



HIGHLIGHTS
GOVERNING COUNCIL MEETING
AHA Section for Metropolitan Hospitals
June 9-10, 2005 – Santa Monica, CA

The governing council of the AHA Section for Metropolitan Hospitals met June 9-10, 2005 in Santa Monica, CA. Governing council members and guests participated in a lengthy policy discussion on accountability based on local experiences. In addition, members received reports on legislative initiatives, regulatory policy, and current activities related to community benefit and tax-exempt status. Members also were introduced to the newly proposed AHA Center for Quality and Patient Safety. The Section's governing council roster is on the AHA Web site at http://www.aha.org/aha/member_relations/index.html under Metropolitan Hospitals.

Embracing Accountability: The Metro Hospital Section's governing council meeting was modeled after the January-February AHA Board of Trustees retreat that focused on the theme of "Embracing Accountability." Prior to the meeting, members met with community group leaders and others and discussed how consumers perceive hospitals. Governing council members shared their findings of the perceptions that communities have of hospitals, how effectively hospitals connect with their communities, and on ways to increase accountability with the community. Recommendations on how the AHA can provide assistance to hospitals with regard to community benefit also were shared. As the national advocate for hospitals, the AHA has consistently supported members as they develop fair and compassionate policies to help the uninsured. For more information visit <http://www.caringforcommunities.org/caringforcommunities/main/index.html>.

Federal Legislative and Regulatory Update: Governing council members received an update on the current political environment including the federal budget AHA's advocacy framework and key strategies for communicating about Medicaid, and priorities for this year's advocacy agenda including payment, public accountability, limited service providers, liability reform, and coverage. Members were apprised of the proposed cuts by Congress to Medicare and Medicaid and the challenges that lie ahead including the possibility of cuts to physicians being offset in part by hospitals. Members also were apprised of the challenge of communicating to the public the effects of Medicaid cuts to children and seniors and the ultimate impact on hospitals. In addition to the above, advocacy priorities heading into the summer recess include patient safety legislation, limited service provider legislation, and medical liability. Congress will adjourn for an August recess and complete its budget activity upon their return on September 6.

Governing council members received a brief report on the inpatient PPS proposed rule of May 4, 2005. Staff reviewed CMS plans regarding the inpatient payment update, reporting of quality data, expansion of the transfer provision, increased outlier threshold, adjustments to the wage index, and scrutiny of limited service hospitals who may not meet criteria as inpatient facilities. Of considerable concern is the potential cut to hospitals of \$900 million in FY 2006 if the transfer policy is expanded from 30 DRGs to 231. AHA is preparing its comments on the IPPS proposed rule, which are due in late June. Staff also briefly reviewed the serious effect the 75% Rule will have on inpatient rehab providers, and the proposed rule for skilled nursing PPS. In addition staff reviewed the final guidance on Section 1011 of the MMA, which mandates reimbursement of hospitals, certain physicians, and ambulance providers for emergency services furnished to illegal immigrants.

Community Benefit and Tax Exempt Status: Barbara Lorschbach, senior vice president, AHA Member Relations presented a legal update on the federal and state class action lawsuits, an update on recent congressional hearings and other activities, and related advocacy strategies.

AHA Center for Quality and Patient Safety: Barbara Lorschbach, senior vice president, AHA Member Relations oriented members to the strategic direction for the Association in the area of quality and patient safety and introduced the newly proposed Center for Health Care Quality and Patient Safety. She explained that this was a new strategic direction for AHA that will position the Association as an active leader in quality improvement and patient safety. The goals of the Center are to build awareness, create a policy environment that facilitates improvement, develop and coordinate improvement efforts, promote expectations of performance, and provide clearinghouse services. The Center is collaborative in nature and not designed to duplicate the efforts of other organizations. Rather the purpose is to help coordinate the diverse efforts of multiple vested interests to streamline actions on behalf of member hospitals and health systems.

Governing council members strongly supported the objective to establish a Center that would coordinate efforts of the numerous public and commercial quality initiatives already in existence, which compete for scarce hospital time and resources. They believed the Center could contribute constructively to:

- Standardizing measures
- Ordering priorities
- Reducing administrative burden
- Establishing clarity and consistency of measures and protocols
- Identifying best practices
- Lending badly needed objectivity
- Vigorously pursuing standardized practices and protocols

Members cautioned AHA to avoid any duplication between what is already expected of them. They believe it is important that the Center be perceived as collaborative and not competitive with other organizations' initiatives. They advised AHA to carefully monitor the progress of the Center and to safeguard against its evolution into a new, separate, and costly initiative. Finally, while supportive and committed to the purpose of the Center, members acknowledged that without physician acceptance of hospital quality objectives and strategies there are limits to what can be accomplished. To learn more about the Center and AHA's Quality Agenda visit the Web site at http://www.aha.org/aha/key_issues/patient_safety/index.html.

AHA Board Update: Stan Hupfeld, president and CEO, Integris Health, Oklahoma City, OK presented the AHA Board Update. He briefly reviewed with members the past discussions and consensus on the basic principles for a unified health policy and coverage for all and explained that the boundaries for coverage continue to be discussed. Mr. Hupfeld affirmed AHA's approach toward a new strategy for quality and patient safety, which was announced at the AHA Annual Membership Meeting. He referenced the considerable progress of AHA's task force on limited service hospitals, as well as the progress of other AHA task forces on Medicaid and health information technology. He also acknowledged the newly formed Center for Governance, which is described in depth at www.americangovernance.com/american-governance/index and the Institute for Diversity in Health Management, which can be found at www.diversityconnection.org.

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