American Hospital Association

HIGHLIGHTS
GOVERNING COUNCIL MEETING
AHA Section for Small or Rural Hospitals
February 29 – March 1, 2016 ★ Chicago, IL

The Governing Council of the AHA Section for Small or Rural hospitals met February 29 – March 1, 2016 in Chicago. Agenda items for the meeting included a discussion of drug pricing, entitlement reform, Medicare payment reform, and barriers to care transformation. In addition, members reviewed the progress of the AHA Task Force on Ensuring Access in Vulnerable Communities (Task Force) and were briefed on legislative advocacy and regulatory policy in a new political environment. 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 in this election year as well as the federal budget and new leadership for congressional committees of jurisdiction for health. They were oriented to the AHA's current legislative advocacy agenda for rural hospitals as well as potential action on targeted issues such as opioids and behavioral health. Members endorsed the importance of the **AHAPAC** and the work of the **Coalition to Protect America's Health Care** to communicate our message to the public.

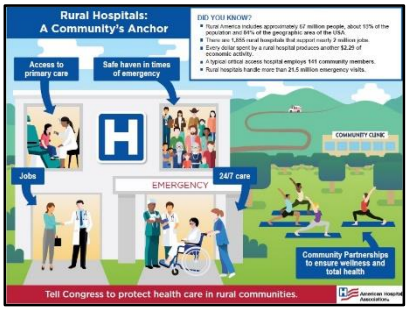
Washington Regulatory and Policy Update: Governing Council members were briefed on and discussed AHA's efforts to relieve the regulatory burden for small or rural hospitals. Members reviewed issues on payment, compliance and health information technology. In addition members were apprised of legal action taken on their behalf with respect to the two midnight policy and the backlog of claims review by administrative law judges. Members support the need to increase diversity in hospital leadership and the Pledge to Eliminate Health Care Disparities.

Drug Pricing: The high cost of prescription drugs is putting a strain on Medicare, Medicaid and the entire health care system, including patients. Sudden and excessive price increases are threatening access to and the affordability of critical drug therapies for patients. Some hospitals have reported that their physicians have begun to change their prescription ordering practices and courses of treatment because of the high cost to patients. The AHA has been working with a number of stakeholders including the Campaign for Sustainable Rx Pricing, to raise awareness of and develop policy solutions to combat the problems caused by drug price increases. Members provided their insights on several policy options proposed to help rationalize drug prices while still supporting innovation.

Entitlement Reform: In response to continued growth in Medicare spending, some policymakers favor moving Medicare from a defined benefit program to a defined contribution program. Under such a model, the federal government would provide Medicare beneficiaries with a set amount of money to purchase private health insurance coverage, similar to Medicare Advantage and the Medicare Part D prescription drug programs. In 2011 and 2012, the AHA's policy development bodies discussed what such a defined contribution approach might look like and how it might affect Medicare beneficiaries and providers. Members were asked to comment again on principles for a Medicare defined contribution program.

Ensuring Access in Vulnerable Communities: The AHA Board of Trustees Task Force has met several times and has engaged members in listening sessions across the country. To date the Task Force has identified:

- Several characteristics and parameters that could be used to identify both vulnerable rural and urban communities.
- Essential health care services that should be provided in a high quality, safe, and effective manner in every community, and
- Potential models that may help ensure access to health care services in vulnerable communities.



Members were asked for their input on the work of the Task Force findings.

Medicare Payment Reform: Most hospitals currently participate in as many as five or more separate, legislatively-mandated quality reporting and pay-for-performance programs. Members were asked to advise the AHA on whether we should advocate for policy changes that would consolidate separate Medicare hospital pay-for-performance programs into a single program, potentially to include a bonus for participation in alternative payment models.

Barriers to Care Transformation: For hospitals working to transform care delivery, a key strategy is to improve care coordination by building relationships with physicians and other health care providers. However, certain fraud and abuse laws – namely, portions of the Antikickback Statute and the Stark Law – are impeding efforts by hospitals to collaborate more closely. Members were asked to provide the AHA with examples of how fraud and abuse laws inhibit efforts to improve care for Medicare beneficiaries through better care coordination and participation in alternative payment models.

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Rural Hospital Leadership Award

The AHA Rural Hospital Leadership Award recognizes CEOs and administrators who have achieved improvements in local health delivery and health status through their leadership and direction with a **$1,500 stipend** to offset the cost of attending an AHA educational program. The 2016 Application can be found **HERE.** Contact Jumel Ola 312-422-3345 for additional information.

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 312-425-6306 or jsupplitt@aha.org.