

## the Reporter

November 20, 2009

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### SENATE UNVEILS MERGED HEALTH REFORM BILL

The “[Patient Protection and Affordable Care Act](#)” was unveiled by U.S. Senate Majority Leader Harry Reid (D-Nev.) on Wednesday. The Reid proposal, which merges those by the Senate Finance and Health, Education, Labor and Pensions committees, would extend coverage to about 94% of legal residents under age 65 by 2019, leaving about 24 million people without coverage. The Congressional Budget Office estimates the bill’s cost at \$849 billion over 10 years and that it would reduce the federal deficit by approximately \$130 billion.

Among other provisions, the Reid bill includes a new public insurance option (states could opt out) designed to compete with commercial insurers. Under the public option, providers could negotiate rates not linked to Medicare or Medicaid payment rates. The provision also would create state-based insurance exchanges to expand access to affordable insurance and create new non-profit co-ops.

The bill also incorporates a hospital readmissions policy similar to the House bill, although its effective date would be in FY2013 (a year later than in the House bill). This version, of concern to hospitals, is more expansive than the measure proposed by the Senate Finance Committee.

A key Senate procedural vote is scheduled for Saturday. Reid will need all 60 votes of his caucus (58 Dems and 2 independents) to overcome a Republican attempt to filibuster the motion and get the bill to the Senate floor.

[www.ihatoday.org](http://www.ihatoday.org)

### THIS WEEK'S MAIL

[IHFSRB Notices](#)  
TO: CEOs; VPs, Planning, Marketing & Business Development

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### CALENDAR OF EVENTS

**Dec. 3:** *William Ward*  
*Webinar Series: [Developing Oversight Dashboards to Support Good Governance](#)*

**Dec. 8:** [Treating Sexual Assault Survivors and Partners of Patients - New Legislation](#)

**Dec. 9:** *IHA Small & Rural Quality Series - [Quality Counts: Implementing Quality Improvement Strategies](#)*

**Dec. 9:** [Building a Foundation for Best Practice Nursing Succession Planning](#)

**Dec. 10:** [Fifty Tips to Reduce Medication Errors: Complying with CMS and The Joint Commission Standards](#)

**Dec. 15:** [Health Care Reform: What Does It Mean for Health Care Leaders?](#) (sponsored by Orlikoff Reinertsen Boardworks)

**Dec. 16:** *William Ward*  
*Webinar Series: [Developing a Business Plan](#)*

[Education Programs](#)

[COMPdata Programs](#)

On Thursday, the House approved a \$210 billion measure to prevent a 21% cut in Medicare payments to physicians scheduled to take effect in January and prevent further cuts in future years. It's not clear how the bill will fare in the Senate, which last month rejected a similar measure offered by Sen. Reid. A one-year physician payment fix is included in Reid's health reform bill.

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## **IHA BOARD SETS UP HEALTH REFORM TASK FORCE**

With federal health care reform looming, the IHA Board of Trustees took action this week to help members prepare for and address changes to the health care delivery system. At its Nov. 16 meeting, the Board heard an extensive presentation from IHA President Maryjane Wurth on the U.S. House and Senate reform proposals. Wurth gave a detailed overview of key provisions in each plan. The Board agreed to establish a task force of member CEOs to analyze the implications and impacts of health care reform on Illinois hospitals and to recommend steps that IHA should take to help members manage the complex issues emerging from health care reform on the state and national levels.

The Board also approved the Association's strategic plan for 2010, which includes three major goal areas: state and federal health reform, quality improvement and workforce supply. The plan also includes one carry-over goal from 2009: Certificate of Need. As part of the goal on state and federal health reform, the strategic plan reinforces the importance of IHA seeking to maintain adequate reimbursement for health care services at the state level, given the state's ongoing budget crisis.

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## **STIMULUS FUNDING BILLS SIGNED INTO LAW**

A package of legislation that will bring nearly \$1.1 billion in new federal Medicaid funds into the Illinois economy, including \$155 million in new Medicaid stimulus payments for hospitals, has been approved by Gov. Pat Quinn. The Governor signed **Senate Bills 1181** and **1265** on Nov. 18. As the *Reporter* was going to press, Gov. Quinn was scheduled to sign the third bill in the package, **House Bill 542**, at a Friday morning (Nov. 20) ceremony at **Children's Memorial Hospital**, Chicago. As a final step, CMS needs to approve a state plan amendment before Medicaid stimulus payments to hospitals can actually be paid out. That step is expected to be taken in the near future.

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## **HOSPITAL REPORT CARD WEB SITE GOES LIVE**

The long-awaited Hospital Report Card and Consumer Guide to Health Care [web site](#) created by the Illinois Department of Public Health (IDPH) went live on Nov. 19. The site contains information about hospitals and ambulatory surgical treatment centers, allowing consumers to compare hospital information related to median charges, mortality rates, hospital associated infections, nurse staffing, volume of cases, patient satisfaction and other quality-related information.

IHA has been and is continuing to work with IDPH as it adds and refines the information on the new site in order to make it as accurate and as useful to consumers as possible. IHA supported the legislation that authorized the Hospital Report Card and Consumer Guide in 2003.

A [memo](#) about the new site was sent to members on Nov. 18. [Suggested talking points](#) to prepare hospitals for responding to queries from the news media and the public were sent to hospital public relations directors.

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## **IHA TESTIFIES ON DISCHARGE PLANNING CHALLENGES**

As the [Governor's Nursing Home Safety Task Force](#) continues to hold a series of hearings on improving Illinois' nursing home system and ensuring the safety of residents, IHA this week gave the panel an overview of the challenges that hospitals face in discharge planning for patients with mental illness or a criminal history. At the task force's Nov. 19 meeting, IHA staff testified that discharge planning for mentally ill patients is greatly affected by the lack of appropriate, community-based resources. They also pointed out that hospitals face difficulties in finding nursing homes willing to accept known felony offenders who need post-acute skilled nursing care.

IHA also submitted a [written statement](#) outlining IHA's concerns about the impact of the state's crumbling mental health system on nursing home residents. "As a direct result of the cutbacks in and fragmentation of the mental health system, nursing homes have become an inappropriate substitute for inpatient and community-based psychiatric care," the statement noted. "Because the state lacks sufficient acute inpatient care and community-based resources for the mentally ill, the care for these patients has been inappropriately shifted to hospital emergency departments, inpatient medical beds, and nursing facilities."

The Governor appointed the task force in the wake of a series of *Chicago Tribune* articles about nursing home residents, who are mentally ill and/or have criminal backgrounds, preying on elderly nursing home residents. The task force is to issue its report to the Governor by Jan. 31.

## **FEDS FOCUS ON IMPROPER MEDICARE/MEDICAID PAYMENTS**

Peter Orszag, director of the Office of Management and Budget (OMB), announced this week that President Obama soon will issue an executive order to eliminate increased government waste from improper payments spent by government agencies, with \$54 billion of it coming from improper payments related to Medicare fee-for-service, Medicare Advantage and Medicaid. Orszag said much of the increase reflects methodological changes in the way errors are counted in Medicare fee-for-service. For example, he said, an illegible signature on a claim or insufficient documentation provided to auditors are now more likely to be classified as errors.

Under the executive order, all federal agencies will maintain a web site to track improper payments, error rates and outstanding payments. If an agency fails to meet targets for reducing error rates for two consecutive years, the agency director will be required to directly report to OMB about what new actions they will take to prevent it. The administration also intends to impose penalties for failure to return the money to the government if it was paid in error.

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## **HFS TO STOP PAPER COPY NOTICES TO HOSPITALS**

As of Feb. 1, 2010, the Dept. of Healthcare and Family Services (HFS) will no longer mail paper copies of notices and bulletins to hospitals, pharmacies, ambulatory surgical treatment centers, long-term care and other specific providers.

HFS will use email notification to advise providers when notices and bulletins are posted to its web site. If your hospital staff members are not registered for email notification, they should register immediately. We encourage you to have multiple staff register for email notification. If you are already registered for email notification, there is nothing you need to do. For information regarding how to register or unsubscribe, please refer to the [notice](#).

IHA will continue to provide links to new HFS notices in the *Reporter*.

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## **RENEWED FOCUS ON LANDMARK IOM REPORT**

With the 10<sup>th</sup> anniversary of the Institute of Medicine's "To Err is Human" report on patient safety on Nov. 27, your hospital should be

prepared to respond to public and media inquiries about what you have done to improve patient safety in the past 10 years. For example, you can mention the specific patient safety and quality improvement measures your hospital has initiated as well as your hospital's participation in the Institute for Healthcare Improvement's Five Million Lives Campaign or IHA's educational programs on quality. If your hospital is or has been a participant in one of IHA's Patient Safety Collaboratives, be sure to emphasize the value of that experience. [Click here](#) to see IHA's previous detailed memo for more information.

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## **BRIEFLY NOTED**

- | H1N1 update: Antiviral medications and personal protection equipment (primarily N-95 respirator masks) from the Strategic National Stockpile were delivered to hospitals this week. [Click here](#) for information.
- | Changes to the Illinois General Not For Profit Corporation Act take effect on Jan. 1, 2010. The amendments liberalize the way in which not for profit corporations may take action – for example, by greater use of electronic communications. For a more detailed review of the amendments and a copy of Public Act 96-649, [click here](#).
- | The [Adverse Health Care Event Reporting Code](#) rules have been finalized as adopted and published November 13 in the *Illinois Register*. Plans for the “testing pilot” as required under state law will be outlined at the Dec. 17 IDPH Advisory Committee meeting. Following the meeting, IHA will provide hospitals with more specific information.
- | IHA's final fall regional [flyaround meeting](#) is scheduled for Region 1A on Nov. 30 in Freeport.
- | The November issue of the *Newsletter of The Johns Hopkins Quality and Safety Research Group* featured the [Illinois Provider Trust](#) in a front page [article](#) citing the organization for offering a financial credit to members based on participation in IHA's 2009-2010 Stop Blood Stream Infections patient safety collaborative in conjunction with The Johns Hopkins University.
- | IHA's offices will be closed Nov. 26-27 for the Thanksgiving holiday. There will be no IHA *e-Update/This Week's Mail* on Nov. 27. All of us at IHA are grateful for your support and wish you a pleasant holiday.

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## **STUDIES AND SURVEYS IN THE NEWS**

- | [The Fiscal Survey of the States](#) by the National Governors Association and the National Association of State Budget Officers (NASBO) has “the worst numbers we've seen in the

decades of putting together this report,” according to NASBO Executive Director Scott Pattison. Even with cuts and tax increases, states are experiencing budget shortfalls of \$14.5 billion for 2010 and \$21.9 billion for 2011 with these numbers expected to increase dramatically over the next several months as revenues continue to lag.

- 1 Obesity will cost the U.S. about \$344 billion in medical-related expenses by 2018, according to the 2009 [America's Health Rankings report](#), sponsored by the United Health Foundation, the American Public Health Association and the Partnership for Prevention. The state-by-state ranking showed that Illinois is 29th among states in several health measurements. The study adds to the growing evidence of obesity's impact on medical costs. A study released in July showed that obese Americans cost the country about \$147 billion in obesity-related medical bills in 2008, twice what it was 10 years ago.

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