

Maine's Healthcare Trustee

Gail Wilensky to speak at Health Policy Forum

Former HCFA Administrator Gail Wilensky will speak at MHA's Health Policy Forum, 5:30 p.m., Oct. 16, at the Harraseeket Inn, Freeport.

She will speak on health care reform in the age of Dirigo.

Wilensky serves as the John M. Olin Senior Fellow at Project HOPE. She also co-chairs the President's Task Force to Improve Health Care Delivery for Our Nation's Veterans.

She testifies frequently before Congressional committees, acts as an advisor to members of Congress and other elected officials and speaks nationally and internationally before professional, business and consumer groups.

Her articles and editorials have been published in *The New England Journal of Medicine*, *Health Affairs Journal*, *Business Week*, *Time Magazine* and *The Journal of the American*. From 1997 to 2003, she chaired the Medicare Payment Advisory Commission, which advises Congress on payment and other issues relating to Medicare, and from 1995 to 1997, she chaired the Physician Payment Review Commission. Previously, she served as deputy assistant to President Bush for policy development, advising him on health and welfare issues. Prior to that, she was administrator of the Health Care Financing Administration, overseeing the Medicare and Medicaid programs.

Wilensky is an elected member of the Institute of Medicine and its Governing Council, and serves as a trustee of the Combined Benefits Fund of the United Mineworkers of America and the Research Triangle Institute. She is an advisor to the Robert Wood Johnson Foundation and the Commonwealth Fund and is a director on several corporate boards. She received a bachelor's degree in psychology and a Ph.D. in economics at the University of Michigan.

MHA Contact: Carol Sinclair

15th Annual Trustee Orientation on Oct. 28 and 29

MHA will host its 15th Annual Trustee Orientation Tuesday, Oct. 28, at the Sheraton Four Points in Bangor and Wednesday, Oct. 29, at the Regency Hotel in Portland.

The program is designed to help hospital trustees provide appropriate oversight in light of the trends in health care.

Faculty for this program includes Dr. **Eric Lister**. Lister is a physician and consultant to health care organizations. His expertise lies in the development of leadership effectiveness and organizational cohesion. This work focuses on building clarity of purpose inside the board, creating efficient and sustainable structures and decision-making processes inside the executive team, and developing crucial leadership skills throughout the ranks of leadership.

Registration material will be sent soon.

MHA Contact: Carol Sinclair

Golf tournament promises fun for good cause

Registrations continue to come in for the 7th Annual Friends of Maine Hospitals Golf Tournament.

The tournament, which raises money for MHA's political action committee will be Monday, Sept. 22, at the Augusta Country Club. Registration and lunch begin at 11 a.m.

Deadline for registration is Sept. 12.

Prizes will be presented during the Awards Ceremony after the tournament.

To register, contact **Leslie Gagne** at lgagne@themha.org.

MHA Contact: Carol Sinclair

*Representing
community hos-
pitals, healthcare
organizations
and the patients
they serve.*

SEPTEMBER 2003

MHA testifies at Medicaid hearing

MHA presented testimony last month on the proposed rule implementing the MaineCare cuts included in the budget that the Legislature passed earlier this year.

“This proposed rule, implementing the provisions contained in Public Law 20 (2003), has the effect of reducing the MaineCare hospital budget by approximately \$58 million in state and federal funds in State Fiscal Years 2004 and 2005,” said **Mary Mayhew**, MHA’s vice president of government affairs. “These cuts are the result of a state budget that eliminates all cost of living adjustments for inpatient hospital care, restructures the way that inpatient hospital care is paid for, implements a 23 percent reduction in payments for outpatient hospital care, and eliminates bonus and relief payments for hospitals.”

These cuts are on top of an existing MaineCare shortfall for hospitals, Mayhew said. In 2000, it cost Maine’s hospitals \$186 million to provide inpatient and outpatient services to MaineCare members. MaineCare paid these hospitals just \$147 million—a \$39 million under-funding of hospital services. Maine hospitals are reimbursed just 79 cents for every dollar of care they provide. The further cuts contained in this rule will increase the current MaineCare underpayments to hospitals by 40 percent.

“By reducing MaineCare rates for the most needy, the ripple effect also forces those costs onto the backs of everyone else who pays for health care in the state, thereby ensuring that Maine citizens will end up paying more for their health care through increased insurance premiums,” Mayhew said.

Mayhew also raised concerns with other provisions in the rule including:

- **Discharge:** MHA believes that believe that the rule’s definition of discharge is too narrow and doesn’t recognize that a MaineCare member might appropriately be re-admitted to a hospital on the same day as he or she was discharged and that a hospital should be paid for this second discharge. Mayhew recommended that a discharge be linked to an episode of care and that the definition of discharge not be artificially limited to a given day. This approach would follow the Medicare definition of discharge and would allow for two discharges on the same day. In addition, facilities inappropriately discharging patients should be dealt with through licensing, not reimbursement.
- **Definition of Safety Net Acute Hospital:** The rule should include the federal definition of a Safety Net Acute Hospital, Mayhew said.
- **Reconciliation and Settlement:** MHA recommended that the requirement for a “due to/from” calculation be removed from the rule and that the calculation be done by the Department after the cost report has been submitted. If a hospital were re-

Spring Harbor to open youth mental health program

Spring Harbor Hospital has announced plans to open Maine’s first short-term inpatient unit for young people with autism or other developmental disabilities who experience psychiatric crisis.

The new treatment program aims to provide a local alternative to the nearly 40 Maine families whose children are currently hospitalized in similar programs outside the state.

U.S. Senator **Susan Collins** was on hand for the announcement, which she praised as “very good news for Maine’s mental health system and for youth and families across the state who struggle with mental illness and developmental disabilities.” Collins has received local and national attention for chairing congressional hearings aimed at exploring the plight of families whose children suffer from acute mental illness.

Hospital President **Dennis King** said his hospital’s new 12-bed unit will focus on comprehensive evaluation, stabilization, and treatment of psychiatric illness in young people between the ages of 4 and 21. Because great attention will be given to the unique developmental and behavioral issues of each patient, the treatment team will include not only a psychiatrist and psychiatric nurses, social workers, and technicians, but also a behavioral psychologist, and occupational and speech and language therapists.

The program will allow Maine families to receive the care they need for their children within their home state.

“Being hospitalized close to family, friends, and other supports in the community is best practice in the field of mental health,” King said. “We are very pleased to make that possible for the people of Maine.”

Spring Harbor’s new program is being developed in collaboration with the Maine Department of Behavioral and Developmental Services and area organizations that serve this same patient population. The agencies began working last fall on the design and development of the inpatient portion of what is planned to be a full continuum of care for Maine youth.

“Hospitalization isn’t a panacea,” King said. “It is simply one piece of what needs to be a full range of services for Maine kids who have a very complex psychiatric diagnosis. Even so, we are pleased that our service will be available when patients require the most intensive level of psychiatric care to safeguard themselves and their loved ones.”

The new inpatient program is scheduled to open next March, concurrent with Spring Harbor’s move to its newly constructed 100-bed hospital in Westbrook.

MHA Contact: Becky Schnur

Hospitals should ask Congress to stop cuts

Hospitals should contact their Congressional delegation to ask that House-passed Medicare cuts be eliminated from the Medicare Prescription Drug bill.

Details of the bill are being negotiated in a House/Senate conference. The House version would cut payments by \$12 billion over the next 10 years by cutting the inflation adjustment hospitals need to keep up with increasing costs. The result would be payments to hospitals below the rate of inflation, which translates to a cut. The Senate version of the bill does not contain that provision.

Hospitals need to contact their senators and respective representatives to urge that hospitals receive a full inflation update for Medicare reimbursements. In addition to writing or calling, hospitals can invite their senator or representative for a tour of their facility to showcase the good works hospitals do every day.

Hospital leaders should emphasize that Medicare and Medicaid payments are below the cost of delivering care and that their hospitals care for anyone who needs help, regardless of ability to pay. Hospital officials may also want to point out their increasing costs because of federal regulations like HIPAA, increased labor costs and cutting edge technology.

The key messages to relay to officials include:

- Eliminate cuts in inpatient update.
- Maintain and strengthen rural provision—Both the House and Senate bills equalize the standardized amount for rural and small urban hospitals; decrease the labor-related share to 62 percent while holding harmless hospitals that would not benefit; improve reimbursement for Critical Access Hospitals; and improve the Medicare DSH cap. These important provisions for rural hospitals must remain in a final bill and be effective as soon as possible. (The House and Senate have different effective dates for certain provisions).
- Restore funding for Indirect Medical Education (IME)—The House bill contains no IME provisions; the Senate bill currently provides a very modest increase to keep the issue alive in conference. Teaching hospitals need a permanent adjustment of 6.5 percent for fiscal year 2004 and beyond.
- Include Medicaid DSH relief—The Senate bill increases federal DSH allotments for “low-DSH” states for fiscal year 2004 and fiscal year 2005. The House bill restores federal DSH allotments with a one-time 20 percent increase in fiscal year 2004, then a freeze at that level for several years.

In addition to MHA’s grassroots efforts over the coming weeks, the Association is planning to meet with members of Maine’s Congressional delegation in Washington, D.C. this fall to advocate for improvements in hospital Medicare reimbursement and to oppose pending cuts in the House-passed bill.

MHA Contact: Mary Mayhew

Acadia becomes first psychiatric Magnet Hospital

The Acadia Hospital has been awarded Magnet Recognition for Excellence in Nursing Services by the American Nurses Credentialing Center (ANCC), the nation’s leading nursing credentialing organization.

Acadia, a private, non-profit psychiatric and chemical dependency treatment provider, is the first psychiatric hospital in the world and the 75th organization to receive this distinguished recognition of excellence.

“This recognition speaks volumes about the kind of quality people and programs we have at The Acadia Hospital,” said Acadia Chief Executive Officer/Chief Nursing Officer **Dorothy Hill**, RNC.

Nursing excellence is the primary focus of the Magnet Recognition Program. The program was developed to recognize health care organizations that provide the best in quality patient care and uphold excellence in professional nursing practice.

To receive the ANCC’s Magnet designation, each hospital is evaluated by a team of professionals with experience in quality indicators, nursing administration, and nursing care. The ANCC appraises a hospital’s nursing services, clinical outcomes, and patient care. Research data and extensive interviews are used to evaluate the nursing practice and how practices impact the patient, family, community and nursing services.

“By achieving Magnet status, The Acadia Hospital has opened new doors for psychiatric facilities throughout the country,” Hill said. “Organizations will look to Acadia for guidance, and the most qualified mental health and substance abuse treatment providers will be attracted to our employment opportunities. This, in turn, ensures our patients will continue to receive quality psychiatric and chemical treatment services right here in Maine.”

The Acadia Hospital joins a distinguished list of Magnet designated organizations in the United States, including Cedars-Sinai Medical Center (Los Angeles, CA), Mayo-Rochester Hospital (Rochester, MN), North Shore University Hospital (Manhasset, NY) and Robert Wood Johnson University Hospital (New Brunswick, NJ). The recognition lasts four years.

For more information go to www.acadiahospital.org or www.nursingworld.org/ancc/.

MHA Contact: Becky Schnur

quired to make this calculation, the Department would need to provide the hospital with the appropriate claim and discharge information (the Medicaid P.S. & R Report). In addition, the rule should be amended to give the Department 6 months from the submission of a cost report to complete the audit.

- **Third Party Liability:** MHA also raised concerns with the new rule policy regarding third party liability claims. The proposed policy would restrict adjustment of claims with third party liability coverage to 120 days from submission.
- **Interim Volume Adjustment:** MHA recommended amending this section to require that an Interim Volume Adjustment request be granted or denied within 30 days. This would allow these important requests to be resolved in a timely fashion that allows the increased payment for about six months of the payment year and would not require a hospital to wait until a majority of the payment year has passed before an adjustment is given.
- **Outpatient Services and Adjustment:** MHA recommended that the sections dealing with these issues be revised so they are consistent with each other.
- **Final Adjustment:** MHA recommended that the rule be amended to say that claims will be recorded for five months after the payment year has ended and any claims filed after five months will be paid during the next payment year. This is current practice and would set a clear end date that the hospital and the Department could reconcile to.

Written comments regarding the rule were due Sept. 8. The final rule is expected to be published at the end of October.

MHA Contact: Mary Mayhew

Neilsen Healthcare Group uses Pen Bay as case study

A firm that supplies interim hospital managers is using Penobscot Bay Medical Center as a case study for its service.

In late 2002, the hospital's director of surgical services position was vacant. Administrators were eager to find the right permanent replacement and not lose hard-won momentum by allowing the position to remain vacant.

Knowing a thorough search would probably take six months, **Tom Bosica**, the hospital's vice president of human resources and Vice President for Nursing and Patient Care **Mary-Anne Ponti** asked the Nielsen Healthcare Group (NHG) to research the 10,000 names in its database and find an experienced director of surgical services. Nielsen put administrators in touch with **Fred Danforth** a registered nurse with a master's in business administration. Danforth did such a good job that he was offered the job, but turned it down. He did, however, take over for Ponti on an interim basis when she left the hospital this summer.

NHG is a preferred provider for MHA's Associated Health Resources subsidiary. The firm's services also include interim support in consulting, project development and restructuring. Through the agreement with AHR, MHA members receive an 8 percent discount on the service. Hospitals need only mention they are MHA members when contacting Nielsen.

MHA Contact: Tammy Butts

Visit MHA's Maine Center for Healthcare Governance for timely information and resources designed to help you become a more informed and effective board member. You can access the Center by visiting MHA's website at www.themha.org/pages/governance.htm