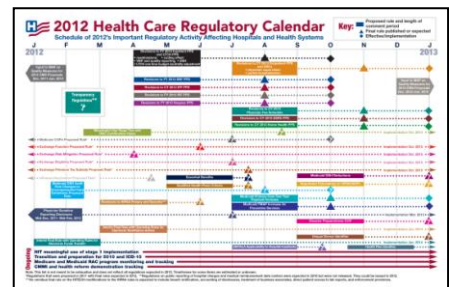


The governing council of the AHA Section for Small or Rural hospitals met March 22-23, 2012 in Chicago, IL. Governing council members were updated on the political environment and received reports on the federal budget and deficit reduction, elections, advocacy agenda and regulatory policy. They discussed in depth Medicare and Medicaid financial sustainability and promoting system reform. In addition they examined innovation initiatives, readiness for health information technology, and physician training. . A **roster of the Section's governing council** is available on our Web site.



**Washington Update:** Members scrutinized critical federal budget deficit and debt issues challenging the nation and how AHA should prepare for proposals to reduce health care spending and the entitlement reform debate sure to ensue in 2013. They were briefed on the current political environment, presidential election and AHA's advocacy agenda. Members discussed the viability of Medicare payment extenders, rural hospital budget deficit implications, and critiqued strategies for public and candidate education entering the elections in 2012. Members endorsed the importance of the **AHAPAC** in advocating priorities to members of Congress and the work of the **Coalition to Protect America's Health Care** to communicate our message to the public.

Members were briefed on a robust **regulatory calendar** for 2012 that implements routine Medicare payment updates as well as new rules for health care reform. Other policy issues of particular interest were changes in direct supervision of outpatient therapeutic services and the deliberations of MedPAC in advance of its June report to Congress with principles for rural hospital payment, quality, and access to care for rural Medicare beneficiaries.



**Financial Sustainability and System Reform:** Using a forced response polling technique, members were asked to share their reactions to a series of statements regarding alternative methods of deficit reduction, “unfinished business” from the **Health for Life framework**, policies embedded in a premium support model, and specific recommendations to reduce Medicaid spending. They weighed a range of alternatives for deficit reductions and alternatives to cuts to Medicare or Medicaid spending for hospitals. They discussed premium support and defined contribution models for Medicare and options for Medicaid reforms such as block grants and funding and coordinating care for dually eligible beneficiaries. Finally, members reflected on the goals of Health for Life (HFL) and identified progress as well as new areas to pursue and existing areas where additional focus might be needed to accomplish the goals of HFL.



**Training Physicians to Deliver High-Value Care:** As part of its work, the **AHA's Physician Leadership Forum** sought input on how the hospital field could impact the education and development of physicians and how the **Accreditation Council on Graduate Medical Education competency program** is functioning. Last fall, members were asked to rank how evident and important each of the competencies were in their organizations. AHA formed a **task force** of clinicians charged to frame recommendations on assimilating these competencies. Members were asked to share their reactions to the recommendations, provide input regarding a "call to action" to engage the various stakeholders, as well as what the hospital field can do now to foster and encourage adoption of the core competencies.

**Health Information Technology:** Federal initiatives for adoption of electronic health records (EHRs) and the transition to a new coding system for diagnostic and procedural coding, ICD-10 stand out as challenges for hospital information systems. CMS recently released a proposed rule defining Stage 2 of "meaningful use" of EHRs. In addition, CMS announced the agency will revisit the **timeline for adoption of ICD-10**. Members were asked to share their readiness for **Stages 1 and 2 of meaningful use**. They were asked their state of **readiness for ICD-10 implementation** and views on the possible need for a delay.



**Rural Hospital Innovation Initiatives:** The Centers for Medicare & Medicaid Innovation (CMMI) Health Care Innovation Challenge will award up to \$1 billion in grants to applicants with new ideas to deliver better health, improve care and lower costs to

people enrolled in Medicare, Medicaid and CHIP. Members discussed and shared rural hospital innovations embracing the **Institute for Healthcare Improvement triple aim**: improving the experience of care, improving the health of populations, and reducing per capita costs of health care. They recommended how AHA can support accelerated learning and improved performance of small or rural hospitals as well as next steps to engage the field in expanding and communicating successful innovations.



Join your colleagues May 6-9 in Washington, D.C., at the 2012 AHA Annual Membership Meeting to hear the latest on the forces effecting health care, and to take hospitals' message to Capitol Hill. The meeting includes keynote

speeches from prominent policy makers, the annual breakfast meeting for constituencies, executive briefings on important health topics, ACHE credits, and a special briefing for small or rural hospitals. You may **register** on line.

**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](mailto:jsupplitt@aha.org).**