Governor Recognizes Hospitals’ Quality Achievement

In May 2006, an Arkansas Hospital Association’s committee composed of quality review professionals from member hospitals began working in conjunction with state Medicaid officials and representatives from the Arkansas Foundation for Medical Care (AFMC) to design a Medicaid pay-for-performance (P4P) program that would tie incentive payments of up to $50 per day to hospital clinical performance in meeting certain quality thresholds. The program was officially implemented on March 24, 2007, when the Centers for Medicare & Medicaid Services gave its approval for the state Medicaid Plan amendment allowing an inpatient rate increase and the incentive payments.

Earlier today, Arkansas Governor Mike Beebe hosted a ceremony at the State Capitol recognizing 29 participating hospitals that qualified for the incentive payments for the year ending June 30, 2007. Combined, the bonus payments, which were based on a hospital’s level of achievement and validation scores on pneumonia and heart failure quality measures, amounted to $3.9 million.

Qualifications were determined from data submitted by participating hospitals to the QualityNet Clinical Warehouse, the national repository that stores information about quality of care. AFMC, the designated federal Medicare Quality Improvement Organization for Arkansas and the state’s medical review contractor, then validated data specific to Medicaid recipients and determined the level of achievement.

To receive the incentive payments, which are linked to the hospital’s Medicaid per diem rate, hospitals had to pass specific requirements for at least five out of seven “quality measures,” which are specific aspects of care proven to improve outcomes for patients. The hospitals also had to pass validation to receive the payment. Four hospitals achieved the required improvement level in all seven measures.

Some Arkansas hospitals, including the state’s 28 critical access hospitals, UAMS Medical Center and Arkansas Children’s Hospital were ineligible for the incentive payment program because they are paid under a different Medicaid reimbursement category. A small number of out-of-state hospitals in bordering cities that treat Arkansas patients were eligible to take part in the initiative.

Arkansas Hospital Administrators Forum Disbands

During its June 22 annual business meeting, members of the Arkansas Hospital Administrators Forum voted to disband the organization. Formed in 1963, the primary purpose of the Forum was to provide “professional improvement of hospital administrators.” It historically has sponsored the Summer Leadership Conference each year and previously acted as the Arkansas chapter of the American College of Healthcare Executives (ACHE).

In recent years, the Forum has delegated all duties for the summer conference to the Arkansas Hospital Association. In 2002, the Arkansas Health Executives Forum was named the state’s
recognized ACHE chapter and became a co-sponsor of the summer event. As a result, the Forum really has no need to continue existing as a separate entity.

Under the dissolution move, the Forum will transfer all existing funds to the Arkansas Hospital Education and Research Trust, which will finance the annual Summer Leadership Conference beginning in June 2008. Members and participants will not see any changes, other than the name of the organization.

While there are reports of some minor relief in the nationwide shortage of registered nurses (RNs), healthcare organizations continue to face four realities regarding those key healthcare professionals: demand for RNs is increasing as the population ages; availability of RNs is decreasing as fewer nurses are available to replace those reaching retirement or leaving the profession; current nursing educational programs do not have enough capacity to handle the demand for professional nurses; and RNs are becoming labor activists, often unionizing to fight the effects of stressful working conditions and cost containment efforts.

The Arkansas Hospital Association (AHA), as part of its 2007 Mid-Management Certificate Series for Managers and Supervisors will present “Creating a Retention Climate and Preventing Union Organizing” August 8 at the Holiday Inn Select in Little Rock. Facilitators Marsha Borling and John Baird will offer a contemporary look at key realities and suggest strategies to create a retention culture where union representation is not desired. Current trends in union organizing and strategies to prepare for and respond to unionization attempts also will be addressed.

The program is the fourth in a series of eight programs in the AHA’s Mid-Management Certificate Series for Managers and Supervisors, which builds on the premise that managers represent the hospital and are the primary factor for determining an employee’s desire to work for that hospital. The curriculum is geared to help develop leadership skills and competencies in individuals who move into management positions and who want to succeed and do well, but often have had little managerial training. A program brochure is available online at www.arkhospitals.org/calendar.htm.

On June 21, The Hospital Quality Alliance, which includes the American Hospital Association, added to the Hospital Compare Web site mortality data for heart attack and heart failure patients. The data show consumers how heart attack and heart failure patients fared 30 days after admission to a hospital, including time after discharge. Hospitals are grouped as the same, better or worse than the national mortality rate for the two conditions.

The 30-day risk-adjusted mortality rates are produced using a statistical model that relies on Medicare claims and enrollment information. The model predicts patient deaths for any cause within 30 days of hospital admission for heart attack or heart failure, whether the patients die while still in the hospital or after discharge. The thirty-day mortality is used since this is the time period when deaths are most likely to be related to the care patients received in the hospital, as defined by the Centers for Medicare & Medicaid Services (CMS).

According to CMS, deaths that occur outside the hospital within 30 days are included along with deaths that occur in the hospital, because some hospitals discharge patients sooner than others. The rates are calculated using sophisticated risk-adjustment that takes into account one year of billing history for each patient. Also added to the Web site were additional data.
on steps hospitals have taken to prevent surgical infections and pneumonia. Click on http://www.hospitalcompare.hhs.gov for more information.

New Rural Health Bill

Congressmen Earl Pomeroy (D-ND) and Greg Walden (R-OR) have introduced legislation that would extend through 2011 certain critical rural health provisions of the Medicare Modernization Act (MMA) and Deficit Reduction Acts. Among its various provisions, the Health Care Access and Rural Equity Act (H-CARE) would extend the outpatient hold-harmless provision for rural hospitals with fewer than 100 beds, the 2% add-on for ambulance trips in rural areas and the 5% add-on for rural home health services.

The bill also would extend Section 508 of the MMA to allow certain Medicare wage index reclassifications to proceed in a non-budget neutral way, and hospitals near a Section 508 hospital to participate in a group reclassification. Critical access hospitals would gain flexibility to respond to daily and seasonal fluctuations in patient load and cost-based reimbursement for outpatient lab services. It also would remove the cap on disproportionate-share adjustment percentages for all hospitals, rebase sole community hospital payments, provide grants for health information technology and expand the 340B drug discount program. The measure (H.R. 2860) has 52 co-sponsors.

Senators Oppose Behavioral Offset

In a June 19 letter to Leslie Norwalk, Acting Director of the Centers for Medicare & Medicaid Services (CMS), two key Senate leaders officially voiced their opposition to a 2.4% cut in Medicare payments that is included in the agency’s proposed rule covering Medicare’s Inpatient Prospective Payment System (IPPS) for Fiscal Year 2008. Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Charles Grassley (R-IA) called on CMS to base any planned cuts to Medicare hospital reimbursement rates on actual, not “speculative,” changes in coding practices by hospitals.

CMS included the reduction, called a “behavioral offset,” in the proposed rule in response to the planned use of new Medicare-Severity diagnosis-related groups. In a letter, the senators praised the new system to better identify the severity of a patient’s illness, but argued that cuts should not be applied prospectively. “The financial stability of rural hospitals should not be gambled on guesses about how this new system will operate,” said Baucus. “…we need to wait and see exactly how hospitals will react to the new system before we make any payment adjustments.”

Study Reveals MRSA Rates

A survey of more than 1,200 U.S. health care facilities last fall found 46 in every 1,000 patients were infected with Methicillin-resistant Staphylococcus aureus (S. aureus) or carried the bacteria, according to a study released last week by the Association for Professionals in Infection Control and Epidemiology (APIC). A total of 1,237 healthcare facilities participated in the survey, including acute care, rehabilitative care, long-term care, long-term acute care, children’s and Veteran’s facilities. According to APIC, MRSA accounts for 50%-70% of S. aureus infections in healthcare facilities, up from 2% in the late 1970s. MRSA can spread from patient to patient through a variety of mechanisms, such as contact with unwashed hands, contaminated gloves and medical equipment. For more information, go to http://www.apic.org/Content/NavigationMenu/ResearchFoundation/NationalMRSAPrevalenceStudy/MRSA_Study_Results.htm.
“Card Check” Fails

The Employee Free Choice Act (S. 1041/ H.R. 800) - the "card check" bill - failed in the Senate on June 26, when, during a procedural vote to determine whether the bill itself would be brought up for consideration, supporters failed to attract the necessary 60 "yeas," instead garnering only 51. The bill, which passed the House on March 1 by a wide margin despite a veto threat from the White House, would have amended the National Labor Relations Act to require employers to recognize a labor union solely through the card check process. That would change the current union election system which is based on the bedrock principle of democracy: free and fair elections where ballots are cast in private, free from interference or influence by either side. It is possible the bill could re-emerge at a later date, but it is unlikely that it will reappear this year.

IRS Clarifies Permissible HIT Arrangements

The Internal Revenue Service (IRS) issued a June 22 question-and-answer document that clarifies its May 11 memorandum allowing tax-exempt hospitals to share health information technology with physicians. The document explains that health IT arrangements between hospitals and medical staff physicians that are not entirely consistent with the conditions in the memorandum “will not necessarily result in any impermissible private benefit or inurement.”

The memorandum is not meant to describe the only permissible health IT arrangements, but the facts and circumstances of any such arrangements would need to be reviewed by the IRS to determine if it is permissible, the Q&A states. Lawrence Hughes, American Hospital Association (AHA) regulatory counsel, said, “AHA is pleased that the IRS was responsive to its request to clear up misunderstandings that were circulating about the May 11 notice.” The May 11 memorandum was issued in response to tax-exempt hospitals’ concerns that they risked their tax-exempt status if they shared health IT with physicians as new Stark and anti-kickback rules permit. Learn more at http://www.aha.org/aha/content/2007/pdf/2007IRS-QandA-HITMemo.pdf.

AHA Board Highlights

During its June 20, 2007 meeting, which was held in conjunction with the Arkansas Hospital Administrators/Arkansas Healthcare Executives Forum Summer Leadership Conference in Hot Springs, the Arkansas Hospital Association (AHA) board of directors:

• Learned that Elisa White, outside legal counsel for the AHA, who currently is a partner in the Little Rock law office of Kutak Rock, LLP, will join the AHA staff as Vice President and General Counsel in July.

• Learned that AHA administrative assistant Lyndsey Dumas has been promoted to Director of Educational Operations.

• Elected Kirk Reamey (CEO, Ozark Health Medical Center, Clinton) to complete Bob Bash’s unexpired term as the At-Large representative to the AHA Board.

• Selected Terry Amstutz (CEO, Magnolia Hospital) and Christy Hockaday (CEO, St. Anthony’s Medical Center, Morrilton) as the hospital representatives to serve on the Arkansas Rural Medical Practice Student Loan and Scholarship Board.

• Reviewed initial architectural renderings and received an update on activities related to plans approved by the board for expanding the AHA headquarters building.
Heard that members of the AHA staff met with Gov. Mike Beebe on June 4 to discuss the continuing need to fund a statewide trauma care network and ways to raise both the awareness of that need and additional support for funding with legislators in preparation for the 2009 Arkansas General Assembly.

Learned that the AHA met on June 18 with the Arkansas Insurance Commissioner and members of her staff to discuss concerns about marketing practices of some private insurance companies which sell Medicare Advantage health plans to Medicare beneficiaries.

Heard the details of a June 19 meeting between AHA executive staff members and top officials from the state Medicaid program. Topics discussed included a possible timeframe for implementing an increase in Medicaid outpatient fees, the status of Medicaid incentive payments related to Medicaid’s new pay-for-performance program for state fiscal year 2007, and the need to reconvene the AHA’s Medicaid Quality Indicator Committee to review and recommend quality measures for obstetrics, pediatrics and other services more specific to the Medicaid population.

Heard a report on the recent meeting in New Orleans of the American Hospital Association’s Region 7 Policy Board.

Approved the AHA budget for the association’s July 1, 2007-June 30, 2008 operating year.

The AHA Calendar

July 2007
12 AHAA (Auxiliary) Board of Directors, AHA Headquarters, Little Rock
12 How to Audit a Chargemaster Webinar
17 Legal Issues in Outpatient Surgery Webinar
24 Best Practice in Medical Staff Alignment (Online Governance Education Programs)
24 Developing Others: The Leaders Coaching Role – TELNET/Webinar Course #2320 (Healthful Work Environment)
26 ASDVS (Volunteers) Meeting, AHA Headquarters, Little Rock

Newsnotes About Arkansas Folks

Herbert K. “Kirk” Reamey, III, FACHE, CEO of Ozark Health Medical Center in Clinton, has been named to the Arkansas Hospital Association (AHA) Board of Directors as the At-large Delegate succeeding Robert R. Bash of Warren, who recently resigned his position. Reamey will fulfill the remainder of Bash’s term, which expires in October 2009. Reamey has been CEO of the Clinton facility for the past two years, following a seven-year term as CEO of Magnolia Hospital. He currently serves on the American Hospital Association’s Regional Policy Board 7 and is a former president of the Arkansas Hospital Administrators Forum.

Terry Amstutz, CEO of Magnolia Hospital, and Christy Hockaday, CEO of St. Anthony’s Medical Center in Morrilton, were recently named by the AHA Board of Directors to the Arkansas Rural Medical Practice Student Loan and Scholarship Board. The AHA has two appointments to the board, which meets in July.

Harold Mitchell has been named interim administrator of Bradley County Medical Center in Warren while the board conducts a search for a permanent CEO. He succeeds Robert R. Bash who recently resigned. Mitchell is chief financial officer of the facility.
I’m not a true student of history, although I do regard myself as sort of a history buff. The credit goes, in large part to Mr. Alton Williams, my 11th grade American History teacher. I always had an inkling that Mr. Williams actually might have lived through a good bit of the history he taught, but only partly because he was pushing retirement age, which seemed practically ancient at the time. It was due more to the fact that he taught as if he was recounting stories. That was probably just his way of keeping a bunch of 16- and 17-year-old knuckleheads interested while trying to plant into some very dense noggins how important it is to understand our American heritage before we can really appreciate it.

I never got around to thanking Mr. Williams for what he did, though I wish I had. It’s too bad that there aren’t more like him still teaching. If so, maybe there wouldn’t be quite as many young Americans today who know soooo little about our American journey. There are consequences. Mr. Williams knew that the failure to understand the past makes it much more difficult for its citizens to keep the nation on track in the best direction toward its future. That’s one reason why results of a University of Connecticut (UCONN) survey conducted not too long ago are more than a little troubling.

In 2005, UCONN surveyed 14,000 freshmen and seniors from a variety of colleges and universities across the land (including some Ivy League schools, by the way) to determine their level of knowledge about the history of American government. The results were pretty dismal. Freshmen got an overall 51.7% of the survey answers correct; the seniors beat that, but had nothing to brag about, scoring 53.2%. Both are failing grades in any classroom.

Worse, as we enter a time of year that ought to be filled with more historical significance for us Americans than any other, the sad fact is that less than half of the seniors polled in the survey knew that the phrase “We hold these truths to be self evident, that all men are created equal” is from the Declaration of Independence. How could they not know THAT!?

Wednesday of this week is the 4th of July, the day we’ll celebrate the country’s 231st birthday. Formally, it’s known as Independence Day. Hopefully, most Americans, young people and adults alike, know enough history to understand that this authentic American holiday is set aside to commemorate the signing of the Declaration of Independence on July 4, 1776. After all, it’s the most significant event to take place during the nation’s 15-year birthing process, which lasted from 1764 to 1789. Truthfully, we need to know more than that.

We should know enough to understand that the Declaration of Independence didn’t merely formalize the American colonists’ desire to be separate from Great Britain. It expressed a set of ideals, unusual for the time, for a country based on the self-evident truths that all men are created equal; that they are endowed by God with certain unalienable rights; and that among these are life, liberty and the pursuit of happiness. The passion and conviction for liberty would carry forward across the next decade and, in 1789, those same principles would be embodied into the fully functioning U.S. Constitution.

Alton Williams didn’t want his students only to learn those things for the next exam; he wanted us to remember them, so that someday it might help to make us better citizens. I suspect that he whole-heartedly agreed with Thomas Jefferson, the primary author of the Declaration, who wrote in 1820, I know no safe depositary of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education.

In a more blunt take on the matter, probably more in line with Mr. Williams’ style, Jefferson said, If a nation expects to be ignorant and free, in a state of civilization, it expects what never was and never will be.

As we take time to celebrate our freedoms this week, let’s not overlook Jefferson’s words. We all should be enlightened enough to understand what America stands for and the historical pathway that led this nation to be the envy of the rest of the world and made it one nation, under God, with liberty and justice for all.