The theme for the Arkansas Hospital Association’s 80th Annual Meeting, “Facing Challenges and Embracing Change: One Focus to Bring Hope & Healthcare to More Arkansans,” couldn’t be more timely or appropriate. Ensuring access to healthcare to more people is, after all, the purpose of the historic health reform legislation enacted by Congress and signed by the President in March. While the law is on the books, nobody knows yet how the reforms to come ultimately will impact patients, payers and providers, but most believe they will include the challenge of achieving more with less.

Attending the AHA’s Annual Meeting and Trade Show, which will be held October 6-8 in Little Rock, is the perfect way for state hospital executives, managers and trustees to learn the latest about health reform expectations and how the coming changes could impact their organizations. It will offer numerous opportunities for honing skills and fine tuning teamwork to improve operational areas to be successful in a new healthcare environment.

The meeting is due to launch on Wednesday, October 6 with a day-long Leadership Workshop covering HCAHPS, the survey which captures patients’ perspectives of care. It will be conducted by author Susan Keane Baker, who will discuss how hospitals can best develop a culture of service excellence. Then, on Thursday morning, October 7, attendees will have the choice of two concurrent educational sessions to choose from. Charles R. Evans, FACHE, President and CEO, International Health Services Group and Immediate Past Chairman of the American College of Healthcare Executives, will share leadership lessons from his international experience and tell how they can be applied to current management situations. Also, Gloria Kupferman, vice president, National Information, with DataGen, a healthcare solutions company, will lead the second session covering CMS’ methodology for determining hospital readmission rates.

Thursday’s keynote address, “The Florence Prescription: Building a Culture of Ownership,” will be presented by Joe Tye, CEO, Values Coach, Inc. He will challenge the audience to re-spark the spirit of mission that galvanized Florence Nightingale and her band of healthcare pioneers to cultivate a spirit of partnership and a culture of ownership in hospitals. The following Executive Leadership Lunch will include a “Point/Counterpoint: Elections 2010” panel. Roby Brock, executive producer and host of Talk Business, Little Rock will moderate. The timing – a month before the November general elections – makes this session both insightful and entertaining.

On Friday morning, October 8, a special membership breakfast on health reform features Ian Morrison, a healthcare futurist from Menlo Park, CA. Morrison’s presentation, “Life in the Gap and Life in the Game” will focus on how healthcare providers must prepare for the emerging new realities of health reform. The annual 3-hour, ACHE Category 1 Workshop will follow.

Those are just a few of the special learning sessions that will be available, so mark your calendars now and make plans to attend. The annual meeting program will be mailed to all members in August. If you have questions about the program, please contact Beth Ingram at (501) 224-7878 or bingram@arkhospitals.org.
Attempt to Extend Medicaid Enhancement Fails

The Senate last week failed to gain sufficient votes needed to invoke cloture and end debate on a modified substitute amendment to the House-passed "jobs" bill (H.R. 4213). Introduced by Sen. Max Baucus, the revised bill included an extension of unemployment benefits for the long-term unemployed and would have continued to provide enhanced Medicaid assistance to states through June 2011, but would have phased down the level of assistance over the six-month period from an estimated $24 billion to $16 billion. Under the Baucus revision, states would have received a 3.2% increase in the Federal Medical Assistance Percentage for January to March 2011 and a 1.2% increase for April to June 2011.

Enhanced financing for Medicaid was included as part of the American Recovery and Reinvestment Act passed in February 2009. The provision expires at the end of the year, but efforts have been underway for several months to gain approval of a six-month extension for the enhanced Medicaid payments. Many states have been counting on the extension to bolster budgets for the coming year.

Arkansas hospitals will feel a direct impact if the extension is not approved by December 31. After that date, the state’s match rate for federal Medicaid dollars will increase, meaning that the Medicaid hospital assessment rate, the dollars paid by hospitals, will increase in order to draw down the same federal assistance.

Docs Avoid Medicare Fee Cut Again

Medicare physicians have once again sidestepped a dramatic cut in their fees. A week after the Senate passed a bill that delays for six months a 21% Medicare pay cut for physicians and provides instead for a 2.2% increase, the legislation was approved by the House and signed by the President. The bill would postpone the cuts until November 30 while Congress tries to develop a longer-term plan for paying doctors. The new law also includes provisions on the 72-hour rule, which would prevent hospitals from rebilling to correct inpatient claims that contain unrelated services as defined under current law. CMS expects to begin processing physician claims at the new rates no later than July 1, 2010. Claims containing June 2010 dates of service which have been paid at the negative update rates will be reprocessed as soon as possible.

Effort to Turn Back Limits on CAHs

Among the provisions included in CMS’ proposed FY11 Medicare Inpatient Prospective Payment System (IPPS) rule that could prove damaging to hospitals is one which could primarily affect Critical Access Hospitals (CAHs), which are PPS-exempt. The new policy seeks to allow CAHs to only use the net expense of a provider tax on their Medicare cost reports. To the extent fiscal intermediaries will disallow provider taxes by offsetting revenue on cost reports they are currently auditing, CAHs could potentially owe millions of dollars to Medicare. CMS indicates its contractors would make these determinations on a case-by-case basis. If included in the Final Rule, the policy could have a significant impact on the state’s 29 CAHs.

The Arkansas Hospital Association is working in conjunction with a group of other states which have high concentrations of CHAs to gain support for eliminating the provision from the proposed rule. AHA has asked Sens. Blanche Lincoln and Mark Pryor to sign a “dear colleague” letter being circulated by Wisconsin’s Sen. Herb Kohl urging CMS to pull back the proposed damaging
new limitations on CAHs. The letter states, "This new policy would not only set back state legislative efforts to carefully negotiate provider taxes, but more importantly, it would result in a negative fiscal impact on some of our state’s most financially vulnerable hospitals . . . We urge CMS not to adopt this new policy."

Final Rule for Temporary EHR Certification

The Office of the National Coordinator for Health Information Technology's (ONC) final rule, released June 18, 2010, establishes processes that organizations will need to follow in order to be authorized by the National Coordinator to test and certify electronic health record (EHR) technology.

Providers who seek to qualify to receive incentive payments under provisions in the Health Information Technology for Economic and Clinical Health (HITECH) Act are required to use "certified EHR technology." EHR technology certification is intended to assure healthcare providers that the EHR technology they adopt has been tested and includes the required capabilities they need in order to use the technology in a meaningful way to improve the quality of care provided to their patients. The ONC expects to publish the final rule for the permanent certification program this fall. For more information about the temporary program, visit http://healthit.hhs.gov/certification.

CMS Hosting Medicare ACO Call

The Centers for Medicare & Medicaid Services (CMS) will host a conference call June 24 to solicit comments from hospitals and physicians on implementing Medicare accountable care organizations under the health reform law's Shared Savings Program. Among other topics, CMS seeks input on: joint accountability among providers in the formation and use of ACOs; cost and quality measures to assess performance; risk adjustment; attribution of Medicare beneficiaries to ACOs; benchmarks for defining shared savings; coordination with other value-based purchasing initiatives; and Medicare beneficiary protections. For dial-in information, see the CMS announcement at http://www.cms.gov/OpenDoorForums/Downloads/ACO062410.pdf.

Article Gives ICD-10 Implementation Update

With the first ICD-10-related compliance date less than two years away, the Centers for Medicare & Medicaid Services (CMS) has released a special edition of MLN Matters to provide updated information on ICD-10 implementation. The new coding system, will replace the ICD-9 coding system for medical diagnosis and inpatient hospital procedures on October 1, 2013.

The first compliance deadline associated with the change is the transition to the Version 5010 standard for electronic transactions on January 1, 2012. The article notes, "The compliance dates are firm and not subject to change. If you are not ready, your claims will not be paid. Preparing now can help you avoid potential reimbursement issues.

AHA Board Highlights

At its regular monthly meeting on Wednesday, June 16, held during the Arkansas Hospital Association’s Executive/Trustee Leadership Conference in Branson, MO, the AHA board of directors covered the following items:

State Health Reform Activities: AHA executives have met with Arkansas Surgeon General Joe Thompson about the state’s plan for health reform. It appears that the state Insurance Department will soon be rolling out high-risk insurance pools. The AHA will continue to be a big player in discussions involving reform implementation, as will the Insurance Department and the Department of Human Services.

Community Hospital Assistance Program: The board reviewed plans for the AHA’s new Community Hospital Assistance Program which is designed to assist Arkansas hospitals in providing access to quality healthcare by helping to address the negative effects of the Arkansas Medicaid program. The program will be operated through the Arkansas Hospital Education and Research Trust (AHEART), a charitable not-for-profit subsidiary of the AHA. AHA has been in the process of ramping up that grant program and would be distributing information soon.

AHA’s Stop BSI Project: AHA hosted its mid-course meeting for the On the CUSP: Stop BSI project. Over 70 people attended, representing teams from 22 of the 27 hospitals participating in the project. Open enrollment for the project will continue throughout the month of June.

AWP Update: Judge Lineberger, who has been appointed by Commissioner Jay Bradford as the hearing officer for the AWP matter, scheduled a hearing on all pending motions in the matter for June 23. Included among those motions are: (1) ASH’s Renewed Request for a Hearing and to Examine Documentary Evidence; (2) the insurance companies’ and AHA’s Motion to Dismiss; and (3) the insurance companies’ and AHA’s Motion to Strike ASH’s Amended Complaint and Petition for Declaratory Order. The AHA would be represented at the hearing.

Arkansas Trauma Network: Fourteen Arkansas hospitals which had expressed interest as trauma network participants have thus far not followed up. Northwest Arkansas, in particular, needs a Level 2 participant, but thus far no hospital has applied.

The AHA Calendar

June 2010
30  Coping in a Health Care Reform Climate – A Three-part Webinar Series: Part 2 – New Fraud and Abuse, Stark, and False Claims Initiatives

Editor's Note: The Notebook will not be published next Monday, July 5. The Arkansas Hospital Association will be observing the Independence Day holiday. The Notebook will resume publication Monday, July 12, 2010. Have a happy 4th of July.