

The Governing Council of the AHA Section for Small or Rural Hospitals met October 5-6, in Rosemont, IL. Agenda items for the meeting included a Washington report focused on the changing political environment and budget crisis as well as rulemaking and emerging policy priorities. Members deliberated on diverse topics including health care disparities, telehealth, bundled payment programs, the opioid epidemic, physician payment, health insurance consolidation and rising drug prices. A **roster of the Section's governing council** is available on our Web site.



Washington Legislative Update.

Members received a briefing on the political environment and fiscal cliffs.

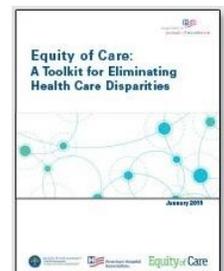
They were alerted to a sizeable increase in Medicare Part B premiums and how that might be addressed legislatively. The key fall advocacy messages are:

- Protect Access and Essential Resources;
- Extend Critical Programs and Protections; and
- Improve Existing Policies and Programs.

Members examined the scenarios regarding changes in House leadership and its political implications. They received and discussed an update on AHA's advocacy agenda for rural hospitals. Members endorsed the importance of the **AHAPAC** and the work of the **Coalition to Protect America's Health Care** to communicate our message to Congress.

Washington Regulatory and Policy Update. Governing Council members reviewed several proposed and final rules and guidance from CMS and the Health Resources and Services Administration. The CMS two-midnight and short stay admissions, implementation of ICD-10 and the EHR incentive program rules were discussed. The recent HRSA "Mega Guidance" on 340 B drug discount pricing was examined as well as proposals on insurance consolidation.

National Call to Action to Eliminate Health Care Disparities Campaign. A National Call to Action was launched in 2011 by AHA and four other associations. AHA, along with our partners, continues to release tools and guides, educational events, communications, and marketing to ensure high visibility of the issue, along with needed resources to encourage sustainability. Available publicly to all via www.equityofcare.org, these resources are intended to provide the tools, expertise and steps required to eliminate health care disparities. Members signed the pledge to commit action to the Equity of Care Campaign to Eliminate Health Care Disparities.



Expanding Telehealth. A briefing on recent trends in telehealth was provided and members shared how they are innovating through remote connections with patients and consulting practitioners. They also provided feedback on barriers to and policy priorities for expanding telehealth. Members identified telehealth coverage as high policy priority.



#123forEquity Pledge to Act

Reforming the Health Care Delivery System through Bundled Payment.

In July, [CMS proposed a new payment model](#) that would bundle payment to acute care hospitals for hip and knee replacement surgery under the Comprehensive Care for Joint Replacement (CCJR) model. With increased HHS focus on tying Medicare payments to quality or value and a newly proposed bundled payment program for select services, members advised on tools needed to be successful in managing bundled payment. Members also shared their experiences with forming relationships and making shared savings arrangements between short-term acute care hospitals and post-acute care providers.



The Hospital's Role in Stopping the U.S. Opioid Epidemic. The nation is experiencing a deadly prescription opioid epidemic and federal and state policymakers are implementing a wide array of policies to address the rising addiction and death rates. At the fall 2014 governance meetings, hospital leaders discussed steps they were taking to curb drug-seeking behavior in emergency departments and other strategies. AHA is asked by federal policy makers for input on various strategies to address the epidemic and at this meeting members discussed how to define the appropriate role of hospitals and preferred policy approaches.



Physician Payment after SGR Reform. The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) introduced new physician payment and quality reporting methods. The legislation provides payment updates for physicians over a decade, creates a new system for physician payment and quality reporting and encourages physician participation in alternative payment models (APMs). Physicians will receive different annual updates depending on whether they are paid under the new Merit-based Incentive Program (MIPS) or APMs. Members were briefed on the new physician payment and quality reporting system and discussed the implications for hospitals and health systems.

Health Insurance Consolidation. Proposed consolidations within the insurance industry raise questions on potential anticompetitive ramifications. While hospital realignment is a pragmatic and procompetitive reaction to the structural changes in the health care delivery system, including value-based reimbursement incentives, new competition, high capital requirements and the need to shore up financially vulnerable institutions, the insurers' deals appear to be an effort to increase their top-line profits. [AHA shared its strategy](#) in response to proposed health insurance acquisitions and members discussed how hospital and health system engagement in value-based payment models might change with greater insurance consolidation.



Drug Pricing. In August, CMS released a report on national health spending that highlights how quickly prescription drug costs are rising. These price increases threaten access and affordability for patients. Patient cost-sharing notwithstanding, hospitals are often left shouldering the increased drug costs. As patent-protected, specialty and generic drug prices to hospitals rise, members shared the trends their organizations have experienced and strategies to make drug manufacturers more accountable for pricing decisions. The AHA continues to be involved in discussions with policymakers about drug prices, and received input from members about the degree to which drug prices are impacting patients and hospital finances, and what our long term policy strategy should be.



The **Rural Health Care Leadership Conference** continues to bring a unique focus on innovation, thoughtful insights, and tested strategies for improving rural health care and developing the thoughtful leadership that can produce results. Please [join us](#) in Phoenix.