The American Hospital Association (AHA) has urged the Centers for Medicare & Medicaid Services (CMS) to rescind its proposal to link inpatient quality reporting to the outpatient prospective payment system (PPS) update and instead rely on efforts of the Hospital Quality Alliance to develop useful outpatient quality measures. In its comment letter on the outpatient PPS proposed rule for 2007, the AHA said, “inpatient PPS measures are not, in fact, appropriate proxies for outpatient PPS measures,” and added that the entire outpatient PPS structure is under-funded, paying only 87 cents for every dollar of hospital care provided to Medicare beneficiaries.

In addition, the AHA said many ambulatory payment classification rates continue to fluctuate dramatically, making it difficult for hospitals to plan and budget from year to year. The final outpatient PPS rule will be released by November 1.

In a separate letter, the AHA and the American Health Information Management Association commented on CMS’ proposed 2007 codes and coding policy for hospital emergency department and clinic visits. The groups said that CMS should not implement new codes for these services in the absence of accompanying national code definitions and national guidelines for their application.

One of the major components affecting a hospital’s Medicare payment rate is the area wage index (AWI), which is supposed to account for differences in wages among various geographic locations throughout the country. However, the process for developing the AWI makes it common to find significant swings in wage index values among the different geographic areas, even when they may be adjacent to each other.

To compensate for those differences among neighboring areas, Congress included a provision in the Medicare Prescription Drug, Improvement and Modernization Act of 2003 that enables certain hospitals to obtain geographic reclassifications from one area to another for purposes of using a more appropriate wage index and receiving more accurate rates. Nationwide, 120 hospitals have the reclassifications, including several Arkansas hospitals.

The provision is set to expire in March 2007 unless Congress acts to change the situation, something that Sen. Chuck Grassley (R-IA), Chairman of the Senate Finance Committee, hopes to accomplish. Grassley announced last week that he will attempt to prevent the expiration by seeking a six-month extension of the provision with legislation that may be considered during the lame-duck session which will begin November 13.

In his announcement Grassley said, “When that [wage index value] difference isn’t recognized, it’s harder for a hospital to recruit and keep on staff nurses and other essential personnel without putting the hospital’s financing health in jeopardy.” Grassley said he is seeking a long-term solution to problems with the area wage index in addition to advocating a six-month extension.
Participants in the national Surgical Care Improvement Project (SCIP) are inviting patients to become partners in their surgical care and have provided a tip sheet of questions that patients should ask their physicians, nurses and other caregivers. The tip sheet is designed to make patients aware of things they should ask before surgery to improve their chances of avoiding infection, blood clots and heart attack following a surgical procedure.

At a Washington, DC briefing, Department of Health and Human Services Secretary Michael Leavitt applauded the efforts of the partnership to reduce surgical complications and more fully involve patients in their care. During the briefing, a care team including a surgeon, anesthesiologist, nurse executive and quality expert from Franklin Square Hospital Center in Baltimore highlighted their hospital’s success in improving care through SCIP, a national quality partnership of organizations interested in improving surgical care by significantly reducing surgical complications. More than 1,700 hospitals nationwide, including nine Arkansas hospitals, participate in the project. See the list of helpful questions at [http://www.ofmq.com/user_uploads/FINALconsumer_tips2](http://www.ofmq.com/user_uploads/FINALconsumer_tips2).

In an effort to achieve a more efficient and effective way to communicate information about the Medicare enrollment application, an upcoming November 1, 2006 Special Medicare Provider Enrollment Open Door Forum call has been scheduled. The Centers for Medicare & Medicaid Services (CMS) will hold this brief Medicare Provider Enrollment Conference Call to discuss the ways that providers and suppliers can facilitate their enrollment into the Medicare program.

During this call, CMS staff will summarize the Medicare enrollment regulation published on April 21, 2006, provide information regarding changes to the Medicare enrollment applications (CMS-855) and provide useful information to help facilitate enrollment into the Medicare program. In addition, CMS also will provide a resource e-mail box to allow participants to submit questions and comments. To participate, dial 1-800-837-1935 and refer to conference ID# 8711246.

An “Encore” recording of the call can be accessed by dialing 1-800-642-1687 and entering the Conf. ID # 8711246. The “Encore” recording begins 2 hours after the call ends and will expire after 4 business days.

The American Hospital Association (AHA) filed an amicus brief with the U.S. Supreme Court on October 26 in a case challenging the ability of an individual to bring a False Claims Act lawsuit. The issue in the case is whether a former employee had the required first-hand knowledge of fraud, since the information relied on was in the public domain. The Court of Appeals effectively permitted the case to go forward without any specific allegations of fraud.

The brief calls for “rigorous and easily applicable rules for discerning between cases prosecuted by legitimate relators with credible direct allegations of fraud” and “opportunistic” lawsuits that divert resources from patients and communities. It notes that the government has made a conscious decision not to pursue a significant majority of actions brought by private individuals, many of which involved information in the public domain. The Association of American Medical Colleges, Federation of American Hospitals, and American Health Care Association joined AHA in the brief ([Rockwell v. United States and United States ex rel. Stone](http://www.ofmq.com/user_uploads/FINALconsumer_tips2)).
When other public transportation is unavailable or insufficient, Section 5310 of the Federal Transit Act authorizes a capital assistance program to help local organizations acquire vehicles to transport elderly individuals and people with disabilities. Rural disability advocates and transportation planners need data on the rural and urban distribution and use of Section 5310 funds to maximize the availability and use of transportation resources. Are resources allocated equitably between urban and rural areas? Are local coordinated systems actually being implemented? How can we evaluate the effects of future Transit Act regulations and provisions?

In order to answer these important questions, researchers assessed and compared the local distribution and use of Section 5310 funds in urban and rural areas. To learn more, please read: Rural Disability and Rehabilitation Research Progress Report #34: Use of Section 5310 Transportation Resources in Urban and Rural America: A Baseline Assessment at [http://rtc.ruralinstitute.umt.edu/Trn/Section5310.htm](http://rtc.ruralinstitute.umt.edu/Trn/Section5310.htm).

In an October 23 comment letter, the American Hospital Association (AHA) expressed support for the latest draft revisions to the Joint Commission on Accreditation of Healthcare Organizations’ (JCAHO) standard for medical staff bylaws and other governance documents. The AHA said the revised standard (MS.1.20) gives hospitals greater flexibility to articulate, organize and adopt provisions for medical staff governance, management and accountability. Further, the AHA urged the JCAHO to clarify the language used in a proposed new Element of Performance (EP 27), which requires that the bylaws give medical staff as a whole the right to offer bylaws or amendments directly to the governing body.

In addition, the AHA encouraged JCAHO to give hospitals until three years after adoption of the final standard to comply with the EP. AHA said a “reasonable deadline” would give hospitals time to amend their medical staff bylaws and “ensure that their time and resources remain focused on patient care rather than the complexities of an unexpected and unplanned bylaws campaign.”

The Health Research and Educational Trust (HRET), the research and educational affiliate of the American Hospital Association, in collaboration with the National Health Law Program conducted a national survey of U.S. hospitals to seek information about patient language services in hospitals. The purpose of the survey was to better understand the processes and resources available to hospitals in providing language services to patients. The survey found that hospitals nationwide are encountering increasing numbers of patients with limited English proficiency. Eighty percent of hospitals frequently treat such patients and routinely provide language assistance, yet only 3% received any reimbursement for those services.

In a separate report, the Center on Budget and Policy Priorities offers several recommendations on ways that the federal government could help healthcare providers ensure quality care to Medicare beneficiaries by paying for the language services. Read that report at [http://www.calendow.org/reference/publications/pdf/cultural/Issue_Brief_on_Medicare_and_Language.pdf](http://www.calendow.org/reference/publications/pdf/cultural/Issue_Brief_on_Medicare_and_Language.pdf).

The Arkansas Hospital Association encourages its member hospitals to respond to an American Hospital Association (AHA) survey on health information technology (HIT). The survey seeks to gather information on the use of HIT by the nation’s hospitals and barriers to its adoption. It was mailed to all community hospitals on October 6 with instructions to complete and return the
survey no later than November 10. Given the rapidly accelerating pace of technology, and with HIT playing an increasingly important role in the areas of quality, patient safety and price transparency, it is critical to have the most up-to-date information on the steps hospitals are taking to further develop their IT capabilities and what they must do to continue their progress.

To find the link to the online survey, go to http://www.aha.org/aha/issues/HIT/hitsurvey.html. You will need a user name and password to complete this survey. Questions about the survey or instructions for obtaining a user name and password should be referred to AHA Member Relations at (800) 424-4301.

All About Arkansas

(Danville) Chambers Memorial Hospital (CMH) is embarking on its largest renovation project ever. Plans for the $12 million project call for the addition of 41 new private patient rooms that will have state-of-the-art medical equipment and include the remodeling of other areas of the hospital, much of which is 35 years old. The bulk of the financing will come through the federal Department of Housing and Urban Development (HUD). In 1999, CMH was the first hospital in Arkansas and the south to successfully utilize HUD funding and guarantees in financing a $7.1 million expansion project.

(DeWitt) DeWitt Hospital patients are now able to obtain more detailed ultrasound exams and get the results of those tests much quicker, thanks to the hospital’s new 4-D Ultrasound equipment. The unit allows parents-to-be the opportunity to get clearer in-utero pictures of their baby, while providing the added capabilities of additional Dopler studies to detect conditions like blood clots. The hospital also recently added a Picture Archiving and Communications System. Using the new system, the hospital can instantly send x-rays or other imaging pictures to a reading service and receive back the results in as little as one hour.

(Fort Smith) Sparks Health System broke ground earlier this month on a two-story, 142,000-square-foot emergency and critical care center. The expansion will adjoin the south corner of Sparks Regional Medical Center. The project includes space for the emergency center, a cardiac catheterization lab, a digital medical imaging department and an intensive care unit for a future inpatient and outpatient surgery department. Plans call for completion in about 15 months.

The AHA Calendar

November 2006

2-3 Healthcare Financial Management Association (HFMA) quarterly meeting, Inn of the Ozarks, Eureka Springs
2-3 Arkansas Healthcare Human Resources Association (AHHRA) fall conference, Holiday Inn Presidential Center, Little Rock
4 AAHE (Engineering) Quarterly Meeting, Medical Center of South Arkansas, El Dorado
10 AHA Board Meeting, AHA Headquarters, Little Rock
14 Audio conference: JCAHO Medication Management Standards: What Every Hospital Must Know to Ensure Compliance
15 Security in Healthcare Workshop, Embassy Suites, Little Rock
16 Government Relations 101 (Mid-Management Certificate Series), Wyndham Riverfront, North Little Rock
16-17 SAHPMM (Purchasing/Materials Mgmt.) Fall Education Seminar, Baptist Health Medical Center-Little Rock