

Hospitals May Receive More Medicare Reimbursement

Maine hospitals could receive an estimated \$10 million each year in Medicare reimbursement that may replace a portion of lost Medicaid payments.

A recent decision by the Centers for Medicare and Medicaid Services (CMS-- formerly the Health Care Financing Administration)

now instructs the Maine fiscal intermediary to treat unpaid Medicaid "cross-over claims" as Medicare bad debt.

The changes will apply to claims on or after July 1, 1999, and any unpaid deductible and/or coinsurance amounts for dually eligible patients may qualify as a Medicare bad debt. This is expected to increase Medicare payments to hospitals by \$10 million and is the result of a two-year advocacy effort by MHA.

Until July 1, 1999, Medicaid paid the deductible and co-payment amounts for those hospital claims related to patients with both Medicare and Medicaid coverage. However, Medicaid stopped making those payments to hospitals more than two years ago to fill a shortfall in the

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ED Visits Skyrocket at Maine Hospitals

Significant increases in emergency department visits across the state in recent years demonstrate a growing reliance by Maine people on hospitals for medical care.

A new MHA analysis of hospital data shows that visits to emergency departments (ED) have increased approximately four percent each year over a recent two year period. In 2000 (most recent data available) nearly 600,000 visits to the ED took place—a figure that's roughly equivalent to half of Maine's entire population. In addition, hospitals have reported more than 1.6 million visits to emergency departments over the last three years.

While the needs of Maine's aging population appear to be one of the factors behind the increase, physicians and others are working to better understand just why visits to hospital emergency departments are growing so much throughout the state.

Stephen Sears, M.D., Senior Vice President for Medical Administration at MaineGeneral Medical Center in Augusta, sees a main factor as the increasing need for working individuals to access care in a convenient timeframe. "Most physicians don't have office hours at night or on the weekend and if they do, there is often a long wait to actually see the doctor. As people become more and more frustrated with lack of access to their primary care physician, they turn to the ED for care," said Sears, a member of MHA's Board of Directors. He suggested one of the reasons why doctors have less time with patients is the burdensome paperwork required by state and federal regulatory agencies.

Terrance Sheehan, M.D., Medical Director at Southern Maine Medical Center (SMMC) in Biddeford, said the factors that could be contributing to the trend are complex, varied and sometimes specific to individual hospitals. However, he said some widespread factors that can safely apply to all Maine hospitals include: an increase in the uninsured and underinsured population, difficult access to primary care physicians, and a recent increase in the number of medical conditions that are covered by insurance companies.

George Higgins, III, M.D., Chief of Emergency Medicine at Maine Medical Center in Portland, believes advances in ED capabilities are also contributing to the increased visits. "We're able to do things for people that we were never able to do

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New Survey Show Hospitals Promoting Safe Environment

The results of a new survey show that Maine hospitals are consistently promoting the use of “safe needles” to protect workers from bloodborne pathogens.

Last fall, the state Department of Labor’s Bureau of Labor Standards conducted a survey on the use of sharps safety devices in hospitals and other healthcare settings in accordance with legislation passed by the Maine Legislature during the 119th session. The survey was designed to collect information about the use of needleless devices and other sharps safety systems. The study also attempted to collect information on OSHA recommendations regarding work practice and engineering controls that protect employees against exposure to bloodborne pathogens. Those surveyed included more than 1,200 healthcare providers and licensed practitioners working in Maine who may use needles and other sharps devices in the course of their work. The Department of Labor received an overall 69.5 percent response rate, while the hospital response rate was nearly 100 percent.

Survey results detail the types of devices in use across settings in Maine and may be useful to staff responsible for selecting, testing and implementing sharps safety technology. The report also showed that hospitals were more likely than other groups to use this technology. The full report is available on the Department of Labor website at: <http://janus.state.me.us/bls/sharpsurvey.pdf>.

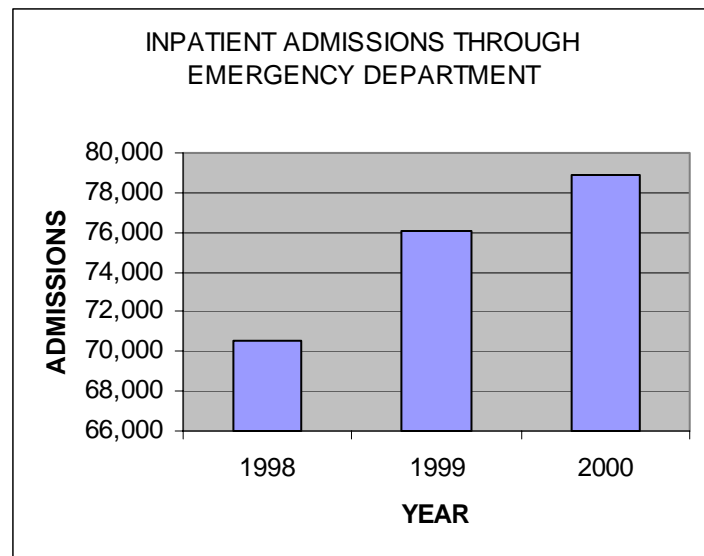
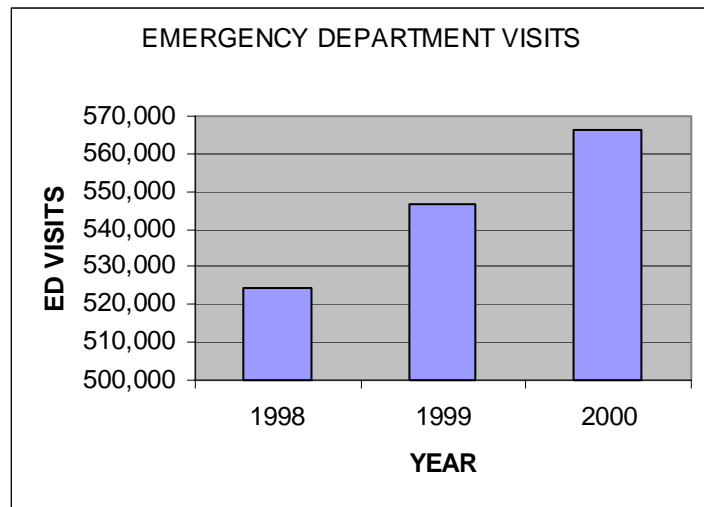
MHA Contact: Kathleen Stuchiner

ED Visits, continued

before,” he said. “The emergency department is doing much more management of illnesses, such as asthma, minor strokes, clots or pneumonia. There are a lot of things we can treat right here in the emergency department now, which means people spend longer times in the ED, but fewer people are admitted to the hospital.” Higgins noted that about one in five ED patients is admitted for inpatient treatment at MMC.

The MHA analysis also revealed that inpatient admissions through the ED have increased steadily over the past couple years. **Frank Lavoie**, M.D., Chief of Emergency Medicine at SMMC, said that patients are now requiring more intensive care because people appear to be waiting longer in the disease process to seek care, and Maine’s aging population is requiring multiple emergency department visits because technology has enabled elderly to live longer—and live longer with disease.

While Maine hospitals have so far been able to meet the increased demand for emergency care, many hospitals across the nation haven’t demonstrated such adaptability. For example, several ED departments in Boston have begun diverting patients to other larger hospitals because they cannot meet the increased patient volume. For many the thought of limited access to the ED is unheard of, but with a staffing shortage that is only expected to worsen, restrictions in the ED may become more common as hospitals struggle to meet community needs. **MHA Contact: Jim Harnar**



Group Formed to Improve Healthcare Access

A new organization that will help promote and improve access to healthcare in Maine is now getting off the ground and securing its leadership.

The Maine Health Access Foundation is an independent non-profit corporation that was created last year when Anthem Insurance Companies, Inc. purchased Blue Cross & Blue Shield of Maine, a charitable non-profit organization. Upon completion of the sale, Anthem was required, due to tax-exemption laws, to redistribute \$90 million gained from the sale back to the community. The Attorney General's office appointed the initial Board of Trustees, who began formally meeting in January to establish the structure and purpose of the Foundation.

Warren Kessler, past president and CEO of MaineGeneral Medical Center in Augusta and Waterville, will serve as president of the Maine Health Access Foundation. Kessler, who will chair the 15 member Board of Trustees, is heading up a search for the Foundation's Executive Director. The position is expected to be filled later this fall, if not sooner.

The Board is made up of a mix of healthcare leaders, government officials and others including Department of Human Services Commissioner **Kevin Concannon**.

The Foundation's mission, as set forth in its Articles of Incorporation is: "to serve Maine's unmet healthcare needs, particularly and primarily with regard to the medically underserved and uninsured populations and to provide access to care and improve the quality of care for those populations."

Currently, Foundation trustees are evaluating the status of healthcare access in Maine, establishing the foundation's bylaws and committees, and are beginning to make preliminary decisions about how some of the Foundation's funding should be allocated over the next year. **Diana Scully**, of the consulting firm Vantage Point, has helped to establish the group's organizational structure and mission and will continue to serve as interim consultant until the Foundation names its Executive Director.

MHA Contact: Sandra Parker

HMOs Verify Findings of MHA Medicare Study

Managed care companies have indicated that the state's high insurance premiums could significantly drop by an estimated five percent if hospitals were fairly paid by Medicare. This confirms the findings of a new study—prepared at the request of MHA—that directly links Maine's high insurance premiums with its poor Medicare reimbursements.

Dan Fishbein, general manager for Aetna U.S. Healthcare in Maine, told the Portland Press Herald last month that a 12 percent cut in hospital charges could translate into an estimated five percent drop in health insurance premiums. "Hopefully a study like this will help...efforts [in Washington to improve Medicare reimbursements to hospitals]," Fishbein said.

A new independent study, completed last month at MHA's request, illustrates the direct link between the rising cost of health insurance premiums in Maine and the state's Medicare shortfall. According to the study, hospitals could decrease their charges by 12 percent if they were fairly reimbursed by Medicare. This would reduce the cost shifting—passing along the losses that hospitals take as a result of caring for Medicare patients along to other patients in the form of higher charges—if hospitals were paid what it actually costs to provide care to Medicare patients.

Bill Cohen, a spokesman for Anthem Blue Cross and Blue Shield agreed, and told the Press Herald that the high costs of insurance premiums "are a real drag on affordability."

While Maine has long languished at the bottom in terms of percentage of Medicare reimbursement on the dollar, there are signs of improvement. Using 1999 data, the study ranks Maine 46th in the nation for Medicare reimbursement. On average, Maine hospitals are paid just 88 cents for every dollar of care provided to Medicare patients.

MHA plans to use the findings of this new study to build support for a renewed effort by hospitals, employers and other stakeholders to achieve fair Medicare reimbursement for Maine. The study will also be used to gain Congressional support to advance MHA's Federal Advocacy Agenda.

The study, prepared at MHA's request by Baker, Newman and Noyes of Portland was distributed to Maine's hospitals and Congressional Delegation earlier this month. For a copy of the report, call MHA at 622-4794.

MHA Contact: Jim Harnar

Medicare, continued

Medicaid budget. Since then, hospitals have absorbed the loss of reimbursement of these crossover claims.

During the past two years, MHA has been working with the Bureau of Medical Services (BMS), the fiscal intermediary and CMS to ensure that hospitals are able to recoup a portion of the loss through Medicare reimbursement as bad debts.

MHA continues to work with the State regarding the necessary reports for submission with the cost report for reimbursement of the crossover payments. However, due to limitations in the computer system used by BMS, the Association has some concerns about the State's ability to generate the comprehensive reports required and believes that hospitals will still need to retrieve certain data from patient files in order to seek reimbursement for the crossover payments.

Although there is still more to be done, this recent update represents a significant step forward in the effort to achieve Medicare bad debt reimbursement for crossover claims. **MHA Contact: Mary Mayhew**

New MHA Website Serves As Hospital Resource

MHA has launched a new website that will serve as a multifaceted resource for hospitals.

With a just click of a button, information about each MHA member hospital is available, as well as:

- Legislative contact information (state and federal)
- MHA education programs
- Trustee orientation information
- Listing of Hospital Affiliations and Network Systems
- Hospitals' Community Benefit Statements
- Healthcare Career Opportunities
- Contact information for MHA staff
- Links to healthcare related organizations

To check out the new site, go to:

www.themha.org.

MHA Contact: Abby Greenfield

Interim CEO Named at Acadia

Dorothy Hill will serve as The Acadia Hospital's interim president and CEO until a replacement has been found for the hospital's former leader, Ali Elhaj. A search committee is expected to name a new CEO later this summer.

Hill has been Vice President of Patient Care since the hospital opened in 1992 and has also served previously as interim CEO in 1998.

Elhaj announced earlier this summer that he was leaving the Bangor facility after almost three years of service. He accepted a position in Reno, Nevada where he will oversee a free-standing psychiatric hospital and a long-term treatment center for children and adolescents. Elhaj, who has completed his duties at Acadia, will continue to work for Eastern Maine Healthcare until the end of the year, when he will relocate with his family to Nevada. **MHA Contact: Steven Michaud**

HCFA Changes Name

The Health Care Financing Administration, the Department of Health and Human Services (HHS) agency that runs Medicare and Medicaid, has changed its name to the Centers for Medicare and Medicaid Services.

HHS Secretary Tommy Thompson, recently announced the change at a Washington press conference. He outlined a reorganization of the agency, to be called CMS, with three new centers of service. The first, the Center for Beneficiary Choices, will focus on the Medicare+Choice program and provide beneficiaries with information they need to make choices. Second, the Center for Medicare Management, will focus on the traditional fee-for-service program, dealing with providers. Third, the Center for Medicaid and State Operation, will focus on such programs as Medicaid, SCHIP and insurance regulation, administered by states. Thompson said the action is the first in a series of reforms at the agency. **MHA Contact: Jim Harnar**