

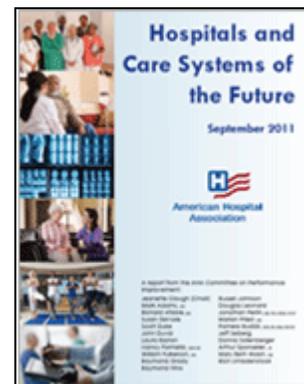


The governing council of the AHA Section for Small or Rural hospitals met October 3-4, 2011 in Washington, DC. Governing council members received reports on AHA advocacy and regulatory policy initiatives and discussed several policy priorities including hospital and care systems of the future, CMS pilots and demonstrations, and physician training. They received an update on the physician leadership forum and attended AHA's Advocacy Day. A **roster of the Section's governing council** is available on the Web site of the **AHA Section for Small or Rural Hospitals**.



Washington Update: The Administration continues to release a flurry of health care regulations and initiatives. Members received a report from staff on various key regulatory issues including the final value-based purchasing rule, hospital inpatient prospective payment system (PPS) final rule for fiscal year 2012, outpatient PPS proposed rule for calendar year 2012, CMS bundled payment initiative, **Medicare Payment Advisory Committee's rural report**, drug shortages and Medicaid recovery audit contractors (RAC). Members also received an update from staff on the current Washington political environment particularly the proposals to reduce the federal budget deficit by cutting payments to CAHs and other small or rural hospitals. Members were briefed on AHA's advocacy agenda for small or rural hospitals and briefed on the status of several bills introduced in Congress that would affect rural hospitals as well as the status of **HRSA's negotiated rulemaking for a designation process** for medically underserved areas and populations (MUA/Ps) and health professional shortage areas (HPSAs).

AHA Board Report: Ray Montgomery, president and CEO, White County Medical Center, Searcy, Arkansas and the AHA Board liaison to the Section for Small or Rural Hospitals, reported that the **AHA's Committee on Performance Improvement (CPI)** made progress on the **Hospitals and Care Systems of the Future** report. In May, the Governing Council reviewed excerpts from a draft report. The CPI also shared the report with the AHA Board for its feedback at the July Board meeting. The AHA Board praised the report and advised the CPI to complete the report quickly and disseminate it to the field. In October, Governing Council members reviewed the revised final report and recommended next steps the CPI should undertake to support members in delivery and payment system changes.



How Small or Rural Hospitals Can Interact With CMMI: Valinda Rutledge, director, Patient Care Models Group, CMS Center for Medicare and Medicaid Innovation (CMMI), updated council members on CMMI priorities and projects. She reviewed in depth the **Bundled Payments for**

Care Improvement initiative that seeks to improve patient care through payment innovation that fosters improved coordination and quality through a patient-centered approach. The CMS Innovation Center is seeking applications for four broadly defined models of care. Three models involve a retrospective bundled payment arrangement, and one model would pay

providers prospectively. Ms. Rutledge sought input on how CMMI can best engage small, rural PPS hospitals and CAHs in the initiative and in other pilots and demonstrations.



Training Physicians to Deliver High-Value Care: Staff led members in a discussion on the skills and core competencies needed by physicians to practice in a reformed health care delivery system and asked members to share what they are doing to address gaps in physician training. Input will be shared with an AHA member task force of clinicians to develop a set of recommendations that will be shared with organizations that accredit medical training and continuing education programs.

Physician Leadership Forum: Staff briefed members on the work of the AHA's Physician Leadership Forum (PLF). The PLF is a new way for physicians and hospitals to advance excellence in patient care. Through the PLF, the AHA will work more closely with the medical community to identify best practices and deliver value-based care. Participating physicians and hospitals will commit to improve the quality, safety, and efficiency of care delivery. The PLF also offers physicians a unique opportunity to participate in AHA policy and advocacy development process while preparing to collaboratively lead the hospitals of the future.



Advocacy Day: Council members joined colleagues in delivering a unified message to Capitol Hill – hospital care cannot be cut further. Rich Umbdenstock, AHA president and CEO; Rick Pollack, AHA executive vice

president; and Tom Nickels, AHA senior vice president, updated members on the current Washington political environment, AHA's advocacy efforts, and the potential impact on hospitals by the Joint Select Committee on Deficit Reduction – the "Supercommittee." Mr. Pollack reviewed several areas where AHA believes hospital payments under Medicare and Medicaid are at risk and referenced papers spelling out the AHA's position on the following issues:

- Medicare Graduate Medical Education
- Medicaid Provider Assessments
- Medicare Bad Debt Reimbursement
- **Rural or Small Hospitals**
- Post-Acute Care

Mr. Nickels referenced a fact sheet that spells out the [role that hospitals play as employers](#) and a [study](#) examining the potential impact that additional cuts could have on hospital jobs and the other jobs supported by hospitals when they buy goods and services from other businesses in their communities. Mr. Umbdenstock encouraged members to make their voices heard – [Cuts Threaten Hospitals' Ability to Cure and Care](#) – and to reject any additional Medicare and Medicaid payment reductions for hospital services. Upon conclusion of the Washington report, members traveled to Capitol Hill to meet with their Congressional delegations.



For 25 years, the Rural Health Care Leadership Conference has brought a unique focus on innovative ideas, thoughtful insights, and proven strategies for improving rural hospitals and developing rural health

care leaders. This year will be no exception. [Click here to register](#)

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 312-422-3306 or jsupplitt@aha.org.