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**IHA Memos**

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**Calendar of Events**

Jan. 12 & 17: [ICD-10 Training Series - Be Prepared for 2013: Project Planning Part 1 and 2](#) (5-part Webinar series)

Jan. 17: [Trends in the Transition to Provider-Based Billing](#)

[Illinois Society for Healthcare Marketing and Public Relations 2012 Webinar Series](#)

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

[IHA 2012 Event Sponsorship: Your Opportunity to Reach Key Hospital and Health System Decision Makers](#)

**Governor Releases Gloomy State Budget Forecast**

The Governor's Office of Management and Budget this week released a three-year [state revenue and spending projection](#), showing state revenues climbing the first two years (2013-2014) and then sharply declining in 2015, after the state income tax increase expires. That means the state would wind up with about the same level of revenues in 2015 that it has now, a little more than \$33 billion, while expenses continue to rise. For example, statutorily required pension contributions will be more than \$1 billion higher in FY2013 than in FY2012.

A [summary report](#) accompanying the projection notes that while the state's health care appropriations should be maintained at the current FY2012 levels through 2015, "rising Medicaid costs will exceed that level which will lead to reductions." The report also states that "Medicaid costs continue to rise at a rate far exceeding revenue growth." And despite Medicaid reform legislation that is expected to achieve savings of up to \$700 million over five years, the report says "further and larger reductions are needed to stabilize Medicaid costs."

The three-year budget forecast is part of a new "Budgeting for Results" initiative aimed at controlling state spending, focusing on the most important government programs, and stabilizing the budget. Gov. Quinn is scheduled to present his state

budget proposal on Feb. 22.

As in past years, IHA is working aggressively to mitigate potential harmful budget cuts to hospitals. Last spring, while the Administration originally proposed a 6% across-the-board Medicaid rate cut to hospitals, the General Assembly rejected that approach in response to concerns raised by IHA and the hospital community.

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### **IHA Call on HFS Care Coordination Innovations Project**

IHA will hold a special conference call with the Dept. of Healthcare and Family Services (HFS) on Jan. 12 from 11 a.m.-noon, so member hospitals and health systems can talk to HFS staff about their [Care Coordination Innovations Project](#) (CCIP).

This call affords IHA members a unique opportunity to ask questions in advance of HFS' expected release of its Request for Proposals later this month. Phase I of the CCIP is open to providers only and encourages proposals for alternative models of care delivery and financial structures for caring for Medicaid recipients.

To participate, call 888-677-6685 shortly before the start time. To submit anonymous questions or concerns in advance, please send them to [Barb Haller](#) at 630-276-5474 by Jan. 10.

Meanwhile, HFS has updated its Care Coordination [website](#) with additional information and a tool to assist providers interested in the department's Innovations Project. HFS is developing a "Matchmaker" database to help interested parties find potential partners in their respective areas.

If your organization is interesting in identifying potential partners in your area to explore how you may mutually serve a population in a Care Coordination Entity or Managed Care Community Network, you are encouraged to add your data into the matchmaking database ([click here](#)), so you may be contacted by others. HFS will view the submitted information initially, but will not take responsibility for the content.

In addition, HFS addresses data needs requests in a [letter](#) to potentially interested parties.

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### **Members Urged to Comment on HFS Rule on EHR Payments**

IHA is expressing serious concerns to the Dept. of Healthcare and Family Services (HFS) about its proposed rule to codify procedures for the HFS electronic health record provider incentive payment (EHR/PIP) program. This rule would allow HFS broad and arbitrary discretion to require hospitals to participate as a coordinated care participating hospital and/or a Medicaid managed care entity (MMCE) participating hospital as a condition to receiving their EHR/PIP on the most expedited schedule.

It is crucial that the hospital community convey its concerns to HFS about the proposed rule. IHA has submitted a [comment letter](#), which members can customize to submit their own comments. See [IHA's memo](#) for more information about this issue, including where to send comments by the Jan. 13 deadline.

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### **HHS Releases Final 26 Medicaid Quality Measures**

Last week, the Dept. of Health and Human Services (HHS) issued a [final notice](#) indicating the 26 quality measures for voluntary use by state Medicaid agencies. This initial core of measures, required under the Patient Protection and Affordable Care Act by Jan. 1, 2012, apply to Medicaid-eligible adults and is approximately half of the original number proposed. Measures fall in the categories of: adult health, maternal and reproductive health, complex health care needs, and mental health and substance use. By Jan. 1, 2013, the Centers for Medicare & Medicaid Services will issue guidance for data submission on the measures with voluntary reporting beginning in Dec. 2013.

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### **AHA: Hospital Uncompensated Care \$39.3 Billion in 2010**

The American Hospital Association (AHA) this week released a [fact sheet](#) showing that U.S. hospitals provided more than \$39.3 billion in uncompensated care (at cost) during 2010, based on AHA's annual survey of hospitals. Since 2000, hospitals of all types have provided more than \$326 billion in uncompensated care to their patients.

The total includes only two parts of the entire range of benefits that hospitals provide to their communities: the sum of the charity care a hospital provides and its "bad debt." Hospitals do not expect any reimbursement for charity care. Bad debt is incurred when a hospital cannot obtain reimbursement for care provided when patients are unable or unwilling to pay their bills. The uncompensated care total does not include underpayment by Medicare and Medicaid or other unfunded costs of care.

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### **State Selects Technology Vendor for HIE**

The state has [selected](#) InterSystems HealthShare as the technology platform for its Health Information Exchange (HIE). "Building our electronic health information exchange is a major step in transforming health care and helping patients," said Gov. Quinn. "Statewide access to electronic records means that vital patient information will be instantly available to doctors and hospitals when it is needed most, improving health care delivery and saving lives."

Illinois received a federal grant for \$18.8 million over four years to develop the capacity to assist health care providers and hospitals with the exchange of electronic health records (EHRs).

According to the Illinois Office of Health Information Technology, the statewide HIE network will provide seamless clinical information flow to more than 50,000 health care providers, payers and state agencies, and is expected to serve a patient population of 13 million individuals.

The first phase of exchange services is expected to be available statewide in April 2012.

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### **IHA's First Quality Awards Compendium Released**

In order to share best practices among our members, the IHA Quality Care Institute has published the [2011 IHA Quality Excellence Achievement Awards Compendium](#). This electronic publication features a synopsis of the more than 50 hospital award submissions, including award recipients, for the Better to Best Quality Excellence Achievement Awards that were presented at IHA's 2011 Leadership Summit in September. Members interested in learning more about a particular hospital's quality

initiative are encouraged to contact the individuals listed.

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### **IHA PAC Sets Another Record**

IHA's Political Action Committee (IHA PAC) had its most successful year ever in 2011, raising \$312,685. Special thanks to the 48 members of the President's Society and to the 125 hospitals that contributed, including 58 that achieved their PAC goals.

Supporting the [IHA PAC](#) is a key part of IHA's ongoing efforts to advocate on behalf of the hospital community and make sure elected officials understand key issues of concern to hospitals, as well as the critical role of hospitals in the health care delivery system and in the economy. With this year's upcoming elections, support of the IHA PAC is vitally important.

Contributions to the IHA PAC may now be made [online](#). For more information about the IHA PAC, contact [Kathleen Dunn](#).

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### **IHREF Offers ICD-10 Training Series**

Beginning Oct. 1, 2013, the International Classification of Diseases, 10<sup>th</sup> edition (ICD-10) coding system will be implemented for all payers on all claims, electronic or paper. Approximately 24,000 codes currently used in the ICD-9 system will be replaced by more than 140,000 codes in the ICD-10 system. Now is the time for members to prepare for the transition to the new system.

The Illinois Hospital Research and Educational Foundation (IHREF) is offering an ICD-10 Webinar Training Series throughout 2012. The training series features five, two-hour webinars designed to prepare members for the mandatory conversion.

The series begins with Project Planning Part 1 on Jan. 12 and Part 2 on Jan. 17, both from 9-11 a.m. CST. These first two webinars will help participants create a committee and build a plan to begin implementation in 2012, including: defining a project structure, creating a plan, assessing IT systems, performing a gap analysis, creating a budget, etc.

Start your ICD-10 conversion preparations now. [Click here](#) for more information.

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### **Upcoming Project BOOST Light Webinar**

IHA's Quality Care Institute will hold a Project BOOST Light webinar on Jan. 26 from noon-1 p.m. CST. "Discharge to a Skilled Nursing Facility" will address relevant policy/regulations, the Centers for Medicare & Medicaid Services' "3-Day Rule," processes in skilled nursing facilities, nursing homes and current interventions used to improve transitional care. The webinar will be led by three Northwestern University facilitators: Robert S. Young, M.D., Clinical Instructor in the Division of Hospital Medicine and the Institute for Healthcare Studies, Feinberg School of Medicine; Herbert Sier, M.D., Assistant Professor of Medicine, Associate Chief of Geriatric Medicine, Feinberg School of Medicine; and Andrew Thurston, M.D., Geriatric Fellow and Palliative Care Fellow in Geriatric Medicine, Feinberg School of Medicine.

Contact [Sonya Terry](#) at 630-276-5827 for additional information.

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## Mark Your Calendars for IHA's 2012 Events

### May 6-9: IHA at AHA Annual Membership Meeting

“Champions for Care” will take place at the Washington Hilton Hotel in Washington, D.C. This is an excellent opportunity to meet with members of Congress, earn ACHE credit, attend executive briefings, and network with colleagues.

### June 19-21: IHA Small & Rural Hospitals Annual Meeting

IHA’s Small & Rural Hospitals Constituency Section 33<sup>rd</sup> Annual Meeting will be held at the Crowne Plaza Hotel in Springfield. Hospital leaders and board trustees are invited to join their counterparts for networking, nationally-known speakers, the golf outing and evening banquet.

### Sept. 11-12: IHA Leadership Summit

IHA’s signature event will be held Sept. 11-12 at The Westin Hotel in Lombard. The event is a great educational opportunity for hospital leaders and board trustees to hear from nationally-known experts on timely topics while networking with their colleagues from around the state.

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## IHA's Volunteer Group Announces 2012 Programs

IHA’s Constituency on Volunteers (CoV) will present two education programs in 2012. CoV provides opportunities for educating volunteer leaders, members and staff while offering an excellent opportunity for networking and sharing of best practices. Programs are open to hospital auxiliaries, volunteers and staff who work with volunteer programs or projects.

**May 16** – CoV’s Gift and Thrift Shop Workshop will be held at the DoubleTree Hotel in Bloomington.

**Oct. 11-12** – CoV’s Annual Volunteer Leadership Retreat will be held at the Crowne Plaza Hotel, Springfield.

For more information, contact [Renna Lemberis](#) at 630-276-5498.

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## Briefly Noted

- 1 Hospital leaders invited to participate in the Institute for Diversity in Health Management’s [survey](#) on hospitals’ efforts to address health care disparities and improve diversity management are asked to complete their surveys by Jan. 13. For more information, contact [Andy Bostick](#).
- 1 Implementation of a final rule requiring employers subject to the National Labor Relations Act (such as hospitals) to post a [notice](#) informing employees of their rights under the act has been [delayed](#) until April 30. This is due to a legal challenge regarding the rule.
- 1 The Centers for Medicare & Medicaid Services this week issued a [correction](#) to the outpatient prospective payment system and ambulatory surgical center final rule for calendar year 2012. The OP/ASC fixed-dollar outlier threshold has changed from \$1,900 to \$2,025, and the ambulatory payment classifications now display violations of the two times rule.
- 1 Laura Conley of **Children’s Memorial Hospital**, Chicago, has been named as one of 73 CMS [Innovations Advisors](#). Advisors are charged with testing new models of care delivery and forming community partnerships to drive delivery system reform and improve health care while lowering costs.
- 1 Like us on [Facebook](#). Follow us on [Twitter](#).

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