



## HIGHLIGHTS GOVERNING COUNCIL MEETING AHA Section for Metropolitan Hospitals February 28 – 29, 2008 ★ Salt Lake City, Utah

The governing council of the AHA Section for Metropolitan Hospitals met February 28-29, 2008 in Salt Lake City, Utah. Governing council members received updates on the political environment in Washington, DC and AHA's advocacy agenda and policy priorities. Members reviewed and discussed AHA's strategic plan and the Association's Health for Life framework for national health care reform. Members reviewed principles for value-based purchasing and recommendations on out-of-pocket medical costs of Medicare beneficiaries. They also discussed new approaches to financial assistance and patient debt. A roster of the Section's governing council is at <http://www.aha.org/aha/member-center/constituency-sections/Metropolitan/roster.html>.



**Washington Update:** Members were briefed on the current political environment in Washington and the annual federal budget process. They were apprised of AHA's strategy to address expiring Medicare provisions and potential Medicaid cuts and AHA's advocacy agenda for the remainder of the 110<sup>th</sup> Congress. Members also were briefed on the final rules for inpatient and outpatient services that were published late last year as well as the rules for recovery audit contractors (RAC) and AHA's strategy to address several RAC shortcomings. Members were supportive of AHA's advocacy agenda and the Association's leadership on federal budget issues and RAC. To learn more visit <http://www.aha.org/aha/content/2008/pdf/2008-advocacy-agenda.pdf>.



**AHA's Strategic Plan:** Greg Lintjer, president, Elkhart General Healthcare System, Elkhart, Indiana and the AHA's Board liaison to the governing council, updated members on the AHA Strategic Plan. The plan reflects a number of the important strategies to which the Association is committed on behalf of its members and the field as well as strategies to strengthen its own operational efficiency. Mr. Lintjer reviewed the strategic framework of the plan and the strategies to achieve its goal of advancing a health care delivery system that improves health and health care. He asked members for insights into local health care trends and questions about emerging national trends or issues.

Members identified a shortage of medical, nursing, and technical personnel particularly physicians, as a continuing concern. They believe that reform is necessary to align incentives and improve physician and hospital relationships. Members identified disparities in health care for ethnic and racial minorities and a lack of cultural competency as issues. They remarked about the importance of decreasing the cost of health care and expressed concern regarding the collapse of the safety-net and growing administrative burdens. Members also identified access to and the cost of capital as an emerging issue.



**Health for Life:** Mr. Lintjer updated members on the Board's action on AHA's framework for national health care reform and meetings with key stakeholder organizations. Members were asked for their reactions to ideas for public policy change and specific feedback on ideas needed to achieve the reform objective.

Members were supportive of the policy and approach, but would like further attention paid to mental health and substance abuse issues, drug benefits, and health outcomes. They believe that costs are unsustainable and future health policy must support transformational change. Members look forward to the next step in the process and to work with their communities to build consensus on the framework for reform. For further information go to <http://www.aha.org/aha/issues/Health-for-life/index.html>.



**Value-Based Purchasing:** Members were briefed on principles for payment to reward performance and asked to suggest any conceptual changes to the principles they believe are necessary, identify the principles that are most important, and share their advice with AHA as Congress and other policymakers seek to move ahead on pay-for-performance. Members were very supportive of the principles and reiterated a long-standing concern regarding the lack of alignment between P4P and physician behavior.

They were anxious about the potential proliferation of performance metrics from public and private insurers and commented on the need for relevant measures that provide meaningful data and take into account the size and scope of providers. Members remarked about the importance of personal accountability and the need to impose disincentives for unhealthy behavior. Members commented that a cultural change is necessary that is patient-centered, responsive to consumers, and emphasizes evidenced-based treatment beginning with medical education. Members remarked that P4P will be defined and implemented very quickly. Therefore, hospitals must mobilize efforts immediately and adopt technology and standards, or face being left out. For more information visit <http://www.aha.org/aha/about/Organization/board-actions.html>.



**Out-of-Pocket Costs to Medicare Beneficiaries:** Members heard a review of a report of the AHA Board's 2007 Long-Range Policy Committee on the out-of-pocket costs of Medicare. The committee learned that seniors are unprepared for rising out-of-pocket health care costs. The report summarized the facts about personal income and wealth that could be used to pay for future health care services of Medicare beneficiaries and created a set of seven recommendations about Medicare beneficiaries and their out-of-pocket medical costs. Members were asked to help

determine which recommendations were most important and to provide any additional recommendations they believe are necessary. Members also were asked to discuss the hospital field's role in educating the public about the anticipated out-of-pocket costs that Medicare does not cover.

Members acknowledged the importance of the issue and recommended developing strategic partnerships and greater public awareness and education to help seniors prepare for their health care costs after retirement. Members encourage national leaders to begin a dialogue on approaches to financing long-term care services, and encourage Medicare to explore cost-effective options for providing selected educational and health services to individuals not yet 65. They commented that educating beneficiaries on managing chronic conditions, end-of-life care, and other ethical issues was essential to managing the future cost of care.



**Financial Assistance and Patient Debt:** The challenge to hospitals to help patients make financial ends meet continues and worsens. AHA has provided leadership by sharing guidelines for, and examples of, successful patient billing and collection policies and practices. Yet, despite these efforts significant financial challenges remain and alternative approaches to addressing patient debt are emerging. Members were asked to review their own policies regarding financial assistance and comment on

some of the increased interest in medical debt financing from banks, credit card companies and others. Also, members were asked to suggest principles to help guide the field in this area.

Hospitals have expanded the poverty threshold as well as efforts to counsel patients on finances while working individually with patients to discount charges and establish payment plans. Members said that collections are guided by their hospital's mission and values. Members commented that the underlying principle is fairness and transparency of interest rates and collections practices in advance to consumers and patients. For more information visit <http://www.aha.org/aha/about/Organization/board-actions.html>.

**For more information about the topics covered in these highlights or on the AHA Section for Metropolitan Hospitals, contact John T. Supplitt, senior director, at 312-422-3334 or [jsupplitt@aha.org](mailto:jsupplitt@aha.org).**