

The governing council of the AHA Section for Metropolitan Hospitals met June 25-26, 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, key legislative priorities and AHA's Campaign 2012 "We Care... We Vote" initiative. Updates were also given on key issues such as the drug shortage, budget offsets, the medical device tax, Medicare extenders and the sequester. [We Care... We Vote](#), was described to Members including several resources available to encourage voter registration; engage candidates and the extended hospital family and to enhance the election process by making your workplace a hospital champion.

The group was briefed on current regulatory policy specifically the FY 2013 proposed inpatient PPS rule, Medicare Conditions of Participation, the proposed 1-year delay for ICD-10, RACs, insurance exchange rules and Stage 2 for meaningful use.



**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. The Roundtable's purpose was to discuss how to address the future primary care access needs of patients in light of health care reform. The Governing Council analyzed these materials with respect to their visions of the future of primary care. They discussed the challenges, both currently and in the future, facing primary care including shortages, community partnerships and patient education and made recommendations for improving the draft.



**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. One of the key pieces of this framework was a proposal detailing five areas around which the AHA 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 premium support

scenarios were provided to members to compare and contrast the proposals. This was supplemented with an analysis of the differences between the Ryan and Ryan/Wyden Medicare premium support approach compared with current Medicare and the Federal Employees Health Benefit Program. In addition, members were presented with draft principles on an appropriate care model for of dually eligible Medicare and Medicaid beneficiaries. They were 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 commented that numerous categories of reclassification and the number of hospitals reclassified is symptomatic of a larger problem, which is the current Medicare payment system does not work properly.

**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*

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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](mailto:mmccue@aha.org) or Debra Thomas at [dthomas@aha.org](mailto:dthomas@aha.org) or 312-422-3327.

For more information about the topics covered in the highlights or the AHA Section for Metropolitan Hospitals please contact John T. Supplitt, senior director at 312-422-3306 or [jsupplitt@aha.org](mailto:jsupplitt@aha.org).