

HIGHLIGHTS GOVERNING COUNCIL MEETING AHA Section for Metropolitan Hospitals June 8-9, 2006 ★ Dallas, Texas

The governing council of the AHA Section for Metropolitan Hospitals met June 8-9, 2006, in Dallas, TX. Governing council members and guest executives from local hospitals received reports on Congressional CMS, and AHA advocacy initiatives. Members discussed AHA policy priorities including physician owned ambulatory settings and the Hospital Quality Alliance, were oriented to the AHA Quality Center, and reviewed the emerging concerns of corporate campaigns and state health care reform. The Section's governing council roster may be found on the AHA Web site at http://www.aha.org/aha/member_relations/metropolitan_hospitals/main_page.html.



Washington Update: Members were briefed on the current political environment and congressional agenda including the status of the federal budget and appropriations for FY 2007. Members listened to AHA's efforts to eliminate Medicare and Medicaid cuts including advertising through the *Coalition to Protect America's Health Care*, of which AHA is a founding partner and support of letters from members of Congress opposing Medicare and Medicaid cuts. Members were apprised of congressional debate around tax reform and the tax reconciliation conference report and a tax bill that addresses charitable

provisions, accountability, and IRS inquiries on hospital operations. They were alerted to an IRS survey being sent to 1,800 hospitals to check compliance as an exempt organization and AHA's efforts to work with the IRS and assist hospitals with the survey. Members reviewed AHA's legislative priorities carried over from the first session of the 109th Congress, which merit continued support and their assistance was requested to reverse a requirement proposed by CMS for documented proof of citizenship prior to obtaining Medicaid coverage.

Members discussed several regulatory changes of interest to hospitals. They were alerted to a proposal by CMS to reduce payments to rehab facilities using coding adjustments in addition to the current 75 percent rule and the significant denials by fiscal intermediaries on local coverage determinations. Members received information on a rule on residency caps and a final rule on long-term care hospital PPS. Members were briefed on the proposed change by CMS to the hospital discharge notice, which would require hospitals to deliver notice to every patient at least 1 day prior to discharge and the many reasons AHA opposes this rule as unreasonable and unnecessarily burdensome.

Members received an in-depth analysis of CMS's proposed rule for the 2007 inpatient prospective payment system (PPS), which contains the most significant changes to the PPS system since its inception. Members offered observations on the impact of the rule to their hospitals for use in AHA's comment letter to CMS and supported AHA's proposal of a 1-year delay in implementation of the changes for DRGs under the IPPS proposed rule while the weighting methodology and need for a new classification system are investigated. To learn more about the AHA's advocacy activities visit http://www.aha.org/aha/advocacy-grassroots/advocacy/index.html.

AHA Board Update: Stan Hupfeld, president and CEO, INTEGRIS Health, Oklahoma City, and AHA Board liaison to the Metro Section governing council reviewed the transition in the Association leadership with Richard Umbdenstock serving as AHA chief operating officer and moving to president effective upon Dick Davidson's retirement in January 2007. Mr. Hupfeld reviewed two policies recently approved by the Board on billing and collection practices and price transparency. The policy on billing, collection, and tax-exempt status (hospital accountability) may be found at http://www.aha.org/aha/advocacy-grassroots/advocacy/content/5_1_06_sb_billingcoll.pdf. The policy on hospital pricing transparency may be found at http://www.aha.org/aha/advocacy-grassroots/advocacy/content/5_1_06_sb_transparency.pdf. Mr. Hupfeld also updated members on the Community Connections effort underway and the debut of the AHA's new Quality Center. Both can be found on the AHA Web site at http://www.aha.org/aha/index.jsp.

Physician-Owned Ambulatory Services: Members were asked to advise the AHA's Task Force on Delivery System Fragmentation as to the nature and scope of issues associated with physician-owned ambulatory care settings. Recent years have been marked by intense debate on the issue of physician self-referral to limited-service hospitals and concerns have been raised that rapid growth in physician ownership of ambulatory care settings is affecting the ability of hospitals to maintain the availability of services to the entire community. The AHA's Task Force is currently examining alternative approaches to address concerns raised by these physician-owned ambulatory care settings.

Members reviewed a *TrendWatch* report highlighting the migration of care to non-hospital settings and the degree to which regulatory structures have kept pace with the resulting changes in care delivery. Members commented on the tremendous growth of services offered by physicians and provided in ambulatory service centers (ASCs) or in their offices. They said that surgical, ophthalmology, diagnostic and treatment services provided by physicians compete directly with hospitals. Members identified quality and patient safety as major concerns resulting from a lack of regulation of the nature and type of services provided in a physician office or ASC. In addition, the lack of emergency services in either a physician's office or an ASC places the patient at an unnecessary risk. Member insights will be shared with the Task Force as they continue their work. Go to http://www.aha.org/aha/key_issues/niche/index.html for additional information.



Hospital Quality Alliance: Members heard an update on the Hospital Quality Alliance (HQA), a broad coalition of hospitals, other healthcare providers, government, quality groups, employers and consumers, which is focused on providing meaningful information to the public on hospital quality, align quality measurement sets and support quality and safety

improvement. AHA was instrumental in the creation of the HQA to address broad quality issues on behalf of the health care field. Efforts are underway to increase the involvement of business coalitions and insurer groups in the alliance.

Members heard plans for future measures including the HCAHPS patient satisfaction survey, acute myocardial infarction, heart failure, pediatric asthma measures, Surgical Care Improvement Project measures and critical care measures. In addition, members were updated on the number of hospitals currently participating in HQA and plans underway to explore and develop a business plan and create a single data pathway to streamline data collection. For more on this initiative, visit http://www.aha.org/aha/key_issues/qualityalliance/index.html.

Corporate Campaigns: Members were alerted that unions have identified health care providers as strategic targets for future organizing campaigns because their jobs are local and cannot be outsourced. They reviewed the tactics of corporate campaigns and how they differ radically from past union efforts.

State Level Health Care Reform: Joyce Murphy, governing council chair-elect and vice chancellor and COO, University of Massachusetts Medical School, Worcester, gave an overview of the recently passed Massachusetts health care reform legislation and its predicted impact on access and coverage. Members were very interested in the Massachusetts approach and had many questions regarding access, coverage, and funding of the program. They discussed reforms being implemented in their states and several suggested that their states are closely monitoring the results of the Massachusetts reform effort as well.



The AHA Quality Center: Members were oriented to the AHA Quality Center (Center), what it can do for providers and its relevance for hospital CEOs. Members were informed of the direct

and indirect costs associated with poor quality and were provided examples of how inefficiency and waste adds cost to care. Members were oriented to the Center's mission, its eight dimensions of quality, and how the Center will remove waste, eliminate defects, and reduce variability in the cost and quality of care. They were briefed on the Center's comprehensive strategy to support change and shown the Center's Web site at http://www.ahaqualitycenter.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 312-429-0334 or jsupplitt@aha.org.