

the Reporter

February 12, 2010

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Guv Gets More Time on State Budget Plan

State legislators this week agreed to give Governor Quinn additional time to submit his state budget proposal to the General Assembly. The Senate and House, voting on party lines, approved [House Bill 2240](#), and the Governor signed it into law on Thursday. The legislation allows the Governor to submit his state budget plan by the second Wednesday in March (March 10, 2010) instead of by the third Wednesday in February (Feb. 17). At the same time, the legislation requires the Governor to file a report with the General Assembly concerning state revenues, expenditures, and liabilities by Feb. 24. It also allows members of the General Assembly and the public to make budget recommendations to the Governor between Feb. 24 and March 10, and requires the Governor to promptly post those recommendations on the Internet.

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Urge Lawmakers to Back CAH Legislation

Two bills were filed this week in the Illinois General Assembly to help support Critical Access Hospitals (CAHs) by requiring reimbursement to CAHs for outpatient Medicaid services based on cost. Rep. John Bradley (D-Marion) filed [House Bill 5765](#), while Sen. Gary Forby (D-Benton) filed [Senate Bill 3264](#).

The U.S. Centers for Medicare and Medicaid Services has a provision that allows CAHs to be reimbursed at cost for Medicaid claims, and many states are currently doing so, but Illinois does not. Illinois CAHs receive, on average, only 41% of Medicaid costs, without the Hospital Assessment Program. Even with the assessment program, the portion

THIS WEEK'S MAIL

[Medicare RAC: Additional Insights on Recent ADRs from CGI \(password required\)](#)
TO: CEOs; CFOs

Register Now: [AHA Annual Meeting/IHA Event & Hotel Registration](#)

TO: CEOs; Government Relations Personnel

Upcoming Webinar: [What Senior Management Must Know About Social Media in Health Care](#)

[This Week's Mail Archive](#)



CALENDAR OF EVENTS

Feb. 17: [CPT Coding - Part 2 of 2: E&M Radiology, Path/Lab and Medicine Changes](#)

Feb. 18: [Complying with the CMS Interpretive Guidelines on Infection Control... It's Critical](#)

Feb. 22: *Trustee Webinar:* [Health Care Reform - What Will it Mean for Medical Staff/Hospital Relationships](#)

Feb. 23: [The Physician Market: Compensation, Benefits, Recruiting and Employment Trends](#)

Feb. 24: [How to Read Performance Reports and Craft a Departmental Dashboard](#)

[Education Programs](#)

[COMPdata Programs](#)

[Sponsorship Opportunities](#)

of Medicaid costs covered for CAHs is 73% on average (excludes costs for those eligible for both Medicare and Medicaid).

Reimbursing CAHs for their outpatient Medicaid claims based on cost would require a relatively small expenditure of additional state funds (estimated \$12 million) and would strengthen the health care safety net in rural areas of the state.

HB5765 and **SB3264** offer an excellent opportunity to not only address the specific issue of Medicaid reimbursement based on cost, but also to heighten awareness regarding the important role CAHs play to provide vital health care services and economic stability to their local communities. About 25% of our member hospitals are Critical Access Hospitals.

Members are urged to ask their state representative and senator to sign on as cosponsors of **HB5765** and **SB3264** and tell them why supporting CAHs is vital to Illinois' health care delivery system and the rural health safety net. Our goal is to secure sufficient numbers of cosponsors to ensure passage of the bill (60 Representatives and 30 Senators). To send an email to your legislators, [click here](#).

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Eyes on Feb. 25 Health Reform Summit

President Obama will hold a bipartisan summit on health care reform on Feb. 25. The President has made it clear that he does not wish to “start over” with health care reform, but has promised to be open to new ideas on achieving his core goals. He said suggestions must be “measured against this test: Does it bring down costs for all Americans, as well as for the federal government, which spends a huge amount on health care? Does it provide adequate protection against abuses by the insurance industry? Does it make coverage affordable and available to the tens of millions of working Americans who don't have it right now? And does it help us get on a path of fiscal sustainability?”

On the other hand, House Republican leaders have proposed starting over with a clean slate, outlining a series of questions in a [letter](#) to White House Chief of Staff Rahm Emanuel regarding the President's plans to proceed with reform measures. The letter notes, among other things, that with legislation to opt out of “Obamacare” introduced in 36 states, invitations should also be extended to U.S. governors and state legislators.

IHA's new member task force on health care reform will hold its first meeting Feb. 16 to develop a blueprint of the most significant drivers of reform to assist IHA in setting priorities and determining resources related to advocacy and assistance to members.

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U.S. Senate Jobs Bill Includes Health Care Provisions

A jobs bill being drafted in the Senate would allow physicians who practice in hospital-owned outpatient centers and clinics to qualify for federal payment incentives for health information technology. The bill would delay through Sept. 30 a 21% Medicare payment cut for physicians and extend COBRA premium assistance through May 31. The bill also would make a technical correction to reimburse critical access hospitals at 101% of their reasonable costs for Method 2 outpatient services and extend through 2010 expiring Medicare payment provisions related to rural hospitals, long-term care hospitals, certain physician pathology services, mental health services and ambulances. The provisions are aimed at keeping certain programs in place since the future of health care reform is uncertain.

However, we remain concerned that a six-month extension of the increase in the federal medical assistance percentage (FMAP) is not included, as it is in the House version and in the President's FY2011 federal budget proposal. Illinois' FMAP rate is now nearly 62%, and a six-month extension could mean as much as \$700 million in additional federal Medicaid funds for the state. Members are urged to contact Sens. Durbin and Burris and ask them to include the FMAP extension in the jobs bill. To contact them, [click here](#).

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IHA Hosts Physicians Summit on March 10

In collaboration with Northwestern University's Feinberg School of Medicine and the Illinois State Medical Society, IHA will host an Illinois Physician Summit on March 10 in Naperville with video to Springfield. Physician supply is a top strategic priority for IHA and we are working with physician interests to address this issue. Currently Illinois is one of six states regarded as a net exporter of new physicians. Numerous studies predict that many states, including Illinois, are likely to experience widespread physician shortages as many physicians reach retirement and an aging populace increases demand for health care services.

The Illinois Physician Summit is intended to provide a unique forum for understanding Illinois' current and future physician supply and demand environment. The objective is to strengthen connections among physician leaders and state officials to identify and share insights about potential efforts and solutions to impact Illinois' shortage concerns. For more information, [click here](#) or contact [Cathy Grossi](#).

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State Issues RFP on AABD Pilot Project

The Illinois Dept. of Healthcare and Family Services (HFS) has issued

a [request for proposals](#) to shift as many as 40,000 Medicaid beneficiaries in the Aid to the Aged, Blind and Disabled (AABD) program in suburban Cook, DuPage, Kane, Kankakee, Lake and Will counties into two HMOs. The submission deadline is April 15. The state intends to launch the project four months after it selects the winning proposals. According to an [HFS press release](#), the pilot project is expected to save taxpayers close to \$200 million in its initial five-year period. If successful, HFS says it will identify other areas of the state where this model can work.

The Illinois Hospital Association and hospital community are very concerned about the rapid pace of the program's implementation and the potential consequences to the state's most fragile and frail populations. IHA provided [extensive comment](#) to a key legislative committee on this issue last month. Members are urged to continue asking their state legislators to push the state to move cautiously on this new program. To send an email to your legislators, [click here](#).

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Join IHA at AHA Annual Meeting

The annual meeting of the American Hospital Association (AHA) will be held April 25-28 in Washington, D.C. With so much happening on the federal level regarding possible health care reform, this is an excellent time to weigh in with your legislators. For information on IHA's event and hotel registration, [click here](#).

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National Healthcare Decisions Day is April 16

The third annual [National Healthcare Decisions Day](#) (NHDD), to be held on April 16, is a simple way to fulfill a hospital's community education requirement in the federal Patient Self-Determination Act, which requires that all Medicare-participating health care facilities provide patient and community education on Advance Directives.

The NHDD initiative is a special collective effort by health care providers and facilities committed to ensuring that all adults with decision-making capacity have the information and opportunity to communicate and document their health care decisions before an illness or injury renders them incapable of communication.

In its first two years, hundreds of organizations, including IHA and many Illinois hospitals, participated in NHDD by hosting seminars, staffing a table in the lobby, or offering brochures and an opportunity to ask questions. A host of outreach materials and suggestions are available on the NHDD web site at "[Organize Your Community](#)."

For more information or to let IHA know your hospital is participating, please contact [Kathleen Pankau](#).

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Briefly Noted

- | Electronic fingerprint criminal background checks are rolling out in all northeastern counties, including Cook County. By now, all facilities in these counties should be registered with the state's Web portal, which provides access to the new Health Care Worker Registry system. Once IDPH grants access, hospitals should send any new hires that are subject to the Health Care Worker Background Check Act and not already in the Registry, for electronic fingerprinting at one of four livescan vendors. To register and for vendor information, go to www.idphnet.com.
- | IHA will hold an informational call on Feb. 16 regarding [Lifelong Learning Accounts](#) (LiLAs), a grant-funded initiative to help address health care workforce shortages in Illinois. Contact [Marsha Curtis](#) for call-in information at 630-276-5504.
- | The Illinois Dept. of Healthcare and Family Services (HFS) is currently updating its Physician Handbook. New [instructions](#) outline how physicians can bill for laboratory and radiology services in addition to office visits provided at hospital owned off-site clinics. HFS has not changed its policy for Medicaid payments to hospital clinics and outpatient departments that are located on or adjacent to a hospital's campus. If you have any questions contact [Jo Ann Spoor](#).
- | HFS has also issued a provider [notice](#) that clarifies during Phase I of the Illinois Health Connect (IHC) Referral System implementation, IHC primary care physicians may provide services to an IHC enrollee at an Urgent Care facility without obtaining a referral in specific cases.
- | The Food and Drug Administration [announced](#) this week it will launch a radiation exposure-reduction initiative focusing on CT, nuclear medicine and fluoroscopy imaging scans. Manufacturers will be required to incorporate dosage safeguards into their machines, mandatory accreditation requirements for imaging providers will be established and a registry will capture dosage information on a range of imaging studies.
- | IHA President Maryjane Wurth discussed health care in 2010 as a keynote speaker at the annual meeting of the Chicago Health Executives Forum (CHEF) on Feb. 11. CHEF also honored retired IHA President Ken Robbins at the meeting with its Career Achievement Award.

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