American Hospital Association

HIGHLIGHTS
GOVERNING COUNCIL MEETING
AHA Section for Small or Rural Hospitals
June 28 - 29, 2007 ★ Minneapolis, Minnesota

The governing council of the AHA Section for Small or Rural Hospitals met June 28 - 29, 2007 in Minneapolis. Governing council members received reports on the political environment in Washington, DC and AHA's legislative and regulatory priorities. Members discussed AHA's effort for a unified health care policy as well as policy on nonpayment of seriously reportable events. They reviewed nominations to AHA governance committees and growth of Medicare Advantage in rural areas. A roster of the Section's governing council is at http://www.aha.org/aha/member-center/constituency-sections/Small or Rural/roster.html.

Washington Update: Members were briefed on the current political environment in Washington and emerging legislation. Members received a report on several bills supported by AHA. The advocacy focus for the remaining months of the first session of Congress is to avoid hospital cuts to Medicare and Medicaid, improve the inpatient rule for prospective payment, reauthorize and expand S-CHIP, and to get affirmation on three areas of importance: (1) payment relief for inpatient rehabilitation services; (2) elimination of specialty hospitals; and (3) promoting the rural hospital agenda. Members were apprised of the current regulatory policy environment including rules recently proposed by the Internal Revenue Service for reporting requirements for hospitals. Members were briefed of AHA's comments on the proposed rule for inpatient prospective payment, which includes proposals for new quality measures as well as proposed rules for specialty hospitals and patient safety. To learn more visit http://www.aha.org/aha/advocacy/advocacy-agenda/index.html.

Unified Health Care Policy: Ray Hino, CEO, Mendocino Coast District Hospital, Fort Bragg, California and AHA's Board liaison to the governing council, updated members on the recent meeting of the AHA Board of Trustees and its progress on a policy for unified health care. He reported that the Board had received comments on the framework and learned that members were supportive of the five pillars of the framework, but had several recommendations on the tone and content of the policy. Mr. Hino said that the most recent version reflects the comments of members and has been re-titled, *Health for Life*.

Steve Ahnen, AHA senior vice president, presented the new version of the framework called, *Health for Life.* Ultimately members agreed that *Health for Life* included the key components of a vision of a unified health care policy and would prepare AHA for the 2008 election year. They believed this new presentation was a major step forward and would serve well to spur dialogue with other stakeholders.

Members were then asked to review and comment on *In Pursuit of Excellence: Hospitals' Commitment to Improving America's Health.* Members were divided into small discussion groups to discuss what the hospital field needs to be able to successfully meet the future challenges posed in the framework. Members discussed restructuring to support wellness and prevention, restructuring to support chronic care management, and restructuring toward

greater clinical integration. Members were pleased with "Pursuit of Excellence," because it outlined hospitals commitment to reform in greater detail. The summary of these discussions will be shared with the AHA Board as it finalizes the plan for reform – for creating a unified health care policy in America – expected in the summer of 2007.

Serious Reportable Events or "Never Events": AHA staff led a discussion to explore members' understanding and views on proposals in which hospitals would not be paid for some or all of the care associated with a "never event." In 2002, the National Quality Forum (NQF) was asked to identify a core list of preventable serious adverse events to form the basis of a national state-based reporting system. They identified 27 serious reportable events, which were dubbed "never events." Proposals have been offered recently by business organizations and others that would withhold payment to hospitals if a so-called "never event" occurs. Members supported reporting never events in a non-punitive environment and that improvement could be made regarding reporting and managing never events. Fundamentally, members believe that this issue was primarily one of communication and trust between the hospital and a patient and that public policy should support this relationship absent any reprisal. Additional information on "never events" is available at http://www.aha.org/aha_app/issues/Quality-and-Patient-Safety/index.jsp.

Nominating Committee Recommendations: Richard Slusky, CEO, Mt. Ascutney Hospital and Health Center, Windsor, VT, and chairman of the nominating committee reported on the actions of the committee. The governing council of the AHA Section for Small or Rural Hospitals received and approved the recommendations from the nominating committee for filling vacancies on the regional policy boards and governing council for positions with terms ending December 2007. Regional elections for vacant positions on the governing council will be held this summer.

Medicare Advantage in Rural Minnesota: The Medicare Modernization Act of 2003 included an overhaul of the Medicare managed care program now called Medicare Advantage (MA). MA was designed to stimulate growth in the percent of Medicare beneficiaries enrolled in private plans and in rural areas. Beneficiary enrollment in MA is increasing rapidly especially in rural areas. Debra Boardman, president and CEO, Riverview Healthcare Association, Crookston, MN, shared her firsthand experience with MA contracting and coverage. She reviewed market penetration in the region and in Minnesota where coverage is approaching 30 percent of Medicare beneficiaries. Ms. Boardman described the pitfalls of working with health plans and the challenges of educating beneficiaries regarding their coverage. She cautioned that the transition for hospitals contracting with health plans under MA is difficult.

My Care Counts

My Care Counts is a movement of health care providers and consumers who want to ensure that our hospitals have the resources to meet the ever-changing needs of patients and communities. *My Care Counts* is asking anyone concerned with our ability to continue to provide access to high quality health services to sign a **Call to Action** urging members of Congress to reject cuts to hospital services under the Medicare and Medicaid programs. Sign on today! To learn more visit http://mycarecounts.org/.

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.