

# the Reporter

Illinois Hospital Association



September 17, 2007

## HEARINGS BEGIN ON BUDGET CUTS

The Illinois House last week began holding a series of public hearings around the state on cuts made to the FY2008 state budget. Members are encouraged to testify at the hearings, which continue until Sept. 27, to express concerns about how Medicaid underfunding and the lengthy payment cycle are affecting their institutions. The schedule of hearings and sample testimony are on our web site ([click here](#)).

## STATE TO BORROW FOR ASSESSMENT

As the *Reporter* was going to press, the state was moving closer to securing \$1.2 billion in short-term borrowing so that it can make assessment payments to hospitals due in FY2007. Bids from financial firms were due on Sept. 13. The state anticipates securing short-term borrowing by the week of Sept. 24, with payments to hospitals to be made within the following few days.

## MANAGED CARE STILL A THREAT

A proposal to implement mandatory Medicaid managed care in two contiguous counties in Illinois is still alive in the General Assembly. The plan, contained in the Human Services Budget Implementation Act, is expected to come up for a vote in the House in early October. Such a plan would jeopardize continuation of the Hospital Assessment Program. Members are urged to contact their legislators and ask them to oppose the mandatory Medicaid managed care language in the budget implementation act. Members can send an email or letter to their legislators from our web site ([click here](#)).

## ROBBINS ADDRESSES BIG PICTURE

In his address to Leadership Summit attendees, IHA President Ken Robbins spoke of the changes he has seen during his 31 years with the

Association. "I've seen hospitals move from charges to cost based payments...to prospective payments. I've seen unions conduct vicious, anti-hospital corporate campaigns. We have by and large weathered all of those storms, and managed care and capitated care, to boot."

"I thought I'd seen it all," he said. But, he observed, the 2007 legislative session is unlike any other in its ineffectiveness. Noting its contentious nature, Robbins said, "Someone once said that when you circle the wagons you should point the rifles outward. In Springfield, the most dangerous place to be is in the center of the circle."

He noted that: "Hope for a better day for our patients is what gets us going every day. Hope is at the core of our being as hospitals and care givers. Hope is what we give to our patients and their families. Hope is why we are valued by the communities we serve."

## BOARD FOCUSES ON UNFINISHED LEGISLATIVE BUSINESS

During the Leadership Summit, the IHA Board got an update from IHA Sr. Vice President Howard Peters on several issues of concern to the hospital community that are still pending in Springfield. Those issues include the state's efforts to secure short-term borrowing for the Hospital Assessment Program; the Governor's amendatory veto that reduced the Medicaid appropriation for hospitals by \$40 million; the Governor's revised Illinois Covered health plan; and, mandatory Medicaid managed care.

The Board also received reports concerning the Association's draft strategic plan for 2008 – details of which will be presented to members at

the October region flyaround meetings – and the Board’s self assessment.

### **IHA ANNUAL AWARDS ANNOUNCED**

IHA annual awards were bestowed at the Leadership Summit for outstanding contributions to the health care field. State Sen. Susan Garrett (D-Lake Forest) was awarded the Excellence in Public Service Award. Distinguished Service Awards were given to Robert T. Clarke, president and CEO of **Memorial Health System** in Springfield, and Donald Lee Johnson, chair of the governing board of **Mercer County Hospital** in Aledo. Excellence in Service Awards were presented to Dr. Wayne Lerner, president and CEO of **Holy Cross Hospital** in Chicago, and Darryl Vandervort, president and CEO of **Katherine Shaw Bethea Hospital** in Dixon.

AHA’s Grassroots Champion Award went to Robert Christie, vice president of government and legislative relations for **Northwestern Memorial Hospital** in Chicago. AHA/IHA PAC MVP Awards went to William Leaver, president and CEO of **Trinity Regional Health System** in Rock Island, and **Northwestern Memorial HealthCare** in Chicago.

### **IHA-COWL RECEPTION OCT. 2**

IHA’s fifth annual reception for women hospital leaders and the Conference of Women Legislators (COWL) will be Oct. 2 at the Sangamo Club in Springfield. The event offers an opportunity for attendees to talk to legislators about critical health care issues. The reception is a month earlier than usual since the Fall Veto Session has been moved up a month. For information, contact Nichole Magalis at 217-541-1162 or [nmagalis@ihastaff.org](mailto:nmagalis@ihastaff.org).

### **BRIEFLY NOTED...**

✓ The Illinois Dept. of Revenue and Attorney General’s Office have filed notice that they are appealing a circuit court decision that reversed the Department’s denial of property tax

exemption for **Provena Covenant Medical Center** in Urbana. In a statement to the news media, IHA President Ken Robbins expressed disappointment and said: “The Department of Revenue’s administrative law judge and the circuit court judge were both correct in determining that Provena Covenant deserves and has earned tax-exempt status.”

✓ As of Oct. 1, Medicaid will require all written (non-electronic) prescriptions for outpatient drugs, including over-the-counter drugs, to be written on a tamper-resistant pad, even if Medicaid is not the primary payer. See [www.hfs.illinois.gov/pharmacy/tamper.html](http://www.hfs.illinois.gov/pharmacy/tamper.html) for more information.

✓ An extension may need to be enacted by Congress to avoid a funding cutoff for the State Children’s Health Insurance Program (SCHIP) if House and Senate negotiators cannot agree by Sept. 30. Meanwhile, a letter was sent to President Bush from 44 senators asking him to rescind new rules limiting SCHIP enrollment to the lowest-income children.

✓ Oct. 3 is Inpatient Medical Rehabilitation Advocacy Day in Washington, D.C. Lawmakers need to hear how issues like the “75% Rule” and cuts in the House SCHIP/Medicare bill will affect patients. For information, contact Jennifer Mallard at AHA at 202-626-2981.

✓ Leadership Summit attendees will be receiving a letter from IHA about reimbursement for the Sept. 6 evening event. For information, contact Shirley Arnold at 630-276-5492 or [sarnold@ihastaff.org](mailto:sarnold@ihastaff.org).

✓ As of Monday, Sept. 17, IHA offices in Naperville and Springfield will be totally smoke-free, including sidewalks and parking lots.