It is 288 days until ICD-Day (ICD-10, that is). People, get ready.

Budget Package Extends Medicare Sequester

A flurry of activity in Congress last week resulted in some firm steps toward resolving at least two major budget concerns, each carrying implications for Medicare and Medicaid payments to hospitals and health systems. First, the Senate/House budget committee led by Sen. Patty Murray and Rep. Paul Ryan agreed on a budget plan early in the week that would fund the government for two years, through FY 2015. If approved as is, it would reduce the sequester cap on spending by $63 billion over the next two fiscal years. The sequester relief is offset by a combination of savings elsewhere in the budget and non-tax revenue totaling approximately $85 billion, reducing the deficit by approximately $23 billion. Thursday night, the full House passed the measure, which contains a mixed bag for the nation’s hospitals.

The *Bipartisan Budget Act* contains no structural changes to Medicare or Medicaid, but it would extend the 2% sequestration cut to Medicare providers through 2023 – two years longer than the cuts set by the *Budget Control Act of 2011* costing Arkansas’ hospitals another $100 million in Medicare cuts. Other policy changes include increases to the amount federal employees must contribute to retirement, higher airport security fees and reduced payments to student-loan debt collectors.

The House took up the bill immediately and passed a version that added language to provide a 0.5% increase to physicians from January 1 through March 31, sidestepping a 24% reduction in Medicare doc fees that otherwise would go into effect on January 1, eliminate the Medicaid DSH cuts in FY 2014 and delay the scheduled FY 2015 DSH reductions until FY 2016. Medicaid DSH cuts would also be extended by one year to FY 2023. Other provisions in the House-passed bill would:

- Establish new criteria for patients admitted to LTCHs in order for an LTCH to receive the increased LTCH rate. Specifically, the provision provides that patients, who stay longer than three days in an intensive care unit or are on a ventilator, qualify for the higher payment rate. All other cases would be reimbursed at the equivalent of an inpatient stay. The provision also delays application of the 25 Percent Rule for three years.
- Retroactively extend the Medicare Dependent Hospital (MDH) program through March 2014.
- Extends the Medicare low-volume hospital (LVH) payment through March 2014.
- Extends the Medicare therapy cap exceptions process through March 31, 2014.
- Extend the increased Medicare rates for ambulance services, including those in “super rural” areas, until April 1, 2014.

A Senate vote on the budget bill should occur this week.

Simultaneously, the House Ways and Means and Senate Finance committees approved separate bills to replace the sustainable growth rate (SGR) formula with a value-based payment program starting in 2017. The Senate committee version also provides for a permanent extension of MDH program at reduced level (changing payment structure from 75% hospital-specific/25% federal to
62.5% hospital-specific/37.5% federal) and a permanent extension of LVH adjustment, also at reduced level.

A markup of the House legislation to permanently fix Medicare physician payments is likely, too. The permanent MDH and LVH extensions are not currently being considered by the Ways and Means Committee, but amendments may be considered. A vote on any legislation affecting the SGR won’t come until Congress reconvenes in January following its Christmas vacation.

MAC/RAC Workshop Rescheduled for January 30

Because of the ice storm across most of Arkansas earlier this month, the Arkansas Hospital Association’s (AHA) workshop on MACs and RACs was postponed from December 6 and rescheduled for a later date. The new time is Thursday, January 30, 2014. Pre-registered individuals were notified about the new date, as were all hospital CEOs. As previously, the workshop is scheduled from 9:30 a.m. until 2:00 p.m. and will be held at the Crowne Plaza Hotel in Little Rock. Details about the meeting and registration information may be found at http://www.arkhospitals.org/calendarpdf/2013WhenMACsandRACsAttack.pdf. Those who were registered for the meeting that was to have been held on December 6 have been informed of the option to transfer their registration to the January 30 meeting.

The AHA and the Arkansas Chapter of the Healthcare Financial Management Association are joining together to sponsor the workshop to cover issues on two review fronts in a single session. “When MACs and RACs Attack!” offers the opportunity for member hospitals to meet face-to-face with representatives of Novitas Solutions, Inc., the Medicare Administrative Contractor (MAC) for most hospitals in the state, and to learn the latest on important RAC (now called Recovery Auditors) review matters.

The morning half of the program will focus on MAC issues via a face-to-face interactive session with Novitas reps to cover assorted issues. Anyone having specific questions to be included in the discussion should send them to pcunningham@arkhospitals.org no later than January 15.

After lunch, the podium will be turned over to Barbara Flynn, who works with the Florida Hospital Association and has many years of experience dealing with RACs. Flynn, who has spoken at other RAC sessions in the past for AHA, will cover topics ranging from RAC appeals and RAC rebilling Part B issues to information about the OPPS final rule, and also touch on MAC prepayment denials.

DRA Funds Provide for Training in SE Arkansas

The Delta Regional Authority will invest $175,000 to fund a partnership between the Greater Delta Alliance for Health (GDAH) and the Delta Technology Education Center (DTEC) in Dumas to implement the Delta Tech Regional Healthcare Education Program providing quality training and skills development to health professionals in southeast Arkansas.

The Arkansas Delta is plagued by healthcare shortages for many reasons, including a lack of trained healthcare professionals and training opportunities for those employees. Through this investment, DTEC will contract with GDAH to organize trainings needed to allow the DTEC to offer certification and continuing education courses relevant to healthcare workers throughout southeast Arkansas. Funding will allow the GDAH to organize train-the-trainer classes for DTEC staff and local hospital personnel, empowering DTEC to continue to provide support to healthcare
workers in six counties—Arkansas, Ashley, Bradley, Desha, Drew, and Lincoln. The train-the-trainer model enlists experienced personnel to show a less-experienced instructor how to deliver courses, workshops, and seminars, and builds a pool of competent instructors who can then teach the material to others. The updated training programs are intended to improve recruitment of healthcare professionals and help to alleviate physician shortages throughout the Arkansas Delta. They also should assist the DTEC in becoming financially self-sufficient in the future as they receive payment for training fees.

The GDAH will utilize other institutions and organizations in the region to provide a comprehensive offering of courses. Training topics will include, but not be limited to: Insurance Education, Medicaid/Medicare Education, HIPAA training, Health IT, Safety Training, Infection Control, Electronic Medical Records, Medical Ethics, and additional continuing education opportunities.

Bill Introduced to Deal with Two-Midnight Rule

Rep. Jim Gerlach (R-PA) has introduced the Two Midnight Rule Delay Act of 2013 (H.R. 3698), legislation to delay until October 1, 2014 enforcement of CMS’ two-midnight policy for hospital admission and medical review criteria. The legislation also calls on CMS to implement a new payment methodology for short inpatient stays in fiscal year 2015. During the enforcement delay, Medicare audit contractors would not be allowed to deny claims for medically-appropriate care based on the length of an inpatient stay, a determination that services could have been provided in an outpatient setting, or for requirements for orders, certifications and associated documentations.

Reps. Joseph Crowley (D-NY), Tom Reed (R-NY), Ron Kind (D-WI) and Peter Roskam (R-IL) are original cosponsors of the bill.

The AHA Calendar

January 2014
9 Pharmacist-Led Collaborative to Reduce Adverse Drug Events, Crowne Plaza Little Rock
16 CMS Changes to Level of Care Determination for 2014: In with the New Definitions, Out with the Old, Crowne Plaza Little Rock
17 2014 CPT, HCPCS Level II and OPPS Updates for Hospitals, Crowne Plaza Little Rock
22-24 HFMA Tri-State Winter Institute 2014, Gold Strike Hotel and Casino, Tunica
23 CMS Order Sets, Protocols, Preprinted Orders and Standing Orders: Ensuring Compliance – Webinar T2882
28 Compliance Quarterly Roundtable & Luncheon, AHA Classroom, Little Rock
29 ICD-10 Workshop, AHA Classroom, Little Rock
30 Hospital Contracts: Ensuring Compliance with The Joint Commission and CMS Requirements 2014 – Webinar T2884

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

Editor’s Note: The Notebook will not be published December 23 or December 30 due to the Christmas and New Year holidays. The next issue of The Notebook will be published Monday, January 6, 2014. The Arkansas Hospital Association wishes each of you a Merry Christmas and a Happy New Year.
Final Thoughts by Paul Cunningham

James C. Hagerty wasn’t a famous person by most standards, but he does merit a biographical footnote as the longest-serving White House press secretary in U.S. history. He worked for President Dwight D. Eisenhower through two full terms, from 1953 until 1961, so he must have been good at his job. His sense of humor probably helped.

Hagerty may be most remembered for a quip that eventually made its way into countless comedy routines at the time. Asked one day how he was coping with the latest set of crises the president was handling as the Cold War ramped up in the 1950s, he responded, “One day I sat thinking, almost in despair; a hand fell on my shoulder and a voice said reassuringly: cheer up, things could be worse. So I cheered up and, sure enough, things got worse.”

The people responsible for ensuring that their local hospitals survive for another year understand, maybe too well, especially at this time of year. It would be akin to a Christmas miracle if they didn’t get a bit down with the coming of December. For them, finding the spirit of Christmas gets a little more difficult each year, due in large part to Congress’ practice of making year end budget deals that include endless rounds of Medicare spending cuts. Instead of Christmas carols and holiday tunes, they want to hear Merle Haggard singing If we make it through December, everything’s gonna be all right.

Fortunately for them and the rest of us, it’s less difficult these days to find the spirit of Christmas. It isn’t necessary to suffer through harrowing visits from the Ghosts of Christmas’ past, present and future like Charles Dickens’ wealthy, miserly and lonely Ebenezer Scrooge did. No, all we have to do is look around at the assorted toy drives, Angel Trees and food bank projects to see that the spirit of Christmas is all about the spirit of giving. It gets more infectious when we participate. Experience the appreciation for a gift given and you know the lesson that our parents taught us – or at least tried to teach – is true: It is more blessed to give than to receive.

There is probably no other group who understands the concept of giving, neither reluctantly nor under compulsion, than the men and women who wear the uniforms of the United States Armed Forces. It’s true of all who have served throughout our history, including my dad, a WWII vet who served around three years in Europe, and two nephews, one a two-tour veteran of the war in Iraq and the other, an active duty member of the U.S. Air Force. Our soldiers, sailors, airmen and Marines have a keener perspective on giving and it gets more intense at Christmas time when serving at bases and posts thousands of miles from home, keeping us safe.

With everything else they offer, a small, select military troupe added to the list last week and took it to another level. Members of the U.S. Air Force Band gave an unexpected glowing treat to visitors at the Smithsonian's Air and Space Museum in Washington, D.C., and to millions more by way of news reports and YouTube videos. Their gift left faces beaming with appreciation. If you missed it, click on http://www.youtube.com/watch?feature=player_detailpage&v=-cKE8pyfcZc.

Actor, comedian and all around American icon Bob Hope knew more than most about how much those who serve in the military sacrifice and give at Christmas. He spent many years on tour during the Christmas holidays as a part of the United Service Organization (USO), entertaining U.S. troops in foreign lands throughout wars in Europe and the Pacific, Korea, Vietnam, and the Middle East. His conclusion: When we recall Christmas past, we usually find that the simplest things - not the great occasions - give off the greatest glow of happiness.

Another iconic American, Theodor Seuss Geisel, had an even better take on the subject. In How the Grinch Stole Christmas, a story of another Scrooge who found deeper meaning in the spirit of Christmas, Dr. Seuss wrote, And the Grinch, with his Grinch-feet ice cold in the snow, stood puzzling and puzzling, how could it be so? It came without ribbons. It came without tags. It came without packages, boxes or bags. And he puzzled and puzzled ‘till his puzzler was sore. Then the Grinch thought of something he hadn’t before. What if Christmas, he thought, doesn’t come from a store? What if Christmas, perhaps, means a little bit more?

If you are looking for the meaning of Christmas, you won’t find it in packages, boxes or bags. But, the elusive front porch philosopher Anonymous can point the way: The greatest gift you will ever receive will never be found under a Christmas tree. It is far too valuable to be stored in any other place but in the depths of your heart. With these final thoughts for 2013, we hope you find the deeper meaning of Christmas again this year.