American Hospital Association

HIGHLIGHTS
GOVERNING COUNCIL MEETING
AHA Section for Metropolitan Hospitals
May 28-29, 2009 ★ Denver, CO

The governing council of the AHA Section for Metro Hospitals met May 28-29, 2009 in Denver, CO. Governing council members received updates on AHA's recent Board meeting, AHA's commitment to health care reform, and the political and regulatory environment in Washington, DC. Members discussed policy options for comparative effectiveness research, bundled payments, health information technology and managing under the recession. A roster of the Section's governing council is at http://www.aha.org/aha/member-center/constituency-sections/Metro/roster.html.

AHA Board Liaison Report: Michael Madden, system vice president, advocacy and development, Providence Health and Services, Burbank, CA and AHA Board liaison to the Section governing council updated members on AHA meetings with White House staff and health groups related to bending the health care cost curve. The AHA will be working to fulfill the hospital sector's promise to the Administration to outline concrete ideas for achieving the cost containment goals. Mr. Madden also reviewed the agenda from the April 25 Board meeting of the AHA Board of Trustees, which focused on several public policy issues related to health reform/*Health for Life* including readmissions, comparative effectiveness, a potential public plan, and health information technology. He reviewed the AHA Board's approval of The Joint Commission's revisions to the hospital medical staff standard MS.01.01, which identifies the required elements of medical staff bylaws and associated rules, regulations and policies and that the standard be sent for field review. For more information on the AHA Board visit the AHA's Web site at http://www.aha.org/aha/about/Organization/index.html.

hospitals in pursuit of excellence

Hospitals in Pursuit of Excellence: As the AHA works to fulfill the hospital sector's commitment to the Administration to develop concrete ideas to achieve cost containment goals Jim Bentley, AHA senior vice president and executive staff liaison to the Metro Governing Council reviewed a draft document that outlined actions that hospitals can take in the immediate term to bend the cost curve. It also proposed specific changes in policy that would remove existing barriers to clinical integration and improve administrative efficiency. He explained that the AHA will work with the state, regional and metropolitan hospital associations and other stakeholder groups to design and implement the *Hospitals in Pursuit of Excellence Campaign*. Members were supportive of the recommendations and many have implemented them at least in part. For more information on AHA's Health Reform efforts visit http://www.aha.org/aha/advocacy/health-reform.html.

Comparative Effectiveness Research: The American Recovery and Reinvestment Act of 2009 (ARRA) created a Federal Coordinating Council for Comparative Effectiveness Research (CER) and provided $1.1 billion for such research. Congress and the Administration have proposed several options to establish a permanent framework for CER. The AHA strongly supports CER as an important component in reforming America's health delivery system, and a key mechanism to improving quality, eliminating variation, and reducing health care costs. Staff updated council members on AHA's efforts and asked for comments to a set of draft principles on CER. There was broad agreement among members on the principles for CER and they reinforced the importance of improving quality, patient safety, and clinical outcomes through the development and use of unbiased, credible, evidence-based information.

Washington Update: Members were briefed on the current political environment, legislative initiatives and AHA's advocacy agenda and policy strategy for Metro hospitals. Members were apprised of the Administration's priorities for labor issues and health reform. They were oriented to AHA's strategy on policies to advance, shape, protect, and renew efforts to assist hospitals with reforms. Members were briefed on the health reform proposals being advanced by Congress and in particular the Senate Finance and Health, Education, Labor and Pensions Committees. They were advised as to how reform might be financed and where hospitals might be vulnerable. In addition, members were oriented to the AHAPAC and its goals for this session of Congress. Members were supportive of AHA's strategies, but were concerned about labor issues and cuts to hospitals to fund health care reform. Members support an increase to GME slots and for primary care in particular. Several were frustrated by the stimulus funding for FMAP and the absence of maintenance of effort by states to maintain their fiscal year 2009 levels of eligibility and services for Medicaid beneficiaries, and to protect current provider payment levels. For more information, visit http://www.aha.org/aha/advocacy/index.html.

Members received a report from staff on the current regulatory environment. They were apprised of the CMS proposed rule for IPPS and issues regarding payment updates, documentation and coding offset, market basket rebasing, quality reporting, wage index neutrality, reclassification criteria, and IME capital adjustment. Members also received an update on the RAC rollout.

Long-term Payment Reform – Bundling: The Administration and Congress have released proposals that seek to combine hospital and post-acute care services in one payment bundle to encourage greater coordination of care among providers and to achieve cost savings in the health care system. Staff briefed council members on these proposals and asked them to consider how a bundled payment approach may be constructed and what barriers to implementation exist. While it was possible that some hospitals or health systems may be able to coordinate bundled payments, the timeline to implement this would vary depending upon a hospital's clinical integration and information systems. Members were presented options for payment bundles and asked to share the effect bundled payments would have on their organizations. Members remarked that a comprehensive infrastructure that is supported by IT and is aligned with physicians is essential to bundling, but hospitals vary significantly regarding what is currently in place.

Health Information Technology: The ARRA provides about $17 billion in incentives for hospitals and physicians that become "meaningful users" of certified EHR technology. Penalties are applied to those who do not adopt HIT by 2015. AHA has worked with the Department of Health and Human Services to seek clarification on several details and to provide input as rules are being developed. Staff briefed council members on these activities and asked for additional input on some of the key HIT provisions in the ARRA. Members remarked that while system-wide measures for clinical documentation, results viewing, computerized physician order entry, and decision support is most appropriate, few have this capacity. Members observed that often physician resources are outdated or nonexistent and that interoperability with physicians is critical to meaningful use, but a rare occurrence. Complicating the issue is access to patient information at physician offices and the need for cyber privacy. Members do not find the ARRA time frame realistic. Visit the AHA's Web site at http://www.aha.org/aha_app/issues/HIT/index.jsp for more information.

Managing During the Recession: Hospitals have experienced many financial challenges as a result of the recession. With assistance from the Colorado Hospital Association and using data from DATABANK, members saw the effect the recession has had on hospitals in general and on the constituency in specific and shared anecdotes of the impact of the recession. Members discussed coping strategies, mechanisms and tactics to manage through the economic downturn.

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.