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More than half of Nebraska hospitals are operating in the red; innovative partnership can help

Most Nebraska hospitals are currently losing money on operations and the problem is not getting better. A recent hospital survey showed 59 percent of rural hospitals were under water. These facilities continue to face inflationary pressures, workforce shortages, and issues with prior-authorizations and payment denials from insurance companies.

In addition, inadequate payments from government payers like Medicaid and Medicare have forced Nebraska hospitals to eliminate or reduce health care services, especially in our rural communities.

Reimbursement rates to providers for Medicaid services have not kept up with the overall cost of health care. Between 2003 and 2022, the cost of hospital care in Nebraska increased an average of 5.6%, while the average annual Medicaid provider rate increase for hospital care was 1.6%. This growing gap has led to Nebraska hospitals collectively losing hundreds of millions of dollars each year to care for Medicaid patients. In the last year alone, our hospitals in the state experienced closures of maternal care, behavioral health, home health, hospice, hospital-owned nursing homes, and other services.

Action is needed or Nebraskans will continue to lose access to health care. Under the proposed Hospital Quality Assurance and Access Assessment Act, hospitals would

work with the state to draw down additional federal support for our hospitals. This legislation would increase Medicaid payments without requiring any additional state General Funds.

This is an innovative and proactive solution that will make a real difference for our hospitals and the care they provide to all Nebraskans. We are working with Governor Jim Pillen and our state legislators to make this legislation a reality. We encourage Nebraskans to make their voices heard on this important issue for all of our communities.

Jeremy Nordquist, President, NHA