



HIGHLIGHTS GOVERNING COUNCIL MEETING AHA Section for Metropolitan Hospitals May 8-9, 2008 ★ Chicago, Illinois

The governing council of the AHA Section for Metropolitan Hospitals met May 8-9, 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 the deliberations of a new AHA Ad Hoc Committee on Medical Staff – Hospital Relationships. 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, 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 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 affect on hospitals. To learn more visit <http://www.aha.org/aha/content/2008/pdf/2008-advocacy-agenda.pdf>.



AHA Board Liaison Report: Greg Lintjer, president, Elkhart General Healthcare System, Elkhart, Indiana 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. Mr. Lintjer 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. As a follow-up to a February discussion on AHA's strategic planning process, Mr. Lintjer agreed to provide members with updates at future meetings. To learn more about the AHA Board visit <http://www.aha.org/aha/about/Organization/index.html>.



Health for Life – Business Model: Mr. Lintjer 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 offered several important insights and remarked that moving forward will require strong leadership from the AHA. Reform in this context will place a priority on partnerships and collaboration and will require integration that will lead to mergers and consolidation of resources to maximize efficiency and effectiveness. Members acknowledged the need to communicate with their communities that changes that will affect the traditional business model are imminent. For further information 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: Jim Bentley, Ph.D., AHA Strategic Policy Planning and senior executive liaison to the Metro 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 having all hospitals provide a balanced scorecard or performance indicator report regularly to their board. Several shared details of measures they currently included in their scorecards and how they are used. Members suggested using some of the suggested measures with major impact on a board's interest in staff and people and emphasized keeping the measures limited and focused so they are meaningful to a board. For more information on governance resources visit <http://www.americangovernance.com/americangovernance/resources/resources.html>.



Medical Staff – Hospital Relationships: Dr. Bentley briefed members on the inaugural meeting of the AHA's Ad Hoc Committee on Medical Staff – Hospital Relationships. He commented that the hospital physician relationship is strained by many factors and opinions were shared including that hospitals and medical staffs may have separate interests and perspectives and that the relationships between physicians and hospitals are moving toward different models in different ways. Dr. Bentley remarked that strategies will need to be developed for working with different

medical groups as there is no single approach or organizational model. He concluded by saying that the ad hoc committee has made several recommendations including the collection and sharing of best practices, and that the report is being drafted. Members appreciated the update, expressed interest in hearing more about the work of the committee, and affirmed that this issue remains a high priority for them. For information on clinical integration visit http://www.aha.org/aha_app/issues/Clinical-Integration/index.jsp.

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.