

The governing council of the AHA Section for Small or Rural Hospitals met June 21-22, 2012 in Denver, CO. Governing council members were updated on the political environment and AHA advocacy agenda as well as regulatory policy. They discussed in depth entitlement reform and deficit reduction and redesigning primary care. In addition, members discussed principles for the Medicare Wage Index and Medicare and Medicaid payments to Disproportionate Share Hospitals (DSH). A [roster of the Section's governing council](#) is available on our Web site.



Washington Update: Members were briefed on the current political environment including possible outcomes from the November elections, current advocacy for drug shortage legislation and funding the federal government, AHA's Campaign 2012 "We Care...We Vote" initiative, and the rural hospital legislative agenda. [We Care... We Vote](#) was described to members including several resources available to encourage voter registration, engage candidates and the extended hospital family, and enhance the election process by making the workplace a hospital champion. The rural advocacy agenda highlighted the importance of R-HoPE, the Rural Hospital Access Act, Medicare extenders, and budget deficit implications for rural hospitals.

The group was briefed on current regulatory policy, specifically the FY 2013 proposed inpatient PPS rule including updates, readmissions reductions, and sole community hospital provisions. Members listened to reports on a proposed rule for Medicare Conditions of Participation and supervision of outpatient therapeutic services, and deliberated on an AHA program integrity strategy for [recovery audits](#).



Redesigning Primary Care: A draft white paper with guiding principles and recommendations on workforce issues in redesigning primary care was shared with members to elicit their reactions and thoughts. The materials presented were drafted as a result of the AHA Primary Care Roundtable deliberations. The Roundtable's purpose was to address the future primary care access needs of patients in light of health care reform. The governing council analyzed these materials and described the changes occurring in advanced training of nurses and midlevels, and fragmented primary care subspecialties. They noted that the future supply of primary care providers has different trajectories by discipline and made recommendations for further study and exploration, particularly around access to osteopaths and mental health professionals.



Entitlement Reform and Deficit Reduction: Presented to the council was a proposed framework and outline for policy recommendations that would ensure the financial viability of the Medicare and Medicaid programs, improve the health care system for all individuals, and contribute to reducing the

federal deficit in a fair and balanced way. A key piece of this framework is a proposal detailing five areas around which the AHA's response to entitlement reform and deficit reduction could be organized. Draft principles for a Medicare defined contribution program were circulated for the council's input and perspective. Two scenarios were provided to members to compare and contrast premium support proposals. In addition, members were presented with draft principles on an appropriate care model for dually eligible Medicare and Medicaid beneficiaries. They were also asked to discuss financing options comparing federal government responsibility or enhanced federal/state partnerships with current financing responsibility.

Medicare Wage Index: An AHA Task Force on the Medicare Wage Index has been working on guiding principles for use to evaluate, recommend, and advocate for changes to the wage index adjustment. Several options for addressing the wage index have been proposed by [MedPAC](#), the [Institute of Medicine](#) and [CMS](#). Members supported the task force's principles, but thought the challenge is how to implement them fairly and consistently. Members remarked that a single state-wide rural area does not work, especially when markets compete for clinical professionals across state lines.

Medicare and Medicaid DSH Principles: Members analyzed principles drafted by the Allied Hospital Association Advisory Group on Health Reform Implementation to address changes under the ACA to disproportionate share hospital payments. Members support the principles for Medicare and Medicaid DSH and emphasized that the components of uncompensated care must reflect the true cost to hospitals. In addition, they supported guiding principles for state benefits and assurances that Medicaid funds are used exclusively for health purposes.



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Your Voice Is Needed in Washington this Fall

Congress must make some tough decisions that will affect hospitals, including what to do with the Medicare physician payment fix, Medicare extenders, and other expiring tax provisions. And on January 3, automatic Medicare cuts contained in last year's Budget Control Act kick in.

We need to ensure Congress does not impose arbitrary payment cuts to providers, but instead offers real solutions to our nation's fiscal problems. You have the ability to make a difference. Plan to attend one of the [AHA's Advocacy Days](#) this fall. You'll have the opportunity to meet with your legislators and talk to them directly about the challenges facing your patients and your community.

Questions? Contact Michael McCue, director of Member Relations/Grassroots Events, at 312-422-3319 or mmccue@aha.org or Debra Thomas at dthomas@aha.org or 312-422-3327.

For more information about the topics covered in the highlights or the AHA Section for Small or Rural Hospitals please contact John T. Supplitt, senior director at 312-422-3306 or jusplitt@aha.org.