Arkansas hospitals will get a little relief from some Medicaid review concerns, thanks to an Arkansas Hospital Association (AHA)-backed bill that the General Assembly approved last week. The legislature passed SB 982, the Medicaid Fairness Act, which ensures fair treatment of healthcare providers that serve Medicaid residents. The state Senate adopted the bill unanimously on March 23 and the House passed it with only one dissenting vote a week later. It was sent to the governor March 31 for his signature.

Among its provisions, the bill gives legislative authority for providers to re-bill services at an alternate level of care, if a claim is denied. In that case, the provider is entitled to re-bill at the level of care that would have been appropriate according to the Department of Human Services’ (DHS) basis for denial. And it says that DHS may not retrospectively recoup or deny a claim from a provider, if the department previously authorized the Medicaid care.

The bill also sets certain limits on the DHS’ ability to recoup previously paid Medicaid payments from providers for technical deficiencies, if the provider can substantiate through other documentation that the services or goods were provided and that the technical deficiency did not adversely affect the direct patient care of the recipient. A “technical deficiency” means an error or omission in documentation by a provider that does not affect direct patient care of the recipient.

In addition, the bill gives healthcare providers the right to administrative appeals of adverse Medicaid payment decisions and emphasizes that the appeal may be on behalf of the recipient or on the provider’s behalf, or both. And, it establishes a framework under which Medicaid must provide explanations for adverse decisions against a Medicaid provider.

To read the full text of the bill, click on [http://www.arkleg.state.ar.us](http://www.arkleg.state.ar.us) and type in the bill number.

Arkansas Department of Human Services officials learned last week that an upcoming change in the Federal Medical Assistance Percentage (FMAP) rate will leave the Arkansas Medicaid Program about $25 million short of expected spending levels in fiscal year 2007. The FMAP is the percentage of federal dollars that help to fund state Medicaid programs. The lower rate came as a result of the U.S. Commerce Department’s Bureau of Economic Affairs re-benchmarking of per capita income for states. The Centers for Medicare & Medicaid Services retroactively applied those new income benchmarks as the basis for its FMAP rates.

For FY 2006, federal dollars will account for 73.77% of state Medicaid funding. The rate will drop to 73.13%, when the 2007 fiscal year begins on October 1, 2006, yielding the shortfall. The 2007 rate is considered a projected figure until it has gone through a routine public comment period before final approval. In addition, Sen. Jeff Bingaman (D-NM) has introduced legislation, which has support of the American Hospital Association, that would
limit the FMAP reductions. The Arkansas Medicaid program has an annual $3 billion budget and covers more than 700,000 people in the state. The program’s budget request currently before the legislature includes a $33 million spending increase for state fiscal year 2006 and a $148 million increase for 2007. That would only maintain Medicaid services at their current level, allowing no program growth. Those figures do not include the anticipated FMAP reductions. Nor do they include an additional $6.5 million per year that the Arkansas Hospital Association is seeking that would allow Medicaid to increase its cap on hospital per diem rates. The current cap, $675 per day, has been in place since 1996.

The Centers for Medicare & Medicaid Services (CMS) made information on hospital quality available to the general public last week through its Web site at http://www.HospitalCompare.hhs.gov. Patients, families and communities will now be able to go to the user-friendly Web site to obtain an apples-to-apples comparison of hospital quality indicators. The Hospital Compare Web site was unveiled at the Association of Health Care Journalists National Conference on April 1. The site’s launch is an important first step in hospitals’ efforts to publicly report quality information, and the site will continue to evolve as new conditions and measures are added.

The launch of the site marks the culmination of efforts ongoing since 2002, when the American Hospital Association (AHA), Federation of American Hospitals and Association of American Medical Colleges began working in conjunction with business and government officials to develop a national strategy to provide relevant information on hospital performance to the public. Hospitals across the country chose to participate in this voluntary partnership as part of their ongoing efforts to improve patient safety and quality of care within their facilities.

The AHA has developed a set of materials and tools to help its member hospitals prepare for media events and answer media inquiries about quality of care that may arise as a result of the Web site’s launch. The materials are available on the AHA Web site at http://www.aha.org.

Congress goes back to work this week, after returning to Washington from its spring recess. The first order of business will be to reconcile the fiscal year 2006 budget resolutions that came out of the House and Senate last month. The Senate budget plan removed instructions for the Finance Committee to take $14 billion from the Medicaid program and called for a commission to study Medicaid and make recommendations for its improvement. The House, on the other hand, included $20 billion in Medicaid cuts over a five-year timeframe, and wants the Ways and Means Committee to find an additional $18 billion in Medicare savings.

Arkansas hospital CEOs, administrative staff members, department managers, employees, trustees and volunteers should contact both Arkansas senators and their respective congressman about the harm these cuts can bring. Urge that they call on their leaders and colleagues on the conference committee to oppose any Medicare and Medicaid cuts and to support the Senate’s provision for a bipartisan Medicaid commission.

Find the office and e-mail addresses for the state’s congressional delegation on the Arkansas Hospital Association Web site at http://www.arkhospitals.org. Click on the Legislative/Regulatory page and go to the “Arkansas’ U.S. Congressional Delegation” banner.
Cover
The
Uninsured
Week
2005

Cover the Uninsured Week 2005 will be held May 1-8. The Arkansas Hospital Association encourages all Arkansas hospitals to visit the national Web site for this event and review materials that are available to help them participate in the activities and/or host outreach events. The materials include posters, stickers and event planning guides. Plus, there is a section on which individual hospitals may list their own local activities.

As in the past two years, the intent of the week is to draw attention to the 45 million Americans who have no health insurance, including more than 455,000 Arkansans. More than 17% of the nation’s uninsured are children. During any given year, nearly one in six Americans lack healthcare coverage for a full year, and millions more go without coverage for months at a time. The numbers grow each year as the price of health coverage continues to rise and fewer individuals, families, businesses, and government programs can afford to pay for insurance.

Many members of the healthcare field will be directly involved with events during the week, including physicians, nurses, patient advocacy groups, hospitals, health plans, clinic administrators, medical students and educators, and others. For more information, go to http://www.covertheuninsuredweek.org.

New
Uninsured
Numbers

Nearly one in five non-elderly Americans surveyed in the first three quarters of 2004 lacked health insurance coverage at some point during the previous year, and more than one in 10 was uninsured for a year or more, according to early findings from the National Health Interview Survey. The survey by the Centers for Disease Control and Prevention’s National Center for Health Statistics tracks 15 key health indicators, including health insurance coverage.

The preliminary survey results also show that the share of Americans under age 65 with private health insurance coverage has fallen since 1999 — from 73.1% to 68.6% — while the share of those with public coverage such as Medicaid increased — from 12.4% to roughly 16%. Nearly one-third (29%) of children under 18 now are covered by public insurance such as Medicaid and the State Children’s Health Insurance Program. Also according to the early survey findings, the share of Americans who had a usual place to go for medical care fell by nearly one percentage point from 2003, and Hispanics are least likely to have a medical home.

AHA
Annual
Survey
Responses
Needed

On February 1, the Arkansas Hospital Association mailed materials to its member hospitals related to the American Hospital Association’s (AHA) Annual Survey for 2004. The survey, which is the primary data collection tool for the AHA and for the Arkansas Hospital Association each year, covers hospital services, as well as utilization, and financial indicators. It is one of the most important sources of hospital data available and is the origin of AHA Guide®, Hospital Statistics™ and now U.S. News & World Report’s Directory of America’s Hospitals.

Participating in this survey also keeps the state’s hospitals in compliance with provisions of Arkansas Act 670 of 1995, which designates the Arkansas Department of Health as the state health data clearinghouse and gives it authority to collect hospital information, including data on facility utilization and services. The law mandates all hospitals to submit data required by the Health Department. In lieu of conducting its own survey, the AHA Annual Survey is shared with the Health Department, fulfilling that obligation. To date, several Arkansas hospitals have not responded to the survey, which can be completed and submitted
online. The Arkansas Hospital Association strongly encourages any hospital that has not submitted a survey response to do so as soon as possible. The American Hospital Association is in the process of tabulating the responses and needs a full set of information from every state.

Hospitals having questions about the survey or the materials that were previously distributed should contact Paul Cunningham by phone (501-224-7878), or e-mail him at pcunningham@arkhospitals.org. The contact at the Arkansas Department of Health is Ed Carson. His phone number is (501) 661-2046 and his e-mail address is jecarson@healthyarkansas.com.

AHA Suggests EMTALA Group Actions

The American Hospital Association (AHA) recommended last week that the Centers for Medicare & Medicaid Services (CMS) review its authority to address physician on-call responsibilities and examine options to address the reasons physicians limit their on-call coverage. In a statement to a new CMS advisory group that will review regulations affecting hospital and physician responsibilities under the Emergency Medical Treatment and Active Labor Act (EMTALA), AHA said hospitals are in an “increasingly untenable position” because the act requires them to ensure on-call coverage by specialists, yet the physicians have no obligation to serve on call. The situation is worsening due to the emergence of physician-owned limited-service providers.

AHA recommended CMS also establish an appeals process for hospitals deemed noncompliant with EMTALA by a CMS regional office, and that the CMS offices consider state and other regulations hospitals must meet in caring for patients, particularly psychiatric patients, when evaluating EMTALA compliance. Read the three-page letter on the AHA Web site at http://www.aha.org.

AHA Comments On LTCH Rule

The American Hospital Association (AHA) issued its written comments on the proposed 2006 prospective payment system rule for long-term care hospitals (LTCHs) in a March 29 letter. The letter said that the organization supports the proposed outlier and other payment system changes found in the rule and efforts to develop patient and facility criteria to ensure medically appropriate admissions to LTCHs. However, the AHA urged the Centers for Medicare & Medicaid Services to require the contractor developing the criteria to convene an expert panel to provide input on the criteria from the field. The letter is posted at http://www.aha.org.

The AHA Calendar

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<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>April 2005</td>
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<tr>
<td>1</td>
<td>Outpatient Prospective Payment System (OPPS) Update: Coping with the Problem Areas, Holiday Inn Presidential Center, Little Rock</td>
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<td>6</td>
<td>AHA Metropolitan Hospital District, AHA Headquarters, Little Rock</td>
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<td>7</td>
<td>AHA Northeast Hospital District, Great River Medical Center, Blytheville</td>
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<tr>
<td>7</td>
<td>AAMSS (Medical Staff Services) Spring Conference, Holiday Inn Select, Little Rock</td>
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<td>8</td>
<td>AHA Board of Directors Meeting, AHA Headquarters, Little Rock</td>
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<tr>
<td>8</td>
<td>AONE (Nurse Executives) Spring Conference, Embassy Suites, Little Rock</td>
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