

May 19, 2021

Sent electronically

Dear Member of the North Carolina Congressional Delegation:

On behalf of our more than 130 member hospitals and health systems, the North Carolina Healthcare Association (NCHA) thanks you for the historic action Congress has taken in response to the pandemic, and we are eager to work with you as our state and nation begin to recover and rebuild. **Accordingly, as Congress considers infrastructure legislation, NCHA respectfully requests your consideration of the following policies and investments to support our healthcare infrastructure and help rebuild the state's economy.**

North Carolina hospitals and health systems are a critical part of our state's physical, social, and economic infrastructure – infusing more than \$55 billion annually in economic impact for the state and generating over 200,000 direct jobs, translating into countless indirect jobs in every district in North Carolina. From providing access to 24-hour care and responding to natural and manmade disasters to partnering to address health disparities and social determinants of health, North Carolina hospitals are steadfast in their commitment to serving their patients and communities. Yet, without additional federal support, many hospitals will struggle to maintain and update aging facilities, invest in the healthcare workforce, and purchase new technology and equipment to meet the challenges and opportunities ahead.

Hospital and health system physical infrastructure

The COVID-19 pandemic brought deep financial losses to North Carolina hospitals. Even prior to the public health crisis, more than 60% of North Carolina hospitals operated at negative or very slim margins (2% or less). These financial challenges, along with persistent shortfalls in reimbursement from the Medicare and Medicaid programs, make it extremely difficult for some hospitals to make investments in their physical plants and pursue new care delivery models that improve quality and reduce long-term costs. **NCHA urges Congress to provide funding to assist hospitals maintain, update, and “right size” facilities, invest in complex mechanical systems and other equipment necessary to ensure access to safe, high-quality care for all.**

Digital infrastructure, connected care

Modern information technology and data systems are essential to preventing and responding to health emergencies, improving quality of care and eliminating racial and ethnic disparities. **NCHA asks Congress to make substantial investment in broadband, including new funding for the Federal Communications Commission's Rural Health Care Program to support broadband access. Additionally, Congress should establish new funding programs to assist hospitals with the high upfront and maintenance costs of equipment and health information systems required to report data, exchange information, and provide connected care services.**

NCHA also urges Congress to make permanent certain connected care flexibilities and policies permitted during the public health emergency, including lifting restrictions on the location of the patient, permitting the use of audio-only technology for certain services, and ensuring that care provided through telehealth is reimbursed at the same amount as in-person care. Among NCHA-supported legislation to improve access to telehealth is the **Telehealth Modernization Act (S. 368); TREAT Act (S. 168/H.R. 798); and TREATS Act (S. 340).**



Healthcare workforce

The individuals who work in hospitals providing clinical, environmental, nutrition and other services are the true heroes of our time. Yet burnout, workforce shortages and other challenges threaten the stability of the healthcare workforce. To address this, NCHA urges Congress to, among other actions:

- **Increase federal investment in training the next generation of physicians by passing the Resident Physician Shortage Reduction Act (S. 834)** to raise the number of Medicare-supported graduate medical education positions by 2,000 per year for seven years. These positions would be targeted to hospitals with diverse needs, including those serving rural areas and located in federally designated professional shortage areas, and hospitals already training over their caps.
- **Pass the *Healthcare Workforce Resilience Act (S. 1024)*** to allow entry into the U.S. of nurses with approved immigrant visas and to allow physicians with approved immigrant petitions to adjust their status and help fight the COVID-10 pandemic.
- **Increase funding for the National Health Service Corps program and ensure more participants serve in hospital settings.** NCHA supports the *Strengthening America's Health Care Readiness Act (S. 54)*, which includes a particular focus on diversifying the workforce, and the *Rural America Health Corps Act (S. 924)*

Hospital preparedness and response

The Hospital Preparedness Program (HPP) provides funding and other resources to states and other jurisdictions to assist hospitals in responding to emergencies. However, this critical program has been historically underfunded. **We ask Congress to increase annual funding for HPP. Additionally, NCHA urges Congress to make permanent the new HPP activity initiated during the pandemic that distributed funds directly to hospitals and other related healthcare facilities through state hospital associations, including NCHA.**

Supply chain

The COVID-19 pandemic exposed shortfalls in our nation's medical supply chain. These include the need for increased domestic production capacity for personal protective equipment and other medical supplies and equipment, and consistent investment in the strategic national stockpile. NCHA urges Congress to take action to address these issues. **NCHA supports, among other actions, the *Protecting Providers Everywhere (PPE) in America Act (S. 308/H.R. 1436)*.**

Behavioral health

North Carolina hospitals and health systems serve patients experiencing mental illness and/or substance use disorders through both in-person care and connected care services. In addition to maintaining and upgrading physical space, inpatient psychiatric facility and general acute care hospitals offering inpatient programs have significant digital infrastructure needs. These include investment in end-user devices necessary to upgrade audio-video technology to support telemedicine in the location where patients receive behavioral health services; access to technologically driven therapeutics specifically designed for children and adolescents; and the purchase and maintaining of interoperable systems. **NCHA urges Congress to provide funding for physical and technological needs of providers serving patients experiencing mental illness and/or substance use disorders. Additionally, NCHA strongly urges Congress to expand access to care by eliminating the Medicare coverage restriction that limits payments for inpatient care in psychiatric hospitals to 190 days in a beneficiary's lifetime, and by repealing the Institutions for Mental Diseases (IMD) exclusion that prohibits federal payments to states for services for Medicaid beneficiaries between the ages of 21 and 64 who are treated in facilities with more than 16 beds.**

As highlighted in a recent [letter](#) to Congress from the American Hospital Association, healthcare is one of the 16 critical infrastructure sectors designated by the Department of Homeland Security. As hospitals and health systems continue to care for patients and communities and recover and rebuild from the pandemic, we look forward to working with you to ensure the nation's healthcare infrastructure is prepared to meet present and future challenges and opportunities.

Thank you for your continued support for North Carolina' hospitals and the patients and communities they serve. Please contact Cody Hand, Senior Vice President of Advocacy and Policy and Deputy General Counsel at chand@ncha.org or 919-677-4113 with any questions or for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. J. Lawler', with a long horizontal flourish extending to the right.

Stephen J. Lawler
President and CEO
North Carolina Healthcare Association