

the Reporter

Illinois Hospital Association



March 12, 2007

IHA SUPPORTS GOVERNOR'S HEALTH COVERAGE PLAN

The Executive Committee of IHA's Board of Trustees voted last week to support Governor Blagojevich's *Illinois Covered* proposal that aims to provide access to health care coverage for the state's uninsured adults. In announcing IHA's support of the Governor's plan, Association President Ken Robbins said: "Enhancing access to health care has always been our major goal. We applaud the Governor for taking this groundbreaking step. We look forward to working with the Governor and the General Assembly to work out the details of the *Illinois Covered* program."

The Governor outlined his health care plan and a new gross receipts tax on businesses to help pay for it in his state budget address to the General Assembly on March 7. "There are 1.4 million adults in Illinois who don't have health insurance," Blagojevich said. "At the heart of our plan is one simple goal: Everyone should have access to affordable, quality health care."

The Governor is calling for a combination of programs to be phased in over three years that could help every currently uninsured adult obtain health insurance. People making less than 100% of the federal poverty level (FPL) could sign up for a state program similar to Medicaid that would provide free coverage. Anyone making between 100% and 400% of FPL would qualify for a variety of subsidies. His plan would require insurance companies to offer a low-cost policy that would be available to everyone, no matter what their health condition, and would assess a 3% payroll tax on employers who do not provide insurance for their employees. Businesses with fewer than 25 workers that agree to subsidize

70% of their employees' premiums could buy insurance through a pool.

As part of his proposed \$49 billion state budget for operating expenses, the Governor is calling for a gross receipts tax, which could raise \$6 billion a year when fully in place. About \$2.1 billion of that would go to the health plan and \$1.5 billion for increased education spending. Not-for-profit hospitals would be exempt from the tax.

IHA urged the Administration to exempt all hospitals from the tax and, failing that, to at least exclude Medicare and Medicaid revenues from the tax base. As proposed, the tax would exclude only Medicaid revenues. IHA continues to engage in active discussions to minimize the burden of the proposed tax on all hospitals.

IHA is sending members memos with more details on the Governor's health and state budget proposals. The Governor's proposals can be viewed at: www.illinois.gov/gov.

HYNES: STATE DEFICIT LOWER

State Comptroller Daniel Hynes released Illinois' Comprehensive Annual Financial Report earlier this month, showing that the state's General Fund deficit was \$2.3 billion for the fiscal year ending June 30, 2006, an improvement of \$736 million from the previous year. However, the improvement, said Hynes, does not significantly alter the state's overall fiscal health, which is negatively affected by accrued Medicaid liabilities, long-term pension obligations, and cash flow problems. He notes the state's fiscal challenges will be compounded next year as the state resumes making mandated

pension contributions that had been suspended in FY2006 and this year.

FEDERAL ADVOCACY HEATS UP

More than 150 hospital leaders – including several from Illinois – urged Congress to stop Medicare and Medicaid cuts at AHA’s Budget Advocacy Day March 6. After briefings from U.S. Rep. Richard Neal (D-MA) and AHA staff, participants headed to Capitol Hill to tell their lawmakers how the cuts would hurt their communities. Neal and Rep. Phil English (R-PA) are circulating a letter asking the U.S. House Budget Committee to protect Medicare and Medicaid. Members can send an email or letter from IHA’s web site, urging their representatives to sign the letter.

AHA also has planned a “fly-in” advocacy day for Inpatient Medical Rehabilitation on March 22 in Washington, D.C. Concerned hospitals are urged to participate to ensure that patients’ access to inpatient rehabilitation is protected and that no cuts are made to these vital services.

Also, on the federal advocacy front, don’t forget the March 14 deadline for completing AHA’s “Telling the Hospital Story” survey. To obtain a password to complete the survey online, contact AHA Member Relations 800-424-4301 or membrel@aha.org.

Finally, plan to make the most of your federal advocacy efforts by attending the 2007 AHA Annual Membership Meeting, May 6-9 in Washington, D.C. IHA activities include a member advocacy briefing and reception and meetings with members of the Illinois Congressional Delegation on May 9.

BRIEFLY NOTED...

✓ There is still time to register for the 2007 Patient Safety Learning Collaborative, “Working

as One: Patients, Families, and Caregivers.” Visit our web site for more information, and contact Becky Steward at 630-276-5585 to sign up for this important program.

✓ John Penn, Business Manager of the Great Plains Laborers District Council, has been appointed a member of the Illinois Health Facilities Planning Board.

✓ The Illinois Department of Healthcare and Family Services has issued an *action* notice that specifies the data that hospitals must submit for determination of eligibility for rate year 2008 Medicaid Disproportionate Share, Medicaid Percentage Adjustment, Critical Hospital Adjustment, and County Trauma Center Adjustment payments. The notice and required forms are on our web site.

✓ More hospitals across the U.S. are using health information technology (HIT) to support improved quality of care and patient safety, according to an AHA survey. Half of responding hospitals reported moderate or high use of HIT in 2006, compared to 37% in 2005. Survey results are available at www.aha.org/aha/content/2007/pdf/070227-continuedprogress.pdf.

✓ Roger W. Johnson, CEO of **Alexian Brothers Medical Center**, Elk Grove Village, since 2003 and with the Alexian Brothers Hospital Network for more than 30 years, passed away on March 5. He helped lead Alexian Brothers through a period of unprecedented growth. Johnson, who was 61, served on the Healthcare Associates Credit Union Board from 1989-2005.

✓ Learn how to use IHA’s online advocacy tool to send emails and letters to your legislators by participating in our web conference March 14 at 2 p.m.