

Innovation to Support Independent Hospitals

HEALTH Subcommittee on Health Facilities

Testimony Submitted by:

Nicole L. Clawson, Vice President of Finance/Revenue Cycle

Pennsylvania Mountains Healthcare Alliance

February 28, 2024

Good morning, I would like to thank the committee for inviting me to testify in front of you all today on innovation to support independent hospitals in our state of Pennsylvania. I will focus on the revenue cycle and reimbursement issues our member hospitals are facing and potential solutions to assist with this.

To accompany this testimony, I have submitted supplemental slides that consist of publicly reportable data on the effects of Medicare Advantage plans nationally, within the state of Pennsylvania, and within our member hospitals.

My name is Nicole Clawson, and I am the Vice President of Finance and Revenue Cycle for Pennsylvania Mountains Healthcare Alliance (PMHA). I have been with PMHA for almost 3 years serving in this capacity and worked with another Pennsylvania based hospital for 10 years prior. Before coming to PMHA, I was part of a hospital system where a larger organization came in for affiliation. While I was happy in my role there, my passion was within the independent rural community hospital and decided to continue my path with PMHA who had a similar vision and focus.

Reimbursement is important however, to be able to continue to provide access to quality healthcare to the patients within the rural communities of Pennsylvania we need help in terms of payment reform. Our member hospitals look to sustain and grow services within the communities, yet reimbursement delays, cuts and unnecessary denials are counterproductive to this. The administrative burden is extensive not only on the front end of the patient care but then again on the back end with trying to collect, manage denials, and get proper reimbursement for the services provided. The administrative teams that are needed to be assembled for these unexpected or unnecessary pitfalls are large.

Today I would like to focus on a government plan within many commercial payers, Medicare Advantage.

From our level at PMHA, Medicare Advantage plans come in at the highest group of payers that constitutes delays in collection, denials, and overall nonpayment. With those accounts sitting on our accounts receivable greater than 90 days, Medicare Advantage plans continue to be our top payers for reimbursement issues such as:

- Authorizations
- Medical necessity
- Documentation requests
- Emergency room downgrades
- Bundled payments

The remaining slides show additional backing for the Medicare Advantage issues, with the last being a sample of hospitals that called it quits with these plans in other states, which does not help our patients access to care.

Together understanding the struggles rural community hospitals are having and thus working together to find innovative solid solutions to keep the access to quality care available to our rural communities for years to come is a common goal. I thank you for allowing me to speak to all of you today and allowing me to be part of the solution.