CMS Responds to Data Reporting Requirement Concerns Raised by CHA, Others

Last Thursday, the Centers for Medicare & Medicaid Services (CMS) signaled plans to modify the reporting period for the expanded hospital quality data reporting requirements stipulated in its inpatient prospective payment system (IPPS) proposed rule for fiscal year (FY) 2007. AHA News reported that Barry Straube, director of CMS’ Office of Clinical Standards & Quality, told attendees of a CMS open door forum that the agency “will develop a policy in the final rule that balances the concerns about retroactive abstraction of files while promoting the accountability for quality reporting intended by Congress." The proposed rule would require hospitals to report retroactively to January 1, 2006 all 21 measures that are currently part of the Hospital Quality Alliance’s public reporting in order to receive their full Medicare market basket update.

CHA, in its June 2006 comment letter to CMS regarding the IPPS proposed rule, joined the AHA and other hospital organizations in urging CMS to make the new requirements take effect on July 1, contending that a requirement to collect data from patient discharge records retroactively to the beginning of the year would pose an unnecessary burden to hospitals.

Also last week, 53 senators and 189 House members asked CMS to delay until FY 2008 the implementation of two major changes to the diagnosis-related group (DRG) methodology proposed in the 2007 IPPS rule. Senators Christopher Dodd and Joseph Lieberman and Representatives Rosa DeLauro and Christopher Shays of Connecticut were among the co-signers of two letters to CMS Administrator Mark McClellan regarding the changes.

The rule as currently written includes use of new DRG weights starting in FY 2007 based on estimated costs rather than charges, and a new severity-based patient classification system in FY 2008 or earlier. CMS is expected to issue a final rule in the next few weeks.

AHA, CHA Quantify the Economic Contribution of Hospitals

Each hospital job in America supports about 1.6 additional jobs, and every dollar spent by a hospital supports more than $2 of additional business activity, according to the American Hospital Association’s new report, Beyond Health Care:
The Economic Contribution of Hospitals. When these “ripple effects” are taken into account, hospitals nationwide support nearly one in ten jobs in the United States, and more than $1.6 trillion in economic activity, according to the AHA report.

The economic contributions of hospitals in Connecticut were analyzed by CHA earlier this year, and shared with Governor Rell and legislators in preparation for the last legislative session. CHA’s analysis showed that Connecticut hospitals and health systems generate more than $9.8 billion per year for the state and local economies – about 5.3% of the Gross State Product. This contribution comes not only from direct hospital spending, but also through secondary income and job benefits.

For example, funds used by hospitals to purchase goods and services flow to businesses and vendors, and then ripple throughout the economy. This spending on goods and services generates $3.8 billion in the Connecticut economy each year.

At the same time, dollars earned by Connecticut hospital and health system employees and spent on such things as groceries, clothing, mortgage payments, and rent generates approximately $5.4 billion in annual statewide economic activity. Hospitals provide jobs that tend to be more resilient during recessions and, on average, higher paying than elsewhere in the service sector.

Hospitals in Connecticut and nationwide are both economic anchors and engines in their communities, attracting not only other healthcare-related businesses but non-healthcare businesses as well, such as retail establishments, banks, grocery stores, and family restaurants.

Hospitals are an important component in the development of strategies for strengthening the state’s economy. CHA will continue to advocate that financially stable hospitals are an essential ingredient in the state’s economic development and must be a priority for state budget and resource allocations.

CHA Announces Dates for Annual Leadership Programs

Dates have been set for six leadership programs that CHA will be offering as part of its Fall 2006–Spring 2007 educational calendar – including a new addition.

Every year, CHA presents several programs that are designed for senior decision-makers and managers, featuring nationally recognized experts on current healthcare issues.

The newest of these annual programs is the Physician Leadership Forum, which will debut in November. Returning programs include the Nursing Leadership Forum, the Healthcare Executive Summit, the Human Resources Forum, the Patient Safety Summit, and the Corporate Compliance Conference. (See dates below.)

The format for these programs consists of multiple sessions (often run concurrently) replete with relevant, useful, sharply focused information specifically geared for senior healthcare leaders.

For more information about CHA’s leadership programs, contact Rhonda Bates at (203) 294-7267 or bates@chime.org.

2006–2007 Leadership Programs

- **Nursing Leadership Forum**
  - Wednesday, October 25, 2006

- **Physician Leadership Forum**
  - Tuesday, November 14, 2006

- **Healthcare Executive Summit**
  - Tuesday, January 23, 2007

- **Human Resources Forum**
  - Tuesday, February 27, 2007

- **Patient Safety Summit**
  - Wednesday, March 7, 2007

- **Corporate Compliance Conference**
  - Thursday, April 19, 2007