

# Health care power shift looms large for Nashville leaders

Holly Fletcher, USA TODAY NETWORK – Tennessee Published 8:02 a.m. CT March 10, 2017 | Updated 9:37 a.m. CT March 10, 2017



(Photo: Manakin, Getty Images/iStockphoto)

Relationships between hospital administrators and state lawmakers will be key to influencing health care policy details in the coming years if the GOP's plan to replace the Affordable Care Act advances.

If enacted, the [GOP plan](http://www.tennessean.com/story/news/health/2017/03/07/how-obamacare-replacement-plan-could-impact-tennessee/98849298/) ([/story/news/health/2017/03/07/how-obamacare-replacement-plan-could-impact-tennessee/98849298/](http://www.tennessean.com/story/news/health/2017/03/07/how-obamacare-replacement-plan-could-impact-tennessee/98849298/)) would give states more authority with regard to structuring covered benefits, plan design and the structure of Medicaid.

The anticipated shift in power will give new credence to the adage, "health care is local" — a tenet reflected in Gov. Bill Haslam's health care wish-list.

The onus will be on hospital administrators to explain the intricacies, and ramifications, of a complex industry, said David Jarrard, co-founder of Jarrard Phillips Cate & Hancock, a Brentwood-based strategic communications and engagement firm.

"This is a perfect window to jump into that conversation. We're sort of in a creative moment," Jarrard said. "Our hospitals have to be relentless in telling their stories and driving home the consequences of good policy, of bad policy."

The leaders of hospitals and health systems, particularly those that are community owned or in rural areas, should be prepping for an era when they have to demonstrate to elected officials, who may have no background in the industry, the data of how care is delivered and reimbursed.

[How Obamacare replacement plan could impact Tennessee](http://www.tennessean.com/story/news/health/2017/03/07/how-obamacare-replacement-plan-could-impact-tennessee/98849298/)  
(<http://www.tennessean.com/story/news/health/2017/03/07/how-obamacare-replacement-plan-could-impact-tennessee/98849298/>)

Decisions in state legislatures ripple through districts so data will have to be paired with the faces of people who will be impacted — from patients to the different types of employees, said Health Policy Source president Dan Boston, who is working with Jarrard in a partnership to better link hospitals and providers to the news cascading out of Washington.

[Tennessee lawmakers heap praise, scorn on House GOP health care plan](http://www.tennessean.com/story/news/politics/2017/03/07/tennessee-lawmakers-heap-praise-scorn-house-gop-health-care-plan/98846596/)  
(<http://www.tennessean.com/story/news/politics/2017/03/07/tennessee-lawmakers-heap-praise-scorn-house-gop-health-care-plan/98846596/>)

Engaging with lawmakers won't always be easy, but it will be necessary, said Boston. Not all hospital leaders have made communication a priority, which could be detrimental to the state's struggling hospitals.

"I won't deny that sometimes it feels like pounding your head against the wall on this stuff," Boston said. "It's going to run the gamut as to whether (lawmakers) want to hear from people. I think they need to hear from people."

The influence of state legislatures is set to grow as a GOP-led Washington tackles changing how people pay for care with moves to decentralize the system.

The outcome will be 50 state legislatures taking a different approach, a phenomenon evident in the decisions about Medicaid expansion.

[Lifetime illness could create chronic problems if lifetime caps return](http://www.tennessean.com/story/money/industries/health-care/2017/03/02/lifetime-caps-emerge-in-policy-debate-as-worry-for-people-with-chronic-disease/98017960/)  
(<http://www.tennessean.com/story/money/industries/health-care/2017/03/02/lifetime-caps-emerge-in-policy-debate-as-worry-for-people-with-chronic-disease/98017960/>)

Tennessee is one of 19 states that did not expand Medicaid. Instead of bringing funding for hospitals beset by cuts in payments, the legislative debate around Insure Tennessee frustrated all parties involved, said Dr. Mike Schatzlein, then-CEO of Saint Thomas Health, who was an outspoken advocate for the plan.

The failure to get Insure Tennessee — Haslam's plan to use federal Medicaid funding to increase coverage for the working poor — out of committee and onto either floor spotlighted the power state lawmakers can wield over health care in the state.

Now, with a rough blueprint for a per-capita Medicaid system and the potential for state legislators to craft insurance requirements, the ability for industry officials to engage with legislators will be paramount.

[Haslam, other governors to make health care recommendations](http://www.tennessean.com/story/news/politics/2017/02/28/haslam-other-governors-make-health-care-recommendations/98543158/)  
(<http://www.tennessean.com/story/news/politics/2017/02/28/haslam-other-governors-make-health-care-recommendations/98543158/>)

"Bridges did not get burned, and I think those who were working on Insure Tennessee worked hard on not burning bridges. It was frustrating," Schatzlein said. "That was really about Republicans not wanting to be associated in any way with 'Obamacare.' ... The good news for 2017 is we get a do-over on everything."

With the GOP's intention to re-shape how Americans interact with health care payment mechanisms, now is a prudent time for hospital administrators to explain to lawmakers how they do business.

The government is health care's biggest business partner. It's a bill payer, a regulator, a tax authority and its decisions shape how care is delivered.

"There has never been a better time to have terrific, strong relationships with state lawmakers," Jarrard said. "That's where a lot of decisions are going to be made now."

For Cookeville Regional Medical Center, what happens with Medicaid enrollment and Medicare reimbursement will hit its financials. Paul Korth, CEO, said 60 percent of its patients are on Medicare, 18 percent are on TennCare, and roughly 5 percent of its patients are self-pay or uninsured.

Korth wants federal lawmakers to reinstate funding for Medicare payments, and for the state to not be penalized for not expanding Medicaid. Locally, he stays in touch with his lawmakers, including Rep. Cameron Sexton, the Crossville Republican who chairs the House Health committee.

It's difficult, both Korth and Sexton said, to make sure lawmakers understand the business model in which hospitals operate.

"No one would set up a business today on how health care is reimbursed," Korth said. "A normal business would never be set up like this."

Sexton said it takes a while for leaders and lawmakers to get on the same page.

The intricacy of the system and the importance of health care in the lives of every person should compel administrators, and executives to establish — and tend — the channels of communication.

It's "vitaly important, especially if you're in rural communities" because hospitals are engines of the local economy, Sexton said.

Some health systems have legislative liaison staff who interact with lawmakers while other, often community-owned, hospitals — such as Cookeville Regional — don't have the dedicated staff. If a hospital doesn't have the internal staff, Boston said, it's important to not to be complacent or toss the relationship aside.

"Some folks have been good at it. ... Others not so much. Others get intimidated by it (or) it's just one more thing they have to do," Boston said. "If folks don't engage, someone else will, and they may not have their best interests at heart."

Reach Holly Fletcher at [hfletcher@tennessean.com](mailto:hfletcher@tennessean.com) or 615-259-8287 and on Twitter [@hollyfletcher](https://twitter.com/hollyfletcher).

Read or Share this story: <http://tnne.ws/2mtjkbD>

