New “Repeal and Replace” Bill Introduced

In an eleventh-hour attempt to beat the clock on a time-limited budget reconciliation process, Sens. Lindsey Graham (R-SC), Bill Cassidy (R-LA), Dean Heller (R-NV) and Ron Johnson (R-WI) last week unveiled a healthcare reform bill that would repeal components of the Affordable Care Act (ACA), make significant changes to how the Medicaid program is financed, and create a new way for states to provide healthcare coverage and access to care. That change would dismantle the underlying structure and architecture of the ACA and replace it with a block grant given annually to states to help individuals pay for healthcare.

The block grant would be run through the Children’s Health Insurance Program and is subject to a mandatory appropriation. Grant dollars would replace the federal money currently being spent on Medicaid Expansion, ACA tax credits, cost-sharing reduction subsidies and the basic health plan dollars. In brief, the proposed legislation:

- Repeals the ACA Individual and Employer Mandates.
- Repeals the ACA Medical Device Tax.
- Makes it easier for states to waive ACA regulations.
- Equalizes the treatment between Medicaid Expansion and Non-expansion States through a block grant distribution.
- Protects patients with pre-existing medical conditions.

The Senate has until September 30 to pass the bill with 51 votes under the reconciliation rules. After that point, the legislation would require at least 60 votes in the Senate to move forward. The American Hospital Association distributed a detailed summary of the bill in a September 14 Legislative Advisory, which member hospitals can access at http://www.aha.org/.

Annual Meeting Healthcare Reform Breakfast

Patricia Boozang, senior managing director with Manatt, Phelps & Phillips, LLP, Washington, D.C. will present the “Medicaid Under the New Administration: Implications for Arkansas” on Thursday, October 5 at the AHA Annual Meeting. During this breakfast, Patricia will discuss what congressional leadership and the President have discussed for restructuring how the federal government funds Medicaid – going beyond repealing and replacing the Affordable Care Act (ACA).

This session will review how Medicaid fits into ACA repeal efforts, what additional federal legislative proposals are under consideration to make more sweeping changes particularly to Medicaid financing and what Medicaid changes might be coming through waivers and other administrative actions.

For more information and to register, visit http://www.arkhospitals.org/calendarpdf/AnnualMeeting2017.pdf. Contact Lyndsey Dumas at (501) 224-7878 or ldumas@arkhospitals.org for questions regarding the Annual Meeting.
Public Hearing on Vital Records Rule Changes

The Arkansas Department of Health (ADH) will hold a public hearing in October regarding changes to the rules and regulations for the administration of vital records. The rules are being amended due to Act 168 of 2017, An Act to Amend the Laws Concerning a Fetal Death Certificate and Registration of Termination of Pregnancy which changes the definition of “stillbirth” to mean an unintended, intraterine fetal death occurring in this state after a gestational age of not less than twelve completed weeks. The law went into effect on July 30, 2017. The public hearing will be held October 25, 2017 at 9:00 a.m. at Department of Health, 4815 W. Markham Street, Room L137, Little Rock, Arkansas in conformance with the Administrative Procedures Act, Ark. Code Ann. § 25-15-201 et seq. A draft of the rules and regulations, a copy of the law and the public notice are available on the Arkansas Hospital Association website at [http://www.arkhospitals.org/archive/MiscPDFFiles/Act168.pdf](http://www.arkhospitals.org/archive/MiscPDFFiles/Act168.pdf).

New Initiative to Reduce Opioid Overdose Deaths

On September 6, Gov. Asa Hutchinson announced a new initiative aimed at reducing opioid-abuse deaths in the state. The initiative centers on work done by the Arkansas State Board of Pharmacy and the Arkansas Pharmacists Association to prepare a Naloxone Protocol. In our state, the protocol covers the circumstances under which a pharmacist may initiate a prescription for the drug to be provided for use on individuals at risk for or experiencing an opioid related overdose.

It is important to read not only the clarifying language in the Act but also the related statewide Naloxone Protocol and counsel patients on how these products are used. It is also important to note that the Naloxone Protocol can serve as a fact sheet to be provided to patients as required in the law, and if for an individual person, the pharmacist must ask if they have a primary care physician and notify the physician of the purchase of naloxone when using this protocol. If they have a primary care physician and a secondary provider that is writing for opioids, it would be useful to notify them as well.

Finally, the Naloxone presentation that the Board of Pharmacy and State Drug Director’s office has been using as an educational tool should be reviewed as should options for smartphone apps such as OpiRescue and NARCAN Now that can walk patients through the process of using Naloxone for a potential opioid overdose.


MACRA Decision Guide for AHA Members

The American Hospital Association (AHA) has developed a new MACRA resource for member hospitals, health systems and their clinician partners facing an array of choices for participating in Medicare’s new Quality Payment Program (QPP) for physician services. By answering a series of questions, AHA’s MACRA Decision Guide will help hospitals and clinicians determine which QPP track – the Merit-based Incentive Payment System (MIPS) or alternative payment models (APMs) – would be best to pursue. Responses lead participants to briefs on each path. Access the guide at [www.aha.org/MACRA](http://www.aha.org/MACRA). The page also features other resources including AHA’s MACRA Tracker, webinars and video series, MACRA Minutes.
AHA Board Highlights

During its regular monthly meeting held September 8, 2017, the Arkansas Hospital Association (AHA) board of directors covered the following agenda items:

**Guest Report - Antimicrobial Stewardship:** Dr. Robert Bradsher, professor of medicine and vice chair for education, who also serves as director, Department of Internal Medicine, Division of Infectious Diseases with UAMS, discussed the importance of Antimicrobial Stewardship, the goals of this focus and the seven core elements, noting that as more drug resistant diseases begin to appear, the biggest challenge for hospitals is having a staff with expertise in treatment and containment of infectious diseases.

**Washington Report:** Timing for use of the budget reconciliation process to repeal and replace parts of the Affordable Care Act expires on September 30. If no bill is passed before then, approval of a bill requires 60 rather than 51 votes in the Senate. Senators Lindsey Graham (R-SC) and Bill Cassidy (R-LA) are working on legislation that would take basics of the Better Care Reconciliation Act (BCRA), which was previously rejected in the Senate, and add state block grants for Medicaid funding. However, the complexity of the legislation, along with healthcare reform fatigue, could be difficult to overcome in just a few weeks. Congressional priorities over the next couple of months start with stabilizing the healthcare insurance marketplace and reauthorization of the Children’s Health Insurance Program. Hospitals will also press for further delays in reductions of Medicaid DSH payments beyond January 1, 2018 and securing a Medicare Rural Extenders package. Hospitals are also encouraged to submit comments on changes to the 340B program which are included in the Medicare outpatient prospective payment system proposed rule.

**Medicaid Update:** The Arkansas Works waiver request is expected to be approved by CMS in early September but will most likely be delayed due the current federal focus on matters related to Hurricanes Harvey and Irma. An initial state Medicaid Transformation Scorecard and Quarterly Report, which is required under Act 802 of 2017, was released September 1. The report shows that actual spending on traditional Medicaid programming was $175 million lower than the 5% Annual Growth Baseline benchmark needed to attain projected Medicaid savings totaling $835 million (state fiscal years 2017-2021). Act 802 provides “If projected savings in an amount less than five percent of the goal are not achieved during any two consecutive quarters unrelated to non-claims based performance, the department shall develop additional reforms to achieve the savings goals.” The first quarterly report (July - September) is due by the end of October.

**Data and Policy Update:** The AHA hosted the first meeting of the Comprehensive Primary Care Plus (CPC+) Arkansas Primary Care Stakeholder team on August 25. This group is comprised of payers, providers, and patient advocates who will work to support and assist the development and growth of patient centered medical homes in Arkansas. AHA will host this stakeholder meeting on a quarterly basis. Also, the Arkansas Works Communications Group met on August 10 and discussed DHS’ plans for communicating the proposed changes to Arkansas Works to current program participants, providers and other stakeholders. DHS plans to emphasize the proposed work requirement and is working to develop educational materials to describe the ways of meeting the work requirement and to describe the process of reporting qualifying work activities.

**Arkansas Legislative Report:** Due to AHA’s opposition to a Department of Human Services (DHS) request to repeal the 90-day retroactive eligibility determinations for Arkansas Works enrollees, along with opposition of the Arkansas Association of Counties and the Arkansas Department of Corrections, a regulatory change to implement the move did not pass the review in the Public Health, Welfare and Labor Committee and was subsequently not placed on the Rules Committee agenda. Following that meeting, AHA staff met with DHS representatives to discuss the request and also visited with Governor Asa Hutchinson and his staff. The Governor believes that DHS has dramatically improved its ability to process complete applications and has asked that AHA
work closely with DHS staff to create an application submission and approval process that can be accomplished within a 30-day period.

Also, the Arkansas Tax Reform and Relief Legislative Task Force has begun its work to examine and identify areas of potential state tax reforms and to recommend legislation to the General Assembly for the 2019 session. The Task Force is required to file a written preliminary report of its activities and recommendations by December 1 and has voted to recommend PFM as the consultant for its work. That contract will be presented to the full ALC committee of the legislature for approval on Friday, September 15, 2017. The greatest concern to the AHA and its members is the evaluation and study of the non-profit property tax exemption and other tax implications for hospitals.

**Quality Projects:** Interim data shows that 75% of Arkansas hospitals are meeting interim goals in eight or more topics in the Hospital Improvement Innovation Network (HIIN). AHA is on track to meet milestone five at a tier one level and possibly at tier two which means bonus funding to support our hospitals in the HIIN. An agreement, supported by the HIIN, has been entered into with UAMS to bring onsite simulation training in sepsis as well as CAUTI and CLABSI to the sepsis participating hospitals who request it. Information should be distributed about signing up by the end of this month and training will start after the first of the year.

**Emergency Preparedness/Education Update:** The National Disaster Medical System (NDMS) had alerted Arkansas following landfall of Hurricane Harvey on the Texas Gulf Coast that the state could receive patients from Texas. This alert never went to “activation” and the alert was taken down as of the evening of September 2. However, there was a possibility that Arkansas could be “alerted” for Hurricane Irma.

The AHA Annual Meeting will begin October 4. It is important that hospitals allow their staff members to attend. District representatives were asked to reach out to CEOs in their areas who have not registered for the meeting. A list of those individuals was given to each district representative.

**AHA Services:** Information on a new contract between AHA Services and the executive search firm Morgan Hunter will be sent to hospitals soon.

**Arkansas State Board of Health:** Jim Lambert announced that he would be stepping down from the board of the Arkansas State Board of Health. Governor Hutchinson has requested three to five names of individuals interested in serving in this position. Those names are to be sent to AHA CEO Bo Ryall.

**Annual Audit Report:** The board reviewed and approved the annual audit reports for the AHA and for AHA Services, Inc. for the period ending June 30, 2017.

* • • • • *

**The AHA Calendar**

**September 2017**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>How Health Care Marketers Can Prove Marketing Attribution – Webinar MS0919</td>
</tr>
<tr>
<td>20</td>
<td>ICD-10-CM Webinar Series – Part XI: External Cause Codes and Z Codes</td>
</tr>
<tr>
<td>20</td>
<td>Emerging Issues in Productive and Effective Governance – Webinar TX0920</td>
</tr>
<tr>
<td>21</td>
<td>The Secret Ingredients Behind Exemplary CEO-Board Relationships with Insight on CEO Evaluations and Advisory Boards – Webinar T4049</td>
</tr>
<tr>
<td>25</td>
<td>19th Annual Arkansas Hospital Engineers Scholarship Trust Golf Tournament, Longhills Golf Club, Benton</td>
</tr>
</tbody>
</table>

*Information on all AHA educational programs and activities is available at http://www.arkhospitals.org/events.*