

the Reporter

Illinois Hospital Association



November 12, 2007

IHA CHALLENGES ASSESSOR REPORT

On Nov. 6, the Cook County Assessor's Office released *Exempt Hospitals: Valuation Estimates and Appraisal Methodology*, an inaccurate and misleading study that purports to estimate the aggregate property value and aggregate property tax liability of Cook County's 54 charitable hospitals. IHA and the Metropolitan Chicago Healthcare Council immediately issued a joint release, strongly urging policymakers, news media, and the public to dismiss the report.

"The report is based on a subjective methodology with incomplete data. Using 54 inaccurate hospital property values adds up to an inaccurate and misleading aggregate number," said IHA Sr. Vice President Howard Peters. "Moreover, this exercise has been fundamentally flawed from the very beginning. The notion of taxing [not-for-profit] hospitals is simply wrong. Hospitals provide far more in community benefits than their 'theoretical' tax liability, and taking money out of our financially fragile hospitals will shred the County's health care safety net."

The associations said that the charitable work of their members more than justifies their tax exemptions. The latest reports filed under the Illinois Community Benefits Act show that the non-profit hospitals in Cook County provide more than \$2.3 billion in charitable community benefits annually.

IHA OPPOSES HOSPITAL PRICING BILL

IHA reiterated its opposition to **HB684**, as currently amended, which would require hospitals to provide automatic discounts - down to 110% of Medicare rates - for all uninsured patients, regardless of their income, assets or residency, at a Nov. 7 subject matter hearing by

the Illinois House Health Care Availability and Access Committee.

IHA Sr. Vice President Howard Peters pointed out that Medicare does not pay hospitals for the full cost of providing care, with Illinois hospitals absorbing Medicare underpayments of \$1.8 billion a year. "Many of our hospitals, which serve the uninsured, and Medicare and Medicaid patients, live from month to month and are struggling to serve and survive," said Peters. "Without means testing and residency requirements, mandated discounts for all uninsured people would drive some hospitals toward bankruptcy."

Peters also noted that IHA has offered an amendment to the bill's sponsor to include reasonable and workable provisions for an income/assets threshold (up to 400% of the federal poverty level in urban areas and up to 200% of the poverty level in areas served by critical access and rural hospitals) and residency requirements, similar to what the state requires for Medicaid and its other health care programs.

The committee also heard representatives from **Northwestern Memorial HealthCare**, Chicago, and **Loyola University Health System**, Maywood, describe their institutions' financial aid policies. The testimony included examples of how Northwestern treats uninsured or out-of-network patients from across the country and around the world who willingly pay for complex procedures and care.

The committee did not take action on the bill, but the issue is likely to come up for further discussion in the 2008 legislative session. The full testimony by Peters is available on our web site ([click here](#)).

17 OF 19 ILLINOIS REPS SIGN LETTER

As of Nov. 7, 305 members of the U.S. House - including 17 of Illinois' 19 members - signed the House bipartisan Tubbs Jones/Porter letter urging the IRS to revise its proposed Form 990 Schedule H to allow for reporting the full value of hospital community benefits, including Medicare underpayments and bad debt. IHA thanks those hospitals who weighed in with their lawmakers on their concerns as well as our Illinois Congressional Delegation for their responsiveness and support for this issue.

LAWMAKERS WORKING ON SCHIP COMPROMISE

A group of U.S. House Republicans, including Rep. Judy Biggert (R-13th), met with Senate Chair Max Baucus (D-Mont.) and members of the Senate Finance Committee in attempts to work out an agreement on revisions to a bill to reauthorize the State Children's Health Insurance Program (SCHIP). The continuing resolution that maintains current funding for SCHIP expires Nov. 16. Democrats are preparing another stop-gap funding measure that would run through Dec. 14 and would include SCHIP if an agreement is not reached by Nov. 16.

FIRST INPATIENT EHR CERTIFICATIONS ANNOUNCED

The Certification Commission for Healthcare Information Technology (CCHIT) announced the first list of CCHIT certified inpatient electronic health record (EHR) products certified for hospital use under the 2007 EHR Inpatient Criteria. Products from Computer Programs and Systems, Inc. (CPSI); Eclipsys Corp.; Epic Systems Corp.; and Healthcare Management Systems, Inc. were certified. Pre-market conditional certification was given to products by Prognosis Health Information Systems and Siemens Medical Solutions. CCHIT is a recognized certification body for electronic health records and their networks.

TWO NEW HOSPITALS OPEN

The new 100-bed **Kishwaukee Community Hospital** opened in DeKalb in October, replacing the 32-year-old facility. The patient-centered, prairie-style design includes all private rooms, many new technological advances and a healing garden. **Northwestern Memorial Hospital's** Prentice Women's Hospital also opened in October. The 17-story hospital brings together a full range of comprehensive care for women in one location. Prentice continues to be the largest birthing center in Illinois.

BRIEFLY NOTED...

✓ A circuit judge in Cook County is scheduled to release her ruling on the constitutional challenge to Illinois' two-year-old medical liability reform law on Nov. 13. Whatever the judge's ruling, it will likely lead to an appeal to a higher court. If the judge upholds the law, an appeal would be reviewed by the Appellate Court. If the judge strikes it down, an appeal would go directly to the state Supreme Court.

✓ AHA recently released a poll that finds health care tops issues that voters in the early primary states (New Hampshire, Iowa, South Carolina and Nevada) want the presidential candidates to address. Health care costs and coverage were the two top health care issues that voters want candidates to tackle, with nearly 9 out of 10 voters polled favoring changes to the health system including coverage for all.

✓ USDA Rural Development awarded a Distance Learning and Telemedicine grant to **Sarah D. Culbertson Memorial Hospital**, Rushville, to improve access to education and medical services by using telemedicine. In addition, State Flex HIT grants were awarded to **Good Samaritan Regional Health Center**, Mt. Vernon, **Salem Township Hospital**, and **Washington County Hospital**, Nashville.