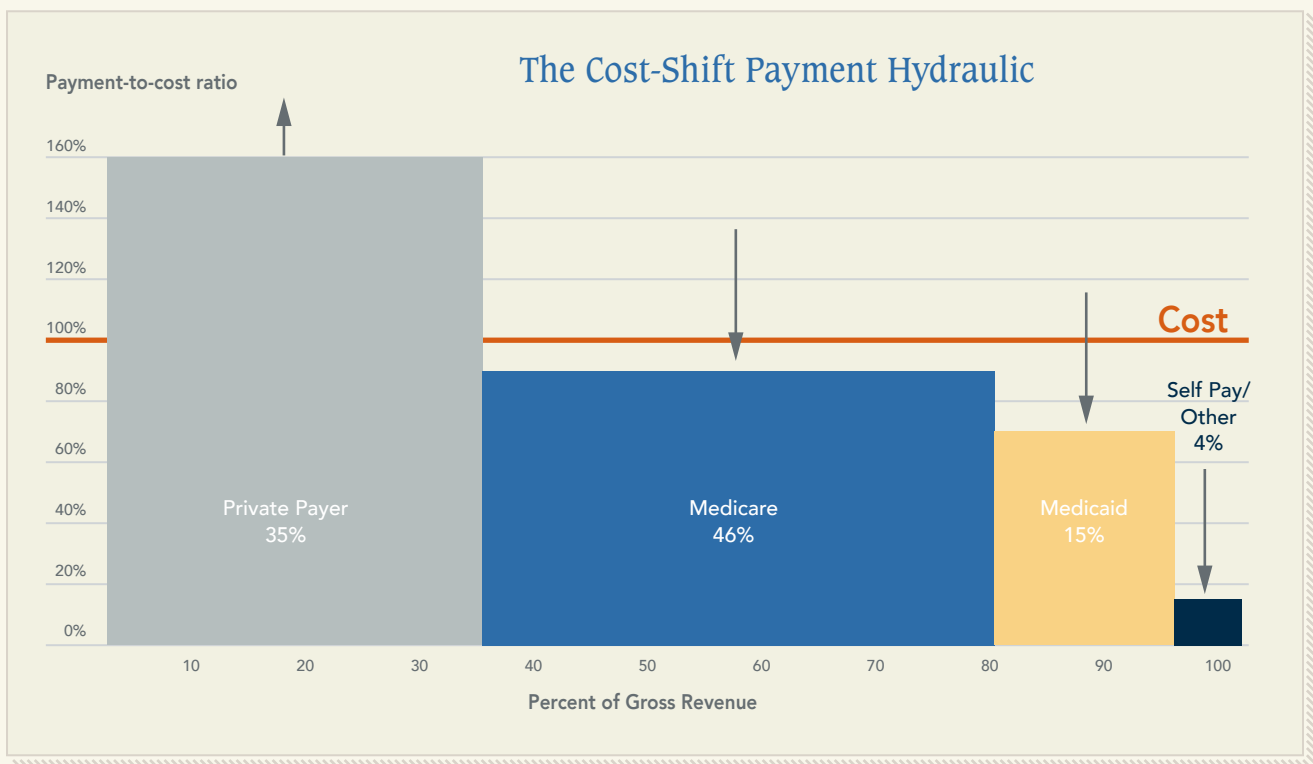
Cost Shifting: Medicaid is not the only payer that does not fully cover its costs. Neither does Medicare. Also, most uninsured patients pay very little toward their cost of care.

Accordingly, those covered by commercial insurance have to pay more than their share to cover the losses caused by others in the system.

Like other providers in Medicaid, hospitals continue to experience losses because Medicaid reimbursement is below the actual cost of providing care to Medicaid patients. Last session, the Legislature did raise the reimbursement provided to rural health clinics and doctors who work in hospitals. “Thank you.”

Supplemental Payments: Some state Medicaid programs provide a variety of “supplemental” payments to their hospitals. For the most part, Maine does not. For example, the federal government allows state Medicaid programs to make a “Disproportionate Share Hospital” (DSH) payment to hospitals that serve a disproportionate share of poor patients; Maine does not make DSH payments to Maine hospitals.

The largest supplemental payment that Maine does make is called the supplemental pool payment (see p. 9). That payment is not included in the table below. However, the amount of that supplemental payment is less than the hospital tax, which is also not included in the table below. If we included that supplemental payment and the associated hospital tax, it would actually reduce the Medicaid cost coverage ratio illustrated in the table. In other words, Medicaid compensation would look worse – not better.



Total Medicaid Budget Continues to be Stable

Over the past several years, the overall level of spending in Medicaid has been stable. This is remarkable because Medicaid's nature is as an entitlement program.

Entitlement: Medicaid provides a variety of services from hospital care to nursing home care. If a person qualifies for Medicaid, then he or she is entitled to receive the covered services needed. It is the only significant entitlement program administered by the state.

General Fund expenditures within the Medicaid budget have grown at an average annual rate of 3.7% per year since 2017.

Medicaid Expansion: The expansion of Medicaid occurred in January 2019 (the second half of SFY 2019). However, the financial impact did not really appear until July 2019 (the first month of SFY 2020).

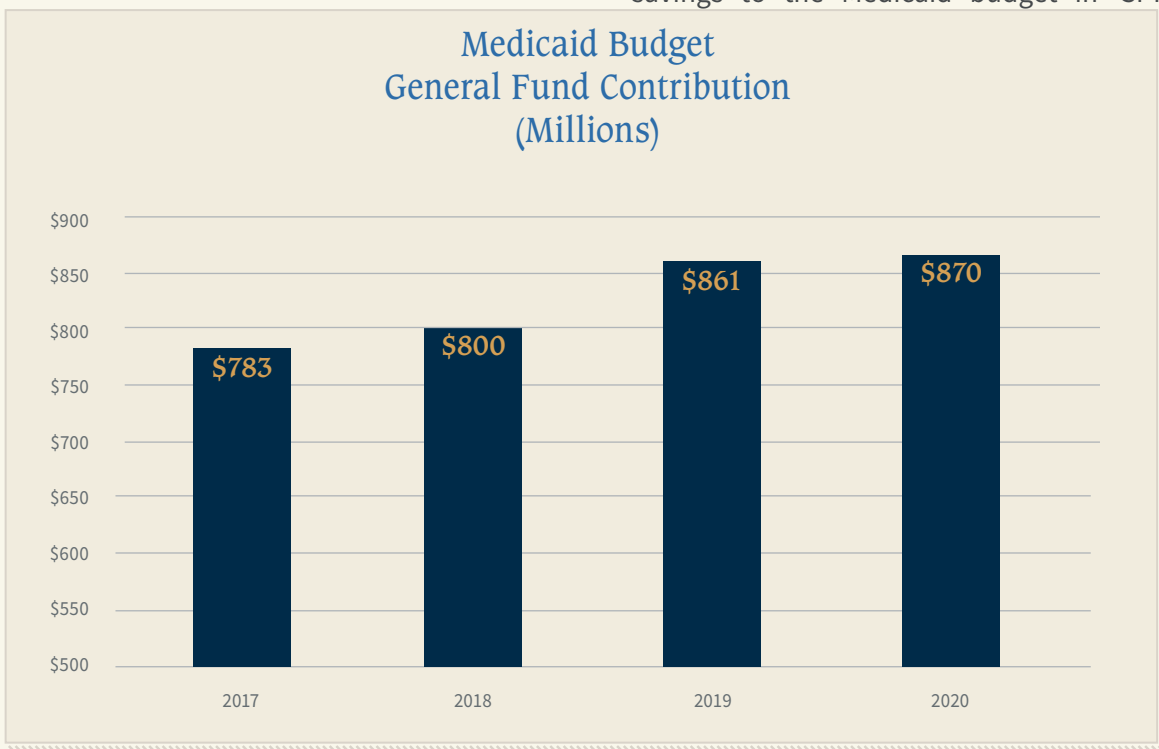
Total spending on Medicaid expansion in SFY 2020 was just over \$300 million. However, the state's share was only 10% of that amount (normally the state's share of Medicaid is 35%).

Furthermore, general fund expenditures on the rest of Medicaid actually fell from 2019 to 2020 by \$23M.

Medicaid expansion enrollment has been below projections. It had been estimated that Medicaid expansion would cover 70,000-80,000 people. However, the strong economy (pre-COVID) that allowed more people to have workplace coverage and actual enrollment, through March 1 (pre-COVID), was only 45,000. That number has grown during the pandemic to just under 60,000 as of August 1 – but is still below projections.

Even though enrollment in Medicaid has grown by 26% from 2019 to 2020, General Fund expenditures have re-mained stable.

COVID-19: Finally, while COVID cases are expensive, hospitals and other providers were directed to cease elective procedures for several months at the begin-ning of the pandemic. This caused a significant drop in MaineCare utilization (as explained more fully on pages 4-5) and savings to the Medicaid budget in SFY 2020.





Maine Hospitals Experiencing Financial Challenges

In any given year, there will be a few hospitals that are having a financial challenge. That is always the case in healthcare.

While things have improved slightly since 2014, significant financial challenges remain.

Operating Margins: Fifteen hospitals had negative margins in 2018. Since 2012, an average of 19 hospitals have had negative operating margins.

During 2018, the aggregate operating margin for all hospitals in Maine was 0.9%. The reasons for this difficulty include both good news and bad news for the broader economy. For example, one of the leading reasons for lower margins is lower utilization of hospital services, particularly inpatient care.

Efforts undertaken by hospitals and others to avoid the most intensive care can both improve quality and save money for employers and insurance plans.

However, other reasons for the lower margins at hospitals include Medicaid and Medicare rate cuts. There have been tax increases at the state level and tens of millions of dollars per year in reduced Medicare reimbursement under the Affordable Care Act (ACA). Another significant contributor is Uncompensated Care. This is the combination of both free care and bad debt.

Free Care—care provided for which no payment is sought; and

Bad Debt—care for which payment is sought but not received.

A major contributor to the growth in bad debt is the recent trend of employers moving their employees into high-deductible health insurance plans. When those workers can't afford the higher deductibles, the bills go unpaid and hospital bad debt rises.

The growth in charity care has levelled off; albeit at a very high amount. In a time of such low margins, hospitals need Medicaid to finally increase reimbursement rates.

Hospitals: The total number of hospitals in Maine has declined by three since 2011.

Those three hospital facilities are still operating with a more focused purpose but are not independent hospitals.

They are:

- Goodall Hospital (Sanford),
- Parkview Adventist Medical Center (Brunswick), and
- St. Andrews Hospital (Boothbay Harbor).

Maine Hospitals Comparison of Operating Margins

	2011	2012	2013	2014	2015	2016	2017	2018
Bridgton Hospital	14.82%	3.45%	3.19%	7.27%	4.05%	-0.27%	1.81%	-3.12%
Calais Regional Hospital	-2.14%	-8.84%	-6.95%	-9.02%	-5.23%	-3.49%	-6.58%	-2.28%
Cary Medical Center	8.16%	-1.05%	-3.91%	3.63%	3.17%	-1.00%	-1.35%	1.41%
Central Maine Medical Center	-2.76%	-1.08%	-4.36%	1.76%	2.95%	-1.84%	-3.18%	-3.15%
Down East Community Hospital	-2.23%	-2.48%	-4.53%	-5.35%	-0.57%	2.00%	1.60%	0.27%
Franklin Memorial Hospital	1.57%	-0.29%	-9.78%	-4.20%	-0.69%	-6.21%	-6.38%	-7.18%
Houlton Regional Hospital	-0.42%	-4.43%	-8.90%	-1.73%	-1.46%	-2.40%	-1.07%	-0.79%
LincolnHealth	*	*	*	-1.26%	2.47%	0.52%	3.39%	3.58%
Maine Medical Center	2.43%	3.29%	1.05%	3.50%	3.51%	4.73%	4.60%	4.60%
MaineGeneral Medical Center	4.84%	3.52%	3.16%	-3.61%	-6.15%	0.05%	-4.26%	0.42%
Mayo Regional Hospital	1.13%	-2.40%	-4.37%	-1.88%	-0.02%	-3.30%	-3.60%	-2.96%
Mid Coast Hospital	4.39%	0.89%	1.38%	2.54%	1.91%	0.60%	1.65%	0.36%
Millinocket Regional Hospital	1.72%	-1.77%	-1.63%	-9.04%	-3.12%	-2.90%	-4.66%	-20.89%
Mount Desert Island Hospital	-1.43%	-4.27%	-1.78%	-2.43%	1.12%	0.51%	3.93%	2.96%
Northern Light A.R. Gould Hospital	3.11%	-2.03%	1.11%	-3.14%	0.14%	-9.90%	0.94%	2.56%
Northern Light Acadia Hospital	4.13%	4.14%	9.47%	2.30%	4.68%	6.33%	5.65%	5.90%
Northern Light Blue Hill Hospital	2.34%	2.09%	4.34%	5.27%	6.46%	2.70%	2.34%	10.86%
Northern Light C. A. Dean Hospital	10.44%	1.96%	3.69%	-1.59%	-1.20%	-10.90%	6.26%	11.00%
Northern Light Eastern Maine Medical Center	2.58%	9.18%	4.58%	2.50%	5.49%	3.90%	3.25%	1.01%
Northern Light Inland Hospital	3.66%	0.99%	1.17%	-2.31%	0.31%	-0.78%	0.88%	-4.00%
Northern Light Maine Coast Hospital	5.45%	-1.28%	-0.47%	-6.52%	-9.68%	-5.20%	-7.52%	-5.58%
Northern Light Mercy Hospital	-8.38%	-6.76%	-4.21%	1.15%	-10.22%	-7.92%	-1.85%	0.69%
Northern Light Sebasticook Hospital	3.22%	0.76%	4.68%	6.49%	3.31%	3.95%	10.40%	13.83%
Northern Maine Medical Center	-0.37%	29.61%	4.56%	0.50%	1.50%	0.40%	13.30%	0.70%
Pen Bay Medical Center	2.05%	-4.04%	-0.04%	0.94%	-3.35%	-6.76%	-3.95%	0.74%
Penobscot Valley Hospital	1.99%	-0.42%	-2.01%	-3.90%	-5.24%	-9.84%	-8.72%	-5.44%
Redington-Fairview General Hospital	-0.91%	-0.87%	-2.85%	-3.65%	-3.65%	0.01%	0.12%	0.17%
Rumford Hospital	11.34%	-1.18%	-1.58%	0.94%	-1.23%	-2.44%	-0.29%	-4.22%
Southern Maine Health Care	*	*	*	*	-3.41%	-2.83%	-0.17%	-2.26%
Spring Harbor Hospital/Maine Behavioral Healthcare	0.55%	-1.90%	1.74%	0.41%	0.43%	-1.63%	2.26%	1.48%
St. Joseph Hospital	9.05%	5.38%	8.04%	8.97%	1.33%	2.20%	0.63%	-9.42%
St. Mary's Regional Medical Center	2.71%	-2.60%	0.07%	-1.67%	-1.68%	1.01%	-0.52%	-11.93%
Stephens Memorial Hospital	4.51%	5.44%	3.97%	6.38%	4.95%	2.54%	2.10%	2.18%
Waldo County General Hospital	8.69%	4.75%	1.96%	-1.54%	6.71%	5.73%	7.63%	4.53%
York Hospital	1.88%	-1.06%	-1.12%	-1.91%	-0.51%	-1.45%	-1.60%	-1.17%

Source: Maine Health Data Organization, Audited Financial Statements

* Not Available

Color Code

	Operating Margins < 0
	Operating Margins 0–4.99%
	Operating Margins 5.0%+





Hospitals are protecting Mainers— Now, they need lawmakers' help

When COVID-19 hit, hospitals sprang into action to prepare for one of the deadliest pandemics in the past 100 years:

- Converting physical space,
- Suspending many procedures and services,
- Purchasing PPE,
- Hiring additional staff,
- And more.

This response was unprecedented, and it came at a high cost.

Ongoing COVID-19 expenditures

ED visits down **50%***



Operating room volume down **60%**

Operating margins down since March **11%**

Expenses per discharge up **12%***



Maine hospitals' short-term losses are approximately:



\$600 million

But Maine hospitals have received only:



\$365 million

*Based on national data from Feb.–March 2020 and Maine case study extrapolation

The Bottom Line: All sectors are hurting, but healthcare delivery is on the ropes. Hospitals are facing not only a financial crisis, but also a public health crisis. As we work toward the safe reopening of our economy, we must first secure hospitals' ability to serve, so that we have the safety net needed to rebuild. Without aid, this financial crisis will force hospitals to make hard decisions about how to continue to provide care to their communities.

Hospitals care for everyone. Now lawmakers must care for hospitals.

COVID-19 Pandemic Federal Legislation and Funding

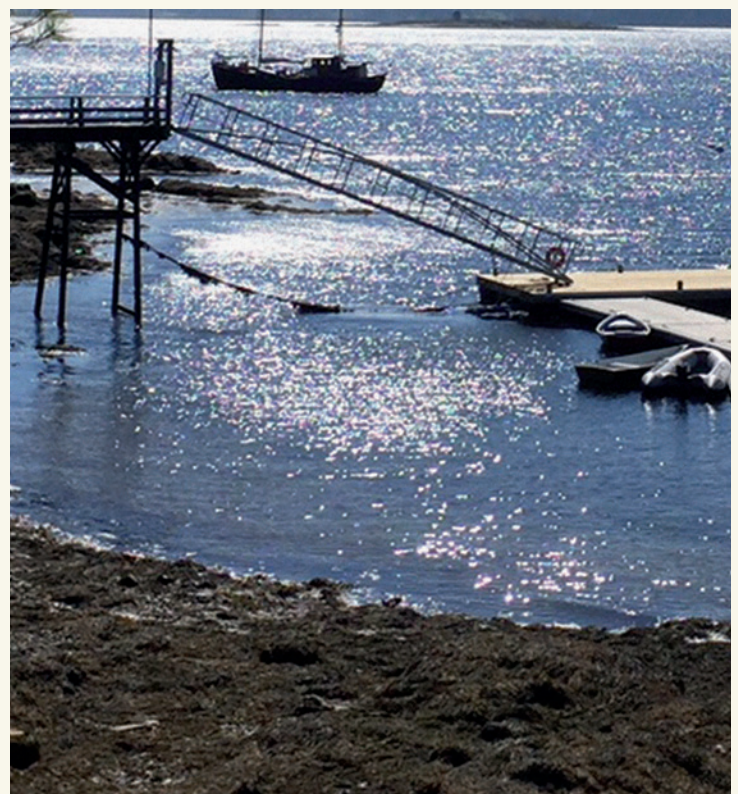
Bill Name	Shorthand	Date	General Description	Total \$	\$ for healthcare providers	\$ distributed to Maine hospitals
Coronavirus Preparedness and Response Supplemental Appropriations Act		March 6	Provides emergency funding for federal agencies to respond to the coronavirus outbreak.	\$8.3 billion	\$50 million	
Families First Coronavirus Response Act	Families First or Coronavirus supplemental 2.0	March 18	Provides paid sick leave, tax credits, and free COVID-19 testing; expands food assistance and unemployment benefits; and increases Medicaid funding.	\$3.5 billion		
Coronavirus Aid, Relief, and Economic Security Act	CARES Act or Coronavirus supplemental 3.0	March 28	Provides economic relief, including \$100 billion for the Public Health and Social Services Emergency Fund (PHSSEF) for healthcare providers.	\$2.2 trillion	\$100 billion	\$93 million (April 10) \$27 million (April 24) \$119 million Rural money (May 1)
Paycheck Protection Program (PPP) and Healthcare Enhancement Act	Coronavirus supplemental 3.5 or PPP	April 24	Package includes funding for the PHSSEF for healthcare providers and testing improvements.	\$484 billion	\$75 billion	\$22 million \$9 million \$20 million
Other programs:					\$10 billion	\$1.5 million \$1.5 million \$21.2 million \$53 million

Losses Still Growing

Although hospitals are getting back to normal, there is an ongoing drop in volume.

- 40% of Americans report they continue to postpone medical services: U.S. Census Bureau, August 2020.

As such, hospital losses, while not as steep as before, continue to grow beyond the \$600 million we've calculated to date.



Overdose Crisis

Maine experienced 380 overdose deaths in 2019; this is an uptick from 2018, but still below the peak of 417 in 2017.

As noted in previous versions of this document, Maine’s strict prescribing rules have played a role in reducing the availability of pharmaceutical opioids.

That restriction is evident in the table below, where pharmaceutical opioid deaths remained below 100 for the second consecutive year, whereas non-pharmaceutical opioid deaths were at a 10-year high of 268.

There was a lot of work on this issue in the 128th Legislature and more work occurred in the 129th as well (see sidebar).

Governor Mills established an Office of Opioid response, led by Gordon Smith, that is working across departments to lead a comprehensive strategy to reduce opioid misuse.

Also, the Governor implemented Medicaid Expansion as adopted by the voters at referendum. This opened clinical and counselling doors that had previously been closed to uninsured individuals who are experiencing substance use disorder.

That said, preliminary data for 2020 is concerning. In the first three months of 2020, there have been 127 overdose deaths. This exceeds the total death count from the COVID-19 pandemic as of press time. Overdose deaths in the first quarter of 2020 grew by more than 23% above the fourth quarter of 2019.

During this period of pandemic, it is vital that we all not lose sight of these other public health challenges.

Biennial Budget

- Medicaid Expansion
- \$5.5M for opioid response
- Lift lifetime limit on suboxone

PL 2019, Ch. 273 – Prohibits commercial insurance carriers from requiring prior authorization for Medication-Assisted Therapy

PL 2019, Ch. 292 – Requires recovery residences to be equipped with Naloxone.

Resolve 2019, Ch. 103 – Outreach to at-risk pregnant women about giving birth to substance-affected babies.

Resolve 2019, Ch. 98 – Establish a pilot project for treatment in Washington County.

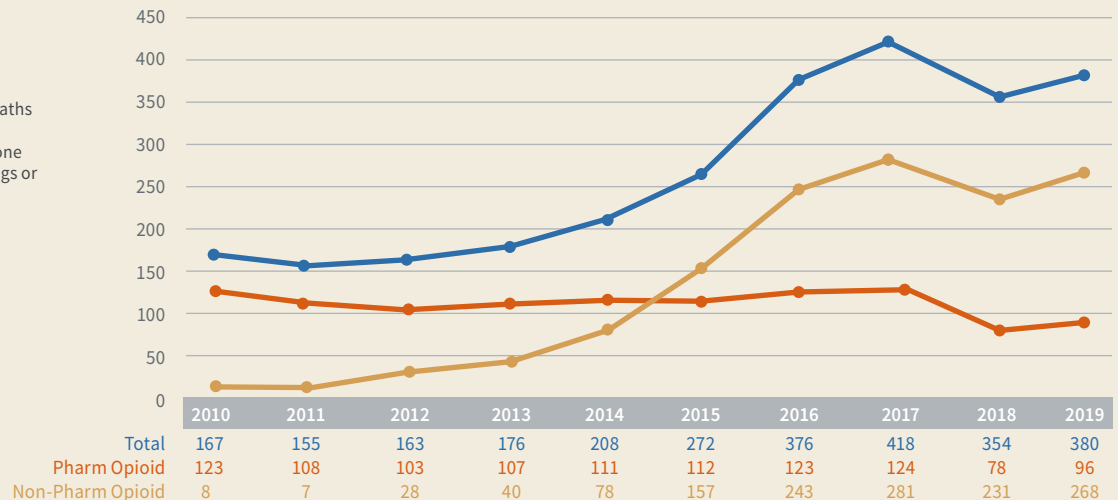
Resolve 2019, Ch. 105 – Requiring DHHS to create a pilot program for the homeless population.

PL 2019, Ch. 524 – Certification for recovery residences.

PL 2020, Ch. 645 – Reviewing MaineCare rules for treatment

Number of Deaths due to Pharmaceutical versus Non-Pharmaceutical

Figure 1. Comparison of the number of deaths due to pharmaceutical versus non-pharmaceutical opioids, alone or in combination with other drugs or alcohol.



Tax Exemption

The tax exemptions historically received by nonprofits, including hospitals, must be preserved.

Hospitals are very grateful to their municipal hosts for the valuable services they provide.

The clear justification for the hospital tax exemption is that hospitals provide a public service. Medical care, particularly emergency care and care for the needy, would have to be provided by the government if private hospitals weren't there.

Hospitals subsidize Medicaid and public health (charity care) by as much as \$280 million per year.

Nationally, 20% of hospitals are run by the government; in Maine, only two are quasi-municipal entities.

Furthermore, the government views medical care as a public function through the appropriation of significant funding

for Medicaid (and Medicare). If the financing of healthcare is a legitimate public goal, the provision of that care must be as well.

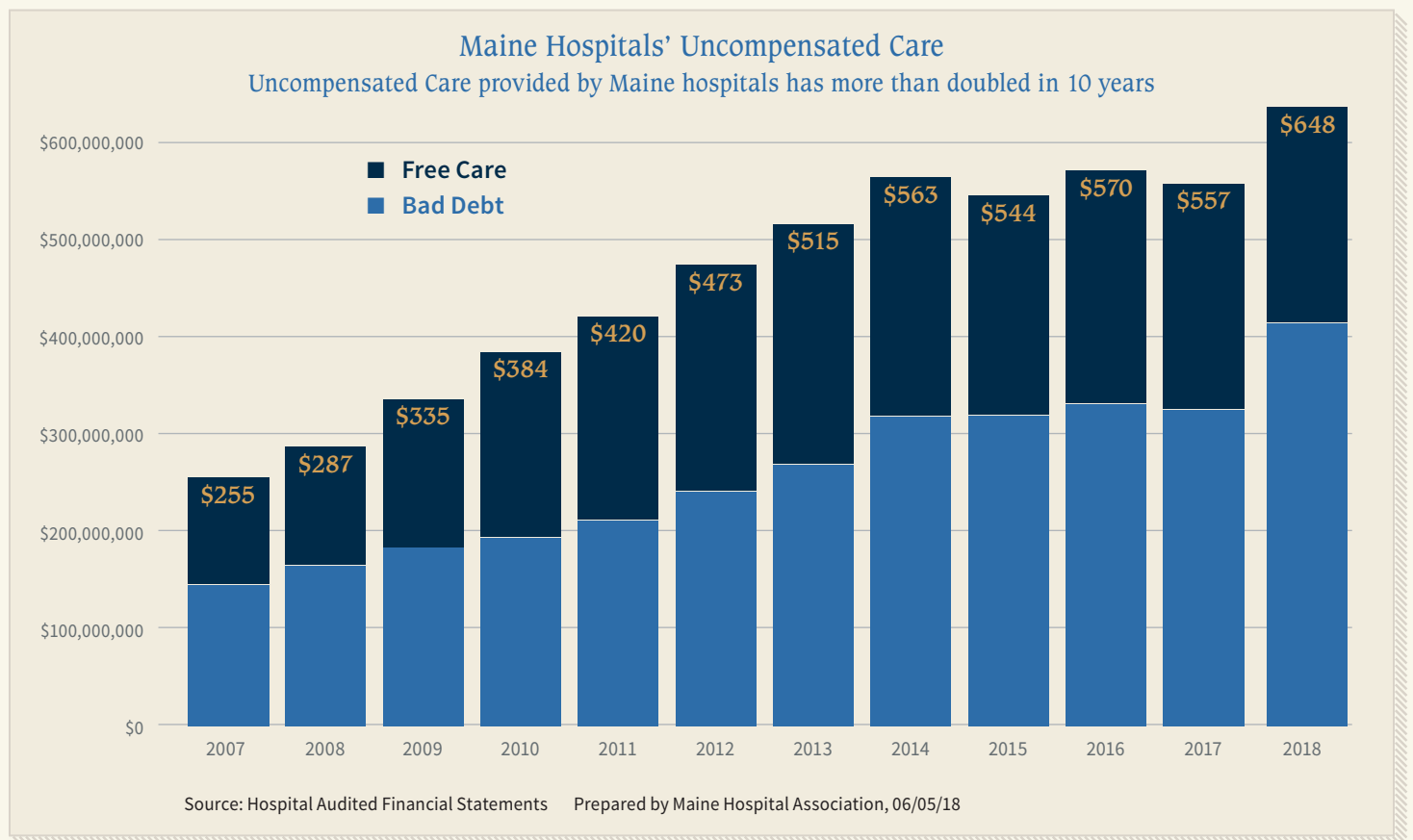
Maine's hospitals subsidize the public insurance programs, which are underfunded. The government intentionally underfunds Medicaid by reimbursing providers like hospitals below cost, knowing that hospitals will have to make up that loss elsewhere – this is the “cost shift” explained on page 10. It is but one way Maine hospitals subsidize public programs.

In many communities, it is the hospital or health system that helps subsidize ambulance services, which many view as a government service.

When the police are called to deal with people on the street who are violent because they are under the influence of drugs or because they suffer behavioral health problems, the police often bring the person to a hospital for custody.

Maine has a much thinner local public health infrastructure than exists in other states. Hospitals help fill that gap.

Hospitals have earned their tax exemption and we hope our partners in government continue to support our mission.





Maine's Hospitals

Hospitals are open 24 hours per day, 365 days per year. They provide care to all patients, regardless of their ability to pay.

As of January 1, 2020 there are 36 hospitals statewide. This is a reduction from 39 over the past few years.

All of the general hospitals are nonprofit (two are government affiliated). Maine's hospitals are governed by more than 500 trustees statewide.

Hospitals Ensure Access To An Entire Spectrum of Care:

Today, hospitals oversee 11 home health agencies, 16 skilled nursing facilities, 18 nursing facilities, 12 residential care facilities, and more than 300 physician practices. In fact, half of all physicians now work for hospitals; many of whom would no longer be in practice without this option. Maine needs hospitals to provide access to care.

In many parts of Maine, the hospital and its related facilities are the only real healthcare option for residents. Half of Maine residents live in non-urban areas; nationally, that figure is a mere 15%.

Delivering healthcare in rural areas is a challenge. If independent providers are unavailable, which is often the case in rural areas, Maine hospitals are there to provide care to everyone.

Hospitals subsidize many services not historically associated with hospitals, including primary care practices, nursing homes and behavioral health clinics to help expand access to care. These services would not exist in many Maine communities without the backing of the local hospital.

Total beds in Maine today—3,572

Total beds in Maine 1980—5,075

Inpatient surgeries per year—37,935

Outpatient surgeries per year—106,152

Emergency Department visits—609,170

Births—11,695

Beds per square mile in Maine—10

National average beds per square mile—21

Conclusion

Thank you for accepting this open letter from the Maine Hospital Association.

MHA is non-partisan and does not endorse candidates for office. We are not asking that you fill out a questionnaire or take a pledge. We simply ask that you review the information in this document as you seek to shape public policy in Maine.

Maine hospitals are proud of the fact that they provide some of the best quality care in the country. Providing high-quality care, with both competence and compassion, is the primary mission of Maine hospitals. Hospitals are committed to continual improvement.

Hospital care has evolved to the point where keeping people out of hospitals is as central to their mission as is taking care of those in hospitals. Our members are doing more and more in the areas of primary care, care management and general public health in order to prevent the need for expensive procedures and hospitalizations. The transformation of hospitals from intensive care facilities to parts of integrated healthcare networks is ongoing. No matter what changes the healthcare landscape may bring, hospitals are committed to keeping the focus on patient care.

Maine citizens understand that hospitals are there 24 hours a day, 365 days a year and are ready to provide the care they need when needed. In a rural New England state, it can be a challenge to provide care where it is needed. To keep people out of the Emergency Room or to reduce hospitalizations, people need access to primary care and other preventative services.

Hospitals provide more primary care than any other group or organization in Maine. Maine hospitals will continue to lead the effort to ensure that all Mainers continue to have access to high-quality care at the right time, in the right setting.

The healthcare policy challenges facing the Governor and 130th Legislature are not getting easier.

We look forward to working with you and we thank you for your willingness to review this information.

Thank you

To all of you running for office, thank you. Public service in the Legislature is an arduous task. Maine asks a great deal of citizen legislators and often it seems as if the only reward is criticism.

Thank you also for taking the time to read this material. If you have questions or would like to discuss this information, please feel free to contact the Maine Hospital Association and in particular, Jeffrey Austin, the Vice President for Government Affairs and Communications.

207-622-4794
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MHA Member Hospitals

General Hospitals

Cary Medical Center—Caribou
Central Maine Medical Center—Lewiston
Franklin Memorial Hospital—Farmington
MaineGeneral Medical Center—Augusta and Waterville
Maine Medical Center—Portland
Mid Coast Hospital—Brunswick
Northern Light A.R. Gould Hospital—Presque Isle
Northern Light Eastern Maine Medical Center—Bangor
Northern Light Inland Hospital—Waterville
Northern Light Maine Coast Hospital—Ellsworth
Northern Light Mercy Hospital—Portland
Northern Maine Medical Center—Fort Kent
Pen Bay Medical Center—Rockport
St. Joseph Hospital—Bangor
St. Mary's Regional Medical Center—Lewiston
Southern Maine Health Care—Biddeford and Sanford
York Hospital—York

Critical Access Hospitals

Bridgton Hospital—Bridgton
Calais Regional Hospital—Calais
Down East Community Hospital—Machias
Houlton Regional Hospital—Houlton
LincolnHealth—Damariscotta and Boothbay Harbor
Millinocket Regional Hospital—Millinocket
Mount Desert Island Hospital—Bar Harbor
Northern Light Blue Hill Hospital—Blue Hill
Northern Light Charles A. Dean Hospital—Greenville
Northern Light Mayo Hospital—Dover-Foxcroft
Northern Light Seabiscow Valley Hospital--Pittsfield
Penobscot Valley Hospital—Lincoln
Redington-Fairview General Hospital—Skowhegan
Rumford Hospital—Rumford
Stephens Memorial Hospital—Norway
Waldo County General Hospital—Belfast

Other

Private Psychiatric Hospitals

Northern Light Acadia Hospital—Bangor
Spring Harbor Hospital—Westbrook

State-Run Psychiatric Hospitals

Dorothea Dix Psychiatric Center—Bangor
Riverview Psychiatric Center—Augusta

Rehabilitation Hospitals

New England Rehabilitation Hospital—Portland

Multi-Hospital Health Systems

Central Maine Healthcare Corporation—Lewiston
MaineGeneral Health—Augusta
MaineHealth—Portland
Northern Light Health—Bangor

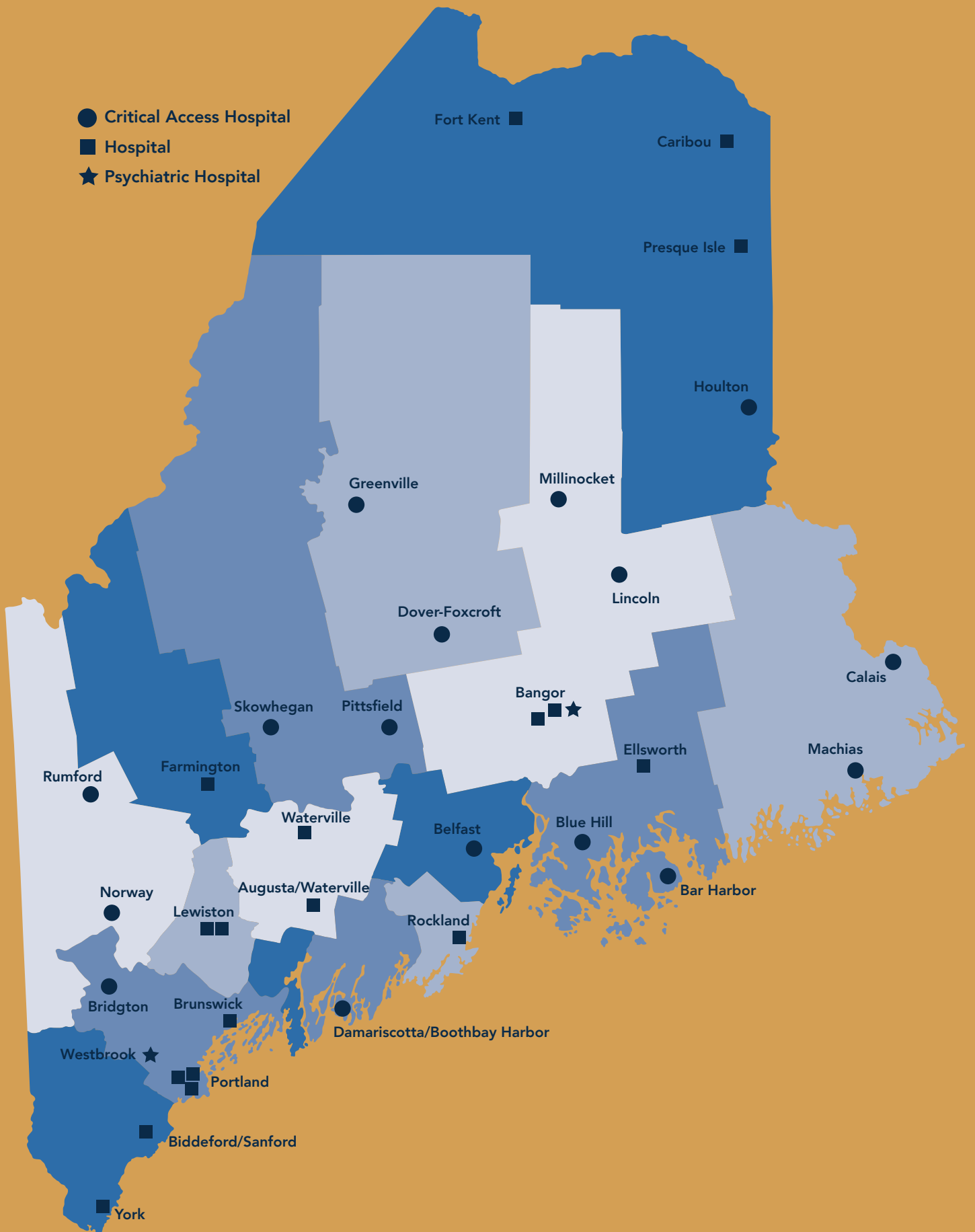
Types of Hospitals

- Prospective Payment System (PPS) Hospitals—17 hospitals;
- Critical Access Hospitals—16 hospitals;
- Psychiatric Hospitals (Institutes of Mental Disease)—2 hospitals; and
- Acute Rehabilitation—1 hospital.

Critical Access Hospitals must:

- Have no more than 25 beds;
- Cap inpatient stays at 96 hours; and
- Be in a rural or remote location.





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Caring for Our Communities