

## Patient Safety Issues Take Center Stage

At a recent major statewide conference in Augusta, MHA kicked off the next phase in the Association's multi-year effort to provide the latest strategies for reducing the incidence of medical errors and improving patient safety at hospitals in Maine.

More than 130 healthcare professionals representing 35 Maine hospitals, long term care facilities and home health agencies attended the daylong conference last month.

Nearly two years ago, Maine hospitals began an intensive effort to improve patient safety with a major presentation for hospital leaders. That same year, MHA established its Medication Safety Project, aimed at addressing the most common form of medical errors in hospitals: mistakes surrounding the dispensation of medication.

Legislators in Augusta will soon consider a bill that would require hospitals and other healthcare organizations to report medical errors. Earlier this month, the MHA Board of Directors adopted a set of principles for any medical errors reporting system.

"The development of any error reporting system should foster accountability," wrote

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## Hospitals to Share \$65 Million in Medicare Relief

Maine's hospitals will share an estimated \$65 million in Balanced Budget Act (BBA) Relief and additional Medicare payments as a result of changes included in the federal budget approved earlier this winter.

This figure is more than twice the amount MHA initially projected when the budget was signed by then-President Clinton in late December. The relief package, which was strongly supported by Maine's Congressional Delegation, includes all eight elements of MHA's Federal Advocacy Agenda.

"This is some of the best news we've been able to report to hospitals in several years," said MHA President **Steven Michaud**. "It represents a major step forward in the Association's multi-year Medicare Reimbursement Initiative, which is aimed at significantly increasing Medicare payments to Maine hospitals."

"Although we have more work to do, this shows real progress on one of the biggest problems facing hospitals."

All Maine hospital CEOs and CFOs have received a detailed report showing how their own institutions will benefit from BBA relief and additional Medicare payments. The report was prepared with the assistance of Baker, Newman and Noyes in Portland.

Here's how MHA's eight federal advocacy agenda items will benefit from the BBA Relief payments. The funds will be dispersed among Maine hospitals and their affiliates over five years:

- ✦ Full Market Basket Inflation Update – \$24 million
- ✦ Disproportionate Share Hospitals – \$9.7 million
- ✦ Medicare Dependent Hospitals – \$10.8 million
- ✦ Critical Access Hospitals – \$2.9 million
- ✦ Home Health – \$1.4 million
- ✦ Sole Community Hospitals – \$5.4 million
- ✦ Graduate Medical Education – \$4.1 million
- ✦ Rural Ambulance Service – \$281,000

MHA will continue to push hard for additional relief through wage index improvements, further work with the state's Medicare fiscal intermediary and the Association's 2001 Federal Advocacy Agenda. Hospitals still face an estimated \$235 million in Medicare payment reductions as a result of the 1997 Balanced Budget Act.

**MHA Contact: Mary Mayhew**



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## Tax Exempt Principles Endorsed

The Maine Hospital Association's Board of Directors has reaffirmed its opposition to legislation that would establish minimum community benefit standards. At the same time, the Board determined that MHA will continue to advise hospitals against making payments in lieu of taxes.

The Board's position would apply to new legislation introduced this session that would require hospitals to demonstrate— among other requirements— that they have provided certain levels of charity care— or be required to pay property taxes. The bill, submitted by the Maine Municipal Association, is closely patterned after a law that has been in place in Pennsylvania for a number of years.

The Maine bill would require hospitals to meet at least one of five standards in order to retain their property tax exemptions. The standards are complicated and open to a range of interpretations.

In the past, MHA has been able to effectively counter several different attempts by towns and cities to chip away at hospitals' tax exempt status. In fact, a similar proposal was rejected by the Legislature's Taxation Committee last year. However each year, financially-strapped municipalities press harder to win more support among elected officials and others.

MHA has a number of major concerns with the legislation. Passage of such a measure, for example, could eliminate tax exempt status for some hospitals, but not others. The Association's primary concern, however, centers around the fact that once such standards are in statute, they can be ratcheted up again and again by the Legislature, potentially to unreasonable levels. In other words, while an initial legislative proposal could set a required level of charity care that may be easily met by most, if not all hospitals, thresholds could be raised by legislators under pressure from local towns and cities.

**MHA Contact: Mary Mayhew**

## Hospitals Call for CON Law to be Strengthened

This month, MHA's board of directors voted to support measures aimed at strengthening the Certificate of Need (CON) law so that it would operate in the context of an overall health planning process.

Given this, MHA will oppose Maine Medical Association's legislation that would repeal Maine's CON law. Instead, MHA will call for reforming CON in order to:

- Significantly improve the CON process to ensure fairness, completeness of information, consistency and compliance with CON statutes and regulations;
- Determine community need based on a comprehensive state health plan using epidemiological data;
- Review CON applications based upon comprehensive data including community needs, quality outcomes, standards of care, access, incremental cost to the system and existing capacity;
- Require that the CON process ensure accountability by including a provision to conduct post-evaluation, linked to licensure, and;
- Ensure a level playing field among all providers.

Hospitals believe that the repeal of the CON law would result in the proliferation of unnecessary healthcare facilities and services, resulting in increased healthcare costs and reductions in quality of care. MHA will offer amendments to the legislation and work with the legislative committee to achieve these goals.

**MHA Contact: Mary Mayhew**

## Hospitals Gain Strong Voice in Medicare Debate

U.S. Senator Olympia Snowe's appointment as Chair of the Senate Finance Committee's influential Subcommittee on Healthcare--and U.S. Senator Susan Collins' position on the Senate Health, Education, Labor and Pensions Committee--is expected to give Maine hospitals the strongest voice in the federal government since former Senator George Mitchell left the Senate in 1995.

Last month MHA met with Snowe's legislative director and staff members of the Senate Finance Committee to discuss Maine's poor Medicare reimbursement ranking and potential solutions. MHA provided background on the past two rounds of Balanced Budget Act Relief in relation to the overall cuts enacted in 1997 and identified key priorities for MHA's 2001 Federal Advocacy Agenda.

According to Snowe's office, the Finance Committee will begin hearings on Medicare next month. Her appointment as Chair of the Healthcare Subcommittee provides Maine hospitals with a great opportunity to make their voices heard in the Medicare debate. In addition to Medicare, the subcommittee has oversight of Medicaid and the Children's Health Insurance Program, or CHIP.

Senator George Mitchell, who served as Senate Majority Leader and as a key member of the Senate Finance Committee, was the last representative from Maine to hold such influential positions in shaping healthcare policy at the national level. Mitchell held his position as majority leader from 1989 to 1995.

Snowe is the second woman to hold a full term on the Finance Committee. She is also a member of the Senate Committee on Commerce, Science and Transportation, where she chairs the Subcommittees on Oceans and Fisheries; and is on the Senate Budget and Small Business committees.

Collins, who is also a strong advocate for hospitals, will assume the vacancy left by Snowe on the Armed Services Committee. She will retain her seat on the Senate Health, Education, Labor and Pensions Committee, and the Special Committee on Aging and Governmental Affairs.

In anticipation of the pending Medicare hearings, MHA is working with the American Hospital Association and other healthcare organizations to develop an agenda that will likely call for boosting Medicare funding to help compensate for rising workforce shortages and escalating costs of prescription drugs and supplies. MHA expects this piece to be the cornerstone of the 2001 Federal Advocacy Agenda. **MHA Contact: Mary Mayhew**

## Hospitals Sign Major Environmental Agreement

Earlier this month, MHA signed an agreement with the state Department of Environmental Protection (DEP) and leading environmental groups that will position Maine's hospitals as leaders in a new multi-year effort to build a cleaner, safer environment.

**Governor Angus King** was the principal speaker at a news conference announcing the agreement, which was held at MaineGeneral Medical Center in Augusta. The voluntary agreement calls for hospitals to:

- ✧ “virtually eliminate” mercury from the hospital waste stream by 2005 and conduct mercury temperature thermometer exchange programs;
- ✧ set measurable goals for reducing the use of plastics containing PVC, as well as reduce the use of hazardous materials such as solvents and other toxic materials used in laboratories and building maintenance;
- ✧ urge manufacturers to make more environmentally friendly products available to hospitals;
- ✧ step up recycling programs in order to reduce the overall hospital waste stream by 50 percent by the year 2010.

These goals parallel those set forth in a 1997 Memorandum of Understanding between the federal Environmental Protection Agency and the American Hospital Association. Through this federal agreement— and the voluntary agreement signed this month— hospitals and environmental officials hope to forego the need for new laws or regulations that would require compliance in these areas.

Over the next three months, each of Maine's hospitals will be asked to sign similar facility-specific agreements that set reduction goals. The hospitals will receive technical assistance, at no cost, from CGH Environmental, a nationally-known environmental consulting firm from Vermont that has been retained with grants provided by the Maine DEP and an international organization known as Health Care Without Harm.

Over the past 14 months, hospitals have worked closely with DEP, the Natural Resources Council of Maine (NRCM) and other environmental and consumer organizations to develop a proactive plan for substantially cutting back the use of hazardous materials such as mercury, as well as reducing the number of products containing PVC, which can produce hazardous by-products when disposed.

In late 2000, a coalition called Maine Hospitals for a Healthy Environment was formed by MHA, DEP and NRCM, which also represents Health Care Without Harm. The coalition hosted a major statewide conference in November that was attended by most of Maine's hospitals. The group also is in the final stages of developing a separate plan for introducing alternative methods for treating and disposing of medical waste within Maine.

MHA's effort has been led by an Environmental Services Committee chaired by **Michael Swan**, Associate Vice President for Operations at Maine Medical Center in Portland. Engineering, safety and environmental managers from hospitals across the state have also taken part in the process. **MHA Contact: Jim Hamar**

## Hospitals Oppose Raid on Tobacco Funds

Maine hospitals scheduled to receive tobacco settlement funding to establish and enhance community health improvement programs could be cut short if Governor Angus King's plan to raid the state's tobacco money to cover the state's budget shortfall is approved by the legislature.

The Maine Hospital Association appeared before a joint hearing of the Appropriations Committee and the Health and Human Services Committee last month to deliver strongly worded testimony opposing Governor Angus King's plan to divert funds from the state's tobacco settlement fund.

In January, King proposed the allocation of \$65.8 million of the tobacco money to fill the nearly \$300 million budget shortfall. This action would seriously hurt a broad range of community-based initiatives aimed at improving the health of Maine people through smoking prevention and cessation, nutrition and other programs. Many of Maine's hospitals already have spent months working with other community groups to develop these programs based on the state's promise of support through the Fund for a Healthy Maine, which was created with Maine's portion of the tobacco settlement. The smoking prevention and cessation partnerships alone would stand to lose more than \$2 million.

King's proposal would also affect other initiatives that rely on support from the Fund, including programs for prenatal care; children's care; home visits for newborns; expansion of children's and adults' health insurance; and prescription drug access.

MHA testified that the key to lowering Medicaid spending is to improve the health of Maine people through community health-related support and education programs. MHA also asserted that cutting funding for such programs is shortsighted and will only exacerbate the vicious cycle of financial pressure in the Medicaid budget. The Association will continue to be in contact with legislators and the King Administration as the legislative session unfolds. So far, legislators seem supportive of efforts to protect the integrity of the Fund. **MHA Contact: Mary Mayhew**

## MRC Marks Mid-Year with Eight New Placements

The Maine Recruitment Center, MHA's statewide physician placement service, logged eight new placements at small and large hospitals across the state in the past six months, bringing the center's total number of placements to 13 since its inception.

Over the past six months, the center has reached out to more than 30,000 physicians throughout the nation and coordinated more than 55 site visits to Maine hospitals. MRC has already placed physicians in nearly a third of Maine's hospitals and has developed a candidate pool of more than 170 physicians who want to practice in Maine. The MRC staff aggressively uses New England Journal and Internet advertisements, direct mail and in-person recruiting at regional and national physician conferences to identify candidates. Then, the center's staff assess candidates based on position criteria provided by hospitals, coordinate the interviewing process and assist with contract negotiations. This helps both the candidates and hospitals best use their time and resources.

Earlier this month, the MRC converted to a non-profit status to better serve its members. Over the past 18 months, since its inception, the MRC has found that physicians are much more interested in working through a non-profit placement service than a traditional physician search firm.

With nearly 100 openings at hospitals in Maine right now the MRC, which is dedicated solely to recruiting physicians to Maine communities, is providing a much needed service to both its members and their patients. **MHA Contact: Jane Ham**

### **Medical Errors, continued**

MHA President **Steven Michaud** in an article that appeared in the Kennebec Journal. "A successful system must be non-punitive and confidential. It also must protect patient privacy and provide feedback to providers to promote understanding of the causes of errors as well as opportunities for improvement and reduction in the risk of harm." MHA will strongly oppose any measure that does not adequately provide for these safeguards.

MHA's patient safety conference coincided with the release of the Institute of Medicine's (IOM) second report examining the quality of the healthcare delivery system in the United States. The report makes the claim that our nation's healthcare system "as currently structured, cannot consistently deliver effective care in a safe, timely and efficient manner." The report also calls for a "bold overhaul of the U.S. healthcare system."

MHA will closely study the new report to determine how its findings might be used to improve patient safety.

**MHA Contact: Kathleen Stuchiner**