

the Reporter

Illinois Hospital Association



October 15, 2007

NEW MANAGED CARE PLAN SURFACES

IHA asks members to contact their state legislators again to oppose mandatory Medicaid managed care, as Senate Republicans are now pursuing a different, but still harmful proposal. Instead of imposing a pilot, two-county program, their latest plan would automatically assign Medicaid recipients to HMOs in all counties that now have voluntary enrollment.

Legislators need to hear from their hospitals on this issue or they may assume that the issue has been resolved or that this latest plan is acceptable. Urge your legislators to tell their leaders not to include this latest plan or any other mandatory Medicaid managed care proposal in any budget implementation act. Members can send emails or letters to legislators from our web site ([click here](#)).

Meanwhile, a new Harvard Medical School study found that patients in Medicaid HMOs receive lower quality care than patients enrolled in commercial managed care programs, at the same time that HMOs are providing care for a rising number of Medicaid recipients. The study, published in the Oct. 10 *Journal of the American Medical Association*, concluded that managed care does not seem to be the solution for reducing disparities in the health care system.

SHOWDOWN ON SCHIP THIS WEEK

The U.S. House has scheduled an Oct. 18 vote on overriding the President's veto of a bill providing an additional \$35 billion for the State Children's Health Insurance Program (SCHIP) to be paid for by a 61-cent tobacco tax hike. The President, who said the bill would lead to socialized medicine by expanding the program to higher-income families, has proposed a \$5 billion

funding increase. Members can send emails urging their members of Congress to support an override of the President's veto from our web site ([click here](#)).

The SCHIP bill would also roll back new HHS rules prohibiting states from providing coverage to children in families making above 250% of the federal poverty level – unless it enrolls 95% of those eligible for SCHIP in households making under 200% of FPL – and requiring eligible children to wait 12 months after private coverage terminates before enrolling in SCHIP. Illinois is among several states that are suing HHS to overturn the new HHS rules.

IHA COMMENTS ON TAX-EXEMPT HOSPITALS DRAFT

IHA has sent Sen. Charles Grassley a letter commenting on the draft paper released by the Senate Committee on Finance-Minority on reform of nonprofit hospitals' entitlement to tax exemption. The draft recommends requiring 5% of revenue as charity care and excludes a range of other community benefits, despite more inclusive state laws. The draft also allows charity care to be recorded only at the lower of cost or the lowest rate paid by Medicare/Medicaid – both of which pay much less than cost – and only when patients are designated as eligible prior to billing.

IHA's letter said, "Imposing a one-size-fits-all standard for some minimum level of charity ignores the uniqueness of communities across the nation. Hospitals respond to health needs and charity needs that reflect the population of the community they serve. Any national standard needs to accommodate this diversity and allow

hospitals to show how they meet the needs of their community.”

The IHA letter and the draft paper are on our web site ([click here](#)).

STUDY: ILLINOIS 45th IN FED DOLLARS

An Associated Press report released Oct. 9 shows Illinoisans paid \$9,336 per person in federal taxes in 2005 and got only \$6,328 back, or about 68 cents per dollar. Illinois pays more as one of the wealthier states, but since it neither draws retirees nor has many military bases, fewer federal dollars return. Indiana, for example, receives \$1.12 per dollar, and Kentucky receives \$1.82. The AP report is based on a new U.S. Census Bureau report that shows Illinois ranks 45th among states in the return of federal dollars.

STATE ECONOMIC OUTLOOK CLOUDY

Illinois could be headed for challenging economic conditions, with rising unemployment and growing concerns about tax revenues, according to a report by the bipartisan legislative Commission on Government Forecasting and Accountability. Illinois had the largest unemployment rate increase (1%) of any state from August 2006 to August 2007. The report notes that “continued lack of growth in sales tax revenue and poor first quarter performance of corporate income taxes give rise for concern.”

BRIEFLY NOTED...

✓ The first year of the alliance between the National Kidney Foundation of Illinois (NKFI) and IHA was highly successful, with 19 member hospitals screening more than 1,100 people through *KidneyMobile* screenings. Due to its success, particularly in rural areas, the program has been renewed for 2008. Information about registration for 2008 and about NKFI’s Gift of Life Gala honoring IHA are available by [clicking here](#).

✓ “Health Insurance, Payment and Medicaid Trends,” will be offered Oct. 17 in Oak Brook. Keynote speaker Vernon K. Smith will speak on “Economics of Health Care: The Issues and Opportunities.” For registration, [click here](#).

✓ There’s still time to register for “Working as One: Patients, Families and Caregivers,” on Oct. 24 in Bloomington. This outstanding program will feature hospitals from the 2007 IHA Patient Safety Learning Collaborative and presentations by national experts. [Click here for registration](#).

✓ IHA members interested in learning from top experts on rapidly changing developments in incentives for performance, quality reporting, information technology, and other quality challenges shouldn’t miss COMPdata’s 20th Anniversary meeting, Oct. 29-30 in Lisle. Attendees will get customized reports on new Medicare provisions. To find out more, [click here](#).

✓ Gov. Blagojevich recently signed into law **SB 360**, the Nurse Practice Act, which was supported by a collaborative group of nursing and other provider groups, including IHA. The new law expands the scope of practice of Advanced Practice Nurses.

✓ An AHA report finds that chronic conditions such as asthma, diabetes and hypertension cause Americans to miss 164 million work days a year, costing employers \$30 billion. In Illinois, asthma alone accounts for about 5 million lost work days annually, costing employers \$925 million. The study is available at www.aha.org/aha/trendwatch/2007/twoct2007health.pdf.

✓ **Evanston Northwestern Healthcare** has been named a winner of the 2007 John M. Eisenberg Patient Safety and Quality Award by the National Quality Forum and the Joint Commission for its MRSA reduction program.