



the Reporter

July 31, 2009

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DEMOCRATS SPLIT ON HEALTH CARE REFORM

U.S. House Democratic leaders this week struck a deal on health care reform with conservative “Blue Dog” members but now face a revolt by liberal members. Facing the prospect that conservative members might block a health care bill from moving through the Energy and Commerce Committee, House Democratic leaders agreed to cut \$100 billion from their Tri-Committee health care reform bill (**HR 3200**) while exempting many small businesses from having to offer health care benefits to their employees and ensuring more money for rural hospitals. Following the deal, the House Energy and Commerce Committee resumed marking up the bill, which will not be voted on by the full House until September.

However, on Thursday, 57 liberal House Democrats sent a letter to Speaker Nancy Pelosi warning that they would vote against any bill that contains the deal with the conservatives. The liberal members object to moves that would weaken a proposal to create a new government insurance program.

Meanwhile, in the U.S. Senate, Finance Committee Chairman Max Baucus (D-Mont.) said he feels confident the bipartisan group of six Senators will be able to create legislation that will get 60 Senate votes. The draft legislation is expected to cost less than \$900 billion over the next 10 years and would ensure health care coverage for 95% of Americans.

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THIS WEEK'S MAIL

[Identification of RAC Contact for CGI \(password required\)](#)
TO: CEOs; CFOs

[Technical Bulletin #335A: Notice of Corrected Medicare SSI Percentages \(password required\)](#)
TO: CEOs; CFOs;
Government Relations
Personnel

[Upcoming careLearning Webinars](#)
TO: CEOs; CNEs; Health Educators

[2009 IHA Patient Safety Collaborative Program - Aug. 17 - Stop Blood Stream Infections](#)
TO: Patient Safety
Collaborative Participants

[10-Year Anniversary of "To Err is Human" Approaching](#)
TO: CEOs; CFOs; CMOs;
CMIOs; CQOs; CNOs;
COMPdata Contacts, PR Directors

[This Week's Mail Archive](#)



CALENDAR OF EVENTS

Aug. 5: [Maximizing Your Emergency Department: Five Critical Strategies for Operational, Clinical and Financial Performance](#)

Aug. 6: [Continuous Service Readiness \(CSR\) Seminar and Workshop](#)

Aug. 17: [Patient Safety Collaborative Program: Stop](#)

Unlike the health care reform bills in the House, the Finance Committee's plan would not create a government-run public option insurance plan nor would it include an employer mandate. Instead, committee members are looking at the establishment of member-owned health care cooperatives and a requirement that employers reimburse the government for the cost of enrolling their workers in Medicaid or providing subsidies for private insurance.

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CBO: LIMITED SAVINGS FROM IMAC

The Congressional Budget Office (CBO) says that the Administration's Independent Medical Advisory Council (IMAC) proposal would save about \$2 billion in Medicare dollars over the next 10 years. CBO says the independent body would not generate much savings since House health care reform bills already call for significant Medicare cuts. The CBO also offered ideas for more substantial savings, such as changing fee-for-service to pay-for-value, standard care penalties, bonuses for performance, and higher co-pays.

Congressman Richard Neal (D-MA) has circulated a letter among his House colleagues to Speaker Nancy Pelosi (D-CA) to oppose the inclusion of a new IMAC or "Super MedPAC" in any health care reform or other legislation.

Members are encouraged to continue contacting your members of Congress and urge them to reject proposals for an IMAC or any other super MedPAC entity that would take away the power of Congress to effectively oversee Medicare. To send a message from IHA's web site, [click here](#).

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MORE BAD NEWS ON STATE FISCAL SITUATION

Governor Quinn has indicated that he will announce a list of \$1 billion in state budget reductions on Friday. As the *Reporter* went to press, details were not yet available.

In addition, due to its difficulties in balancing the budget, the State of Illinois' bond rating was downgraded two levels this week by Fitch Ratings from AA-minus to A. However, the outlook is stable and the rating is no longer on watch for a downgrade.

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[Blood Stream Infections](#)

[Aug. 18: The Joint Commission: Ensuring Compliance with the New Record of Care Chapter](#)

[Aug. 20: Maximizing Your Emergency Department: Five Critical Strategies for Operational, Clinical and Financial Performance](#)

[Education Programs](#)

[COMPdata Programs](#)

[Sponsorship Opportunities](#)

STUDY QUESTIONS CHARITY CARE MANDATES

As U.S. Senator Charles Grassley (R-IA) and minority staff of the Senate Finance Committee continue to push for a requirement that nonprofit hospitals spend at least 5% of expenses on charity care to keep their tax-exempt status, a new [study](#) is raising doubts about imposing such a threshold.

According to the study in *Health Affairs*, 95% of Maryland's hospitals would not meet the standard proposed by Grassley. The study found that charity care provided by the hospitals ranged from 0.05% to 6.33% of expenses, with only two of the hospitals contributing 5% or more. The study suggests that critics of hospitals have focused too narrowly on charity care.

“This raises serious doubt about whether a 5 percent threshold is sensible,” said the study’s authors. “If consequences are to be attached to the amount of charity care that is provided, better measures are needed. Other forms of charity such as sustaining needed but money-losing services or paying physicians for treating the hospital’s charity care patients are not counted as ‘charity care.’ The fact that some bad debt comes from patients who lack the means to pay is a further complication.”

Earlier this year, the IHA Board adopted a report and recommendations of a member task force on charity care, which concluded that the federal community benefit standard is the best approach for determining whether a hospital qualifies for tax-exempt status.

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IDPH ISSUES H1N1 FLU REMINDER

The Illinois Dept. of Public Health (IDPH) is reminding the public that the H1N1 influenza virus (swine flu) continues to spread in Illinois and people should continue to take preventive steps to limit the spread of the flu. To stay healthy, IDPH suggests following the three Cs:

- Clean: properly wash your hands frequently;
- Cover: cover your cough and sneeze; and
- Contain: contain your germs by staying home if you are sick.

IDPH is reporting more than 3,400 confirmed and probable cases of H1N1 influenza in Illinois, including 17 deaths. This week, a CDC vaccine advisory panel [recommended](#) the key populations that should first get the new swine flu shot this fall:

- pregnant women;

- people who live with or care for children under 6 months old;
- health care and emergency services workers;
- children and young adults from ages 6 months to 24 years; and
- adults from ages 25 through 64 years with chronic health disorders or compromised immune systems.

Experts at the World Health Organization have found that pregnant women appear to be at increased risk for the H1N1 flu. Pregnant women account for 6% of U.S. swine flu deaths, even though they make up just 1% of the U.S. population.

For more information about the H1N1 flu from IDPH, CDC and other sources, see IHA's [web site](#).

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FOCUS ON 10th ANNIVERSARY OF "TO ERR IS HUMAN"

With the 10th anniversary of the Institute of Medicine's "To Err is Human" report approaching, the news media is likely to focus on what hospitals have done to address the concerns raised by the report. The Hearst Corporation is working on a series of investigative stories on this issue, targeting Washington state, Texas, California, New York and Connecticut, and including a comparison of what steps have been taken to improve patient safety in all 50 states. IOM issued the landmark report in November 1999.

Hospitals should be ready to respond to media inquiries about this issue. IHA is sending members a [memo](#) with suggestions on preparing for such inquiries, including:

- Know your quality scores, including Hospital Compare;
- Be ready to talk about the strategies and initiatives that your hospital has taken to improve patient safety;
- Point out that Illinois hospitals have supported landmark state legislation to improve patient safety and provide consumers with useful information, including: the Hospital Report Card Act, the Consumer Guide to Health Care, the Adverse Health Care Event Reporting Law, and a law on MRSA screening for ICU and at-risk patients; and
- Note any state or national initiatives that your hospital is participating in, such as Leapfrog, the Institute for Healthcare Improvement's Five Million Lives Campaign, [IHA's Patient Safety Collaborative](#), or IHA's Quality Encounter series.

Meanwhile, IDPH has indicated that it plans to launch a public web site with information from the Report Card and the Consumer Guide this October. Separately, IHA is scheduled to unveil its consumer-friendly "transparency" web site with similar but complimentary

information this fall.

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RED FLAGS RULE DELAYED AGAIN

The Federal Trade Commission (FTC) has once again delayed enforcement of its “Red Flags Rule,” which was set to begin Aug. 1, 2009. Hospitals should implement a board-approved identity prevention theft program as soon as possible but the FTC will not enforce the rule until Nov. 1. An identity theft prevention program permits hospital staff to identify and detect the red flags of identity theft, to prevent or mitigate identity theft, and to periodically update the program as needed. Information on [developing a compliant program](#) and [frequently asked questions](#) can be found on the FTC web site. The American Hospital Association offers a [sample hospital policy](#).

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LEADERSHIP SUMMIT FEATURES AHA PRESIDENT

IHA’s annual Leadership Summit, “[Forging Ahead: Giving Our Best in Good Times and Bad](#),” will feature a slate of top-notch speakers and presenters. In addition to political commentator George Will, attendees will hear AHA President Rich Umbdenstock’s insights on health care reform and former Blue Angel John Foley discuss “The How of High Performance.” The event will be held Sept. 24-25 at the Eagle Ridge Resort & Spa in Galena and is an excellent opportunity for hospital senior leaders and board members to connect with their counterparts. For more information, contact [Shirley Arnold](#) at 630-276-5492.

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BRIEFLY NOTED

- | The first statewide meeting of the 2009 IHA Patient Safety Collaborative, in conjunction with the Johns Hopkins University, will be held on Aug. 18 at multiple locations. To date, 47 hospitals and systems are participating in “[Stop Blood Stream Infections](#).”
- | Ken Robbins discusses the issues of protecting Medicaid in the state budget and federal health care reform in a front-page article, “[IHA: Protecting Hospitals in Uncertain Times](#),” in the current issue of Chicago Hospital News.

STUDIES AND SURVEYS IN THE NEWS

- 1 Based on population growth, aging and patterns of health care use, the demand for cardiothoracic surgeons could rise by 46% by 2025 while the supply will likely fall by 21%, according to an article in the journal *Circulation*. More than half of today's cardiothoracic surgeons are older than 50, and more than 15% are between 65 and 74. Although the field has historically been very competitive, younger surgeons increasingly choose other specialties. The number of coronary artery bypass graft operations, which account for a large part of the surgeons' income, fell by 28% between 1997 and 2004. Many of these operations were replaced by stents inserted by cardiologists, not heart surgeons. In addition, Medicare reimbursements for bypass surgery have fallen by 38%.

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