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BAUCUS RELEASES HEALTH REFORM PLAN

U.S. Senate Finance Committee Chair Max Baucus (D-Mont.) this week released his [proposal](#) for health care reform, which would expand coverage to 94% of people residing in the U.S. and generally conform with the agreement that AHA, the Catholic Health Association and the Federation of American Hospitals worked out with Baucus and the White House in July. That agreement calls for \$155 billion in savings over 10 years from hospital payment updates, Medicare and Medicaid DSH, and preventable readmissions (excluding readmissions that were planned or unavoidable).

The measure does not include a public option, calling instead for creation of state-based insurance exchanges and non-profit cooperatives. The plan includes an insurance mandate for individuals, employer "play or pay," a prohibition on insurers from denying coverage due to pre-existing conditions, elimination of annual and lifetime limits on coverage, and tax credits for families and small businesses to help them afford insurance.

Other key provisions of interest to the hospital community include:

- Value-based purchasing program for hospital payments beginning in FY2013 based on hospitals' performance in 2012 on measures that are part of the hospital quality reporting program;
- Accountable Care Organization (ACO) pilots, where groups of qualifying providers, including hospitals, can form ACOs and share in Medicare cost savings;
- Voluntary pilot projects to test bundled payments and share in Medicare cost savings to encourage coordination of care among hospitals, physicians and post-acute providers;
- Financial penalties to hospitals with high risk-adjusted rates of hospital-acquired conditions;
- Rural health care protections and program extensions;
- Closing of loopholes in physician self-referral laws that allow conflicts of interest; and
- Standardization of Medicaid coverage for everyone under 133% of the federal poverty level.

The Baucus plan does not call for a charity care mandate, but requires hospitals to conduct a community health needs assessment at least once every three years, to have a financial assistance policy and to limit charges to those who qualify for financial assistance.

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THIS WEEK'S MAIL

- Upcoming William Ward Webinar Series:*
- Oct. 13: Business Decision Making for Clinicians **Cancelled**
 - Nov. 10: [Tools for Managing the Operation Budget](#)
 - Nov. 12: [The Role of the Governing Board in Improving Clinical Quality](#)
 - Dec. 3: [Developing Oversight Dashboards to Support Good Governance](#)
 - Dec. 16: [Developing a Business Plan](#)
 - Jan. 20, 2010: [Equipment Budgeting and Acquisition](#)

[Beyond Physician Satisfaction: Using Marketing Research to Drive Physician Outreach Strategies](#) (Webinar program)

[This Week's Archives](#)



CALENDAR OF EVENTS

Sept. 22, 29: [IHA/MCHC Open Forum Conference Call on H1N1](#)

Sept. 22, 23, 24, 25: [University of Outpatient Auditing](#)

Sept. 29 (Date Change): [Grievances and Complaints: What Hospitals Should Know About the CMS and The Joint Commission Standards](#)

Sept. 24-25: [IHA Leadership Summit Sponsor List](#)
[Eagle Ridge Resort Reservation Form](#)

Sept. 28: [Finding the Balance on Shifting Sands: Microgovernance and the Changing Roles of the Board and Management](#) (sponsored by The Reinertsen Group)

Sept. 30: [Your Hospital's Emergency Preparedness: Taking a Closer Look](#)

[Education Programs](#)

[COMPdata Programs](#)

[Sponsorship Opportunities](#)

The \$856 billion cost of the proposal would be covered by \$507 billion in cuts to government health programs and \$349 billion in new taxes and fees. So far, reaction from Democratic and Republican lawmakers has been mixed. The Finance Committee is expected to begin marking up the proposal next week.

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H1N1 VACCINES APPROVED; PLANNING CONTINUES

The U.S. Food and Drug Administration this week approved H1N1 vaccines from four drug manufacturers, with the first doses expected to be available within the next four weeks. The Illinois Dept. of Public Health (IDPH) said the first vaccine shipment to Illinois will include 1.5 million doses to 2,783 health provider sites outside Chicago and nearly 500,000 doses to 1,045 sites in Chicago. Initially, only people in high-priority categories will be vaccinated: pregnant women, caregivers to infants younger than 6 months old, children and young people from 6 months to 24 years old, health care workers and 25 to 64 year olds with serious underlying health problems.

IDPH says the state is beginning to experience an increase in influenza-like illness and laboratory confirmed influenza. In a new [health alert](#) to clinicians, IDPH said while “the trajectory of influenza activity cannot be predicted with certainty, we should anticipate the potential for rapid spread and high demand on health care systems.” The Sept. 16 alert includes general guidelines for clinicians on planning and preparation as well as information for the public on when to seek medical care for possible influenza, including H1N1.

To help the state in its planning efforts, members are strongly encouraged to report their daily bed and medical resources count to IDPH by 10 a.m. via the Health Alert Network at www.idphnet.com (to obtain a password for the network, call 800-366-8768; user passwords expire every 90 days and can be reset only by calling that same number).

On the national level, AHA is urging HHS and CDC to update recommendations on health care facility infection control for H1N1, which currently call for the use of N-95 (or higher) respirators for routine patient care. In a [letter to CDC](#), AHA Senior Vice President James Bentley notes that recent data suggests that the H1N1 virus “has not changed to become more severe and studies suggest that it transmits much the same way as seasonal influenza.” AHA supports the use of a hierarchy of controls, “that surgical or procedure masks should be used for most patient contact and that N-95 respirators be recommended primarily for aerosol-generating procedures.” Bentley says while AHA is advising member hospitals to follow CDC’s hospital infection control guidelines, it asks that HHS adopt recommendations that take into account the limited supply of N-95 respirators and the most recent epidemiologic data on how H1N1 infections transmit.

IHA and MCHC continue to hold [weekly calls](#) on H1N1 every Tuesday morning at 9:30. The next call on Sept. 22 will include attorney Michael Callahan, a partner at Katten Muchin Rosenman, LLP in Chicago. Callahan will discuss EMTALA issues and other hospital inquiries related to pandemic flu preparedness.

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IHA FLYAROUND MEETINGS START OCT. 30

Hospital leaders are invited to attend the upcoming IHA regional

flyaround meetings, which will feature new IHA President Maryjane Wurth and 2010 IHA Board Chair-elect Pat Magoon, President and CEO, **Children's Memorial Hospital**, Chicago. The meetings will focus on IHA's strategic goals for the coming year and upcoming key issues and challenges for the hospital community. [Meetings](#) will be held on:

- Oct. 30: Regions 2A/B/C, Oak Brook;
- Nov. 3: Region 4, Collinsville;
- Nov. 3: Region 5, Mount Vernon;
- Nov. 13: Regions 3A/3B, Springfield;
- Nov. 18: Region 1B, Kewanee; and
- Nov. 30: Region 1A, Freeport.

New regional trustees elected by members within their regions include: Steven Drucker, President and CEO, **Loretto Hospital**, Chicago (2A); and Rob Schmitt, CEO, **Gibson Area Hospital & Health Services**, Gibson City (3B).

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WEBINARS ON ILLINOIS HEALTH CONNECT

To provide hospitals with information about *Illinois Health Connect* (IHC) and its new referral system, IHC – working in conjunction with IHA – will hold special webinars on two different dates for members' convenience – Sept. 28 and Nov. 12. The webinars will include an overview of IHC, show health providers how to identify IHC patients' primary care providers (PCPs), and explain the new requirements for the IHC Referral System. The system is being implemented across the state over the next several months.

Illinois Health Connect, a primary care case management program, was implemented by the Dept. of Healthcare and Family Services in 2006 to improve access and quality of care by linking clients to a medical home or PCP to coordinate their care. IHA recently sent members a [memo](#) about IHC and the webinars, including registration information.

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DOCS BACK PUBLIC PLAN; PUBLIC WORRIED ABOUT HEALTH CARE

Nearly three-quarters of U.S. physicians support a government-run public plan option. That's according to a new poll of more than 2,000 doctors funded by the Robert Wood Johnson Foundation and published in the [New England Journal of Medicine](#). The poll found that 63% of physicians said they favor giving patients the option of a public plan in addition to private insurance options, while another 10% said they favor the public plan only.

Meanwhile, the Robert Wood Johnson Foundation's [monthly index of Americans' confidence in their health insurance coverage](#) and ability to access health care dipped in August, as intense debates on health care reform were occurring in town hall meetings across the country. The survey found notable drops in confidence among seniors who are eligible for Medicare and young adults. "August was a tumultuous time in the health care debate, and many Americans were left feeling concerned about the future and confused by all the conflicting information," said Risa Lavizzo-Mourey, president and CEO of the foundation. "With Congress back in session, our leaders must reassure the American people that they will work together and in the public's interest to find common ground and reform our broken health care system."

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INSURANCE COSTS OUTPACE PAY, INFLATION

As Congress considers health care reform, an annual benchmark survey on employer-based health insurance released this week shows that premiums continue to greatly outpace inflation and worker wages. According to the [2009 Employer Health Benefits Survey](#), premiums for employer-sponsored health insurance rose to \$13,375 annually for family coverage this year, with employees on average paying \$3,515 and employers paying \$9,860.

The survey, released by the Kaiser Family Foundation and the Health Research & Educational Trust (HRET), found that family premiums rose about 5% this year, even as the general inflation rate declined during the same period and as worker wages went up 3.1%. Since 1999, premiums have gone up 131%, more than three times greater than worker wages and four times greater than general inflation.

The survey also found that 60% of firms offer health benefits to their workers. But the smaller the firm, the less likely it is to offer health benefits, with fewer than half of the smallest employers (three to nine workers) offering health benefits. When asked about their plans for next year, 21% of firms offering health benefits say they are “very likely” to raise workers’ premium contributions and 16% say they are “very likely” to raise deductibles.

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BRIEFLY NOTED

- 1 The Illinois Workers' Compensation Commission has offered [additional guidance](#) regarding how much hospitals may be paid for medical implants used to treat workers' compensation patients. We urge all members serving workers' compensation patients to familiarize themselves with the Commission's position on this issue.
- 1 President Obama this week directed HHS to make \$25 million in grants available in 2010 to states and health systems for demonstration projects on evidence-based patient safety and medical liability. The President called for demonstrations on medical liability reform during his Sept. 9 health care reform address to Congress.
- 1 For a list of upcoming education programs offered by the Illinois Hospital Research and Educational Foundation, including the Oct. 20 webinar, [Beyond Physician Satisfaction: Using Marketing Research to Drive Physician Outreach Strategies](#), visit the [Education section](#) of IHA's web site.
- 1 There will be no *Reporter/IHA e-Update*, including “*This Week's Mail*,” on Sept. 25 because of IHA's Leadership Summit, Sept. 24-25. For the latest news, check “Breaking News” on our [web site](#).