

# Maine's Healthcare Trustee

## Rev up for Summer Forum

This year's Summer Forum: *Paving New Roads to Excellence*, June 25-27, will include a speech by a former Harley-Davidson Motor Company executive.

Also among speakers will be a keynote session on Thursday from **Carl A. Hammerschlag**, a master storyteller, internationally recognized author, speaker, physician and healer. He will speak on "Healthcare at the Crossroads: Sustaining our Healing Spirit."

The speech will address the crisis of faith between providers and patients who no longer believe that clinical decisions are made solely on the basis of what they need. Hammerschlag says we must address this issue because new medical advances are raising more financial and ethical questions. He says we must restore our trust and commitments to each other if we are to sustain our calling and cause.

Hammerschlag, a Yale-trained psychiatrist, has spent more than 20 years working with Native Americans. He is a 1998 National Caring Award recipient, which honors the "10 most caring adults in America." His life work has been chronicled in three books, *The Dancing Healers*, *The Theft of Spirit* and *Healing Ceremonies*. He has also written two children's books, *The Go-Away Doll* and *Sika and the Raven*.

Also on Thursday, will be **Ken Schmidt**, a former executive at Harley Davidson Motor Company, where he played an active role in one of the most celebrated turnarounds in corporate history. His speech, "The Rise, Fall and Rise of Harley-Davidson" will examine the realities of balancing quality and service, the bottom line, competition, customer service, employee commitment, performance and turnover, government regulation, management image turnaround and brand management.

Summer Forum will once again be at the Samoset Resort in Rockport. Brochures will be mailed soon. **MHA Contact: Carol Sinclair**

## Legislature passes budget

The Legislature has passed Gov. John Baldacci's budget, including \$58 million in cuts to hospitals.

The good news is that the budget that was passed wasn't any worse for hospitals than the Governor's original proposal. The bad news is that there will be at least two supplemental budgets before the end of June so the struggle isn't over yet.

First, the current state fiscal year ending June 30, 2003, is still out of balance. Currently the projected hole is close to \$20 million. They will reassess this gap after the April 15 tax returns.

Second, the biennial budget that passed this week is still \$50 million out of balance. The Governor and Legislature will attempt to fill this hole later on in the session.

With the budget still in such bad shape, hospitals remain very much at risk. The contacts that hospitals are making with their local legislators are offering some protection. MHA is hearing an appropriate level of concern from the Legislature, although legislators feel powerless to do anything about it given the Governor's no-tax pledge. Nevertheless, all of the effort will help in coming budget battles.

Hospitals must be very clear about the actual impact of these cuts. It is the only way to avoid additional proposals to cut hospital Medicaid reimbursement.

MHA will also launch a coordinated effort to explain the effect of the cuts from around the state to discourage the Governor and Legislature from doing even more damage over the next couple of months.

**MHA Contact: Mary Mayhew**

*Representing  
community hospitals,  
healthcare  
organizations  
and the patients  
they serve.*

**APRIL 2003**

## Lawmakers vote to carry over staffing ratios bill

While unwilling to kill LD 616, which would establish minimum nurse staffing ratios, the Health and Human Services Committee did question the need for such legislation in light of new regulations that went into effect in October.

The Maine State Nurses Association (MSNA), which backs the bill, argued that negotiations on the rule changes ended abruptly and never addressed their concerns with definitions of unit core staffing, etc.

The committee is drafting a letter to the Division of Licensing & Certification to seek additional review of existing rules. MHA spoke to the Senate Chair of the Committee, Sen. **Michael Brennan** (D-Portland), following the work session to caution against an overly specific directive regarding rule changes. Last night's vote means the committee will reconsider the legislation in January, 2004. The Association will provide updates on the committee's directive to the Division of Licensing & Certification regarding rulemaking.

During the public hearing, MHA testified that the bill's approach fails to recognize the constantly changing needs of patients or the differences between hospitals.

"Cookie cutter approaches to patient care will jeopardize critical patient access," said **Mary Mayhew**, MHA's vice president of government affairs. "This legislation fails to recognize differences between hospitals, inpatient needs over a 24-hour period, and that illness and injury know no clock."

MHA also emphasized the recent changes to the Hospital Licensing Staffing rule designed to create increased clarity regarding the development of staffing plans and giving direct care staff more say in those plans. There simply hasn't been enough time to evaluate those new rules.

MHA reminded the committee that Maine hospitals ranked third in the nation regarding quality of care measures in a recent report released by the Centers for Medicare and Medicaid Services (CMS) (JAMA Jan. 15, 2003). Furthermore, in a national comparison of registered nurses employed in acute care hospitals by state, some of the highest (best) ratios are in Maine, some of the lowest in California where minimum staffing ratios are mandated. Also, hospital licensing and accreditation organizations monitor the quality of care provided by hospitals. Such monitoring includes the requirement that hospitals have a system in place to determine staffing needs based on patient volume and acuity.

**Jeanne Fortier**, vice president of clinical services at Mount Desert Island Hospital and a registered nurse said the bill would "restrict access, lengthen Emergency Room waiting times, frustrate patients and staff and not solve Maine's health care workforce shortage."

"(Nurses) input is essential into decisions that affect patient care," she told the Health and Human Services Committee. "The new State Licensing Regulations for Staffing mandate that input. Under the new regulations direct care givers must be regularly consulted about the appropriateness of their individual unit's staffing plan and about the quality indicators that will be monitored to ensure the effectiveness of those plans."

**Sheri Turcotte**, clinical coordinator on a medical oncology unit at Central Maine Medical Center, said staffing decisions are made based on patient's acuity, core staffing mix and guidelines that are unique to each patient care setting in the hospital.

"I like working in a place where my voice as a direct care provider is heard," she testified. "I like knowing that the policies we have in place today will change as the needs of our patients and staff change. As a nurse, I need to feel my judgment is valued above a written standard. I need to be given the respect and authority to use that judgment to see that my patients receive the quality care they deserve."

Proponents of the bill argue that too many patients per nurse endangers patients and burns out nurses.

But **Rosanne Crider**, vice president of clinical services at Parkview Hospital, said that it was the staffing ratios in California that endangered patients.

In her 23 years in California, Crider routinely saw patients denied access to intensive care unit beds because accepting them would put them over their mandated staffing ratios.

"With inflexible inpatient staffing ratios and a nursing shortage come the inability to admit patients from the Emergency Department," she said. "Inpatient beds were available but staffing was not."

At times her hospital would have 14 to 18 or more of their 24 emergency beds filled with patients waiting up to 24 hours for admission, so they had no beds or monitors to treat new patients. They routinely refused ambulances.

"Though these cases may seem extreme to you, in California extreme was the norm," she testified. "I have come from health care hell to health care heaven here in Maine."

Fortier pointed out to committee members that in Maine, 85 percent of licensed RNs are working as nurses, compared to the national average of 82 percent. In addition, only 4 percent reported that they are not working as a nurse because of working conditions/paperwork/pay issues and only 3 percent are out because of stress or burnout, despite what the MSNA claims.

**Joe Niemczura**, a registered nurse and president of ANA-Maine told the committee that there hasn't been time to evaluate

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ate the new rules that have been in force since January, a point echoed by **Mary-Anne Ponti**, vice president of nursing and patient care services at Penobscot Bay Medical Center and a member of OMNI, the Organization of Maine Nurse Leaders.

Proponents of the staffing ratios were at the hearing in force. Legislators were confronted with numerous anecdotes from staff nurses, patients and their families claiming that care was jeopardized because of a lack of nurses.

MHA will be working with the committee over the coming months to continue to educate members about hospital staffing and our concerns regarding state-mandated staffing ratios.

**MHA Contact: Mary Mayhew**

## Hospitals' finances continue to decline

Maine's hospitals saw their financial condition decline in 2002 compared to the previous year.

If proposed cuts to Maine's Medicaid budget are approved, hospitals' financial condition will dramatically worsen.

The hospitals' operating margins, the difference between revenues and expenses in hospital operations, declined from an average of 2.3 percent in 2001 to 1.7 percent in 2002. Typically, hospitals strive for an operating margin of at least 3 percent.

Roughly a third of all Maine hospitals experienced zero or negative operating margins in 2002, up from 26 percent the previous year.

The figures are from a mid-winter survey of hospitals conducted by the Maine Hospital Association. Thirty-five of Maine's 36 community hospitals participated in the survey. The Acadia Hospital, Spring Harbor Hospital and the New England Rehabilitation Hospital of Portland were not included in this analysis.

"Maine hospitals continue to experience rising costs for labor, drugs, insurance and new technologies while seeing ever-larger number of patients," said **Steven R. Michaud**, MHA president. "Chronic under-reimbursement from Medicare and Medicaid is a significant and growing problem for our hospitals."

The 24 hours-a-day, 7 days-a-week nature of hospital operations makes it difficult for hospitals to reduce expenses in the same manner as private business. However, hospitals have responded by reducing administrative expenses through layoffs, cutting budgets and/or scaling back on non-essential services.

"Half of all Maine hospitals saw their financial condition decline in 2002," said Michaud, "and the proposed cuts in Medicaid will further compromise their

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## Hospitals participate in covering uninsured

Twenty-five hospitals participated in statewide activities to raise awareness about the problem of the uninsured.

Hospitals joined more than two dozen health centers and a broad array of local and state organizations last month to focus public attention on the 132,000 people in Maine without health insurance. MHA was a sponsor of the weeklong series of events in Maine.

Governor **John Baldacci** and Reps. **Tom Allen** and **Michael Michaud** kicked off the week of activities by participating in a Town Hall meeting in Portland. The Governor emphasized that having health insurance is a key determinant in whether someone stays healthy and accesses the health care system in a timely and effective manner.

Events were based at hospitals and rural health centers around the state and focused on providing people with information on MaineCare eligibility and filling out forms to apply. The organizing committee of Covering the Uninsured Week (CTUW) in Maine does not have final totals yet of how many people applied to MaineCare but many health centers and hospitals had significant turnout during the course of the day.

"I want to thank the twenty-five hospitals who participated in CTUW activities as it helped draw attention to the problem of the uninsured," said **Mark Ishkanian**, MHA's vice president of public affairs. "By participating in this event, hospitals have shown their willingness to help those in need of insurance coverage." **MHA Contact: Mark Ishkanian**

## MHA joins opposition to workers' comp rollbacks

MHA joined with a number of organizations including the Maine Chamber of Commerce to object to bills that would roll back workers compensation reforms.

No less than 11 bills were considered by the Labor Committee. The bills cover a wide variety of topics, including Workers' Compensation Board (WCB) governance, new reporting requirements, new penalties for employers and the return of prevail and attorney fees.

Returning to a prevail standard of determining attorney fees will once again position Maine's workers' comp system as the most costly in the nation, according to the chamber.

The following bills:

- LD 056, An Act to Discourage Unfounded Workers' Compensation Disputes
- LD 101, An Act to Amend the Maine Workers' Compensation Act of 1992 as it Relates to Compensation for Amputable Body Parts
- LD 510, An Act To Reimburse Employee for Attorney's Fees and Costs When forced to Pursue Petitions for Payment of Medical Services
- LD 575, An Act to Encourage Workers' Compensation Dispute Resolution

cause the most concern because they have a direct financial

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already weakened financial condition.” Michaud pointed out that Maine hospitals already lose money under the current Medicaid program. “We estimate that a \$58 million cut in Medicaid funding at the same time the number of people using Medicaid is expanding could force nearly half of all Maine hospitals into the red.”

MHA issued a press release describing hospitals’ precarious condition, resulting in extensive television, radio and newspaper coverage. The Association will continue to emphasize to legislators, the public and the media, the threat the proposed Medicaid cuts will have on hospitals’ bottom lines.

MHA will give hospitals specific information about the impact of the cuts on each facility as soon as the state releases that information. In the meantime, MHA is giving hospitals estimates of the cuts. The Association will provide talking points, a draft press release for local media and a suggested opinion editorial for local newspapers.

**MHA Contact: Mark Ishkanian**

Workers’ comp, continued from previous page

affect on the state’s workers’ comp system and the amount of workers’ comp insurance each employer pays. As it is expected that many of these bills will be reported out of the Committee on a party-line basis, more legislator communications will be necessary with members of the House and Senate as these bills progress through the process.

**MHA Contact: Mary Mayhew**

### /// People \\\

Dr. **Charlotte Yeh** has been appointed regional administrator for the Centers for Medicare and Medicaid Services, Boston Regional Office. She has more than 20 years of experience as an emergency physician providing direct clinical and administrative services. She has run both community and academic emergency departments and established the first academic Department of Emergency Medicine at Tufts University Medical School. . . **Dana C. Devoe** of Orono has been named to the Board of Trustees of the Strauss Corporation, a subsidiary of St. Joseph Healthcare Foundation. A retired attorney, Devoe served in the Maine House of Representatives in 1977-78.

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](http://www.themha.org/pages/governance.htm)