

the Reporter

Illinois Hospital Association



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IHA AND MEMBERS PRESS FOR IMPROVEMENTS IN STATE BUDGET

With time running out for the current state budget, which expires June 30, the Governor and legislative leaders agreed last week to avoid a potential government shutdown by approving a one-month budget extension. They plan to pass the extension this coming week.

Earlier last week, the Senate passed a non-binding resolution finding the no-growth budget passed by the House unacceptable. Under that budget, funding for Medicaid, education, and social service programs would be limited to current levels.

While negotiations over a new budget continue, IHA is taking advantage of the current period of uncertainty by meeting with legislative leaders, accompanied by key hospital representatives, to argue for making health care a top priority in the state budget. Members received materials by e-mail last week to use in participating in our advocacy campaign to persuade legislators to put adequate Medicaid funding and expanding coverage to the uninsured in the budget.

If you haven't done so yet, we urge you to make use of these resources, which are available on IHA's web site ([click here](#)). We thank members who sent nearly 900 e-mails and letters to legislators about health care funding from our web site in the past week, as well as messages to the Governor urging him to sign **SB241**, which includes the \$1.2 billion supplemental appropriation for the Hospital Assessment program.

RURAL LEADERS FOCUS ON CRITICAL TRENDS

About 150 hospital leaders attended the annual meeting of IHA's Small and Rural Hospitals Constituency Section in Springfield last week. They heard presentations on several critical health care issues, including: workforce shortages, state public reporting requirements and performance improvement initiatives, and effective hospital board

governance – with a highly entertaining mock board meeting to “diagnose and treat governance disorder.” Many of the attendees also participated in a hospital crisis communications breakout session sponsored by the Illinois Society for Healthcare Marketing and Public Relations.

In introductory remarks, IHA Board Chairman Gary Barnett urged attendees to contact their legislators about the need for health care funding in the budget. “There are a lot of competing interests on the budget. We have to be there to get the fair share for health care,” Barnett said. IHA President Ken Robbins warned members that the no-growth budget passed by the House actually cuts funds from Medicaid. “The state would have to add 30 days to the payment cycle or require 230,000 people to lose their health care coverage,” he said. “Not adequately funding Medicaid is not an acceptable public policy.” Robbins said.

Keynote speaker Kent Bottles, MD, vice president and chief medical officer for the Iowa Health System, noted that the health care environment is chaotic and uncertain, and that hospitals must be ready for a wide range of issues. These include proving that they provide high-quality, safe, cost-effective care; reducing variation in the delivery of care; CMS public reporting of quality data and pay-for-performance to improve care, transformation of clinical information technology; consolidation of third-party payers; and balancing good physician relations with providing high quality care.

CARDIAC MORTALITY RATES RELEASED

CMS and the Hospital Quality Alliance have posted new hospital-specific cardiac mortality rates on the Hospital Compare web site, www.HospitalCompare.hhs.gov. The site allows consumers to compare a hospital's risk-adjusted 30-day mortality rates for Medicare patients hospitalized with heart attack or heart failure with the national average. Every hospital is ranked as “no different

than the U.S. national rate,” “better than the U.S. national rate,” or “worse than the U.S. national rate.”

The vast majority of hospitals ranked in the “no different” category. In Illinois, out of 185 hospitals, two did better and two did worse than the national average for heart failure, and one did better and none did worse for heart attack. Nationally, out of 4,734 hospitals, 38 did better than the national rate and 35 did worse for heart failure. Out of 4,453 hospitals 17 did better and seven did worse for heart attack.

The data are based on Medicare reports on patients who died between July 2005 and June 2006 of any cause within a month of entering the hospital for treatment of heart attack or heart failure. The mortality rates will be updated annually. Also added to the Hospital Compare web site are new data on steps hospitals have taken to prevent surgical infections and pneumonia.

LETTERS TO CMS EXPRESS SENATORS’ CONCERNS

In a letter sent to CMS last week, U.S. Sen. Max Baucus (D-MT), chairman of the Senate Committee on Finance, and Sen. Chuck Grassley (R-IA), ranking member, disagreed with a provision in CMS’s proposed inpatient prospective payment regulation that would reduce payments by 2.4% to offset predicted inappropriate coding procedures as hospitals move to DRGs based on severity. Both Illinois senators and ten Illinois representatives had earlier signed on to a letter saying that they opposed the payment reductions. The comment period for the proposed regulation ended June 12. The CMS is expected to issue its final rule in August.

In a second letter, Sen. Grassley urged CMS to clarify how hospitals report uncompensated care in data submitted to the agency. To ensure consistency, he said CMS should follow the recommendations of the Medicare Payment Advisory Commission, which says CMS should specify what counts as charity care and bad debt and should require hospitals to report itemized uncompensated care expenses.

BRIEFLY NOTED

✓ During its annual meeting in Chicago last week, the Catholic Health Association circulated its principles for health care reform for comment by

members. The principles, which will be finalized later this year, endorse universal coverage and call for financing to be fairly and equitably spread across society, rather than made the responsibility of any one sector.

✓ The IHA Constituency on Volunteers Scholarship Selection Committee has awarded 30 scholarships of \$1,000 each to students pursuing a career in health care fields, including nursing, medicine, therapy and pharmacy. The annual scholarships are made possible by donations from auxiliaries and volunteers and matching funds from member hospitals.

✓ A study in the July 17 issue of *The Annals of Internal Medicine* says regulations limiting the number of hours interns and residents can work have led to improved outcomes, including fewer medication errors, fewer transfers to the ICU and fewer deaths. The study was based on data from Yale-New Haven Hospital.