PULSE

How the Government Shutdown Would Affect Vital Health Care Programs

A potential shutdown before Thanksgiving could have significant implications on health care programs, ranging from administrative disruptions to potential delays in services.

While the possibility of a government shutdown was halted for at least a month after Speaker Kevin McCarthy, R-Calif., agreed to a stopgap measure without funding for Ukraine or support for the U.S. border crisis, the risk still looms without a permanent funding agreement before Thanksgiving.

If that happens, the current spending laws will expire, and without a new agreement in place, crucial government functions—including health care services—will temporarily grind to a halt.

Here's a look at what would be most affected.

While certain pivotal health care programs like Medicare, Medicaid and Social Security are shielded from immediate impact due to their nature as mandatory entitlements funded by taxes and premiums, the ramifications of a shutdown will ripple through administrative actions and essential services.

The Centers for Medicare and Medicaid Services (CMS) assures continued funding for Medicaid through the first three months of the fiscal year—which started Oct. 1—relying on previously allocated funds. However, administrative tasks, such as benefit verifications and issuing replacement Medicare cards, would experience a

temporary freeze during the shutdown. Additionally, open enrollment for the Affordable Care Act exchanges, commencing Nov. 1, will proceed using residual fees from the prior year.

"The government has never been shut down long enough to know what would happen after [the first three months of the fiscal year]," according to an article from NPR. "The 2013 shutdown, which included HHS, lasted just over two weeks. Most of the agency wasn't affected by the 2018-19 shutdown because its

annual appropriations bill had already been signed into law."

The Department of Health and Human Services (HHS), a crucial player in the health care arena, would see its first impact from a government shutdown since 2013. In the event of a shutdown, HHS commits to maintaining its COVID-19 response and clinical research efforts. Additionally, the Food and Drug Administration will persevere in drug and medical device reviews, funded by industry-paid user fees.

Despite these assurances, the shutdown would inflict its heaviest toll on federal workers, particularly those at HHS. Approximately 42% of HHS employees—over 37,000 individuals— would face furloughs without pay, while the remaining 58% deemed "excepted" would be mandated to work unpaid throughout the shutdown.

Doctors and hospitals, although capable of submitting bills to Medicare and receiving payment, could also experience delays due to staff shortages. Notably, the staffing deficit might disrupt the application processing for Medicare, affecting thousands of applicants daily.

"According to the Committee for a Responsible Federal Budget, a nonpartisan fiscal policy think tank, more than 10,000 Medicare applicants were turned away each day during the 1995-1996 shutdown," according to *The Hill* article.

The National Institutes of Health, a vital hub for medical research and grants, would grapple with disruptions in grants management activities, clinical trial registrations, and grant application reviews. In past shutdowns, thousands of grant applications faced rescheduled review processes, disrupting the momentum of critical research endeavors. The potential staffing shortages could not only impede grant processing but also deter new patients from enrolling in clinical trials, underscoring the far-reaching consequences of a government shutdown on health care advancements.

"The effects in health care, at least systemwide, are maybe less than in other areas," said Larry Levitt, an executive vice president at KFF, in an article from The Washington Post. "But there are many programs where individual clinics or mental health programs depend on federal grants or funding, which could stop particularly with an extended shutdown."

Why 1 in 3 Health Care Workers Plan to Leave

A recent survey by Tebra reveals that anxiety, depression and exhaustion are to blame for the already severe workforce shortages in the health care sector.

A recent Tebra survey conducted in spring 2023 has shed light on the concerning state of the health care workforce. Over 500 health care professionals participated, with a third indicating their intent to depart from their current positions within the next year.

Additionally, the survey revealed that 14% are considering leaving the health care industry entirely. The repercussions of the ongoing COVID-19 pandemic and the burden of administrative duties have cultivated an unfavorable work environment for many health care workers, according to Tebra.

With six in 10 health care workers facing staff shortages, patient access to care and the well-being of medical professionals are at stake as well. Survey respondents voiced their demands, highlighting the need for increased pay and benefits, enhanced staffing levels to alleviate workload and stress, and more flexible scheduling to contribute to a healthy work-life balance.

The toll of the pandemic on health

care workers' emotional well-being also arose in the survey, with a significant percentage reporting feelings of anxiety and depression.

"The COVID-19 pandemic drove many older medical professionals into retirement and created a whole new level of workplace demands for those who remained," according to Tebra.

"Health care workers clocked longer hours and endured higher stress levels, but many were not rewarded financially for their hard work and commitment. Instead, COVID-19 relief money went to things like facility upgrades and new technology. In light of these considerations, it's not surprising that 73% of the healthcare workers we

NEWS & NOTES

Majority of Hospitals Lag in Denials Management Automation

A recent survey conducted by technology provider AKASA reveals that 62% of hospitals and health systems in the U.S. have not yet automated any aspect of denials management. The survey indicates a significant shift on the horizon, with 44% of the health care CFOs and revenue cycle leaders surveyed planning to automate some facet of denials management by the end of 2023, and an additional 32% eyeing automation in 2024.

Claim denials have emerged as a pivotal challenge, contributing to backlogs within the revenue cycle management process. These backlogs, coupled with other challenges, prove to be a costly issue for health care organizations, with more than one in five respondents indicating annual revenue losses exceeding half a million dollars due to denied claims. However, simply applying conventional automation methods like robotic process automation (RPA) may not suffice.

Read more here.

Phone Hospital Price Transparency Not Aligned with Online Pricing

A recent study published in JAMA Internal Medicine revealed that hospital prices for vital services like vaginal childbirth and brain MRIs often do not align with what is presented to consumers online versus what is disclosed over the phone.

The study, which looked at 20 top-ranked hospitals, 20 safety-net hospitals, and 20 non-top-ranked, non-safety-net hospitals in 2022, found a notable disparity in prices quoted for brain MRIs and vaginal childbirth. Shockingly, at 12 hospitals, the difference between online and telephone prices for a brain MRI was a staggering 50% or more.

The Hospital Price Transparency Rule, aimed at enhancing transparency and aiding consumers in comparing prices across hospitals, necessitates hospitals to publish prices for all services online and provide a consumer-friendly tool for at least 300 shoppable services. However, only a portion of hospitals surveyed were able to provide both online and phone prices for these critical services.

Interestingly, the study revealed that safety-net hospitals tended to have lower online prices, emphasizing the importance of accessibility and affordability, especially for vulnerable populations. Yet, the price variations observed across hospitals, irrespective of their rankings or safety-net status, reiterate the pressing need for standardized pricing and clear communication of these prices to consumers.

Read the study.

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1 in 3 Health Care Workers cont. from page 3

surveyed felt underpaid, and 59% felt unappreciated at work."

Fatigue also poses a substantial threat, as over a third of respondents disclosed instances of colleagues falling asleep during shifts, impacting patient care and safety. This situation is especially dire for the nursing workforce, with job satisfaction plummeting and a notable decline in the intent to stay with current employers.

Tebra also looked at health care wages across the U.S.

The greatest annual mean wages were earned by health care employees in California, Hawaii, and New Jersey, each exceeding $110,000. However, Mississippi, Alabama, and Louisiana were the three states with the lowest incomes. The cost of living differs significantly among the states, which may contribute to certain pay discrepancies, even though the wage gap is evident. No matter where they worked, the majority of health care employees said they felt underpaid, according to the survey.

"Unless workplace changes are made quickly, 77% of health care workers fear a health care crisis within the next year due to critical issues such as understaffing and employee burnout," according to the report. "While health care workers bravely did their part to usher the world through the worst of the pandemic, many now feel the time has come to focus on well-deserved self-care."

Additionally, health care staffing challenges were prevalent even before the pandemic, indicating a deeper-rooted issue that needs urgent attention to prevent a full-blown health care crisis.
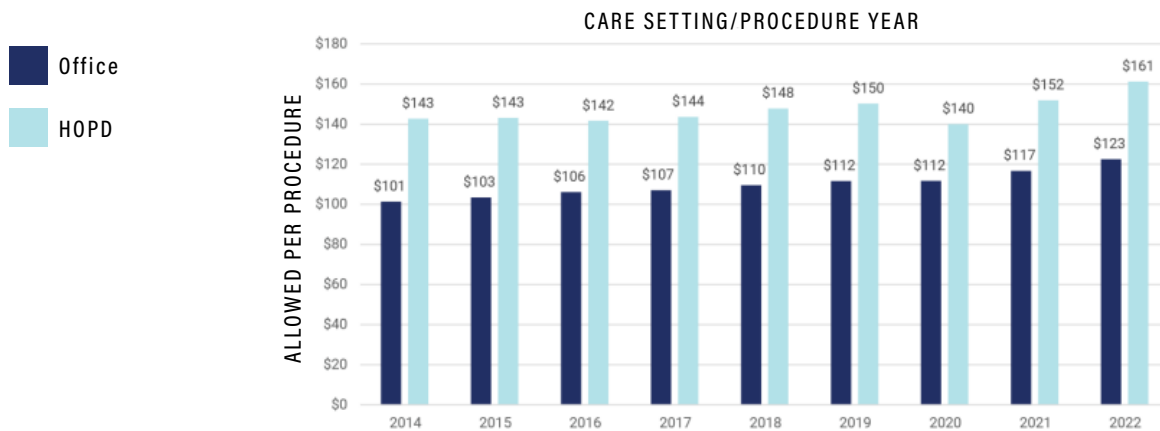
Read the report here.

Hospital Outpatient Departments Pricier Than Doctor's Offices

Acomprehensive analysis conducted by the Blue Cross Blue Shield Association shed light on the significant cost disparity in health care services provided in hospital outpatient departments (HOPD) compared to doctor's offices or ambulatory surgery centers.

The study, based on commercial claims data for over 133 million Blue Cross and Blue Shield members from 2017 to 2022, indicates that costs for common medical procedures can be up to 58% higher when performed in an HOPD.

Notably, the study examined six key services: mammogram, colonoscopy screening, diagnostic colonoscopy, cataract surgery, ear tympanostomy, and clinical visits. In 2022, for instance, a colonoscopy screening costs double in a hospital outpatient department compared to a doctor's office, illustrating the financial burden this disparity imposes on consumers.

Clinic Visits Allowed Costs per Procedure Between 2014 and 2022

Office

HOPD

CARE SETTING/PROCEDURE YEAR

ALLOWED PER PROCEDURE

Year	Office	HOPD
2014	$101	$143
2015	$103	$143
2016	$106	$142
2017	$107	$144
2018	$110	$148
2019	$112	$150
2020	$112	$140
2021	$117	$152
2022	$123	$161

Source: Rising Prices for Hospital Outpatient Care Far Outpace More Affordable Sites, Issue Brief, Blue Health Insurance, September 2023. https://tinyurl.com/4v9sus94

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