

the Reporter

February 17, 2012

www.ihatoday.org

[IHA Memos and Notices \(scroll right to view\)](#)

HEADLINES

[Governor to Reveal State Budget Plan Feb. 22](#)

[IHA Highlights Hospitals' Economic Benefit in New Report](#)

[Reminder: CEO Bi-Weekly Calls During Session](#)

[President's Budget Cuts \\$368 Billion from Medicare, Medicaid](#)

[Hospital Leaders Participate in AHA Advocacy Day](#)

[HHS Delays ICD-10 Implementation Deadline](#)

[IPC Unveils New Name and Redesigned Website](#)

[Patient Safety Awareness Week is March 4-10](#)

[Briefly Noted](#)

Governor to Reveal State Budget Plan Feb. 22

On Feb. 22, Gov. Quinn will deliver his state budget plan to the General Assembly, including details about \$2 billion in proposed reductions to Medicaid. Such a drastic measure would undermine hospitals across the state and hurt patients' access to care.

In advance of what's shaping up to be one of the most challenging legislative sessions in recent memory, IHA has already held more than four dozen meetings over the past several weeks and months with key legislators, legislative staff, the Governor's Office, state agencies, and local government officials on the Medicaid and property tax issues.

IHA also has been reaching out to reporters and editors across the state and submitted letters to the editor, expressing our deep dismay and disappointment about potential Medicaid cuts and changes. See IHA President and CEO Maryjane Wurth's letter to the editor in the Feb. 17 [State Journal Register](#) and [Daily Herald](#).

In an [article](#) in the Feb. 17 *New York Times* and *Chicago News Cooperative*, Wurth opposes Medicaid payment cuts to hospitals: "Our hospitals are doing their best with dwindling reimbursements at

IHA Memos

[President Obama's FFY2013 Budget: Medicare and Medicaid Proposed Reductions](#)

[IHA Membership Dues Allocable to Lobbying Expenditures](#) (password required)

[AHA Survey on ICD-10 Readiness](#)

[IHA e-Update Archive](#)



Calendar of Events

Feb. 21: [IHA Legislative Reception](#); Springfield (View details in the Feb. 3 IHA e-Update)

Feb. 22: [Managing Potential Violence in the Work Place](#); presented by the Association of Occupational Health Professionals (Contact [Clint Parram](#) for registration)

Feb. 23: [Ethics Training Series: Decisional Capacity, Informed Refusal and Substituted Judgment](#)

Feb. 27: [IHA Region/Legislative Meeting](#) - Regions 3A, 3B & 4, Springfield

Feb. 28: [EMTALA and Physician On-Call Requirements: Ensuring Compliance](#)

March 7: [IHA-Joint Commission Resources Continued Service Readiness Workshop and Seminar](#); IHA Naperville and Springfield

multiple levels. There is a tremendous amount of anxiety over what all of this means and how we can continue to fulfill our mission.”

Just after the Governor’s budget address, IHA will continue to conduct aggressive public outreach opposing drastic Medicaid cuts, while also offering constructive solutions to make the Medicaid program more efficient. IHA will be issuing a media statement in response to the Governor’s budget, which will be sent to members. IHA also will be doing media interviews.

On the evening before the Governor’s budget address, IHA will host a legislative reception on Feb. 21 for the General Assembly and hospital leaders at the Sangamo Club in Springfield. This is an excellent opportunity for members to personally deliver our message to protect Illinois health care. RSVP to [Betty Lindsey](#) at 217-541-1151.

It is imperative that members continue to contact their legislators to let them know how devastating Medicaid cuts would be to their hospitals and emphasize that the hospital community has reasonable alternatives. [Click here](#) to send emails to your state legislators.

IHA’s annual region/legislative meetings will be held throughout the spring session, beginning Feb. 27 in Springfield, for members in Regions 3A, 3B and 4. This is an excellent opportunity for hospital leaders to meet with IHA President & CEO Maryjane Wurth and state legislators to discuss specific hospital issues. [Click here](#) for the schedule.

[\(top of document\)](#)

IHA Highlights Hospitals' Economic Benefit in New Report

In advance of the Governor’s speech, IHA members will receive IHA’s new statewide hospital economic impact report, [Illinois Hospitals and Health Systems \\$78.7 Billion State Economic Impact](#), showing that Illinois’ 200 hospitals and health systems generate a total annual impact of \$78.7 billion on the state’s economy. Illinois hospitals employ more than a quarter of a million people, resulting in more than 422,500 direct and indirect jobs.

For the first time, IHA has included information on the economic impact of Illinois hospitals by Congressional Districts and State Senate Districts.

For maximum impact, IHA has developed companion hospital-specific economic impact reports that will be distributed to each member hospital. These may be customized for use with your local media, state legislators, members of Congress, and other community officials, leaders and groups to show the economic impact your hospital provides to support and strengthen your community. Please note that your hospital’s economic impact report is *only* available via IHA’s website C-Suite (password required). Member CEOs and CFOs who have not registered for a password can easily sign up by [clicking here](#).

March 12: [IHA Region/Legislative Meeting - Region 1A, Dixon](#)

March 15: [Ethics Training Series: Improving the Use and Interpretation of Advance Directives](#)

March 15: [Today's Health Care Consumer: How to Connect](#) (presented by the Illinois Society for Healthcare Marketing & Public Relations)

March 22: [The Joint Commission Physical Environment Changes and Challenges in 2012: Achieving Survey Success](#)

[2012 Events Calendar](#)

[IHA 2012 Event Sponsorship](#)

To strengthen our advocacy and communications efforts and as part of our statewide campaign, IHA is ready to promote your stories to the media and legislators, and through our grassroots advocacy website, [Protect Illinois Health Care](#). To submit your stories, [click here](#).

[Click here](#) (password required) for additional IHA's campaign tools and resources, such as key messages on Medicaid and property tax issues. For questions or comments, please contact [Danny Chun](#) at 630-276-5558.

[\(top of document\)](#)

Reminder: CEO Bi-Weekly Calls During Session

IHA is holding bi-weekly CEO conference calls during the spring legislative session to keep member CEOs up to date on the latest developments in the General Assembly. The next call is on Friday, Feb. 24 at 2:30 p.m., focusing on the Governor's state budget and Medicaid proposals. Additional calls will occur every other Monday at 2:30 p.m., March 5 through the end of May.

[\(top of document\)](#)

President's Budget Cuts \$368 Billion from Medicare, Medicaid

On Monday, President Obama announced his proposed FY2013 federal budget calling for \$268 billion in Medicare cuts and \$52 billion in Medicaid cuts over 10 years. Many of these cuts are similar to those proposed during the deficit reduction negotiations last year.

Medicare savings from providers are generated by cuts in payments for Graduate Medical Education, critical access hospitals (CAH) and other specialty rural hospitals, bad debt and post-acute care providers. Additional savings will be generated from an increased emphasis on fraud and abuse recoveries, beneficiary cost sharing reform and provider penalties for failing to comply with Electronic Health Record criteria. In particular, CAH payments would be reduced from 101% to 100% of reasonable cost beginning in FY2013, and the CAH designation would be eliminated for hospitals less than 10 miles from another acute care hospital. Medicaid spending cuts include the restricted use of provider taxes.

Details of President Obama's budget proposal and the impact it would have on health care were outlined in an IHA [memo](#) on Feb. 14.

As the *Reporter* went to press, the House and Senate voted to extend the payroll tax break deal, which includes continued unemployment benefits and ensures no Medicare payment cuts to physicians for the remainder of the year. Congress then adjourned for a weeklong recess.

Specific dollar impact estimates for the agreement include 10-year reductions to:

- Medicare bad debt payments to hospitals and skilled nursing facilities, totaling \$6.9 billion;
- Medicaid Disproportionate Share Hospital (DSH) payments beginning in 2021 and totaling \$4 billion; and
- Clinical Laboratory Services – 2% reduction applied to the base rate in 2013, totaling \$2.7 billion from 2012 through 2022.

However, the bill eliminated two Medicare provisions that will expire on March 1, 2012. The Mental Health add-on increased Medicare payments for certain mental health services to ameliorate a past payment reduction that disproportionately affected non-physician mental health providers. A special Medicare payment amount for bone density tests also was eliminated.

While members of Congress are back in their home districts next week, IHA members are urged to speak with them to voice opposition to any more Medicaid and Medicare cuts to hospitals. You can also send emails to your members of Congress by [clicking here](#).

[\(top of document\)](#)

Hospital Leaders Participate in AHA Advocacy Day

On Feb. 15, IHA staff and representatives from several member hospital and health care systems participated in AHA's Federal Advocacy Day in conjunction with the Metropolitan Chicago Healthcare Council. IHA supplied members with hospital-specific projections on the financial impact of various Medicare reductions for 2012-2021, as well as talking points to use when meeting with members of the Illinois Congressional Delegation and their staff, along with other key audiences.

Members presented a unified voice to protect health care and end the continual cuts to Medicare and Medicaid while meeting with the following Congressional leaders or their representatives: U.S. Senators Dick Durbin (D) and Mark Kirk (R); Representatives Timothy Johnson (R-15); Adam Kinzinger (R-11); Peter Roskam (R-6); Janice Schakowsky (D-9); Aaron Schock (R-18); and John Shimkus (R-19).

As a reminder, registration is now open for the 2012 AHA Annual Membership Meeting, "Champions of Care," May 6-9 in Washington, D.C. Former Arkansas Gov. Mike Huckabee, former White House press secretary Robert Gibbs and former White House senior advisor Karl Rove are scheduled to speak at the meeting. [Click here](#) to register.

[\(top of document\)](#)

HHS Delays ICD-10 Implementation Deadline

In a [press release](#) issued late Thursday, Health and Human Services (HHS) Secretary Kathleen Sebelius said that HHS will delay the implementation date for the ICD-10 coding system. Citing competing

federally mandated health care related priorities and President Obama's commitment to reducing regulatory burdens, Sebelius stated that an announcement of a new compliance date would be forthcoming. Many providers have expressed a desire for a two-year extension.

The American Hospital Association (AHA) is distributing a short survey to its member hospitals to gauge their readiness and progress in implementing ICD-10. IHA encourages members to complete the survey. See IHA's [memo](#) for survey details. For more information, contact [Tom Jendro](#) at 630-276-5516.

[\(top of document\)](#)

IPC Unveils New Name and Redesigned Website

IPC Group Purchasing (formerly Illinois Purchasing Collaborative) unveiled its redesigned [website](#) on Feb. 15. The easy-to-navigate site features an attractive layout and a variety of information for current participants and prospects. In particular, the [News and Events](#) page features success stories, detailing how IPC participating members have achieved significant savings in a remarkably short period of time.

IPC is part of IHA Business Solutions which also includes Informatics and Insurance Solutions. Contact [Patrick Sonin](#) at 630-276-5458 for more information.

[\(top of document\)](#)

Patient Safety Awareness Week is March 4-10

IHA's [Quality Care Institute](#) encourages members to participate in [Patient Safety Awareness Week](#), March 4-10, 2012. This year's theme, "Be Aware for Safe Care," highlights the need for understanding the importance of patient safety and recognizing the extensive efforts being made to improve health safety in the U.S. and worldwide. The campaign aligns with the national *Partnership for Patients*, a groundbreaking initiative launched by the U.S. Dept. of Health and Human Services to improve care and reduce costs, in part by reducing all causes of harm in health care. To access downloadable materials from the National Patient Safety Foundation, [click here](#).

[\(top of document\)](#)

Briefly Noted

- 1 The R-HoPE Act addresses many of the Medicare reimbursement issues that rural hospitals face. [Click here](#) for IHA's detailed memo. To send emails or letters to your members of Congress to support and co-sponsor companion bills **S.1680** and **H.R.3859**, the Rural Hospital and Provider Equity Act of 2011, [click here](#).

- 1 The deadline is Feb. 29 to submit a Letter of Intent to present a proposal for the HFS [Care Coordination Innovations](#) project. IHA has prepared a Letter of Intent worksheet to assist members. [Click here](#) for IHA's detailed memo.
- 1 The American Recovery and Reinvestment Act included provisions to increase the investment in and use of health information technology to improve health care. In order to receive financial incentives as legislated by the 2009 law, hospitals must attest to be "meaningful users" (MU) of electronic health records. One of the criteria to comply with the MU requires submission of syndromic surveillance data. To facilitate hospitals' compliance with this requirement, the Illinois Dept. of Public Health will implement two options for submitting the data. See [IDPH's memo](#) for details.
- 1 **Linden Oaks at Edward**, Naperville, is the first psychiatric hospital in Illinois and the Midwest to be honored with the American Nurses Association's (ANA) Award for Outstanding Nursing Quality. It is one of six hospitals in the country to earn the award, which is determined by the ANA's National Database of Nursing Quality Indicators.
- 1 IHA's offices will be closed Monday, Feb. 20 in observance of Presidents' Day.

[\(top of document\)](#)