Robert “Bo” Ryall, Jr., will become the newest member of the Arkansas Hospital Association (AHA) executive team July 1, when he joins the AHA as its executive vice president. Ryall will assume responsibilities as the association’s chief government relations officer, succeeding Phil Matthews, who will become AHA president on the same day.

Ryall, 38, has served as the executive director of the Home Care Association of Arkansas (HCAA) since 2001. During the recently completed legislative session, he was on leave from the HCAA and served as the administrative aide to Speaker of the House Bill Stovall. Prior to taking the position with the HCAA, he was the Director of the Office of Constituency Services for the Arkansas House of Representatives. In addition, he has recently been named to the board of the Arkansas Society of Association Executives.

Ryall, who holds both Bachelors and Masters Degrees in Public Administration from the University of Arkansas at Little Rock, lives in Little Rock with his wife Karen, a pharmaceutical representative, and their three children. A graduate of Star City High School, he is a native of Yorktown, Arkansas, which is north of Star City in Lincoln County.

In announcing Ryall as the newest AHA executive, Matthews said, “Bo brings to our team a knowledge of the political process, the importance of working with association members, knowledge of healthcare issues, and a strong relationship with members of the General Assembly, the Governor’s Office, and the Department of Human Services. We are delighted to welcome Bo to our team. We feel that you will enjoy working with him. He is certainly looking forward to working with you.”

Report On Limited-Service Hospitals

During testimony before a May 12 congressional hearing, Centers for Medicare & Medicaid Services (CMS) Administrator Mark McClellan, M.D. released his agency’s congressionally mandated report on physician-owned, limited-service hospitals.

The 75-page report calls for a series of payment changes to reduce incentives for physician owners of specialty facilities to target healthier patients and select conditions, and closer scrutiny of whether those facilities meet CMS’ definition of a hospital. McClellan said CMS would instruct its fiscal intermediaries not to process any applications from new limited-service hospitals for Medicare participation, effectively barring any new specialty hospitals for the next six months while CMS further studies and works to implement its recommended changes.

The hearing also included testimony by John Hornbeak, president and CEO of Methodist Healthcare System of San Antonio, who told members of the House Energy and Commerce Health subcommittee that the proliferation of physician-owned limited-service hospitals is leading to a “systematic dismantling of the community health safety net.” Hornbeak said the physician owners of limited-service facilities are carving out hospital departments and “masquerading” as full-service hospitals to circumvent current self-referral law; chipping
away community hospitals’ resources by cherry-picking more profitable, better insured patients; and creating emergency call coverage problems. He also called for a permanent ban on physician self-referral to new specialty facilities they own.

In a separate action on the same day, Sens. Charles Grassley (R-IA) and Max Baucus (D-MT) introduced the Hospital Fair Competition Act, a bill backed by the American Hospital Association that would permanently extend the moratorium on physician-owned limited-service hospitals that is set to expire June 8. The bill would not apply to those limited-service hospitals already in operation or under development before November 18, 2003, but would limit their growth and investor composition.

Undocumented Aliens’ ER Payments

The Centers for Medicare & Medicaid Services (CMS) has published its long-awaited final implementation guidance for Section 1011 of the Medicare Modernization Act, which includes $250 million per year for four years to reimburse hospitals, certain physicians and ambulance providers for emergency services furnished to undocumented immigrants (along with a few categories of legal immigrants). The notice was included in the May 13, 2005 Federal Register, and will be effective for services rendered on or after May 10, 2005.

The guidance indicates that CMS will double the funds allotted for the second half of fiscal year 2005 to make up for payments that were not made in the first half of the year due to the delay in releasing the instructions. Payments for hospitals will be made for medically necessary emergency services from the individual’s arrival at the emergency department until the patient is stabilized. That means the program will cover both patients who are treated and released and patients who are admitted. CMS states that the agency believes stabilization typically occurs within the first two days after inpatient admission.

While healthcare providers are not required or encouraged to directly ask patients their immigration status as first proposed, the notice sets forth certain information that must be collected, including eligibility for or enrollment in Medicaid. CMS says that the information provided in the claims will not be used for general Immigration and Naturalization Service proceedings.

Providers will have 180 days after the end of the quarter in which services were rendered to submit electronic claims for payments. Nationally, there will be one contractor for enrolling providers, receiving claims, and making payments. To read the notice, go to http://www.cms.hhs.gov/providers/section1011.

UALR Program Moving To COPH

Hospital officials across Arkansas who are familiar with the Graduate Program in Health Services Administration at the University of Arkansas at Little Rock (UALR) will be interested to learn of that program’s transfer to the Department of Health Policy and Management, of the University of Arkansas for Medical Science’s (UAMS) College of Public Health (COPH). Dr. Paul Halverson, recently appointed director of the Arkansas Department of Health, is the chairman of the Department of Health Policy and Management. The transfer is effective as of July 1, 2005.

UALR Chancellor Joel Anderson and UAMS Chancellor Dodd Wilson reached an agreement on May 5 following a year of study and planning between the two Universities. All of the faculty and staff from the UALR program will be transferred to new offices in the COPH and the degree program will retain its national accreditation status. The merger is
designed to consolidate the strengths of the UALR program with the new faculty and resources in the College of Public Health that is funded by the tobacco settlement money. It will also provide new resources for the program including faculty expertise not currently available at UALR.

In a letter explaining the transfer to Arkansas hospital CEOs, John Baker, Ph.D., Professor of Health Services Administration, said, “We will continue our efforts to maintain strong working relationships with healthcare organizations and agencies across the state. We have enjoyed great support from healthcare organizations that have provided excellent opportunities for graduate students to learn about the day-to-day challenges faced by administrators. We look forward to working with you to improve those relationships from our new location in the College of Public Health.”

During its May 13, 2005 meeting, the Arkansas Hospital Association (AHA) board of directors:

- Learned that the state Medicaid program had attempted to submit rules and regulations for implementing the recently passed Medicaid Fairness Act that would have undone most of the provisions of the Act that are favorable to providers. Medicaid agreed to pull the rules and regulations down after the AHA and other provider groups submitted comments and communicated with legislators, urging them to not review the comments until providers had an opportunity to offer input about the provisions of the rules and regulations. Medicaid also agreed to allow the AHA and the other provider groups to work with them on the language of the rules.

- Heard that two major concerns about CMS’ proposed FY 2006 rule for Medicare’s Inpatient PPS are that Critical Access Hospitals (CAH) may not be able to retain their CAH status if they build replacement facilities and that the rule would expand from 29 to 223 the number of DRGs subject to Medicare’s transfer policy.

- Learned that the recent GAO report on Medicare’s 75% rule does little to address concerns about the rule expressed by the American Hospital Association and that it could make implementation of local coverage determinations on admissions to inpatient rehabilitation hospitals easier to put in place.

- Learned about key issues the American Hospital Association is currently focusing on, including The Hospital Fair Competition Act of 2005 that would permanently extend the moratorium on physician-owned limited-service hospitals.

- Heard a presentation by Major General Don C. Morrow, the Adjutant General of the Arkansas National Guard, who discussed the current and future healthcare needs of soldiers of the state’s 39th Infantry Brigade who have returned home from duty in Iraq and Afghanistan.

- Heard a summary about the American Hospital Association Annual Membership Meeting in Washington and visits to the state’s four congressmen by Arkansas hospital officials who attended the meeting.

- Heard that AHA Services will begin distributing in 60-90 days information on a BancorpSouth Investment Services program that will allow hospitals, foundations and physicians’ offices to invest excess funds in instruments that offer a higher rate of return than that currently offered by other financial institutions. The program will be available to private non-profit and for-profit institutions. Legislation will have to be amended before public hospitals can participate.
• Learned that the 8th Scope of Work for Medicare’s Quality Improvement Organizations, including the Arkansas Foundation for Medical Care (AFMC), will include a focus on the implementation of electronic medical records and that AFMC and AHA officials will meet together in the early summer to discuss how best to coordinate those activities.

• Heard that members of the AHA executive team will meet in Chicago with representatives of other state hospital associations to discuss how the states are dealing with various data transparency issues.

• Learned about an upcoming meeting with the Joint Commission to learn about new JCAHO hospital initiatives on the horizon and to discuss the future of the state’s Continuous Service Readiness (CSR) program.

• Heard that medical provider payments from the Arkansas Crime Victim’s Compensation Program will be adjusted from a rate of “up to 75%” being considered as payment in full, to a rate of “up to 65%.”

• Heard an update on the merger between the Department of Human Services (DHS) and the Health Department. There is no formal plan at this time; the merger will not change the role of the State Board of Health; the director of the new DHHS will become a member of the Board of Health; the new Health Division of DHHS will continue its emphasis on preventive health services and health education; and the first step will be to combine administrative services such as payroll and purchasing.

• Learned that the UAMS College of Public Health had prepared and the AHA has distributed to Arkansas hospitals guidance on implementing no-smoking policies on hospital campuses, which is required by law, effective October 1.

The AHA Calendar

May 2005

20 Hospital Emergency Preparedness Vendor Fair, Wyndham Riverfront, North Little Rock

June 2005

15 AHA Board of Directors Meeting, Perdido Beach Resort, Orange Beach, AL

15-17 Administrators Forum Summer Leadership Conference, Perdido Beach Resort, Orange Beach, AL

Newsnotes About Arkansas Folks

John N. Robbins, FACHE, president and CEO of Conway Regional Medical Center, has been elected to a four-year term on the Arkansas Foundation for Medical Care’s (AFMC) board of directors. He succeeds Randy Fale, president and CEO of St. Joseph’s Mercy Health Center in Hot Springs, who has served on the AFMC board since 1997. According to Arkansas Hospital Association bylaws, Robbins will serve on the AHA board of directors representing his position on the AFMC board.

Governor Mike Huckabee has appointed Tammy Gavin, COO at White River Medical Center in Batesville, to the Breast Cancer Advisory Board. Her term expires January 1, 2009.