

the Reporter

Illinois Hospital Association



June 18, 2007

ASSESSMENT SUPPLEMENTAL SENT TO GOVERNOR

Legislative leaders late last week certified **SB241**, which includes the \$1.2 billion supplemental appropriation for the Hospital Assessment Program, and sent it to the Governor.

After the bill is enacted, the state will be able to resume making assessment payments to hospitals. You can send an email or letter to the Governor, urging him to sign **SB241**, from our web site, www.ihatoday.org.

IRS ISSUES DRAFT OF NEW FORM 990

Tax-exempt hospitals will be required to file a new supplemental schedule on community benefits as well as information on billing and collections and joint ventures, under a redesign of the IRS Form 990. The IRS last week released drafts of the new Form 990 and supplemental schedules for organizations that conduct certain activities, such as hospitals. The IRS hopes to have the form ready for tax year 2008 and is seeking public comment until Sept. 14.

In developing Schedule H for tax-exempt hospitals, the IRS says it used the Catholic Health Association's community benefit reporting model but recognizes there are alternative models and welcomes comments in this area. It appears the IRS is looking to expand the definition of charity care to include unreimbursed Medicaid and unreimbursed costs from "other government programs." The new Form 990 can be seen at: www.irs.gov/charities/article/0,,id=171216,00.html.

IHA CAMPAIGN FOR HEALTH CARE

"Three Weeks to a Better Budget" is IHA's new campaign to persuade state leaders to put health care at the top of the state's budget priorities.

Our goal is to get the hospital message out on as many fronts as possible before the Governor and legislative leaders hammer out their differences and reach a final decision on the state budget. With education, transportation, and pensions all vying for a piece of the budget pie, it is imperative that hospitals speak out loudly, clearly, and immediately for adequate Medicaid funding and expanded insurance coverage.

As your representative, IHA will meet with the Governor, legislators, and the media – but you, who care for their constituents, will have an even more powerful voice. Our campaign will not succeed unless our members spread the message about how Medicaid underfunding and the burden of caring for the uninsured affects your patients and your communities.

Look for a packet of resource materials we will e-mail to CEOs this week, including talking points and sample letters to legislators and the media that you can use in this campaign.

NEW REPORTS PROBE QUALITY

Scrutiny of health care quality is growing, with two major reports released last week and another due this week. CMS will post hospital-specific mortality measures for cardiac patients at www.hospitalcompare.hhs.gov on June 21. The measurements cover Medicare patients from July 2005 through June 2006 who died while hospitalized or within 30 days after discharge.

Hospitals have already been provided with their heart failure and acute myocardial infarction mortality rates. Chicago-area media plan to cover this report, so Illinois hospitals should be prepared to discuss their quality improvement efforts and admission sources, if relevant.

Last week, two national organizations released state-specific reports on health care quality, based on data that is several years old. AHRQ released its latest “State Snapshots.” Illinois ranked as average, scoring best in drug and pain management in home health care, getting appointments, and chronic care in nursing homes, and lowest in pneumonia vaccinations for those over 65, beta blocker/aspirin prescribed for heart attack discharges, and avoidable hospitalizations for uncomplicated diabetes.

The Commonwealth Fund released a “scorecard,” ranking states on several measures. Illinois scored in the average range with an overall ranking of 36, with its best score in access and equity, and worst in avoidable hospital use/costs and healthy lives.

IHA’s memo about these reports, sent to members last week, can be seen at: www.ihatoday.org/issues/quality/publicacct.html.

RUSH SEEKS DRUG DISCOUNTS FOR MORE HOSPITALS

Illinois U.S. Rep. Bobby Rush (D-1) and two other representatives have introduced a bill (HR 2606) that could save hospitals and their patients millions of dollars by expanding the Medicaid “340B” prescription drug discount program to more hospitals and community health centers.

The program now allows about 12,000 hospitals and clinics that serve a high proportion of indigent patients to pay as much as 50% less for outpatient drugs by requiring drug companies participating in Medicaid to provide steep discounts. The bill would extend eligibility to more rural hospitals, Medicare-dependent hospitals, children’s health care providers and mental health and substance abuse centers. The bill also would expand the program to inpatient medications for hospitals that currently qualify.

Rush, who announced the bill at a June 6 news conference attended by several IHA members, expects the legislation to reach the House floor

by the end of the year. The measure is strongly supported by AHA and IHA. Members are urged to ask their representatives to cosign the bill.

CARD CHECK BILL MAY MOVE

On June 18, U.S. Senate leaders are expected to bring up the “card check” bill (S1041/HR800) for a procedural vote to begin debate. The bill, which has passed the House, would require employers to recognize a labor union solely through the card check process. Although Illinois Sens. Durbin and Obama indicated they support the bill, IHA encourages hospitals to express their concerns and ask the senators to oppose bringing the bill to the floor. You can send an email or letter to your senators from our web site.

BRIEFLY NOTED

✓ IHA continues to object to the Illinois Division of Insurance’s (DOI) attempts to collect medical malpractice claims data from self-insured hospitals. The Association believes that the expanded reporting requirements under the 2005 medical liability reform law do not apply to self-insured hospitals. IHA will meet with DOI in late June to raise technical concerns about the data collection process and to continue to press our opinion that the requirements do not apply to hospitals. In the meantime, DOI has extended the reporting deadline for hospitals to July 30.

✓ IHA is urging Illinois members of Congress to co-sponsor legislation (HR1459/S543) that would prevent further implementation of the “75% rule” on inpatient rehabilitation. The rule restricts access to inpatient rehabilitation for patients who need it in specialized settings. To qualify as an inpatient rehabilitation facility under Medicare, 60% of patients must now fall within 13 conditions. CMS plans to increase the threshold to 65% this July and to 75% in July 2008.