

The governing council of the AHA Section for Small or Rural Hospitals met May 15-16, 2008 in Chicago, Illinois. Governing council members received updates on AHA's recent Board meeting, the political environment in Washington, DC, and AHA policy priorities. Members reviewed and discussed Health for Life – Business Model, coverage for all, and human capital measures. In addition, members were briefed on AHA's member services for small or rural hospitals. A roster of the Section's governing council is at [http://www.aha.org/aha/member-center/constituency-sections/Small or Rural/roster.html](http://www.aha.org/aha/member-center/constituency-sections/Small%20or%20Rural/roster.html).



Washington Update: Members were briefed on the current political environment in Washington, DC, current advocacy issues, and the politics of health reform. They reviewed the progress on the national elections and the implications for health care policy and advocacy. Members were updated on the progress of the Medicaid moratoria, creation of a Medicare package, and AHA's litigation strategy to stop the Medicaid cuts. They were oriented to AHA's advocacy agenda for achieving a Medicare package, as well as the strategy for small or rural hospitals and other emerging issues.

Members were briefed on current federal regulatory and policy priorities, specifically the inpatient prospective payment system (IPPS) proposed rule and the proposed changes to pay-for-performance and value-based purchasing. Members also reviewed in depth Medicare Recovery Audit Contractor (RAC) program and its effect on hospitals. To learn more visit <http://www.aha.org/aha/content/2008/pdf/2008-advocacy-agenda.pdf>.



AHA Board Liaison Report: Raymond Hino, president and CEO, Mendocino Coast District Hospital, Fort Bragg, CA and the AHA's Board liaison to the governing council, reviewed the discussions from the April meeting of the AHA Board. He shared with members the approved *Unified Principles of the Hospital Field on Rewarding Performance Excellence* which reflects the recommendations of the AHA's councils and regional policy boards on value-based purchasing.

Mr. Hino also explained that many are concerned with the current Medicare wage index, believing it is inaccurate and burdensome. Therefore, the AHA convened a Work Group on the Medicare Wage Index consisting of executives from national, state and regional hospital associations. The Work Group identified and ranked concerns and discussed principles for the hospital field to use in developing, evaluating and advocating for changes in the Medicare wage index adjustment. The Board reviewed and approved the principles at its April meeting. Members support a broad regional-level labor market designation that includes all providers (including Veterans Administration and Indian Health Service hospitals) in the market that are competing for the same clinical professionals. Members stressed the importance of adhering to a principle of fairness and equity when implementing the change. For more about the AHA Board visit <http://www.aha.org/aha/about/Organization/index.html>.



Health for Life – Business Model: Mr. Hino reviewed a new, revised version of the “*Health for Life: Better Health. Better Health Care.*” framework. He explained that the revisions were based on feedback from members and other key stakeholders. He further explained that the revised framework continues an attempt to create a national call to action, integrate the various pieces of work to date, and streamline the final framework for a more general audience. To better understand the implications of *Health for Life* on hospitals and the health system field, members were asked to identify the implications of the framework on the current business model, what the future business model should look like, and how leaders should prepare for change. Members agreed that the future business model emphasizes wellness, health promotion, and disease management, particularly for those with chronic disease or at the end of life and that small or rural hospitals must meet the challenge and retool their operations and revise their strategies accordingly. For more go to <http://www.aha.org/aha/issues/Health-for-life/index.html>.



Coverage for All: Members were directed to an AHA report on health coverage for all with information and trends about the uninsured. They were briefed on the consequences of a lack of coverage for individuals, their families, and society at large. They then were oriented to five options for covering all uninsured Americans and the implications for individuals, employers, and the government.

Members identified their preferences and what they believed would be the most practical approach toward providing coverage for all. They recognized that strong leadership both at the community and national level will be needed for an option to emerge that is politically viable. For more information on AHA’s position on access and coverage visit http://www.aha.org/aha_app/issues/Access-and-Coverage/index.jsp



Balanced Scorecard – Human Capital: Steve Ahnen, AHA senior vice president and senior executive liaison to the Governing Council explained that balanced scorecard components for financial performance, quality of care, patient safety, and community benefits were common. However, too few hospitals have corresponding strategic scorecards for their human capital resources. Members were asked to comment on a draft set of human capital measures for a board’s balanced scorecard prior to field dissemination later this year.

Members expressed strong support for measures of human capital for a balanced scorecard. Many are utilizing several of the core measures including vacancy rates, satisfaction scores, and turnover rates, as well as supplemental measures for agency use, overtime expenses, absenteeism, and tardiness. All believe the measures are appropriate and adoptable. For more visit <http://www.americangovernance.com/americangovernance/resources/resources.html>.



Update on Member Services: Staff reviewed the section’s membership and services, specifically representation and advocacy, communication, resources, education, the governing council, and partnerships. The objective was to inform members of the recent activities of the AHA and its Section for Small or Rural Hospitals. Members were impressed with the array of services available to members from across the breadth of the Association and its subsidiaries.

For more information about the topics covered in these highlights or on the AHA Section for Small or Rural Hospitals, contact John T. Supplitt, senior director, at 312-422-3334 or jsupplitt@aha.org.