

June 11, 2007

GENERAL ASSEMBLY IN OVERTIME

The Governor and legislative leaders last week began holding a series of meetings in an effort to reach agreement on the state budget for the new fiscal year that starts July 1. However, as the *Reporter* went to press, no progress had been reported. While the House is scheduled to meet three days a week during the month of June, the Senate has yet to post its schedule for June. On June 7, the Senate adjourned for a week.

As the discussions continue among the leaders, it is critical that members contact their senators and representatives and stress the importance of making health care funding a top priority in the state budget. If hospitals don't speak out while there is still discussion about the budget and possible sources of new revenues, we may be left behind when the budget is finally settled. That includes the possibility of a do-nothing or low-growth state budget that could harm hospitals and the health care delivery system. Members can send an email or letter to their legislators from our web site ([click here](#)).

SENATORS CALL FOR CHANGES IN IRS FORM 990

U.S. Senators Charles Grassley (R-Iowa) and Max Baucus (D-Mont) sent a letter to the Treasury Dept. late last month asking that the IRS Form 990 used by not-for-profit organizations be updated to capture more and better information. Grassley, the ranking member of the Senate Committee on Finance, and Baucus, the chairman of that panel, also strongly urged the IRS to look closely at the reporting guidelines of the Catholic Health Association regarding charity care and community benefits as a template for requesting supplemental

information from large, complex institutions, such as hospitals and universities. Hospitals should state "in plain language what is the hospital's charity care policy and how individuals are informed of that policy," the letter said, referring to testimony before the Finance Committee last year indicating that it was difficult to ascertain some hospitals' charitable care policy. The senators also recommended that the IRS ensure Form 990 information is made available to the public through nonprofit organizations' own web sites or other methods.

Illinois hospitals have had clear charity care policies and communicated them to their patients since IHA and MCHC adopted guidelines on charity care and collection practices in 2003. Also, a new state law, the Fair Patient Billing Act, includes provisions on informing patients about how to apply for financial assistance, which apply to hospital services starting July 1. IHA's background memo about the law is available by [clicking here](#) (password required).

CONGRESS URGES CMS TO STOP MEDICARE CUTS

The Centers for Medicare and Medicaid Services is being urged to stop nearly \$25 billion in proposed cuts to the Medicare inpatient prospective payment (PPS) system. In separate letters sent last week to CMS, 63 U.S. Senators and 268 U.S. Representatives oppose two key provisions in the proposed inpatient PPS rule that would cut Medicare payments to hospitals by 2.4% in the next two years and eliminate the capital update for urban hospitals (a 0.8% cut) and additional payments for large urban hospitals (an additional 3% cut).

IHA thanks our U.S. Senators and members of the Illinois House delegation who signed the letters. See our web site ([click here](#)) for copies of both letters and the list of members of the Illinois delegation who signed them.

CMS is still accepting comments on the proposed inpatient PPS rule until 5 p.m. EDT on June 12. Comments may be submitted electronically at www.cms.hhs.gov/eRulemaking (attachments can be in Microsoft Word, WordPerfect, or Excel; however, CMS prefers Microsoft Word).

CALL FOR NOMINATIONS FOR 2007 IHA AWARDS

IHA is inviting members to nominate colleagues who deserve special recognition for their achievements in making outstanding contributions to the Association, the health care delivery system, and the welfare of Illinois communities. To nominate a person, write a brief letter to the nominating committee that includes the person's name, position, the award, and the reasons you believe the person deserves the award. Nominations can be mailed or faxed to Flora Albrecht (fax: 630-276-5431) no later than Friday, June 15. The awards will be presented Sept. 6 at the IHA Leadership Summit in Galena.

The Excellence in Service Award is presented to one or more individuals who have consistently demonstrated loyalty to the Association by contributing their time, talents and leadership. The Excellence in Public Service Award is given to legislators or other public officials who have consistently initiated and supported measures that improve the quality and delivery of health services. The Distinguished Service Award recognizes individuals who have made major contributions to health care delivery, health education, or other services that improve the health of Illinoisans.

BRIEFLY NOTED

- ✓ If a 10% cut in Medicare fees to doctors takes effect in 2008, doctors will be forced to cut staff, postpone buying new equipment, and significantly reduce the number of Medicare beneficiaries they care for, according to a survey by the American Medical Association released last week. IHA has joined physicians in urging Congress to prevent the cuts, while cautioning lawmakers not to reduce payments to other health care sectors.
- ✓ Researchers have found that hospitals with a quality improvement program for heart attack patients that did not receive financial incentives improved as much as hospitals in a CMS pay-for-performance pilot program. A report in the June 6 *Journal of the American Medical Association* compared measures for nearly 450 hospitals not receiving performance rewards with measures at 54 hospitals participating in the CMS pilot program and reported that both groups improved at the same rate. However, the researchers also concluded that "additional studies of pay for performance are needed to determine its optimal role in quality-improvement initiatives."
- ✓ To help hospitals assess and improve their preparedness for pandemic influenza, CDC is offering a checklist for planning and decision making and development of a written influenza pandemic plan. [Click here to see the checklist.](#)
- ✓ IHA Sr. Vice President Pat Merryweather participated in a panel discussion on information technology and health care quality held June 6 at Chicago's Navy Pier. The panel was part of the Illinois Leadership Forum on Health Care Quality Measurement and Improvement, which focused on the value of measuring health care quality. An archived web cast of this event will be available as of June 13 at: www.kaisernetwork.org/health_cast/hcast_index.cfm?display=detail&hc=2167.