

## Patten not backing off 'critical access'

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The future of health care became a little more uncertain last week when President Donald Trump took an executive action that is the first step in an uncharted process of repealing the Affordable Care Act. That uncertainty is causing some residents to pause as Holy Cross Hospital pursues a federal designation and more funding that comes with it.

Yet hospital CEO Bill Patten says that despite the cloudy future of Obamacare, becoming a "critical access" hospital still makes sense for Taos. The critical access designation would change how Holy Cross gets reimbursed for patients on Medicare, the federal entitlement program for those older than 65. Medicare patients account for 40 percent of the traffic at the hospital.

Hospital officials think the facility could get nearly \$1 million more a year in federal funding from the bureaucratic switch without having to significantly change up services that are offered.

During the second in a string of a community meetings Jan. 24, a number of residents suggested Holy Cross officials back off from becoming a critical access hospital until it's more obvious what is to happen to people's health care under the new presidential administration.

But Patten thinks it makes more sense to "take advantage of the money that's there today."

The United States has about 5,000 hospitals; about one-fourth of them, or 1,300, are currently critical access hospitals, Patten said. If Medicare reimbursements were significantly lowered or cut altogether, many hospitals would be forced to close. That's a situation Patten thinks would be "politically unpalatable" for congresspeople looking at a re-election campaign in two to six years — that is, not very likely.

Hospital officials have spent the better part of a year trying to convince the hospital's board and staff – as well as the community – that the federal designation is worth the effort. If it became financially unfeasible to operate as a critical access hospital, it would only take a month to convert back to the hospital's current status and Medicare payment structure, Patten said.

"If the rules change, we go back," he said.

### **Secondary insurance**

Under the critical access designation, Medicare patients would be required to pay 20 percent of the costs of their care.

Currently, Medicare patients are billed 20 percent of what Medicare reimburses the hospital — far less than the actual costs. For a hypothetical CT scan with an actual cost of \$1,000, Medicare pays Holy Cross only \$300. Medicare patients pay 20 percent of that, or \$60.

Under the new designation, Medicare patients would be billed \$200 for a \$1,000 procedure.

However, Patten said that this “20 percent rule” would apply only to those Medicare patients without a secondary insurance — a relatively small number of people. Only 12 percent of Medicare patients who use Holy Cross don’t have secondary insurance, which represents less than 5 percent of all Holy Cross patients.

Folks with Medicare Advantage plans and those with Medicaid as a secondary insurance would not be required to pay under the 20 percent rule.

## **Decisions**

In describing the transition to critical access as a “marriage,” Patten said the hospital is past the “dating” stage and is currently “engaged,” though Holy Cross is still three to five months away from officially tying the knot.

The decision to move forward with the plan ultimately comes down to the board of the hospital, though Patten and the leadership at Holy Cross are trying to get widespread community buy-in before moving ahead.

Patten asked the board to vote on the critical access designation during the summer of 2016, but hospital employees raised concerns about the process going too fast and without proper input.

Since then, nurses, doctors and folks in the hospital’s financial and administrative offices have toured three different critical access hospitals to assess the viability, potential issues and general trajectory of making the switch.

Most employees seem to have come around to the idea of pursuing the federal designation following the site visits and various meetings to solicit feedback and address the concerns of the hospital’s staff.

Meetings with community groups in Taos, Questa and Red River are scheduled for the next two weeks. Holy Cross will make presentations, documents, handouts and video recordings of two meetings available on its website, *taoshospital.org*.



**Bill Patten**

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