

## the Reporter

March 5, 2010

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### CAH Medicaid Funding Initiative Advances

More than 100 Critical Access Hospital leaders and supporters were at the State Capitol March 2 and 3 for IHA Lobby Days in support of **HB5765** and **SB3264**, bills that would require Medicaid reimbursement to CAHs for outpatient services based on cost. The result: the Senate Human Services Committee approved **SB3264** on an 8-1 vote and the House Human Services Committee passed out **HB5765** on a 7-0 vote.

Randall Dauby, CEO, **Hamilton Memorial Hospital**, McLeansboro, testified to the committees that the bills are vital for rural health care and the local economies of many communities: "The 51 Critical Access Hospitals in Illinois not only provide critical and necessary health care services, they also provide jobs for their local communities, which in turn means state revenues from those jobs."

IHA President Maryjane Wurth told the House Human Services Committee that CAHs in Illinois are financially vulnerable because they receive such low Medicaid reimbursements – on average, only 41% of what it costs to deliver Medicaid services. "Critical Access Hospitals are the anchor for the rural health care delivery system," she said. "House Bill 5765 will stabilize rural health care across large areas of Illinois."

In addition, IHA and several CAH leaders met with the Governor's top adviser on health care issues to discuss the critical need for the legislation.

### THIS WEEK'S MAIL

[Be Part of IHA's 2010 Community Benefits Report](#)  
TO: CEOs; Government Relations and Public Relations Directors

[Deadline for Comments on Proposed Rules Amending the Perinatal Health Care Code](#)  
TO: CEOs; Maternal and Child Health Directors; Nursery Managers; Obstetric and Neonatal Service Directors

[Technical Bulletin #344: Physician Supervision of Hospital Outpatient Services \(password required\)](#)  
TO: CEOs; CFOs

[2009 AHA Annual Survey](#)  
TO: CEOs

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

[Upcoming Webinars](#)  
[Pediatrics: No Small Risk](#)

[CMS Hospital Anesthesia Standards: Ensuring Compliance](#)

[This Week's Mail Archive](#)



### CALENDAR OF EVENTS

**March 12:** [IHA Management Institute 101: Performance Management](#)

**March 16:** [Initial Implementation of a Depression Care Manager Model: An Observational Study of Outpatient Utilization in Primary Care Clinics](#)

With **HB5765** and **SB3264** headed to the floor of the General Assembly, continue to ask your legislators who have not signed on as co-sponsors to do so, and thank those legislators who have for their support. To send an email to your state legislators, [click here](#).

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### **Committee Approves Restoring CHIPS Program**

The Illinois House Human Services Committee this week voted 7-0 to pass out **HB5696**, which would restore the Community Hospital Inpatient Psychiatric Services (CHIPS) Program. The program was established in 2002 so inpatient psychiatric care could be provided to people with mental illness who are unable to pay for their care and who do not qualify for Medicaid or Medicare. The state had eliminated \$9.4 million in annual funding for CHIPS last July. Members are urged to continue [contacting](#) their legislators to support **HB5696**.

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### **Borrowing Bill for Medicaid Receives Final Legislative OK**

The Illinois Senate Thursday gave final legislative approval to **Senate Bill 1425**, which authorizes the state to borrow \$250 million so the state can pay Medicaid bills. The legislation, which now goes to the Governor, is also intended to potentially trigger the Medicaid stimulus funding program that includes \$155 million for hospitals in new Medicaid stimulus payments.

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### **Urge U.S. Senators to Support Baucus Amendment to Jobs Bill**

Earlier this week, U.S. Senate Finance Committee Chair Max Baucus (D-MT) offered a substitute amendment to the *American Workers, State, and Business Relief Act of 2010 (H.R. 4213)* – the Senate's latest jobs bill. With several provisions that are critical to hospitals, such as the extension of an increased FMAP rate, IHA encourages members to contact Sens. Burris and Durbin and ask them to support the amendment. To send an e-mail message, [click here](#).

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### **Obama Asks Congress for Final Vote on Health Reform**

President Obama is calling on Congress to take a final vote on health care reform within the next few weeks. While not using the term “reconciliation,” a parliamentary tactic to avoid a filibuster, he noted

**March 17:** [ICD 10-CM and ICD 10-PCS Overview](#)

**March 18:** [Analyzing Performance Using Volume Adjusted Variance Analysis](#)

**March 18:** [CMS and The Joint Commission Standards on Informed Consent: Ensuring Compliance](#)

[2010 Education Calendar \(new programs added\)](#)

[COMPdata Programs](#)

[Governance Education](#)

that reform has passed the House with a majority and the Senate with a supermajority of 60 votes: “And now it deserves the same kind of up or down vote that was cast on welfare reform, that was cast on the Children’s Health Insurance Program, that was used for COBRA health coverage for the unemployed and, by the way, for both Bush tax cuts – all of which had to pass Congress with nothing more than a majority.”

The House will likely try to pass the Senate’s Dec. 24 reform bill and then a second bill would be offered, reconciling changes that the House wants with the Senate version. Congressional Republicans continue to oppose the use of reconciliation.

It was a year ago today (March 5) that the President unveiled his health care reform plans at a White House forum.

With health care reform in the spotlight, it is an excellent time to weigh in with your legislators in person by attending AHA’s annual meeting on April 25-28. For information on IHA’s event and hotel registration, [click here](#).

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### **Physician Pay Cuts Delayed**

The U.S. Senate voted 78-19 Tuesday night to give physicians a one-month reprieve from a scheduled 21% Medicare reimbursement cut. The House had earlier approved the 30-day delay, and President Obama has signed the bill. The bill also extends COBRA premium subsidies, insurance for the unemployed and rural Medicare provisions that were due to expire March 1.

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### **Congressional Support Needed for HIT Rule Changes**

A U.S. House “[Dear Colleague](#)” letter is being circulated that urges the Centers for Medicare and Medicaid Services (CMS) to modify its proposed health information technology (HIT) rule. The letter requests changes to the definition of “meaningful use” of electronic health records (EHRs) to allow additional time for hospitals to meet the criteria and access needed HIT funds and a more flexible approach that rewards hospitals for EHR efforts already started. In addition, it urges changes in the definition of “hospital-based physicians” and to the multi-campus hospital limitations.

Ask your U.S. Representative to sign the Space/Burgess/Engel/Stearns letter urging CMS to modify the proposed HIT rule. To send an e-mail message [click here](#).

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## **IHA Seeks Changes in Physician Supervision Rule**

IHA is continuing to work with AHA, the Centers for Medicare and Medicaid Services (CMS) and others to address the long-standing issue of direct physician supervision of hospital outpatient diagnostic and therapeutic services provided to Medicare patients. Per the CY 2010 Medicare OPPS final rule, this issue will affect Critical Access Hospitals. Observation unit services will now be affected by the rule as well. IHA will continue to work with AHA to persuade CMS to implement changes to this rule that more realistically reflect the economic and medical realities faced by our members. For a detailed memo on this issue, [click here](#) (password required).

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## **Legislative Subcommittee Formed on Medical Liability**

The Illinois Senate Judiciary Committee this week agreed to establish a subcommittee on Medical Discipline, Insurance and Malpractice Reform. In the wake of the state Supreme Court decision striking down the entire 2005 medical liability reform law, several bills have been introduced that would restore some of the law's provisions. The subcommittee is expected to look at the bills and various issues related to the court decision. IHA is strongly committed to re-enacting non-cap judicial reforms (e.g., using annuities for future medical expenses and increasing expert witness standards) and is considering additional ways to help reduce medical liability costs for hospitals and health care providers.

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## **IHA Statewide Physician Summit is March 10**

In collaboration with Northwestern University's Feinberg School of Medicine and the Illinois State Medical Society, IHA will host "Illinois' Physician Workforce: Scarcity or Surplus?" on March 10. The summit, coordinated by IHA's Workforce Task Force, will provide a unique forum for understanding Illinois' current and future physician supply and demand environment. For more information, [click here](#) or contact [Cathy Grossi](#).

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## **Hospitals Asked to Complete AHA Survey**

IHA strongly encourages all hospitals to complete AHA's annual survey for fiscal year 2009 by March 31. IHA and AHA use the data throughout the year for key policy and advocacy efforts at the state and federal levels. In addition, your hospital's data will be included in IHA's *Illinois Hospitals Caring for You* web site, *AHA Guide to Hospitals* and U.S. News & World Report's *Directory of America's*

*Hospitals.* For more information, [click here](#).

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## **Briefly Noted**

- | Gov. Quinn is scheduled to present his FY2011 state budget proposal to the General Assembly on Wednesday, March 10. IHA will hold a special conference call at 4:30 p.m. that day to provide members with details of the budget plan and its implications for hospitals and health care.
- | The Illinois Senate Public Health Committee this week held **SB2593**, which would impose new licensing fees on hospitals. The Dept. of Public Health continues to express interest in this proposal.
- | CMS [announced](#) that Illinois' Medicaid program will receive about \$2.2 million in federal matching funds (a 90% federal match) for state planning activities necessary to implement the electronic health record incentive program established by the American Recovery and Reinvestment Act of 2009. [Click here](#) for more information regarding the Medicaid-related provisions.
- | Advocate Physician Partners will present a March 25 Webinar, "Clinical Integration: A Model for Uniting Hospitals and Physicians with Payors and Patients." For more information or to register, [click here](#) or contact [Barb Haller](#) at 630-276-5474.
- | Comments on Proposed Rules amending the Regionalized Perinatal Health Care Code may be submitted to the Illinois Dept. of Public Health by March 20. Please send a copy of your letter or other feedback to [Barb Haller](#), who is preparing IHA's comment letter, or contact her at 630-276-5474,. For the complete text of the rules, [click here](#). For IHA's summary of the changes, [click here](#).
- | The Dept. of Healthcare and Family Services has added language regarding the "Medicare Approved Amount" to [Chapter 300](#), Handbook for Electronic Processing, Topic 302.

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