



Thursday, July 28, 2011

## CHA Chairman Appointed To AHA Board

The American Hospital Association (AHA) has elected eight new members to its Board of Trustees for terms beginning January 1, 2012. Among those elected was Christopher Dadlez, President and Chief Executive Officer of Saint Francis Hospital and Medical Center and Chairman of the CHA Board of Trustees. The AHA Board of Trustees is the policy-making body of the AHA and has ultimate authority for the governance and management of its direction and finances.



As a regional trustee, Mr. Dadlez will serve as chair of AHA's Regional Policy Board 1. He also is a member of the AHA Equity of Care Committee and an AHA Fellow in Healthcare System Reform. He is a fellow of the American College of Healthcare Executives (ACHE), and serves on the board and executive committee of the Alliance of Independent Academic Medical Centers. Mr. Dadlez was appointed to the Connecticut Healthcare Reform Advisory Board, is a member of the Governor's Prevention Partnership, and served on the Governor's Council on Economic Competitiveness and Technology. Mr. Dadlez was inducted into the Business Hall of Fame in 2010. He earned his bachelor's degree in biology at the University of New Hampshire and his master's in hospital administration at the Medical College of Virginia, Virginia Commonwealth University.

Prior to his tenure at Saint Francis, Mr. Dadlez previously served as president and CEO of Mercy Medical Center, in Canton, Ohio, and executive vice president of the Saint Barnabas Healthcare System, the largest health care provider in New Jersey. Before that, he served as president and CEO of the Mid-Atlantic Health Group, a parent company of Monmouth Medical Center in Long Branch, N.J.

## Hartford Hospital Announces CEO Changes for Hospital and System

Jeffrey A. Flaks, executive vice president and chief operating officer (COO) of Hartford Hospital and executive vice president of Hartford HealthCare (HHC), has been appointed the 21<sup>st</sup> president and CEO of Hartford Hospital, effective August 1. Mr. Flaks assumes his new role from Elliot Joseph, who will retain his title of president and CEO of Hartford HealthCare.

"Hartford Hospital and Hartford HealthCare each will benefit from having its own dedicated leader," Mr. Joseph said. "As CEO, Jeff Flaks will provide the strong and steady leadership needed as we enter a new era in healthcare with federal health care reform. He led a number of initiatives at Hartford Hospital that have resulted in greatly improved facilities and increased patient and staff satisfaction. Hartford Hospital has become known nationally as a medical center that provides excellent patient care with the most innovative technology and in a compassionate way."

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*Jeff Flaks, CEO of Hartford Hospital    Elliot Joseph—President and CEO of Hartford HealthCare.*

“I’m honored to lead Hartford Hospital,” Mr. Flaks said. “We have an extraordinary staff that is engaged in making Hartford Hospital the fine institution that it is. I look forward to our continued work together, our continued drive to improve the patient experience and our continued service to our community.”

Mr. Flaks has been at Hartford Hospital since 2007, when he came from MidState Medical Center, where he served as COO from 2004 to 2007. Prior to MidState, he held leadership positions at St. Vincent Catholic Medical Centers of New York, Beth Israel Medical Center in New York, and the Detroit Medical Center in southeastern Michigan. Mr. Flaks was named among the 2001 Crain’s New York Business “New York’s Rising Stars: 40 under 40” and by Modern Healthcare as one of 12 national industry leaders selected as a “2001 Up & Comer.” In 2003, he received the American College of Healthcare Executive’s Regents Award for outstanding leadership. He was elected and served on the Board of Trustees of George Washington University and also was honored as a member of the Hartford Business Journal’s “Class of 2008 Up-and-Coming Executives” for his commitment to business growth, personal excellence and deep community involvement. Mr. Flaks is a graduate of George Washington University with a master’s degree in health services administration, and he earned his bachelor of science degree at Ithaca College.

Mr. Joseph came to Hartford Hospital in 2008 as president and CEO of both the hospital and Hartford HealthCare, the system that includes Hartford Hospital, The Hospital of Central Connecticut, MidState Medical Center, Windham Hospital, Hartford and MidState medical groups, Natchaug Hospital, Rushford, VNA HealthCare and VNA of Central Connecticut, and a number of long-term care facilities.

## **More Than 200 Representatives and 45 Senators Urging CMS to Lower Medicare Inpatient Coding Offset**

Two hundred and nineteen members of the US House of Representatives and 45 US Senators signed letters last week urging the Centers for Medicare and Medicaid Services (CMS) to lessen the “coding offset” put forward in its Fiscal Year (FY) 2012 Medicare Inpatient Prospective Payment System (IPPS) rule.

As proposed, the CMS regulation would reduce Medicare reimbursement to Connecticut hospitals by more than \$60.4 million in FY 2012. For FY 2012, CMS proposes to implement a new 3.15 percent reduction to account for what the agency believes are coding improvements by hospitals. This reduction is on top of a continuation of the 2.9 percent cut that was incorporated in the FY 2011 rates, resulting in a total coding reduction of 6.05 percent for FY 2012.

CMS believes that this coding offset is necessary to recover overpayments to hospitals that do not reflect real increases in patient severity of illness. However, the CMS analysis fails to consider that hospitals are treating more medically complex and severely ill patients, as CHA noted in its comment [letter](#).

In the Senate, the letter was authored by Senators Debbie Stabenow (D-MI) and Lisa Murkowski (R-AK). In the House, the letter was authored by New York’s Joe Crowley (D-Queens/Bronx) and Representative Pete Sessions (R-TX). Senator Richard Blumenthal and Representatives John Larson (D-1), Joe Courtney (D-2), Rosa DeLauro (D-3), Jim Himes (D-4), and Christopher Murphy (D-5) all signed the letters.

For more information on the impact of the coding offset to Connecticut’s hospitals, contact Steve Frayne, CHA’s Senior Vice President, Health Policy, [frayne@chime.org](mailto:frayne@chime.org).

## **Governor Malloy And Unions Reach A Clarified Union Concession Agreement**

Friday night, July 22, Governor Dannel Malloy and the State Employee Bargaining Agent Coalition (SEBAC) reached agreement on a clarified union concession package. The new agreement clarifies the healthcare language to make it clear that state employees are not being put into a “SustiNet healthcare system;” recoups the money received by state employees

through the recently implemented raises on July 1; and changes the date by which state employees may retire before any changes to healthcare and pensions go into effect, from September 2, 2011, to October 1, 2011.

In a [statement](#) the Governor said, "This agreement saves the same amount of money as the last agreement—\$1.6 billion over two years, \$21.5 billion over 20 years--and it contains all of the same cost-savings provisions as the last agreement." This clarified agreement must be ratified by each individual bargaining unit under SEBAC's [new approval process](#).

Approval of the clarified union concession agreement would reverse most of the recently issued layoffs and any issued before the agreement is ratified, as well as forestall the proposed spending cuts.

### **Reminder: Schedule H Project for Tax-Exempt Hospitals Reopened**

Through September 15, 2011, the American Hospital Association (AHA) has reopened the Schedule H project to evaluate hospitals' Fiscal Year 2009 IRS Form 990, Schedule H. AHA is reopening the project to allow tax-exempt hospitals that file on a fiscal year basis to participate in this project.

The AHA has been working with tax-exempt specialists at Ernst & Young to collect and analyze Schedule H forms filed with the Internal Revenue Service to pinpoint weakness in the form and advocate for necessary changes. Through September 15 hospitals that submit a copy of their filed Schedule H at the project's [secure website](#) will receive a concise benchmark report summarizing the responses of similar hospitals to questions such as the amount of unreimbursed Medicaid expenses. No participant's name or identifying information will be disclosed as part of any feedback or report.

The project is the latest in a series of AHA [resources](#) to help hospitals understand and comply with the new reporting requirements. These include the [Schedule H Practice Website](#), which walks users through Schedule H questions, offering explanations, guidance and links to the IRS instructions for each one. For more information, contact AHA Member Relations at (800) 424-4301.

### **Update Schedule for August**

Update will be published on a bi-weekly schedule throughout August, on Thursday, August 11, and Thursday, August 25, returning after Labor Day to a regular weekly schedule on September 8.