

1 HJR26  
2 189374-3  
3 By Representatives Shedd, Standridge, Crawford, Wingo,  
4 Jackson, Fincher, Howard, Wilcox and Chestnut  
5 RFD: Rules  
6 First Read: 09-JAN-18

1  
2 ENROLLED, House Joint Resolution,

3           URGING THE ALABAMA CONGRESSIONAL DELEGATION TO MAKE  
4 A NEW, EQUITABLE MEDICARE PAYMENT FORMULA.

5  
6           WHEREAS, Alabama's hospitals have provided excellent  
7 care to their communities for many years and were, in fact,  
8 the prototype for modern hospitals across the country due to  
9 the influence of Senator Lister Hill and his vision for  
10 community-supported modern medical facilities; and

11           WHEREAS, over time, Alabama's hospitals have not  
12 only provided good care to patients, but they have done so in  
13 a very efficient manner; hospitals have a \$20 billion economic  
14 impact in Alabama each year, directly employing nearly 90,000  
15 people and each hospital job supports another job in the  
16 community; and

17           WHEREAS, rural hospitals are often the largest  
18 employer in a community; Alabama's rural hospitals contribute  
19 over \$550 million in payroll and benefits every year to the  
20 state's economy; and

21           WHEREAS, the formula for calculating Medicare  
22 hospital payments has been especially challenging for  
23 Alabama's hospitals due to the inequities built into the  
24 payment calculation, specifically the factor used to  
25 incorporate variations in wages; and

1           WHEREAS, by applying this factor, some hospitals in  
2 the country receive a significantly higher payment for the  
3 exact same procedure as those performed in Alabama, and with  
4 approximately 40 percent of Alabama's patients covered by  
5 Medicare, this inequity is crippling for many hospitals; and

6           WHEREAS, rural hospitals in Alabama are facing  
7 significant challenges with high rates of uninsured patients,  
8 a population with chronic conditions, and lower than average  
9 reimbursement rates, forcing six rural hospitals to close  
10 since 2011; statewide, 96 percent of rural hospitals are  
11 operating in the red, threatening access to care for all  
12 Alabamians; and

13           WHEREAS, Alabama's hospitals are facing a uniquely  
14 burdensome situation, reporting in a recent statewide  
15 financial survey that the average hospital operating margin  
16 has fallen to negative 2.7 percent; in total, 49 percent of  
17 hospitals in Alabama had negative total margins; and

18           WHEREAS, as Alabama's lawmakers, we understand the  
19 tremendous financial pressures Congress is facing with the  
20 federal deficit and know that spending reductions have to be  
21 made; however, we also believe it is our responsibility to  
22 speak on behalf of Alabama's hospitals that are currently in a  
23 very precarious financial situation; and

1           WHEREAS, since 2011, 11 Alabama hospitals have  
2 closed and many others face significant financial challenges;  
3 and

4           WHEREAS, while there are national groups working to  
5 address some of these issues, we worry their recommendations  
6 and subsequent actions may come too late for many of our  
7 hospitals, and we are concerned about what this could mean for  
8 access to health care in Alabama; now therefore,

9           BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH  
10 HOUSES THEREOF CONCURRING, That we express our gratitude for  
11 the previous leadership of the Alabama Congressional  
12 Delegation on this issue, and urge the delegation to make  
13 resolving this decades old problem a priority and find a  
14 solution to ensure an equitable Medicare payment formula for  
15 all hospitals.

16           BE IT FURTHER RESOLVED, That a copy of this  
17 resolution be provided to each member of the Alabama  
18 Congressional Delegation so that the strong sentiments of this  
19 body on this important issue shall be known.

