The American Hospital Association (AHA) will hold its Annual Membership Meeting in Washington, D.C. May 2-5. A key part of this meeting is a review and discussion of the association’s advocacy and representation agenda for the remainder of 2004. A complete description of that agenda, which involves 23 items under five broad topics, is available on the AHA’s Web site, http://www.aha.org. Meanwhile, as the start date for the meeting approaches, the AHA continues to monitor several issues of immediate concern. Those include:

• The HIPAA Security Rule, which has an April 21, 2005 effective date. Some hospitals may be falling behind on implementing the rule due to “HIPAA burnout” from the time and cost requirements for complying with these, as well as previous regulations stemming from the Health Insurance Portability and Accountability Act (HIPAA) of 1996. The AHA is pressing to ensure that interpretation and enforcement of the security rule remain consistent with the flexible approach adopted in the regulation itself.

• The 75% rule related to inpatient rehabilitation hospital admissions still awaits final implementation. The AHA is seeking further delay and agreement from the Department of Health and Human Services Secretary Tommy Thompson to “stop, study and modernize” its requirements. The rule is based on narrow, outdated criteria and, as is, would mandate that rehabilitation facilities treat at least 75% of inpatients for one of 12 conditions to qualify as Medicare-certified inpatient rehab hospitals, which are exempt from the acute care hospital prospective payment system (PPS). It jeopardizes access to rehabilitation care for hundreds of thousands of patients.

• The proposed inpatient psychiatric hospital PPS rule, unveiled by the Centers for Medicare & Medicaid Services in late 2003, could limit access to those services. The proposal, which would move psychiatric facilities away from their current cost-based payment system, has the potential to worsen an already flawed system across the country for delivering and paying for mental health services, since the proposed rates wouldn’t fairly and accurately reflect needed resources. The AHA has recommended several changes, including a stop loss provision.

• Last September, the Office of Inspector General proposed a rule calling for a systematic review of payments to determine whether Medicare or Medicaid payments to facilities are “substantially in excess” of “usual charges and costs.” The AHA is working to get that proposal withdrawn, as it would prove unworkable, burdensome and costly for the nation’s hospitals.

Rep. Jerry Moran (R-KS) has introduced a bill that would help many areas across the country, especially rural communities, with their physician recruiting efforts. H. R. 4156 reauthorizes the State (Conrad) 30 J-1 visa waiver program for another five years. This program has been a great asset over the last decade, bringing needed doctors to serve medically underserved areas throughout our country. Forty-nine states now participate in the...
program, accounting for 1,027 doctors in 2003. J-1 visa waivers allow foreign physicians to practice in medically underserved communities without first returning home. The waivers allow foreign physicians to receive nonimmigrant, H-1B status (temporary worker in specialty occupation) for three years. In order to receive the waiver, the physician undergoes numerous background and security checks, and must agree to serve a medically underserved community for three years.

The legislation would enable states to place physicians in communities where the need is greatest. In addition, it clarifies existing law to ensure that State 30 physician waivers are exempt from the current H-1B visa cap, clearing any ambiguity that now exists in the application of the program. A bipartisan companion bill has been introduced in the Senate. If passed, the program would continue through May 30, 2009.

In a 49-48 vote April 7, the Pregnancy and Trauma Care Access Protection Act (S. 2207) failed to receive the 60 votes needed to proceed to a final Senate vote. The legislation would have capped non-economic damages in medical liability cases involving emergency care providers, obstetricians and gynecologists. In an effort to see the Senate pass one or more pieces of liability reform legislation this session, Majority Leader Bill Frist next is expected to introduce a bill targeting medical liability reform for rural and underserved communities. At an April 8 rally on Capitol Hill, senators, doctors and hospital representatives urged Congress to enact legislation to rein in the soaring medical liability costs that are jeopardizing access to care.

The Arkansas Hospital Association is sponsoring a May 20 Hospital Emergency Preparedness Vendor Fair. The fair will provide hospitals and other interested groups an opportunity to see the latest products for emergency preparedness in healthcare, and to speak with knowledgeable representatives about how these products can meet the needs of Arkansas hospitals and communities. The purpose of the fair is to acquaint hospital representatives with products and equipment that will meet requirements related to about $4 million that their facilities are to receive this year.

The Arkansas Department of Health will distribute those funds from a Health Resources and Services Administration (HRSA) Hospital Bioterrorism Preparedness Planning grant. Grant monies are intended to fund emergency preparedness, including preparedness for responding to threats and incidents related to the deployment of bio-terrorism and other weapons of mass destruction (WMD) in their communities.

Vendors will be present to exhibit equipment that can be bought with the HRSA monies and to update a facilities’ preparedness for bioterrorism and WMD events. Companies specializing in a variety of products for portable isolation, personal protective equipment (PPE), backup communications, decontamination, surveillance, and education and training have been invited to participate in this one-day event.

While there is no registration fee to attend the event, pre-registration is suggested for meal planning purposes. For a copy of the program brochure, click on http://www.arkhospitals.org/calendar/pdfs/Hosp%20Emer%20Preparedness%20Vendor%20Fair.pdf. Call Beth Ingram or Donna Boroughs at (501) 224-7878 for questions about the vendor fair.
The chairman of the Medicare Payment Advisory Commission (MedPAC) told members of a subcommittee of the House Ways and Means Committee during a recent hearing that Medicare payments to healthcare organizations should be tied to hospital quality. MedPAC chairman Glenn Hackbarth noted in his comments that adverse events related to nine of 13 hospital quality categories tracked by his commission increased between 1995 and 2002 and cautioned the subcommittee that Medicare can’t afford its payment systems to be neutral to quality. Hackbarth recommended that Congress add more financial incentives to the Medicare payment systems that would reward providers for quality.

The Centers for Medicare & Medicaid Services (CMS) is planning a series of listening sessions to hear from the public, purchasers, providers and others about an expanded set of performance measures for public reporting on the quality of patient care. The American Hospital Association and other collaborators in the national hospital quality reporting initiative are co-hosting these meetings. Healthcare providers, payers, consumers and any other interested parties are invited to attend the sessions. The first one will take place April 27 in Boston, with subsequent sessions in Orlando, Dallas, San Francisco, and Chicago.

Each meeting will have the same format – an explanation of the importance of public reporting, why input is necessary to determine what should be measured, local folks will talk about what should be shared publicly, and there will be an open comment session. Opinions and alternatives provided during the sessions will be used in identifying what should be included in an expanded set of measures for hospital public reporting. For more information, including how to register and submit written comments for the session, see the Federal Register notice under CMS at http://www.access.gpo.gov/su_docs/fedreg/a040326c.html.

The American Hospital Association (AHA) and its partners in the national voluntary Quality Initiative have sent all U.S. hospitals an advisory outlining the 12 new clinical measures of care that will be added to the effort to create a public resource on hospital quality. Hospitals will be asked to submit data on these new measures, along with the initiative’s initial 10 measures, beginning in early 2005. With the addition of the new measures, the initiative will assess the steps taken to prevent surgical infections, as well as the care for heart attack, heart failure and pneumonia. The advisory also outlines requirements and deadlines which hospitals must meet to ensure they are eligible for the full Medicare inpatient prospective payment system market basket update in fiscal years 2005-07, as required by the Medicare Modernization Act.

The AHA and its partners urged hospitals to begin taking the required steps immediately so that they are completed by the deadlines set by the Centers for Medicare & Medicaid Services. As of April 8, 3,375 hospitals – including 49 Arkansas hospitals – had pledged their participation in the initiative. The AHA advisory is available at http://www.aha.org under “The Quality Initiative.”

The Centers for Medicare & Medicaid Services (CMS) has authorized hospitals to receive special payment for three additional drugs and four additional services under updates to the Hospital Outpatient Prospective Payment System (OPPS) that was effective April 1. The payments are temporary until sufficient cost data is available to develop an appropriate price within the OPPS. The newly covered drugs are daptomycin, an injectible antibiotic for serious staph infections; risperidone, an injectible antipsychotic; and rasburicase, an
injectible treatment for high uric acid levels that may result from certain cancer treatments. The services are: insertion of a special device for measuring acid levels associated with gastroesophageal reflux disease; a procedure using a laser device that vaporizes the prostate and controls bleeding; and immediate or delayed placement of a balloon catheter in the breast for interstitial radiation therapy following a partial mastectomy. For more, see the program transmittal at http://www.cms.hhs.gov/manuals/pm_trans/R132CP.pdf.

Pension Relief Gets Senate Support

By a vote of 78-19, the Senate April 8 passed the conference report of the American Hospital Association (AHA)-backed Pension Funding Equity Act of 2004 (H. R. 3108), which will reduce hospitals’ and other employers’ mounting pension fund obligations. The legislation, approved by the House April 2, will replace the rate used to calculate required pension plan contributions with a more favorable corporate bond index for plan years beginning in 2004 and 2005, while Congress works toward a permanent solution.

Among its provisions, the legislation included in the conference report confirms that programs conducted through the National Resident Matching Program (NRMP) – which matches medical school students with residency programs – do not violate the anti-trust laws. The AHA and Association of American Medical Colleges (AAMC) are hopeful that enactment will bring to a prompt conclusion the anti-trust litigation filed in May 2002 against the AAMC, the AHA, and many of the nation’s leading teaching hospitals. President Bush is expected to sign the bill into law prior to the April 15 deadline for quarterly pension fund contributions.

Medicare Contracting Reform Web Site

The Centers for Medicare & Medicaid Services (CMS) March 24 announced a new Web site that will communicate information about Medicare contracting reform initiatives to be implemented under the Medicare Modernization Act. Under the law’s contracting reform provision, CMS will use competitive procedures to select “Medicare administrative contractors” by 2011. The law eliminates the distinction between Part A fiscal intermediaries and Part B carriers and merges them into a single authority for the new contractor. It also requires the Department of Health and Human Services secretary to consult with healthcare providers in developing specific performance requirements for the contractors, which must include provider and beneficiary satisfaction levels as measures of performance.

The site currently includes information such as milestone dates for contracting reform, text from the legislation, and online instruction manuals used by CMS contractors. It can be found at http://www.cms.hhs.gov/medicare/reform/contractingreform.

The AHA Calendar

April 16 AAHT (Trustees) Annual Meeting, Capital Hotel, Little Rock
21 Patient and Family Relationships, Holiday Inn Select, Little Rock
23 AHHRA (Human Resources) Spring Conference, Embassy Suites, Little Rock
29-30 AAHE (Engineering) Annual Meeting and Trade Show, Clarion Resort on the Lake, Hot Springs
30 So, You’re a Hospital Supervisor – Now What?, Arlington Hotel, Hot Springs
30 AFMC Quality Conference, Embassy Suites, Little Rock
30 ArkAMSS (Medical Staff Services) “Introduction to Credentialing” Workshop, White County Medical Center, Searcy