

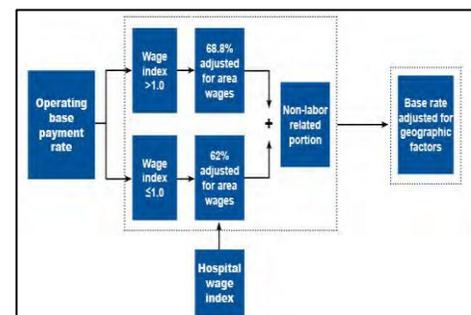
The governing council of the AHA Section for Small or Rural Hospitals met September 10-11, 2012 in Washington, DC. Governing council members were updated on the political environment, AHA advocacy agenda, and emerging regulatory policy and rulemaking. They discussed in depth entitlement reform and deficit reduction, provider payment differentials, and advanced illness management. In addition, members reviewed and commented on principles for the Medicare Wage Index and attended an AHA Advocacy Day. A [roster of the Section's governing council](#) is available on our Web site.



Washington Update: In advance of a September 11 Advocacy Day Session, members were oriented to the current political environment including possible outcomes from the November elections. Members were briefed on current regulatory policy specifically the FY 2013 inpatient PPS final rule including updates, readmissions reductions, and Medicare Dependent Hospital and Sole Community Hospital provisions. Members received information on a proposed rule for Medicare Conditions of Participation, recommendations by the Hospital Outpatient Payment Panel regarding supervision of outpatient therapeutic services, achieving meaningful use Stage 2, and a one-year delay on implementation of ICD-10.

Entitlement Reform and Deficit Reduction: Based upon input from the spring and summer round of governance and policy development meetings, council members commented on an action and priority checklist called “Creating a Healthier Tomorrow.” It references policy actions that can be taken by providers, government, insurers, employers and the public to ensure the continued financial viability of the Medicare and Medicaid programs, improve the health care system for all individuals, and contribute to reducing the federal debt and deficit in a fair and balanced way. Members also commented on a framework from the last meeting that includes revised draft principles that could be used to evaluate proposals to transition Medicare from a defined benefit to a defined contribution program.

Medicare Wage Index: At the June round of AHA governance and policy development meetings, members reviewed key concerns and draft principles from the AHA Task Force on the Medicare Wage Index. Based upon that input and additional deliberations, the task force developed a set of seven principles to make the wage index more accurate, fair and effective. While this issue is complicated and technical, it is critical to thoroughly discuss it in an open and transparent manner as any changes recommended by the field would result in redistributing Medicare dollars among hospitals. Members were updated on the work of the Task Force and provided comment on the set of principles. In addition, they were directed to a set of [tools and resources](#)



on the AHA Website that include a recording of and materials for an overview of the area wage index, highlighting data and reclassification statistics, and summarizing key proposals that have been made by MedPAC, IOM, and CMS.

Payment Differentials: Policy makers are increasingly raising questions about how Medicare should pay for the same or similar services provided in different settings. Recently the focus has been on whether Medicare should cap the payment rate for nonemergency department evaluation and management (E/M) services at the rate paid to physicians for providing the service in their offices. Members discussed current developments in the hospital field regarding the acquiring of physician practices and their conversion to hospital outpatient departments (HOPDs) and potential policy options to counter legislative proposals to reduce Medicare HOPD payments for E/M services to what the program pays for E/M services in physician offices.



Advanced Illness Management: The AHA's Committee on Performance Improvement has recently released the first of two reports on Advanced Illness Management (AIM), highlighting the steps hospitals can take to ensure patient wishes are carried out by the entire multidisciplinary care team throughout the full continuum of care. Members commented on the report and shared best practices and strategies in which they are engaged to increase access to AIM services.

AHA Advocacy Day:

By the end of the year, Congress must make



some tough decisions that will critically affect

America's hospitals, including what to do with the Medicare physician payment fix, Medicare extenders, and other expiring tax provisions. To help ensure Congress does not impose arbitrary payment cuts to providers, Governing Council members joined their AHA colleagues for the first in a series of important AHA Advocacy Days. Participants were briefed on key issues prior to meeting with their legislators on the Hill and invited to join [AHA Advocacy Alliances](#) created to help them engage legislators on the specific issue or issues that have a direct impact on the ability of hospitals to continue providing quality health care services. Participation in AHA Advocacy Alliances is open to all interested AHA member hospitals.

REGISTER NOW

November 29 | December 11

Your Voice Is Needed in Washington this Fall



Plan to attend one of the [AHA's Advocacy Days](#) this fall. You'll be briefed on key issues and 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.