September 27, 2010

Health Reform Requirement for Tax-Exempt Hospitals

The Patient Protection and Affordable Care Act of 2010 requires nonprofit hospitals to conduct a community health needs assessment at least once every three years and adopt an implementation strategy to meet the needs identified through the assessment. The assessment must include input from individuals who represent the broad interests of the community served by the hospital, including individuals with special knowledge and expertise in public health. In addition, the assessment must be made widely available to the public.

The requirement applies to tax years that start after March 23, 2012. Under the law, a hospital can meet the requirement by conducting a compliant assessment and adopting an implementation strategy in that tax year or in either of the two immediately preceding tax years. In order to meet the initial compliance obligation, affected hospitals will be required to complete a needs assessment and adopt an implementation plan based on that assessment at some time during the period between the start with its first tax year that begins after March 23, 2010 and the end of its tax year that begins after March 23, 2012. For example, a calendar year taxpayer could conduct the needs assessment in 2011, 2012 or 2013. A $50,000 penalty will be imposed on any hospital that fails to comply with the community needs assessment requirement in that initial – and any subsequent – applicable three-year period.

The American Hospital Association has a community health assessment toolkit available online at www.assesstoolkit.org. This Web site breaks the assessment process down into six steps and provides other resources to guide an organization through the development and implementation. Also, the Arkansas Department of Health and its Hometown Health Improvement Initiative have been conducting community health needs assessments for the last 10 years. They use census demographic information and information gathered through the Behavioral Risk Factor Surveillance Survey (BRFSS).

Hospitals choosing to conduct these assessments on their own would have to establish the same community coalitions that are already in place in almost every county, plus local hospitals should already be members of these coalitions. The Hometown Health Initiative conducts 5-8 assessments each year and will consider inclusion of a county upon request. The contact person in each county is the county health administrator. Find a list of county assessments that have been completed at http://www.healthy.arkansas.gov/programsServices/healthStatistics/Brfss/Pages/CountyHealthSurveys.aspx.

Crisis Response Training Offered by AHA

In recent years, Arkansas hospital employees and physicians have experienced many emotional periods during crisis situations. At these times, it is extremely important to take care of your staff and offer them the appropriate training to deal with the crisis. This is especially true in a hospital setting where the staff is routinely under high amounts of job-related stress, whatever the cause. Because crisis intervention is so important, the Arkansas Hospital Association (AHA) in collaboration with the Arkansas Crisis Response Team will repeat a two-day training course...
offered earlier this year. Due to the success of that program, “Basic Emotional First Aid: Crisis Response Training,” the AHA is offering additional training in other areas of the state to make it easier for hospitals to prepare more volunteers. Those dates and locations are:

November 11-12, Jones Center, Springdale
December 8-9, Hilton Garden Inn, Jonesboro
March 16-17, 2011, Ouachita County Medical Center, Camden

The goal of the workshop is to provide emotional first aid and crisis response training to hospital professionals and support staff. Workshop facilitators will discuss the fundamentals of crisis and its effects on emotional wellbeing; reducing acute emotional stress caused by the proximity of any emergency; ongoing mechanisms for emotional support to address acute, chronic and cumulative stress that are prevalent in high stress healthcare environments; and opportunities to incorporate emotional first aid assessments into healthcare Standard Operating Procedures.

Hospital teams are encouraged, but not required, to attend, with a team discount offered. A program with registration information is available at www.arkhospitals.org/events.

Publciation of HAC Data Delayed

The Centers for Medicare & Medicaid Services (CMS) originally planned to make data on hospital-acquired conditions (HAC) publicly available on the Hospital Compare Web site on September 28. However, last week, the agency delayed that timetable. After reviewing its reports, CMS identified a discrepancy between the claims data that hospitals submitted and the CMS data file that was used to calculate the HAC rates. Therefore, the information will not be publicly available until this discrepancy has been corrected. Hospitals should disregard the Hospital-Specific Report results they received on September 16, 2010. Once corrected, the new information will be available for review before it is released.

EHR System Connects Mercy System Hospitals

The Sisters of Mercy Health System (SMHS), headquartered in St. Louis, got its first glimpse of a paperless world where health information technology and health information exchange are fused when St. Joseph’s Mercy Health Center in Hot Springs went “Live” with its fully-integrated electronic health record (EHR) on September 26. At the same time, St. Joseph’s Mercy clinics in the region, as well as St. Edward Mercy Medical Center in Fort Smith, were joined with other SMHS facilities in Rogers, AR, St. Louis and Springfield, MO, and Oklahoma City in the electronic sharing of patient information. With the additions, the SMHS closes a circuit that fully connects its facilities in Arkansas, Oklahoma, Kansas and Missouri with the ability to exchange patients’ health records.

System officials said this level of connectivity for patients and providers is seen in only 2.6% of hospitals nationwide. The Health Information and Management Systems Society recently designated the Mercy system at stage six of a seven-stage process. Stage six users must have structured templates for physician documentation, full CDSS (clinical decision support system in both variance and compliance) and full R-PACS (picture, archive and communications system). SMHS noted that Mercy Medical Center in Rogers, St. Joseph’s Mercy in Hot Springs and St. Edward Mercy in Fort Smith are the only three stage six designees in Arkansas. According to the SMHS announcement, this advancement means that patients will be able to go to any Mercy
facility in the four-state area and their providers will be able immediately to see their EHR complete with medical history, physician information, hospital and Emergency Department visits, medications, allergies, immunization records, and lab and test results. Other benefits include enhanced safety through computer entry of patient data (eliminating illegible handwriting) and automatic built-in alerts that prevent negative drug interactions or allergic reactions.

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Patient Safety/Quality Leadership Workshop

Studies have shown that one in five hospital discharges is complicated by an adverse event within 30 days, often leading to a readmission. A danger to patients and costly to hospitals, the issue gets even more focus under new Medicare policies now in effect that soon will penalize hospitals for higher than expected rates of unavoidable readmissions.

To clarify how hospitals can effectively address their readmissions, Gloria Kupferman, vice president of national information, DataGen, a subsidiary of the Hospital Association of New York State, will present a patient safety/quality workshop entitled, “Readmissions – What Can and Cannot Be Prevented?,” on Thursday morning, October 7, at the Statehouse Convention Center during the Arkansas Hospital Association’s 80th Annual Meeting. Nursing contact hours and long-term care continuing education will be awarded for attendance. Approval is pending for continuing education hours from the Health Care Compliance Association and for CPHQ recertification by the Healthcare Quality Certification Board. A copy of the October 6-8 Annual Meeting brochure containing registration information is available at http://www.arkhospitals.org/events/annual-meeting, or by calling (501) 224-7878.

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Country Doctor of the Year Award

Staff Care, a locum tenens staffing company, is soliciting nominations for its 18th Annual Country Doctor of the Year Award to honor the character, talent and dedication of America’s rural medical practitioners. Nominations are being accepted for physicians who practice in communities of 20,000 or less and who are engaged in primary care areas including general practice, family medicine, internal medicine and pediatrics. Anyone may nominate a physician for this recognition but nominations must be received no later than October 15, 2010. As part of the award, Staff Care will provide the Country Doctor of the Year with a “fill-in” physician for two weeks at no charge so that the award recipient may take time away from his or her practice, a service valued at $10,000. For more information, see www.CountryDoctorAward.com.

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The AHA Calendar

September 2010
28 Arkansas Health Executives Forum (AHEF) Annual Category I Educational Workshop, Baptist Health Medical Center-Little Rock
28 7th Annual Arkansas Statewide Preparedness Conference, The Statehouse Convention Center, Little Rock

Information on these and all AHA educational activities is available at www.arkhospitals.org/events.
**Final Thoughts by Paul Cunningham**

[Five years ago, in conjunction with its 75th anniversary, the Arkansas Hospital Association published a retrospective highlighting some of the major milestones and accomplishments throughout the organization's history. As the AHA approaches its 80th anniversary and begins transitioning to new leadership, now is an appropriate time to update our journey to cover the last five years. This is the first part of a series.]

The last half of the first decade of the 21st century was marked by a few firsts for the Arkansas Hospital Association (AHA), some notable “news” – as in new approaches to old problems – and a couple of surprising moves. One of those, a move in the truest sense, came quickly and so totally out of the blue that an unsuspecting AHA membership didn’t realize just how new the New Year would be when it arrived January 1, 2005.

By mid-month, Jim Teeter, AHA’s president and CEO for 11 years, informed the board of directors about his plans to retire. After weeks of consideration, the board found that the best qualified person to lead the organization was already in the building, and they named Phil Matthews, AHA’s executive vice president and chief lobbyist, as the new president.

That same year, the AHA caught others off guard by initiating, championing and securing groundbreaking legislation to ban smoking from hospital campuses statewide. It was a risky move not popular in many circles, but it was the right thing to do for a group whose purpose includes the goals of promoting health and keeping communities healthy. AHA made a lasting mark, leading Arkansas to be the first state ever to take such a dramatic step for its hospitals.

It was also a banner time for confronting some serious Medicaid issues, which never really go away, but seem to perennially bloom like a bed of politically charged daylilies. The period began with President George W. Bush voicing his intent to cut Medicaid spending by billions of dollars, never a good thing for a poor state like Arkansas. The threat of cutting Medicaid was especially concerning to the AHA, which knew that the state’s hospitals had been absorbing substantial losses from inadequate Medicaid payments for years. Three separate studies between 2005 and 2008 documented those losses.

The initial study showed that hospitals subsidized Medicaid to the tune of $33 million in 2002. The amount grew to $62 million in 2004 and bordered on $100 million in 2006. Those studies served as the foundation for a surprising move that eventually would lead to one of the most heralded of AHA’s achievements.

By 2005, Medicaid payments to hospitals had been mired in a time warp for much too long. The inpatient per diem cap had remained the same since 1996 and outpatient fees were last changed in 1992 when they were reduced by 20%. AHA met with the governor, state legislators and Medicaid officials throughout 2006 and into 2007 intent on getting more Medicaid dollars for hospitals. The primary goal was to increase the cap on inpatient per diems, which had been stuck at $675 for almost 10 years, long enough that most hospitals were capped out at a rate well below their costs.

After two years, the effort yielded results. Having finally obtained CMS’ approval, Medicaid raised the cap to $850 per day and worked with the AHA to make available a bonus payment under the state’s newly implemented Inpatient Quality Incentive program. The one-of-a-kind Medicaid pay-for-performance incentive was another first for the state. It would claim attention among state Medicaid programs and gain national recognition. The combined effect was that Medicaid hospital payments would grow by $35 million per year. But, it wouldn’t end there.

Before the ink was dry on the inpatient increase, the AHA was busy pushing to pump up Medicaid’s hospital outpatient rates. The Arkansas General Assembly had approved appropriations during the 2007 session that included roughly $10 million for hospital outpatient services in FY 2008 and another $11 million for FY 2009. The gears were engaged and the wheels set in motion. Nothing short of the most unlikely advent of economic catastrophe was to keep Medicaid outpatient rates from finally being freed from the box where they’d been stuffed 15 years earlier.

Oddly – proving once again that nothing in life is as simple as it should be – that’s exactly what happened.