

The AHA's Section for Small or Rural Hospitals worked hard in 2009 to serve the unique needs of our 1,650 constituents, which includes more than 950 critical access hospitals (CAHs).

In 2009, the major advocacy priority for the American Hospital Association (AHA) was on health care reform. AHA's governance bodies including the Board of Trustees, governing councils, committees, and regional policy boards provided forums for engaging members in discussions on a framework for national health care reform — *Health for Life*. The AHA was an early participant in the Obama Administration's discussions on health care reform. On March 23, 2010, President Obama signed into law H.R. 3590, the Patient Protection and Affordable Care Act. The following week, the President signed into law H.R. 4872, the Health Care and Education Reconciliation Act of 2010, which made modifications to H.R. 3590. Both bills are referred to as the PPACA.

This report highlights some of the legislative and regulatory issues the AHA championed on behalf of small or rural hospital members.

REPRESENTATION AND ADVOCACY

Legislative Advocacy

The AHA supported enacted legislation such as the American Recovery and Reinvestment Act, (ARRA) and advocated for legislative proposals on behalf of rural PPS and critical access hospitals.

Enacted Legislation

Economic Recovery

The ARRA (P.L.111-5) was signed into law February 1. The purpose of this stimulus was to help create jobs and to promote consumer spending to help the economy during a recession. Critical access hospitals benefitted from passage of the ARRA and the HITECH Act embedded in the legislation. The law established payment incentives for hospitals including CAHs to adopt and use HIT. CAHs determined to be a "meaningful user" of certified electronic health record (EHR) technology would be able to fully depreciate certified EHR costs beginning in fiscal year (FY) 2011. The ARRA also provided grants for broadband education, awareness, training, access, equipment and support to medical and health care providers to facilitate greater use of broadband services to enhance health care delivery.

Health Care Reform

In addition to working to improve the economy, the Obama Administration focused attention on improving the delivery, financing, and accessibility of quality health care. The American Hospital Association Board of Trustees had developed a framework for reform in July 2007. This framework was shared with governance bodies and stakeholders. The AHA, Catholic Health Association and the Federation of American Hospitals were early participants in discussions with the Administration and members of Congress on reform proposals.



Other Legislative Activity

In addition to reform initiatives and strategies, the AHA continued to support legislation on rural issues. The AHA lobbied for the extension of a number of Medicare programs that were set to expire at the end of 2009. These programs included Section 508 reclassifications; outpatient PPS hold harmless for sole community hospitals and rural hospitals with less than 100 beds; the ambulance add-on; and funding of the rural hospital FLEX program. In addition, a number of other AHA-backed rural health bills were introduced during the 111th session of Congress.

TRICARE Reimbursement of CAHs

The AHA was instrumental in getting the U.S. Department of Defense to adopt Medicare's reimbursement methodology for CAHs, paying 101% of reasonable costs for inpatient and outpatient care.

Appropriations

In its continuing efforts to support fair and equitable payments for rural hospitals, the AHA urged lawmakers to approve an FY 2010 Labor, HHS and Education appropriations bill that would provide adequate funding for rural health care programs.

REGULATORY POLICY

Federal Relations

In 2009, the AHA represented small or rural hospital interests on several major rules, including the final rules pertaining to the Medicare inpatient prospective payment system (IPPS), the outpatient (OPPS), and the physician fee schedule.

In its proposed inpatient rule, CMS planned to cut hospital payments by 1.9 percent for changes in documentation and coding. This represented an increase of \$2.2 billion in payments to hospitals in FY 2010. CMS' proposed rule called for an average decrease of 0.5 percent in hospitals' FY 2010 operating payments compared to 2009.

In its comments on the rule, the AHA expressed its concerns about these proposed cuts. In the final rule, the AHA was pleased that CMS recognized that its planned cuts would have been detrimental to hospitals' mission of caring. The final rule increased average payments by 1.6 percent. This amounted to a \$1.7 billion increase in operating payments compared to FY 2009. The AHA was also successful in getting CMS to modify its methodology for updating the labor-related share.

Physician supervision as detailed in the outpatient rule was another area of concern. The AHA recommended that CMS further revise its definition of "direct supervision" to allow the supervising professional to be located anywhere on the hospital's campus or in a location in close proximity to the campus as long as he or she is able to respond in a timely manner, in accordance with the hospital's or CAH's policies, in order to furnish assistance and direction throughout the performance of the procedure. The AHA also called on CMS to



allow non-physician practitioners to supervise cardiac and pulmonary rehabilitation services, and permit clinical social workers to supervise outpatient psychiatric services. Responding to AHA's comments CMS further revised its definition of "direct supervision" to allow the supervising physician or non-physician practitioner (in the case of outpatient therapeutic services) to be located anywhere on the same campus as the hospital, as long as he or she is immediately available to furnish assistance and direction throughout the performance of the procedure.

Other Rural Regulatory Issues

The AHA continued its advocacy efforts in the following areas:

- Method II Payments at 101%; payment for co-surgeons; and payment for bilateral procedures.
- Standby costs and pass-through payments for certified registered nurse anesthetists
- 2010 Annual Update for the Health Professional Shortage Area Bonus Payments:
- Provider-based, and co-location requirements
- Payment for clinical diagnostic laboratory tests furnished by CAHs
- CAH-Based clinical diagnostic laboratory facilities
- Diabetes self-management training certified diabetic educator
- CAH-Based ambulance services
- Tricare payments for CAHs at 101%
- Hold-harmless payments and adjustment for rural and sole community hospitals

Testimony, Letters, and Advisories

During 2009, the AHA provided testimony before the Senate Finance Committee and the House Democratic Steering Committee. Approximately 80 comment letters were developed and sent to Congress and regulatory agencies. There were over 30 Regulatory Advisories distributed to hospital members.



AHA Governance

Small or rural hospitals have a direct role in shaping AHA strategy and policy through representation on the AHA Board of Trustees, Small or Rural Governing Council and Regional Policy Boards (RPBs). The governing councils and RPBs provide a unique blend of forum and network, linking members with shared interests and missions. Other opportunities for involvement exist through task forces, conference calls and ad hoc committees. The Section's nominating committee worked diligently to present diverse candidate pools, in keeping with the AHA's goal to broaden participation in governance and policymaking bodies.



ORGANIZATIONAL RELATIONSHIPS

The AHA works closely with several partners, including the Federal Office of Rural Health Policy, National Rural Health Association (NRHA), The Joint Commission and American Academy of Family Physicians, to affect positive change in federal policies and improve the status of small or rural hospitals across the country.

MEMBER REPRESENTATION, SERVICES

Growing and sustaining the rural health care workforce, improving quality while controlling costs and maintaining access to essential services are priorities for small or rural hospitals. To help our members, the AHA offers a variety of resources such as best practices case examples (*Hospitals In Pursuit of Excellence*), and puts members in touch with others who have led the way on these issues

EDUCATION AND TECHNICAL ASSISTANCE

The AHA offers educational and technical assistance, including Webinars, teleconferences and meetings. The AHA sponsored the Health Forum Rural Health Care Leadership Conference and cosponsored other national and regional educational programs targeting rural hospitals. During 2009, the Section sponsored a number of webinars on health reform for small and rural hospitals, including CAHs, help for “Tweeners” hospitals, federal updates, physician supervision, and health information technology for CAHs.

In addition, the AHA provided faculty for national and state association meetings and helped to develop educational sessions for related organizations, such as the NRHA.

COMMUNICATIONS

The AHA is the field’s primary resource for timely communication on the issues affecting small or rural hospitals. Through its *Update* newsletters, *AHA News* and *News Now* publications, member calls, Web site and site visits, the AHA reaches out and connects with members and solicits their opinions on a variety of strategic issues.

RECOGNITION

Each year the AHA recognizes small or rural hospital chief executives and administrators who have achieved improvements in local health delivery and health status through their leadership and direction with the Shirley Ann Munroe Rural Hospital Leadership Award. The 2009 recipient of the award was Scott M. Street, president and CEO of Duncan Regional Hospital (DRH) in Duncan, OK. DRH is a 192-bed community hospital in southwest Oklahoma that serves a six-county area of 200,000 people.

MOVING FORWARD

The AHA will continue to work hard on behalf of small or rural hospitals as they develop and implement reform strategies and tackle lingering issues. This report is only a summary of the many ways in which AHA adds value to small or rural hospitals. Visit our web site at <http://www.aha.org/aha/member-center/constituency-sections/Small-or-Rural/index.html>.

For additional information, contact John Supplitt, senior director, AHA Section for Small or Rural Hospitals, at (312) 422-3306 or jsupplitt@aha.org.

The screenshot shows the American Hospital Association website. The header includes the AHA logo, the tagline "Our Vision is of a society of healthy communities where all individuals reach their highest potential for health", and navigation links for "Log in | Register | Contact Us | Help | Print". A search bar is also present. The main navigation menu includes "About", "Advocacy", "Issues", "Research and Trends", "News Center", "Member Center", "Resource Center", and "Associates". The breadcrumb trail reads "Home > Member Center > Constituency Sections > Small or Rural > Section for Small or Rural Hospitals". The page title is "Section for Small or Rural Hospitals". The content area is divided into two columns. The left column is a red sidebar with a white background, containing a "MEMBER CENTER" header and several menu items: "Value of Membership", "Members-Only", "Trustee and Community Leadership", "Constituency Sections", "Health Care Systems", "Small or Rural Hospitals", "Metropolitan Hospitals", "Federal Hospitals", "Long Term Care and Rehabilitation Services", "Psychiatric Care and Substance Abuse", and "Maternal and Child Health". The right column has a white background and contains the following text: "The American Hospital Association and its Section for Small or Rural Hospitals add value to small or rural hospital members through:" followed by a bulleted list: "Representation and advocacy", "Communication, education, and management strategies", "State association and inter-organization collaboration", and "A Rural Hospital Leadership Awards program". Below this, it states: "The Section and AHA ensure that the unique needs of this segment of its membership are a national priority. Working side by side with state and regional associations and with counsel from its governing council, the Section monitors the issues and concerns facing its constituents, develops policy, and identifies solutions to their most pressing problems." At the bottom, there is a "Constituency Section" header followed by a bulleted list: "Small or Rural Hospitals Section Background", "The Value of AHA Membership to Critical Access Hospitals", "Press Release: Robin Lake to Chair Association's Small or Rural Hospital Governing Council", "Staff Directory", and "Shirley Ann Munroe Leadership Award".