



Thursday, July 14, 2011

CMS Corrects CHA-Identified Errors in Proposed IPPS Rule, Returning \$31 Million to Connecticut Hospitals

Last week, CHA was pleased to learn that the Centers for Medicare and Medicaid (CMS) corrected errors that had been identified by CHA in the proposed Medicare Inpatient Prospective Payment System (IPPS) rule for 2012. CHA, working closely with Congressmen John Larson and Joe Courtney, had numerous meetings with CMS to prevent more than half of Connecticut's hospitals from having a year-over-year Medicare funding reduction in excess of six percent. The correction, which returns more than \$31 million to Connecticut hospitals, will help 104 hospitals nationwide.

CHA submitted [comments](#) on the proposed IPPS rule for 2012 in mid-June. As noted in the June 16 edition of [Update](#), the 2012 IPPS proposed rule presented a significant challenge for Connecticut hospitals for several reasons—PPACA- mandated reductions, national coding offsets, and a significant decrease in the wage index value calculated for the rural floor—which would have resulted in a year-over-year Medicare funding reduction in excess of \$60 million for Connecticut. CMS acknowledged the two math errors identified by CHA and issued correction notices.

In a [press release](#), Congressman Larson noted, "Connecticut has some of the best hospitals and most talented medical professionals in the entire country and I am happy to do my part in ensuring they get the federal funding they deserve." Governor Dannel Malloy also saluted the effort saying, "When it became clear that there was an error in the calculation used by CMS, the Connecticut delegation in Washington came together on behalf of the hospitals in our state."

For more information on the IPPS rule and its impact on Connecticut's hospitals, please contact Stephen Frayne, CHA's Senior Vice President, Health Policy, at frayne@chime.org.

CHA Delegation Goes To Washington For AHA Advocacy Day

Yesterday, July 13, a delegation of Connecticut hospital leaders and CHA staff joined more than 200 hospital leaders from across the country during the American Hospital Association's Advocacy Day in Washington, DC. The hospital leaders urged lawmakers to oppose any further reductions to Medicare and Medicaid hospital payments as part of any agreement to raise the debt limit by August 2. Many more hospital leaders participated virtually via a special webcast.

The Connecticut delegation included R. Christopher Hartley, Senior Vice President, Planning & Facilities Development, Saint Francis Hospital and Medical Center; Peter Karl, President and CEO Eastern Connecticut Health Network (Manchester and Rockville Hospitals); Pam Koprowski, Corporate Director of Public Affairs, Stamford Hospital; David Morgan, Interim President & CEO, Johnson Memorial Hospital; John Traverso, Director of Corporate Reimbursement, Hartford Healthcare, David Whitehead, President & CEO The William W. Backus Hospital; and from CHA, Stephen Frayne, Senior Vice President, Health Policy, and Jim Iacobellis, Vice President, Government Relations. *(Hospital leaders, left to right: David Morgan, Chris Hartley, David Whitehead, Pam Koprowski.*



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Mr. Whitehead underscored the importance of the meeting, saying, "CHA's participation in AHA's Advocacy Day helps us make our case to our Congressional delegation that Connecticut hospitals simply cannot remain healthy if they endure more cuts to Medicaid or Medicare. We were pleased to hear that our delegation fully supports our hospitals. Our meetings helped us learn more about the enormous challenges our delegates face as they struggle to support hospitals and the Medicaid and Medicare programs against the backdrop of an increasingly difficult economic environment."

"The health and well-being of patients and communities are at stake if we don't have the financial resources we need to take care of people in need," AHA President and CEO Rich Umbdenstock told participants during a special briefing on the various deficit reduction proposals, many of which include billions in cuts to hospital payments.

Hospital leaders then met with their legislators to remind them that hospitals are already doing more with less and urged them to consider alternatives for reducing the deficit without hurting patient care. Connecticut's delegation met with Representatives Rosa DeLauro, John Larson, and Christopher Murphy; as well as staff members from the offices of Senators Joe Lieberman and Richard Blumenthal, and Representative Jim Himes

Legislature Expands Use of Standing Orders

Effective July 1, new [legislation](#) was passed to expand the use of standing orders, stating that "a hospital may administer care to patients, after an assessment of contraindications, without a physician's order, in accordance with a physician-approved hospital policy, if such care is emergent, timely and necessary, or for the purpose of advancing patient care." CHA advocated for this new legislation to permit the use of evidence-based protocols and policies known as "standing orders" in hospitals. A standing order is a technique for standardizing decision-making and improving the quality of patient care.

Previously, the Department of Public Health prohibited hospitals from using any evidence-based protocols, other than for prophylactic flu and pneumonia vaccinations. In a continuing effort to improve patient care and promote safety, CHA successfully worked to expand the use of these protocols by allowing certain prophylactic care, with provisions as defined in the legislation and to the extent such orders and care would be permitted by the Centers for Medicare and Medicaid Services (CMS).

CMS has recently clarified its position on standing orders for newborns born at the hospital or admitted to the hospital nursery, in order to distinguish its endorsement for the use of standing orders for newborns from other types of standing orders. CMS has yet to clarify the full scope of what is or is not allowed for other types of standing orders under the Medicare Conditions of Participation (CoP), beyond indicating that the timing of documentation of orders "should not be a barrier to effective emergency response, timely and necessary care, or other patient safety advances." CMS has been clear that standing orders are still subject to CoP signature rules, and must be authenticated by the practitioner issuing the order as soon as practicable after the order is given. In this respect, these orders will be treated similarly to verbal orders, in that the use of the protocol will require an order and signature by a practitioner treating the patient.

The new legislation is a positive step in advancing evidence-based medicine to promote high quality patient care and safety. CHA will continue to work with CMS to provide further direction and clarity on the parameters for the use of standing orders. For more information, please contact Carl J. Schiessl, CHA's Director, Regulatory Advocacy, schiessl@chime.org.

Governor Signs Bill To Establish Connecticut's Health Insurance Exchange; Bill To Prohibit Most-Favored-Nation Clause

Gov. Dannel P. Malloy has signed [legislation](#) establishing the framework for Connecticut's health insurance exchange. He also signed a [bill](#) to prohibit the use of "most-favored-nation" clauses in contracts between health insurers and providers.

The legislation for the health insurance exchange creates a quasi-public agency, with a 14-member board that will manage the exchange, including an online marketplace where individuals and employers with up to 50 workers can compare and purchase health insurance plans that meet federal requirements. The exchanges are set to open for business in 2014.

The Connecticut exchange will certify, recertify, and decertify health benefit plans, provide enrollment periods, maintain a website offering standardized comparative information on health plans, and screen applications to determine eligibility for Medicaid, the state Children's Health Insurance Program, or other state public insurance programs and enroll eligible applicants.

A set of Frequently Asked Questions about Health Insurance Exchanges is available [here](#).

Connecticut joins more than a dozen states that have prohibited most-favored-nation clauses. This type of clause requires a hospital or healthcare provider to give an insurance company the lowest rate it offers. Hospitals and healthcare providers

pushed to ban the clauses, arguing that they are unfair and anti-competitive. The new law will apply to contracts entered into, renewed, or amended on or after October 1, 2011. Most-favored-nation clauses in existing contracts will still be enforceable until the contract is renewed, or until January 1, 2014, whichever comes first.

AHA Releases Survey on Drug Shortages; Connecticut Hospitals Working With Senator Blumenthal

The American Hospital Association released a [survey](#) this week that revealed almost 100 percent of the 820 hospitals that responded reported a shortage in the last six months and nearly half the hospitals reported 21 or more drug shortages. All treatment categories were affected, hospitals said, with 80 percent or more respondents experiencing shortages of surgery/anesthesia, emergency care, cardiovascular, gastrointestinal/nutrition, pain or infectious disease drugs. And 66 percent of hospitals reported shortages of cancer drugs. Forty-seven percent of hospitals reported experiencing a shortage of at least one drug on a daily basis.

Connecticut's hospitals have been working on this issue with Senator Richard Blumenthal over the last few months, after he requested that hospitals let his office know the impact drug shortages were having on patient care. In May, members of his staff met with pharmacy directors at CHA and discussed the issues. His staff will continue to communicate with CHA about drug shortages throughout the summer.

Seven Connecticut Hospitals Recognized As "Most Wired" by AHA Publication

Seven Connecticut hospitals have been recognized as some of the "Most Wired" hospitals in the country for their use of information technology in improving healthcare outcomes.

The [survey](#), published by *Hospitals & Health Networks* magazine, named 168 US hospitals as "Most Wired," including Bridgeport Hospital, Greenwich Hospital, Hartford Hospital, MidState Medical Center, Saint Francis Hospital and Medical Center, The William W. Backus Hospital, and Yale-New Haven Hospital.

According to the survey, the biggest differentiator between the "Most Wired" organizations and other survey respondents is their ability to present patient documentation as structured data, one of the major criteria required for meaningful use under the American Recovery and Reinvestment Act.

The report also said hospitals are making progress toward greater adoption of information technology and expanding and adopting things such as computerized physician order entry, which eliminates hand-written orders by doctors, to promote improved patient care and data collection. Next steps for hospital IT systems will be connecting with physicians and other providers, and focusing on readmissions and the shift toward value-based purchasing provisions established by the Patient Protection and Affordable Care Act.

CHA Annual Meeting and Supplier Diversity Vendor Fair Photo Galleries

Nearly 600 members of CHA gathered at the Aqua Turf June 23 for the association's 93rd Annual Meeting as previously [reported](#). The Annual Meeting was preceded by a Supplier Diversity Vendor Fair.

Click [here](#) to view a photo gallery of the Annual Meeting, to see friends and colleagues.

Click [here](#) to view a photo gallery of the Supplier Diversity Vendor Fair.