



HIGHLIGHTS GOVERNING COUNCIL MEETING AHA Section for Small or Rural Hospitals March 5-6, 2009 ★ Washington, DC

The governing council of the AHA Section for Small or Rural Hospitals met March 5-6, 2009 in Washington, DC. Governing council members received updates on AHA's recent Board meeting and the political environment in Washington, DC. Members discussed the AHA strategic plan and AHA policy options for the role of government in national health reform, development of a federal health board, and hospital readmissions. Governing council members used this opportunity to visit their members of Congress and share AHA's advocacy agenda for small or rural hospitals. A roster of the Section's governing council is at [http://www.aha.org/aha/member-center/constituency-sections/Small or Rural/roster.html](http://www.aha.org/aha/member-center/constituency-sections/Small%20or%20Rural/roster.html).



AHA Board Liaison Report: Raymond Hino, president and CEO, Mendocino Coast District Hospital, Fort Bragg, CA and the AHA's Board liaison to the governing council, reviewed highlights from the January 2009 meeting of the AHA Board of Trustees. Board members received reports and discussed policy options on national health reform. They received reports on AHA legislative, regulatory, and policy initiatives as well as reports from standing and ad hoc committees. Mr. Hino provided members with a detailed review of AHA's national framework for change *Health for Life: Better Health, Better Health Care* and stressed how health reform is emerging as a national policy priority. Governing council members were supportive of AHA's continued leadership in shaping the reform dialogue and being part of the solution to needed change. For more about the AHA Board and *Health for Life* visit <http://www.aha.org/aha/about/Organization/index.html>.



Washington Update: Members were briefed on the current political environment, legislative initiatives and AHA's advocacy strategy and policy agenda for small or rural hospitals. Members were apprised of the reauthorization of the Children's Health Insurance Program (CHIP) and updated on the status of the American Recovery and Reinvestment Act (ARRA) and its key provisions. Members were supportive of AHA's priorities and appreciate AHA's leadership on CHIP and ARRA. Staff alerted members to the emphasis being placed on labor issues by Congress and the Administration. Members are sensitive to these issues

and are concerned that the proposed labor policies would add cost and reduce access if implemented. Members also were oriented to the Administration's health care reform framework and proposals for the federal budget and financing reform. Governing council members were asked to share their advocacy priorities with a Congressional staff member from the House Rural Health Care Coalition and discussed with her what is needed to maintain a stable health delivery system for rural America. AHA's advocacy agenda for rural hospitals may be found at <http://www.aha.org/aha/member-center/constituency-sections/Small-or-Rural/2009advocacyagenda.html>.

Members received a report from staff on the current regulatory environment. They were apprised of the current regulatory freeze imposed by the new Administration and routine regulatory changes and updates anticipated in 2009. Staff updated members on implementation of the Recovery Audit Contractor (RAC) program by CMS. Members expressed concern regarding implementation of RACs and the need for assistance in preparing for recovery audits. AHA has several tools and resources available to members at <http://www.aha.org/aha/issues/RAC/index.html>.



AHA Strategic Plan: Mr. Hino explained that the 2009 – 2011 AHA Strategic Plan provides a roadmap for the organization over the next three years and includes financial plans that support the Association’s mission and proposed strategies and priorities. Mr. Hino reviewed the plan including its strategic direction and key priorities. He described the environmental scan used to form the foundation of the strategic plan and its framework.

Members questioned certain planning assumptions and Mr. Hino clarified that this version of the plan was completed before the recession had taken hold and that the Association has adjusted accordingly. Members remarked that workforce issues as identified in the plan are pervasive and that given the current economic crisis, they are forced to address short-term priorities and have set aside long-term strategies until the economy has stabilized. The plan is at <http://www.aha.org/aha/about/index.html>.

The Role of Government in Health Reform: Most major health care reform proposals under discussion call for a broader government role in making coverage available. Staff explained that several reform proposals look to the government to fund as well as facilitate the selection and purchase of a range of health insurance plans to help individuals and families who do not qualify for public programs and for whom the cost of insurance remains out of reach. “Connectors” or “exchanges” are the common terms used to describe this type of government function modeled after the Massachusetts health care reform plan.



Governing council members commented on the development of a governmental program that directly provides coverage and that competes with private sector health plans through an exchange. They commented on the strengths and limitations of such a model and on who can purchase coverage through the new public plan. Members said that under the right circumstances they would support a governmental program that directly provides coverage, but they emphasized that the role of a national plan is covering the uninsured. Members are concerned that families and individuals would shift from private to public insurance if offered a choice and need assurances that basic coverage is funded and portability guaranteed.

Federal Health Board: The concept of creating an independent commission or federal health board has been discussed in the context of health reform proposals. Governing council members discussed the concept, including its potential membership and scope of authority. Members support the concept of a federal health board; however, they identified the importance of government earning the public’s trust for a Board to be accepted. Members believe that if a Board were created, it should address a specific purpose or function, have authority to tackle the needs of that purpose, and avoid any duplication of state or federal bureaucracies. They recommended that a Board include a mix of experts and stakeholders and its duration should be limited to the purpose being addressed. Members believed that if a federal health board could depoliticize the policy process, eliminate waste, reduce administrative burdens, and advance coverage then it would be embraced. Members emphasized the importance of a rural representation on the Board if it comes to pass.



Reducing Hospital Readmissions: At the fall 2008 meeting, members were asked to discuss causes for readmissions, as well as strategies and incentives to reduce them. At this meeting staff oriented members to a set of principles proposed for use when assessing policies for readmission that included a framework for classifying them and that might be appropriate for inclusion in a readmission policy. They also commented on a list of strategies for hospitals that might be helpful to understanding and addressing readmissions. Members were supportive of AHA’s principles and approach, but identified challenges regarding their ability to align patients, providers, and caregivers to achieve success. They suggested modeling

conditions where there is strong evidence on practice patterns, and test structures on payment of readmissions through research and demonstrations before implementing a policy. Members said they an unplanned readmission for a related diagnosis must be clearly defined. They also agreed that patient centered care in a medical home is a good care model for this purpose.

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.