

the Reporter

July 16, 2010

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

HEADLINES

[IHA Has New VP of Federal Relations; Advocacy Day in D.C.](#)

[HHS Issues Final Rules on Meaningful Use](#)

[IHA Seeking Nominations for 2010 Annual Awards](#)

[Illinois' Fiscal Problems Add to Debt Costs](#)

[Briefly Noted](#)

[Studies and Surveys in the News](#)

IHA Has New VP of Federal Relations; Advocacy Day in D.C.

Kimberly C. Parker has [joined](#) IHA as Vice President of Federal Relations, reporting to Sr. Vice President Howard Peters. Parker was chief of staff for Bobby Rush (D-IL) of Chicago and Laura Richardson (D-CA), serving as chief policy advisor on Medicare, Medicaid and the public health service.

Based in Washington, D.C., Parker will focus on several key federal health care issues in addition to the implementation of national health reform:

- | Extending the enhanced FMAP rate;
- | Working on a permanent FMAP rate increase for Illinois;
- | Opposing any further hospital payment reductions on top of cuts that hospitals already face under health care reform, e.g., the proposed IPPS rule coding offset cuts;
- | Seeking potential reprieves from Medicare reductions under health reform until coverage expansion actually takes effect;
- | Revising the readmissions policy to penalize only preventable readmissions; and
- | Mitigating reductions in the Medicaid DSH allotment.

With her appointment and the establishment of an office in the nation's capital, IHA will be well positioned to address the challenges members face on the federal level. "Kimberly's depth of experience

www.ihatoday.org

This Week's Memos

[IHA Quality Care Institute Update: Meaningful Use Final Rules](#)

[Technical Bulletin #353: Medicare Proposed 2011 Payment Rules for Hospital Outpatient and Physician Services](#) (password required)

[Call for Nominations, 2010 IHA Awards](#)

[Illinois Health Facilities and Services Review Board Notices](#)

[IHA e-Update Archive](#)



Calendar of Events

July 20: [Business Decision Making for Clinicians](#)

July 27: [Medicare 101: An Overview of Medicare Payment Systems](#)

July 27: [Advanced Concepts in Healthcare Finance](#)

July 28: [Building Long Term Relationships with Physicians Who Take Call](#)

August 3: [Myths and Must Do's - Understanding the 2010 "EC," "EM" and "LS" Chapters](#)

August 3: [Leveraging LEAN and Six Sigma in Your Emergency Department](#)

August 4: [Oversight Dashboards to Support Effective Governance](#)

August 4 & 5: [Hospitals on the Path to Excellence in Health](#)

and knowledge about Congress and key health care issues will ensure that the views and concerns of the Illinois hospital community are well represented in Washington," said IHA President Maryjane Wurth.

Parker met with members of the Illinois Congressional Delegation on Thursday during Hospital Advocacy Day. Along with several Illinois hospital leaders, she advocated for extending the enhanced FMAP Medicaid matching rate, revising the proposed IPPS rule's coding "offset" provision that would cost Illinois hospitals \$149 million, and raising concerns about the final rules on the "meaningful use" of electronic health records.

Extending the enhanced FMAP rate is critical for Illinois, which would lose \$750 million without an extension. The U.S. Senate may try again next week to take up the FMAP extension issue, possibly as part of the unemployment benefits extension bill (HR 4213). To send emails to your members of Congress urging them to work for and pass the FMAP extension, [click here](#).

Issue papers that IHA and members distributed to the Illinois Congressional Delegation Thursday on the [FMAP extension](#), the [IPPS rule](#) and "meaningful use," and [statistics](#) showing the number of hospital employees by Illinois congressional district are available on IHA's web site.

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

HHS Issues Final Rules on Meaningful Use

Earlier this week, U.S. Department of Health and Human Services (HHS) Secretary Kathleen Sebelius released the much-anticipated final rules to support "meaningful use" of electronic health records that hospitals and physicians must follow to be eligible to receive about \$27.3 billion in financial incentives.

After HHS issued its proposed rules on Dec. 30, it received more than 2,000 comments, including a letter signed by 235 House members who said the regulation's narrow definition of an eligible provider could prevent some hospitals and physicians from participating in the incentive program. The final rules reflect a response to that comment, providing more flexibility and choice.

CMS will be offering a final rules overview during a public conference call from 2 to 3:30 p.m. EST on July 22. To participate, call 1-877-251-0301 and enter conference ID pass code: 87841621.

IHA's Quality Care Institute will be holding conference calls on the final rules within the next two weeks. To view IHA's summary of the final rules, [click here](#).

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

[Care: How the Baldrige Framework Creates Value and Results](#)

[Upcoming Webinar
Creating Value in Hospitals
Through Strategic Financial
Planning and Management](#)

[Education Programs](#)

[Governance Education](#)

[COMPdata Programs](#)

IHA Seeking Nominations for 2010 Annual Awards

Every year at the IHA Leadership Summit, the Association honors those who have made extraordinary contributions to IHA and to the quality and delivery of health care services in Illinois. Members may nominate hospital leaders or public officials for IHA's Excellence in Service, Excellence in Public Service and Distinguished Service awards by submitting a brief letter by email to [Flora Albrecht](#) or by fax to 630-276-5711. The deadline for submitting nominations is Aug. 6. For more details, [click here](#). The [2010 IHA Leadership Summit](#) will be Sept. 23-24 in Galena.

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

Illinois' Fiscal Problems Add to Debt Costs

The state of Illinois now has the distinction of being the eighth most likely governmental entity in the world to default, ranking just behind Iraq, though analysts say the actual risk of default is overblown. The state's ranking by CMA Data Vision is based on the cost of insuring a state's debt against default.

As the state continues to borrow more money, its borrowing costs continue to rise. This week's sale of \$900 million in Build America capital projects bonds by the state cost about \$9 million more in interest per year or about \$225 million in additional costs over the life of the bonds. Despite the state's poor credit ratings, the state's bond sale drew 93 investors, including 17 from overseas.

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

Briefly Noted

- | IHA's Quality Care Institute, in conjunction with the Lincoln Foundation for Performance Excellence, will present "Hospital Leaders on the Path to Excellence in Health Care: How the Baldrige Framework Creates Value and Results" during conference calls at 3 p.m. Aug. 4 and 10 a.m. Aug. 5. Gary Barnett, President and CEO, **Sarah Bush Lincoln Health System**, Mattoon, and Michael Bryant, President and CEO, **Methodist Medical Center of Illinois**, Peoria – winners of the Lincoln Foundation for Performance Excellence Award – will share their journeys to excellence. [Click here](#) to register or for more information.
- | The Illinois Dept. of Human Services Division of Mental Health is inviting providers to [submit comments](#) on the draft of the FY2011 block grant application, which outlines Illinois' plan for providing services to individuals recovering from severe mental illnesses or emotional disturbances. Comments may be made via e-mail to dhsmh@dhs.state.il.us, with "Mental Health Block Grant Application" in the subject line. Comments will be accepted through Aug. 5, after which the application will be

submitted to the Substance Abuse and Mental Health Services Administration Center for Mental Health Services.

- 1 The [Coalition to Protect America's Health Care](#), which includes AHA, is running 60-second TV spots (available on the Coalition's web site) dramatizing the fact that patient care could be compromised care if the proposed IPPS coding "offset" cut in Medicare reimbursement to hospitals for FY2011 takes effect.

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

Studies and Surveys in the News

- 1 Hospitals still struggle to prevent avoidable health care-associated infections, according to a [survey](#) released July 12 by the Association for Professionals in Infection Control and Epidemiology. Half of those surveyed agree that catheter-related bloodstream infections continue to be a problem in their facilities, naming insufficient resources, time constraints, difficult-to-enforce policies, poor attendance at educational events and lack of leadership from hospital administration as barriers to fighting infections more aggressively.
- 1 The health care information company Sg2 [reports](#) that if average inpatient payments were paid at today's Medicare rates, hospitals would need to reduce their direct costs by 14% to sustain current operating margins. It is projected that overall Medicare margins will be a negative 5.9% in 2010. This, combined with performance-based penalties and commercial insurance reimbursement rates lowering to Medicare levels, means providers must improve clinical performance and significantly reduce their costs, says Sg2.

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