

the Reporter

Illinois Hospital Association



August 13, 2007

STATE BUDGET MAY ALMOST BE DONE

The Illinois House and Senate passed nearly identical versions of a new \$59 billion state budget on Aug. 9. As the *Reporter* went to press, while some tensions remain, efforts were being made in the two chambers to work out the differences in order to send a final plan to the Governor. While the Governor may sign it, he also may use his line item veto authority to make substantial changes, forcing a showdown with the General Assembly over the issues that he considers priorities.

The state budget includes a \$158 million increase for hospitals in the Medicaid program – a significant improvement over an earlier bare-bones plan passed by the House – which could improve the payment cycle. The budget also includes \$1.2 billion for the Hospital Assessment Program for FY2008, with lawmakers assuming that the Governor will sign **SB241**, which includes \$1.2 billion for the program for FY2007 payments to hospitals.

IHA Sr. Vice President Howard Peters testified in key appropriations committees in the House and Senate this week, raising serious concerns about whether the state would be able to disburse all of the FY2007 assessment payments before the spending authority under **SB241** expires Aug. 31. He urged lawmakers to include appropriations for the assessment program for both FY2007 and FY2008 in the new budget. It may be necessary for the Legislature to take further action in the near future to reappropriate any amounts not paid by Aug. 31.

While lawmakers are close to completing their work on the budget, they may come back to Springfield in a few weeks to deal with issues

such as a capital program, mass transit and the Governor's health care proposal.

BOARD NOMINATIONS ANNOUNCED

IHA's Committee on Nominations has selected Harry Wolin, Administrator and CEO, **Mason District Hospital**, Havana, as Chairman-Elect of the Board of Trustees for 2008. Wolin has been a trustee since 2003 and currently serves as Treasurer. He also serves on the Finance and Audit, RHIO and S&R Constituency Steering Committees. This year's Nominating Committee was chaired by 2006 IHA Chairman Ray Grady, President and CEO, **Evanston Hospital**.

The committee also nominated William Leaver, President and CEO, **Trinity Regional Health System**, Rock Island, as Treasurer and Patrick Magoon, President and CEO, **Children's Memorial Hospital**, Chicago, as Secretary. The 2008 Chairman is James Skogsbergh, President and CEO, **Advocate Health Care**, Oak Brook.

Nominated as at-large trustees were Nancy Newby, Ph.D., President and CEO, **Washington County Hospital**, Nashville; Dean Harrison, President and CEO, **Northwestern Memorial HealthCare**, Chicago; and Barbara Martin, CEO, **Vista Medical Center East**, Waukegan. Alan Channing, President and CEO, **Sinai Health System**, Chicago; James Hayes, President and CEO, **Greenville Regional Hospital**; and Gary Kaatz, President and CEO, **Rockford Memorial Hospital**; were re-elected.

Election of trustees and officers will take place at the Leadership Summit in Galena on Sept. 6, with voting open to individual member hospitals.

IHA FOCUS ON PATIENT SAFETY

Representatives from 17 hospitals attended IHA's Patient Safety Learning Collaborative videoconference on Aug. 3. IHA's unique learning network is focusing on proactive strategies to engage patients and families in the delivery of safe care.

"Partnering for Patient Empowerment through Community Awareness" highlighted the partnership between **Katherine Shaw Bethea Hospital**, Dixon, and the Dixon Public Library. Patient safety information was offered in the non-threatening environment of a library.

"Good Catches at **St. Alexius Medical Center** (Hoffman Estates)" focused on a "near miss" reporting initiative to identify potential medical errors or other events that could have caused patient harm if not recognized and corrected.

All Illinois hospitals are invited to the Collaborative's Oct. 24 "Safety Connections" Conference in Bloomington.

IHA QUESTIONS REDESIGNED 990

IHA is raising several concerns with the IRS on its new Schedule H for hospitals as part of the redesigned Form 990 and its 15 accompanying schedules. In a letter sent late last week, IHA notes that parts of the new schedule H "will be unduly burdensome for many hospitals, requires information that is not necessary to promote compliance with tax-exempt standards, and is duplicative of information from the core Form 990 redesign and several other schedules."

IHA's concerns about Schedule H include:
--Medicare shortfalls and bad debt need to be included in the definition of community benefits;
--The calculation of community benefits as a percent of expenses should be eliminated due to variations in the corporate structures of hospitals;
--The section on billing and collections should be removed because such information is not

required under the community benefits standard and because it seeks information not maintained in hospital financial records.

IHA also says that the IRS should assess the burden of the redesigned Form 990 prior to implementation, noting that some hospitals may need to complete as many as 10 to 14 of the 15 schedules. IHA suggests a minimum two-year delay for implementing Schedule H. IHA urges members to provide individual comments to the IRS, with specific information on how the new form will affect their facilities. IHA's letter to the IRS was included in the Aug. 10 Friday Mailing and is available by [clicking here](#).

AUG. 15 QUALITY DATA DEADLINE

Hospitals must submit a revised Notice of Participation for the inpatient hospital quality reporting program by Aug. 15 to receive a full market basket payment update for FY2008. This form is available on the Quality Net web site, www.qualitynet.org. If you have any questions, contact the Illinois Quality Improvement Organization at (800) 386-6431 or the IHA performance measurement helpline at perfmeas@ihastaff.org.

BRIEFLY NOTED...

- ✓ The FTC last week rescinded its prior order calling for divestiture of **Highland Park Hospital** from **Evanston Northwestern Healthcare** (ENH). The FTC's order, however, requires that ENH set up independent managed care contract negotiation teams – one for **Evanston Hospital** and **Glenbrook Hospital**, Glenview, and one for Highland Park.
- ✓ Registered nurses at **Mount Sinai Hospital** have voted 293 to 152 to reject representation by the California Nurses Association/National Nurses Organizing Committee.