Arkansas Hospital Summer Leadership Conference

The Arkansas Hospital Administrators Forum/Arkansas Health Executives Forum Leadership Conference will be held June 16-18 at the Chateau on the Lake in Branson, Missouri.

The faculty for this year’s meeting is highlighted by Erik Wahl, a recognized artist and speaker who inspires organizations to transcend mediocrity by becoming more creative and innovative. His presentation, “The Art of Vision in Health Care,” challenges participants to utilize unconventional wisdom and build a new vision for the future of their facility. Using his brilliant artistic skills as his vehicle, he asks the audience to redefine commonly held assumptions and misconceptions about “creativity,” “goals,” “success,” and “vision.”

Also on the program will be sessions on workforce strategies involving a new opportunity for Arkansas hospitals, “hot” legal issues, and the results of a study on Medicaid payments to Arkansas hospitals. Along with the planned educational activities, Branson offers many opportunities for family entertainment – golfing, outlet malls, fishing, boating, swimming, tennis, a full range of musical entertainment for all ages and tastes, and much, much more – which make the trip to Branson memorable.

Registration information will be mailed in a few weeks, but those planning to attend are encouraged to make hotel reservations now by calling 1-888-333-5253. Mention the Arkansas Hospital Association or Arkansas Hospital Administrators Forum for special room rates. Contact Beth Ingram at (501) 224-7878 for additional information.

CMS Slowing Some Claims Payments

The Centers for Medicare & Medicaid Services (CMS) has instructed its Medicare carriers and intermediaries to slow payment of electronic claims that are not compliant with transactions standards of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The instruction was issued February 27 as an incentive to increase compliance for electronic claims. CMS instructed the carriers and intermediaries to pay such “legacy” claims no earlier than 27 days after receipt instead of the current 14, beginning July 1, calling the change “a measured step toward ending the contingency plan completely.” The operational change does not require regulatory approval.

The American Hospital Association (AHA) disagreed with the move, saying that slowing the payments burdens and penalizes only the provider, when the problem may be a trading partner that is not ready to use, transmit or accept the standardized transactions. Lawrence Hughes, AHA regulatory counsel and director of member relations, said, “What’s really needed to encourage compliance is a rational transition plan that addresses the underlying barriers to moving the field forward and offers a clear path for getting from where we are to where we need to be.” Hughes said CMS’ action fails to create an incentive for other critical partners involved in the transactions process – vendors, clearinghouses, or carriers – to cooperate and work diligently with providers in moving compliance forward.
The American Hospital Association (AHA) is urging the Centers for Medicare & Medicaid Services (CMS) to modify its proposed prospective payment system (PPS) rule for inpatient psychiatric facilities to lessen the financial impact, particularly on distinct part units, and to protect patients' access to mental healthcare. While the AHA supports a shift from a cost-based system to a PPS for psychiatric care, it recommended several changes, including increasing estimates of the agency's spending under current law, providing an adjustment for facilities with an emergency department, and adding to the list of co-morbid conditions.

The AHA said that, though the recommended changes would minimize the impact of the new PPS on distinct part units, CMS also should implement a "stop loss" policy to protect providers that suffer significant payment cuts. CMS' proposed rule, which would affect nearly 2,000 freestanding psychiatric facilities and distinct part units, was published last November 28; a final rule is expected later this year. The comment letter is available at http://www.aha.org under "What's New."

In a 48-45 vote February 24, the Senate failed to garner the 60 votes needed to allow further debate and passage of an American Hospital Association (AHA)-supported bill which would have limited non-economic and punitive damages in medical liability lawsuits involving obstetrical and gynecological services, while maintaining unlimited economic damages. The AHA said that despite the failure to pass the Healthy Mothers and Healthy Babies Access to Care Act, the OB-only medical liability reform bill, the organization stands ready to continue working on the tort reform issue by enacting legislation in the areas of Trauma/ED, rural and underserved and ‘Good Samaritan’ legislation in the near future.

Earlier in the day, Department of Health and Human Services Secretary Tommy Thompson had urged the Senate to pass the bill, S. 2061, “to protect America’s mothers and babies, doctors and hospitals from the staggering costs of out-of-control lawsuits.” Thompson said spiraling liability insurance costs and unnecessary tests and procedures ordered by doctors for fear of litigation were impeding patients’ access to care and the cost and quality of healthcare. He cited the legislation as a way to better direct health dollars toward healthcare, rather than excessive legal costs.

The American Hospital Association (AHA) has released its 2004 advocacy agenda, which is a roadmap for addressing issues important to hospitals through the remainder of this year. Key components target ensuring federal support for continued adequacy of Medicare funding, support for the hospital-backed Quality Initiative, revision of the outdated criteria governing conditions appropriate for inpatient rehabilitation care, reaffirming the government’s commitment to America’s teaching hospitals and safeguarding the states’ Medicaid funding. Read the complete advocacy agenda on the AHA Web site, http://www.aha.org.

A new study by the Center for Studying Health System Change finds the Leapfrog Group’s three patient-safety practices have had limited impact on hospitals. The standards call for hospitals to use computerized physician order entry, to staff intensive care units (ICUs) with specially trained physicians called intensivists, and for patient referrals to be based on volume thresholds for six high-risk procedures. The study found that while many hospitals have not fully implemented the Leapfrog standards, they are implementing less-costly alternatives or testing ICU specialists on a smaller scale. The study calls for more research to
develop additional patient safety measures, a greater public and private investment in health information technology and more comprehensive quality reporting.

Nancy Foster, American Hospital Association senior associate director of health policy, commented that hospitals have found that the Leapfrog standards are not the only ways to reach the goal. She noted that marking surgical sites, improving the use of alcohol-based hand gels and other innovations have been broadly adopted, while the use of patient volume as a marker of quality has been shown by a recent RAND study to be a poor indicator. Foster said that hospitals already have extensive quality improvement efforts underway, and through the Quality Initiative, are working with federal agencies, researchers, consumer groups and many others to develop and share their performance on a robust set of valid, evidence-based patient safety measures.

The Food and Drug Administration (FDA) on February 25 announced a final rule giving pharmaceutical companies until April 2006 to apply bar codes to drugs and biological products commonly used in hospitals in an effort to help reduce medication errors. The FDA estimates the rule could help prevent nearly 500,000 adverse events and transfusion errors over 20 years by enabling hospitals to scan the bar code and compare the drug identified by the code with the drug and dosage prescribed to the patient.

Nancy Foster, American Hospital Association senior associate director for policy, said, “We applaud the FDA for publishing this final rule on bar coding. Hospitals share the FDA’s belief that bar coding is an effective technology that can be used to reduce medication errors, and the FDA’s rule will standardize the use of bar codes on drugs and biologics so that bar code scanning equipment can be used more broadly and consistently to help protect patients from missteps in their care.” Scott Wallace, president and CEO of the National Alliance for Health Information Technology, called the rule a “milestone in the broader use of information technology within healthcare.” The rule will be effective 60 days from its publication in the February 26 Federal Register. For more, go to http://www.fda.gov/oc/initiatives/barcode-sadr.

U.S. hospitals provided $22.3 billion in uncompensated care in 2002, up from $21.5 billion in 2001, according to the latest information available from the American Hospital Association (AHA). The data was provided through the AHA’s Annual Survey of Hospitals and includes charity care and bad debt amounts valued at the hospitals’ cost of providing the services. In Arkansas, the total value of bad debt and charity care for 2002, based on billed charges, was about $675 million. The cost-based value, based on the average cost-to-charge ratio for the state’s acute care facilities, was $283 million. That reflects a 12% jump over 2001 and means about 7.8% of total 2002 operating costs were attributable to services provided to patients free or at less than cost (up from 7.4% in 2001).

The Centers for Medicare & Medicaid Services (CMS) announced February 20 that around 1,400 U.S. hospitals are now displaying at least one of 10 quality measures on the CMS Web site as part of the hospital-backed Quality Initiative (QI). Data for 17 Arkansas hospitals are included. The number of hospitals submitting data has more than tripled since last October. More than 3,000 hospitals – approximately 75% of those eligible – have pledged to participate in initiative. That includes 41 Arkansas facilities. Barbara Paul, M.D., director of CMS’ Quality Measurement and Health Assessment Group, credited the reporting hospitals
for showing real leadership. Paul said that the hospitals stepped up to the plate to do this voluntarily because they see the value of the data to their patients, their communities and their clinicians. The CMS Web site is at http://www.cms.gov/quality/hospital. For more on The Quality Initiative, visit http://www.aha.org.

CMS Wants Data Collection Comments

The Centers for Medicare & Medicaid Services (CMS) is inviting public comment on the information collection requirements for its Hospital Reporting Initiative, which will require hospitals to submit data on 10 quality measures to receive a full Medicare payment update in fiscal year 2005. The agency estimates it will take participants roughly 52 hours to report on all 10 measures, which are currently part of the voluntary hospital-led Quality Initiative and will be required for a full market basket update in FY 2005-07 under the Medicare Prescription Drug, Improvement and Modernization Act. CMS will accept comments on the proposed data collection until March 18. For more, see the Federal Register notice at http://www.access.gpo.gov/su_docs/fedreg/a040218c.html under “Centers for Medicare & Medicaid Services.”

All About Arkansas

(Siloam Springs) Siloam Springs Memorial Hospital is installing a new digital X-ray “film” system. By using the Web-based technology, the hospital will be able to digitize and store CT scan, ultrasound and regular X-ray film via an e-storage capability that allows physicians to have access to patient data at all times. In addition to more immediate access to the film from home or office, physicians will be able to review reports and images simultaneously and to acquire second opinions more easily.

(Van Buren) Crawford Memorial Hospital has launched a Convenient Care program for its emergency department (ED). It will be available for patients who come to the ED with conditions that may not be critical in nature. The new service is associated with a $400,000 emergency department expansion with an entrance separate from the ambulance entrance. The project transformed nursing and physicians’ offices into four patient rooms, which are accessible down a short hallway from the existing five ED exam rooms.

(Walnut Ridge) Lawrence Memorial Hospital is preparing for an expansion project. New facilities to be constructed will house the hospital emergency room, outpatient services, a specialty clinic and a family medical clinic. In addition, it will provide space for specialty physicians who may have an interest in opening offices. Hospital administrator Lee Gentry said the construction project will allow the hospital to consolidate services and eliminate the need for different registration areas, waiting areas, nurses’ stations and equipment and supply purchases.

The AHA Calendar

March 2004
3 AHA Metropolitan Hospital District, AHA Headquarters, Little Rock
10 Compliance Forum, Holiday Inn Select, Little Rock
11 AHAA (Auxiliary) Board of Directors, AHA Headquarters, Little Rock
12 AHA Board of Directors, AHA Headquarters, Little Rock
12 So, You’re a Hospital Supervisor – Now What?, First Community Bank, Batesville
24 APC Changes for 2004, Holiday Inn Select, Little Rock
25 ArkAMSS (Medical Staff Services) Credentialing and Privileging – A Continuous Performance Improvement Process, Holiday Inn Select, Little Rock