INFRASTRUCTURE INVESTMENTS CRITICALLY NEEDED IN HEALTH CARE AND WORKFORCE DEVELOPMENT INITIATIVES

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Hospitals and health systems are a prized component of the nation's infrastructure. They also drive economic growth in the form of jobs in their local communities, directly employing nearly 5.9 million individuals while supporting 16.5 million jobs in their communities and almost $3 trillion in economic activity.[1]

Unfortunately, hospital infrastructure continues to deteriorate nationwide, especially in inner-city urban and rural areas, and access to care is a constant concern in these communities.

As Congress addresses the nation's infrastructure needs, GNYHA has identified three priority areas for health care investments:

- Capital Access: Accessing capital to support health care access and delivery system reforms has become increasingly difficult for safety net hospitals that lack the financial margins to support capital investment, leading to a deterioration of hospital infrastructure in rural and urban safety net communities. Capital support is essential to any plan to stabilize hospitals and health systems serving vulnerable communities. It is the only way they can transform into lower-cost, integrated care models and maintain access to critically needed services.
- Health Information Technology (HIT): As hospitals and health systems become increasingly digitized, particularly in response to regulatory requirements, they must continually upgrade and enhance their HIT systems. But due to a lack of financial resources, urban and rural safety net hospitals' HIT infrastructure is often outdated and sometimes obsolete. They need financial support to address these basic needs and cybersecurity threats. They also need investments to support telehealth start-up costs to expand innovative care delivery models.
- Workforce Development: Developing a hospital and health system workforce stocked with well-trained personnel is critical to the operation of this key component of the nation's infrastructure. Continuing and enhanced support to educate and train nurses and other frontline workers is needed. And training the next generation of physicians in particular will allow the US avoid a doctor shortage and maintain its place as a world leader in health care innovation.

CAPITAL TO SUPPORT AN EVOLVING DELIVERY SYSTEM

- The US health care delivery system is experiencing rapid redesign and innovation, but challenges in accessing capital threaten to leave vulnerable communities behind. From 2013-18, 67 rural hospitals closed, with about one-third located more than 20 miles from the next closest hospital.[2] Hundreds more rural and inner-city hospitals are at risk of closure, threatening a major source of employment and economic vitality, as well as access to critically needed primary and specialty care services, including obstetrics, mental health and substance abuse services, and trauma.

1. American Hospital Association, https://www.aha.org/system/files/2018-06/econ-contribution-2018_0.pdf.
2. Medicare Payment Advisory Commission, *Report to Congress: Medicare and the Health Care Delivery System,* June 2018, pg. 47.

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GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.

- New capital investments in innovative care delivery models such as freestanding emergency departments, urgent care centers, and telehealth platforms (see below) are critical to ensuring continued access to care in underserved areas.
- Congress should consider adopting policies to increase hospital access to capital in vulnerable communities, including grants, tax credits, credit enhancement programs to support enhanced access to loans, and innovative public-private partnerships.

HIT NEEDS

- The use of telehealth technology has grown in recent years as health care providers expand patients' access to remote providers and enhance access to services. Establishing telehealth capacity, however, requires investments in significant start-up costs for videoconferencing equipment, reliable connectivity to other providers and patients, staff training, and other resources to manage services. Capital investments, grants, and subsidies will also ensure wider patient access to telehealth services for specialty care.
- Hospitals, health systems, and their patients also stand to benefit from changes to Medicare's narrow definitions of and barriers to telehealth, including additional changes to geographic and setting restrictions so patients outside of rural areas can benefit from telehealth, covering a broader range of services, and by expanding the types of technology that can be used for telehealth.
- Over the past decade, hospitals have spent hundreds of billions of dollars on EHR and other technologies, largely in response to the Federal meaningful use program. But safety net hospitals have struggled to make critical technology system updates and enhancements due to increasingly stringent EHR requirements, higher vendor costs, and cybersecurity threats. Further, hospitals and health systems must continue to invest in HIT to improve their EHRs, which currently do not easily share data to support care, engage patients, or provide the data and analytics to support new models of care. Additional capital would allow safety net hospitals in particular to keep pace with the evolving landscape.

WORKFORCE DEVELOPMENT

- An infrastructure of appropriately educated and trained personnel is critical to the US remaining a world leader in health care innovation. Safety net hospitals in particular need support to be able to recruit and train the right mix of workers.
- The physician component of the nation's health care infrastructure must be further developed and supported. They diagnose the illnesses, perform the procedures, do the clinical research, and identify the breakthroughs that make the US health care system the envy of the world.
    - Without doctors and other members of the health care team, the nation's health care system would collapse, access to care would be greatly impaired, and our great advances in research and medicine would stop.
    - The Association of American Medical Colleges estimates that the country will experience a significant physician shortage in the coming decades, with a projected total shortfall of between 42,600 and 121,300 doctors by 2030.
- Medicare provides special payments to hospitals to ensure that the training of physicians is properly supported. But the Balanced Budget Act of 1997 included a provision that limits the number of doctors for which teaching hospitals can receive Medicare reimbursement to provide training (the "doctor cap").
    - The Resident Physician Reduction Shortage Act would fix this outdated policy by providing 15,000 additional "cap slots" to teaching hospitals over a five-year period.
    - Each cap slot would translate to one year of training for a new doctor and, when fully phased in, would produce 3,000-4,000 additional doctors per year over a five-year period.

- The US cannot maintain its place as the world's leader in health care breakthroughs without the proper support for a robust pipeline for doctors. Ensuring ongoing support for their development—and the development of all other members of the health care team—is essential to the stability of the country's infrastructure.

CONCLUSION

As Congress considers investments in infrastructure and workforce development, GNYHA believes that any legislative package should include provisions to address hospital and health system needs in the areas of access to capital, HIT, and workforce development in order to support an ever-evolving health care delivery system and ensure access to care in vulnerable communities.