On July 15, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) will publicly release organization-specific performance information on its website, http://www.jcaho.org. This data will differ from the quality information data to be released later this year as part of the national Quality Initiative, even though the JCAHO is a part of that effort, as well. The JCAHO previously made its data available June 4 to all its accredited hospitals, giving them the opportunity to review and check the accuracy.

Release of this set of quality information is an outgrowth of the Joint Commission’s ORYX initiative, which has focused on the identification and use of standardized performance, or “core,” measures. It is part of a planned strategy to provide the public with quality information on healthcare provider organizations.

To help hospitals prepare for questions that may come from the local media and community about the data, the JCAHO prepared a press packet entitled “Guidelines for Publicizing National Quality Improvement Goals.” The Arkansas Hospital Association distributed that packet to accredited hospitals in the state last week. In addition to following the guidelines, hospitals should:

- Review the JCAHO-posted data. If you have comments, questions or concerns about the accuracy of the data, contact your performance measurement vendor immediately.
- Know and understand your present level of performance. The JCAHO Quality Report will display your hospital’s average performance score over four quarters. Be prepared to talk about your progress over time.
- Share this information with your public relations staff, quality officer and medical staff director.
- Select a spokesperson to respond to the media. This can be a nurse, physician, other clinician, or quality staff.
- Be prepared to talk about your participation in the national Quality Initiative, and your hospital’s other quality improvement efforts.

Remember that reports such as these are just one of the many sources that consumers can use to choose a hospital. Consumers also gain valuable insights from talking with their physicians, nurses, and friends and family, or reviewing information from the Quality Initiative, the national source on hospital performance data.

The American Hospital Association (AHA) has submitted comments on proposed Inpatient Prospective Payment System provisions that would make it difficult for most long term care hospitals (LTCHs) to continue operating. In a July 7 letter to the Centers for Medicare & Medicaid Services (CMS), the AHA recommended that the agency withdraw its proposals and maintain existing provisions relating to the separateness and governance of the LTCHs.
which are hospital organizations set up within the walls of other acute care hospital facilities. The LTCH proposed rule for fiscal year 2005 would limit referrals from a host hospital to 25% of a long term care hospital’s admissions, far below the current referral rate. LTCHs that exceed the cap would not be fully paid under the proposed rule, but under one of three proposed payment alternatives that would result in drastically lower payments. AHA’s letter voiced concern that the proposed rule also would prohibit the certification of new LTCHs under a common ownership arrangement with the host hospital, which many not-for-profit acute care hospitals have pursued.

The Arkansas Hospital Association sent a similar comment letter to CMS administrator Mark McClellan June 18. That letter noted that the proposed rule would cause many Medicare beneficiaries to be diverted away from LTCH services available in the facility where they have been treated with no assurance that long term acute care services are otherwise available to them.

Lawrence Memorial Hospital, a 25-bed Critical Access Hospital located in Walnut Ridge, is seeking a new administrator to replace Lee Gentry, who recently accepted a position with St. Joseph’s Mercy Health Center in Hot Springs. Interested candidates should contact Ben Owens, president and CEO of St. Bernards Healthcare in Jonesboro. Send resumes to his attention at St. Bernards Healthcare, 225 E. Jackson Ave., Jonesboro, AR 72401, or call him directly at (870) 972-4284.

In the June 25, 2004 Federal Register, the Centers for Medicare & Medicaid Services (CMS) issued several corrections to errors published in May for the fiscal 05 inpatient hospital prospective payment system proposed rule. The omission of one of the geographic statistical areas caused errors in four of the tables in the Addendum of the proposed rule containing wage index values. The four tables involve: (1) Table 3A, FY 2005 and 3-Year Average Hourly Wage for Urban Areas; (2) Table 4A, Wage Index and Capital Geographic Adjustment Factor (GAF) for Urban Areas; (3) Table 4C, Wage Index and Capital Geographic Adjustment Factor for Hospitals that are Reclassified; and (4) Table 4G, Pre-Reclassification Wage Index for Urban Areas.

The corrections result in significantly lower wage index values for seven of the eight Metropolitan Statistical Areas where Arkansas hospitals are located. The rates as originally published in the May 18, 2004 Federal Register were shown in the June 15, 2004 issue of The Notebook. The correct pre-reclassified wage index values for those areas are: Fayetteville-Springdale (0.8674), Fort Smith (0.8311), Hot Springs (0.9286), Jonesboro (0.8000), Little Rock (0.9032), Memphis (0.9250) and Pine Bluff (0.8742). The Texarkana area wage index remained unchanged at 0.8432.

According to information from the Arkansas Department of Human Services (DHS), new regulations implementing the Child Abuse Prevention and Treatment Act (CAPTA) require that states receiving CAPTA grant funds have policies and procedures to address the needs of infants born and identified as affected by the mother’s illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure.

Arkansas hospitals should be aware that the Department’s Division of Children and Family Services (DCFS) is accepting referrals for assessment for services from medical
professionals involved in the delivery or care of such infants. This is not considered to be a new category of child maltreatment. Referrals should be made to the local DCFS county office for the residence of the child and must include documentation of how the infant was affected by prenatal exposure to illegal substances. The county office will assess for services and develop a plan of safe care for the infant. Questions regarding this policy should be addressed to local DHS county offices.

On June 10, 2004, the Centers for Medicare & Medicaid Services (CMS) issued Transmittal No. 203 designating several types of Health Professional Shortage Areas (HPSAs). The Department of Health and Human Services’ Health Resources and Services Administration designates some HPSAs with shortages of primary care physicians, dentists or psychiatrists as geographic-based HPSAs. Also, there are HPSA designations based on underserved populations within an area, which are referred to as population-based HPSAs.

In the transmittal, CMS clarifies which types of geographic HPSA (primary medical care, dental and mental health) are applicable for the Medicare Bonus Payment program available under Section 4043 of the Omnibus Budget Reconciliation Act (OBRA) of 1987. Beginning January 1, 1989, physicians providing services in rural HPSAs were entitled to a 5% bonus payment. In 1991, section 6102 of OBRA 1989 amended this Medicare benefit by raising the bonus payment to 10% and by adding urban HPSAs.

Eligibility for receiving the bonus payment is based on whether the specific location at which the service is furnished is within an area that is designated. The statute recognizes geographic-based, primary medical care and mental health HPSAs as eligible areas. Consequently, physicians, including psychiatrists, furnishing services in a primary medical care HPSA are eligible to receive bonus payments. In addition, psychiatrists furnishing services in mental health HPSAs are eligible to receive bonus payments. The transmittal indicates the bonuses are effective for claims with dates of service on or after July 1, 2004. This change would only affect payment to a critical access hospital (CAH) or psychiatrists furnishing services in mental health HPSAs that do not overlap with primary care HPSAs. In other words, these stand-alone mental health HPSAs are now eligible areas, as of July 1, 2004, for psychiatrists or the CAH in which they render services to receive bonus payments. Go to http://www.cms.hhs.gov/manuals/pm_trans/R203CP.pdf for more information.

The Dallas Regional Office of the Centers for Medicare & Medicaid Services (CMS) notified the Arkansas Hospital Association last week about an apparent national claims processing issue that may cause some hospital outpatient claims to be paid in error. According to CMS, the claims processing system supporting hospital outpatient claims was modified on July 6, 2004 based on Change Request (CR) 3104. The CR was implemented to accurately process line item medical review denials and line item Medicare secondary payer (MSP) actions on Outpatient Prospective Payment System (OPPS) claims with lines for surgical procedures containing charges of less than $1.01.

However, when programming these changes, an error was made resulting in incorrect payment calculations, causing overpayments for some of these claims. CMS believes this problem affects only a small volume of claims. Providers do not need to take any action. All payments made in error will be automatically corrected no later than August 30, 2004.
Included in the Arkansas Hospital Association’s July 8 Thursday Mailing was an analysis of Arkansas statutes that are pre-empted by the HIPAA Privacy Regulations. Lynda Johnson of the Friday Law Firm provided the information. That analysis should have contained the following notation:

The author has reproduced the Arkansas Bar Association’s HIPAA Pre-emption chart for pre-empted statutes, but has edited or summarized the analysis section. It is being provided with the Arkansas Bar Association’s permission. If you wish to have the complete HIPAA Preemption Handbook, it may be purchased from the Arkansas Bar Association at the following web address, [http://www.arkbar.com/publications/publication_handbooks.html](http://www.arkbar.com/publications/publication_handbooks.html).

(Danville) **John E. Chambers Memorial Hospital** was named in May as one of the nation’s Top 100 hospitals by Solucient, a leading health data company. The award recognizes hospitals that have achieved excellence in quality of care, operational efficiency, financial performance and adaptation to the environment. The 41-bed facility was chosen among hospitals having between 25 and 99 beds. Only 20 U.S. hospitals with fewer than 99 beds received the honor.

(Dumas) **Delta Memorial Hospital** held the groundbreaking for a new hospital facility on May 21. The building site is adjacent to the current Delta Memorial Health Services complex on U.S. Highway 65. Hospital CEO Mark Deal said the new hospital means both new and expanded services for the southeast Arkansas community. Plans call for the new hospital to include an open Magnetic Resonance Imaging unit as well as a sleep lab. It will also feature state-of-the-art birthing suites and an expanded outpatient/emergency department.

(McGehee) **McGehee-Desha County Hospital’s** radiology department has a new addition. A Toshiba Aplio 80 multi-function ultrasound unit has been installed, giving the Critical Access Hospital the capability to perform advanced studies, such as echocardiograms and carotid Doppler studies of carotid arteries designed to reveal blockage in arteries of the neck. The machine also is used for more routine procedures like abdominal and pelvic sonograms.

### The AHA Calendar

**July 2004**
- 16 AONE (Nurse Executives) Summer Conference, Lake Hamilton Resort, Hot Springs
- 20 Outpatient and Inpatient Rehabilitation - Medicare, Embassy Suites, Little Rock
- 29 ArkAMSS (Medical Staff Services) Summer Conference, Holiday Inn Select, Little Rock

**August 2004**
- 3 Medicare Workshop, Holiday Inn Select, Little Rock
- 4 Continuous Service Hospitals Workshop (CSR Hospitals Only), Holiday Inn Select, Little Rock
- 5 Patient and Family Relationships, Jefferson Regional Medical Center, Pine Bluff
- 6 ASHMPR (Marketing/Public Relations) Summer Conference, White County Medical Center, Searcy
- 12 When You Have Responsibility Without Authority, Holiday Inn Northwest Arkansas, Springdale
- 12 ASDVS (Volunteer Services) Summer Workshop, AHA Headquarters, Little Rock
- 13 AHA Board of Directors, AHA Headquarters, Little Rock