

March 12, 2010

Training for Hospital Community Benefit Reporting is March 25

The IHA Community Benefits Program generates information that is critical for member hospitals in this environment of transparency. With Schedule H, the Internal Revenue Service (IRS) is getting into the area of hospital community benefit numbers and policies for the first time. The agency is requiring all nonprofit hospitals that file the Form 990 to include a new four-page, six-part schedule entirely focused on the hospital's community benefit program. Some parts involve reporting summarized numbers, while other parts ask questions and expect well-considered narrative answers.

IHA is sponsoring "Community Benefit Planning and Reporting: Complying with the New Transparency," a Webinar training program on **March 25**. This webinar will cover these requirements and reinforce the changes in restricted grants, restricted donations and all new information available regarding best practices and lessons learned. Program topics include:

- Identifying "what counts" as a quantifiable community benefit based on the 2008 Guide for Planning and Reporting Community Benefit and the IRS Form 990 Schedule H.
- Recognizing the most effective way to use Lyon Software's Community Benefits Inventory for Social Accountability (CBISA) programs to collect, track and report community benefit.
- Discussing who should be involved in the community benefit initiative and some practical ways to get them on board.
- Recognizing the IRS Form 990 requirements and the role of CBISA software in helping complete the new schedule.

For more information and to register for this program, [click here](#).

Questions about the webinar and the IHA Hospital Community Benefits Report can be directed to [Kara Dickey](#) at IHA.

Conditions of Participation Workshop Set for March 30

Before the time comes for the next accreditation survey, hospitals need to know where they stand with regard to Medicare conditions of participation (COPs). The IHA "Hospital Conditions of Participation Workshop" will provide the information needed to get prepared.

This program, set for **March 30** at Iowa Methodist Medical Center in Des Moines, is designed to review the current COPs and interpretative guidelines for general acute hospitals, Critical Access Hospitals and hospitals that operate swing bed programs. Problem-prone and high-risk areas will also be discussed for each hospital type. Discussion topics will include:

- Types of surveys a hospital can experience.
- Effects of a condition level deficiency in a Joint Commission, DNV or American Osteopathic Association accredited hospital.
- Effects of a condition level deficiency in a non-accredited hospital.
- Requirements for each COP in the three accreditation programs.
- Recent updates to the interpretive guidelines.
- Frequently cited deficiencies in Iowa.

The program is divided into three sections so that an individual may choose to attend one, two or all three sessions as appropriate to the regulations governing their hospital.

For more information about this program and to register, [click here](#).

Report Examines Growth in Spending for Hospital Patient Care

While hospitals account for one-third of the health care dollar, spending on hospital care has grown more slowly than spending on other health care services, according to a new American Hospital Association (AHA) report released this week on the sources of growth in spending on patient care in hospitals. Spending for hospital care rose by 4.5 percent between 2007 and 2008, far less than health insurance premiums.

Based on data from the Centers for Medicare & Medicaid Services and AHA Annual Survey, the report shows that rising costs to hospitals for goods and services purchased to provide care accounted for 64 percent of overall growth in spending on hospital care from 2004 to 2008, while rising demand for care accounted for about 34 percent. Growth in labor costs is the single most important factor driving up the cost of hospital care, accounting for about 35 percent of overall growth and more than half of the growth in the costs of purchased goods and services.

“Hospitals face continuing shortages of registered nurses, pharmacists, technicians and other clinical workers,” the report stated. “High vacancy rates for registered and licensed practical nurses are largely a result of a declining number of students seeking careers in nursing and competition with non-hospital employers. Continued workforce shortages during a period of rising service demand likely will put further cost pressure on hospitals.”

IHA Offers Hospitals Economic Impact PowerPoint Template

IHA’s 2010 Iowa Hospital Economic Impact Report has been distributed to hospital CEOs, who are encouraged to share their individual hospital reports, as well as the statewide data, with trustees, staff, local media and community groups.

IHA will provide a PowerPoint template customized to the local hospital upon request. Requests for the template and any questions regarding the report can be directed to [Perry Meyer](#) or [Dustin Wagner](#) at IHA.

GUEST MESSAGE

IHA recently received an item from HealthGrades entitled “The Fourth Annual HealthGrades America’s 50 Best Hospitals Report.” Given that there is a growing mountain of evidence showing Iowa hospitals provide some of the highest quality and valued patient care in the U.S., the immediate task was a quick count of Iowa hospitals on the list. After all, HealthGrades in its accompanying media release identifies itself as the “nation’s leading independent health care ratings organization.” But, as they say, it was not to be; no Iowa hospitals made the list.

So, what’s the deal with that? Well, let’s stop for a minute and consider the source of this study. HealthGrades is a for-profit company. HealthGrades has developed its own proprietary methodology for risk-adjusting data and rating hospitals. A significant source of revenue to HealthGrades is selling hospital ratings back to the hospitals along with marketing materials so the hospitals can advertise their rating. The question then becomes, how many of the top 50 hospitals are HealthGrades clients? Independent? That is like saying Rush Limbaugh is an independent.

But HealthGrades is just one ratings company. A more comprehensive and credible approach provides a different result. Herein, then, is the case for “America’s 118 Best Hospitals,” and they are all located in Iowa:

- The Commonwealth Fund ranked Iowa’s health care system second in the nation, primarily because of the value Iowa hospitals and physicians offer. Iowa was the only state to rank in the highest quartile within all dimensions measured in the report. The study found that if the rest of the nation adopted Iowa’s sensible, value-laden approach to providing health care, the U.S. would save billions of dollars each year.
- The Journal of the American Medical Association reported data by state for 24 quality indicators. Iowa exceeded the U.S. median on 18 out of those 24, and Iowa ranked sixth nationally.
- The U.S. Agency for Healthcare Research and Quality study of health care quality ranks Iowa 4th highest in the nation.
- Federal Consumer Assessment of Health Care Providers and Systems national survey of patient satisfaction ranks Iowa 9th highest.
- The Dartmouth Atlas of Healthcare study of health care system efficiency ranks Iowa first in the nation.
- The Kaiser Family Foundation study ranks Iowa’s health care costs 5th lowest in the nation.

The source of all this data? The Centers for Medicare & Medicaid Services (CMS), Agency for Healthcare Research and Quality, Dartmouth Atlas, the Centers for Disease Prevention and Control – all truly independent and nonproprietary.

In addition, IHA and the Iowa Medical Society helped form the only statewide provider-led health care collaborative on quality and patient safety in the U.S. The Iowa Healthcare Collaborative (IHC) vision: an Iowa health care culture of continuous improvement in quality, safety and value. All Iowa hospitals participate in the IHC and its emphasis of involvement in the Institute of Healthcare Improvement clinical improvement initiatives.

Data on more than 40 measures attesting to the quality and safety of patient care provided by all 118 Iowa hospitals is reported voluntarily via the IHC Web site at www.ihconline.org. Iowa hospital performance exceeds national clinical measures in most areas and many Iowa hospitals rank in the top 10 nationally in CMS' quality measures in this report. Nearly all Iowa hospitals voluntarily report eight health care-associated infections measures to IHC and Iowa hospitals rank very highly nationally in percentage of employees receiving influenza immunization.

Iowa hospitals achieve all of this despite having one of the lowest Medicare and Medicaid reimbursement rates in the U.S. So let's recognize the real "America's Top Hospitals": the 118 community, locally governed hospitals of Iowa!

– Perry Meyer, Senior Vice President, Information Center

ServiShare Offering Spring Workers' Compensation Program

The ServiShare Spring Workers' Compensation Program is scheduled for **April 20**. The day will open with Ann Jackson, senior industrial hygienist with Iowa Workforce Development presenting an overview of the OSHA recordkeeping standards as well as a more detailed review of frequently asked questions and selected letters of interpretation.

The next session, presented by Stephanie Radawiec, a clinical consultant with ArjoHuntleigh/Diligent Services, will feature an overview of injury profiles among health care workers along with safe patient handling and movement. The afternoon session presented by Dr. Douglas W. Martin, M.D., the medical director for St. Luke's Center for Occupational Health Excellence in Sioux City, will focus on the importance of a "forward treatment" model of managing workers' compensation injuries.

This program will be held at the Farm Bureau Financial Services Auditorium in West Des Moines. For more information about this program and to register, [click here](#).

Still Time to Register for ISHPMM Spring Conference

New trends surface all the time for industries. Health care and materials management is no different. There are constantly new trends that impact supply chain management. The Iowa Society of Healthcare Purchasing and Materials Management (ISHPMM) Spring

Conference, to be held **March 26** at the IHA Education Center in Des Moines, will focus on the new industry trends in supply chain.

ISHPMM has received approval to offer .415 CEU credits for the Certified Resource Materials Manager certification at the spring conference. Hotel rooms are still available at the Hotel Fort Des Moines. To make a reservation, call 515/243-1161. For a detailed brochure and to register to attend the ISHPMM Spring Conference, [click here](#).

Hospital Advocacy Resources Available at IHA Web Site

With the Iowa General Assembly moving toward its early completion date and federal legislators focused on far-reaching health care reform legislation, Iowa hospital leaders and advocates need a source of information and materials that will enhance their advocacy efforts. That source is IHA and the IHA Web site at www.ihaonline.org.

Under the “[Government Relations](#)” tab of the IHA Web site, hospital advocates can access a wealth of information, including links to the IHA [Legislative Bulletin](#), which is published weekly during the session, and the [Federal Report](#), a bi-weekly publication that focuses on health care policy and regulatory news at the national level. Users can access [position papers](#) that detail IHA’s take on issues like Medicare, Medicaid, delivery of behavioral health services and hospital workforce.

Links to IHA’s [Legislative Action Center](#) are available. By registering online, hospital advocates become part of a powerful network that receives and responds to alerts regarding legislation that impacts Iowa hospitals. In recent years, the Legislative Action Center has generated thousands of messages to legislators. Helpfully nearby, users can link to IHA publications that explain the Iowa legislative process and give tips on being an effective hospital advocate. Audio and video files highlighting IHA’s [media campaign](#) are also online.

The government relations area also provides quick links to information about the [Iowa Legislature](#), including e-mail links to individual legislators. The Web site also contains links to bill information and daily calendars for both the Senate and the House of Representatives.

Similar to its resources and information on the Iowa General Assembly, the Web site is also a resource on federal issues. IHA posts its federal position papers on the site, and links to information about Iowa’s Congressional Delegation are also available.

A special section on [health care finance](#) is accessible from the government relations area. This is where users can find IHA summaries on federal rules that affect all aspects of Medicare payment, including inpatient, outpatient, skilled nursing facility and home health.

Questions about IHA’s online advocacy resources can be directed to [Scott McIntyre](#) at IHA.

Hospital Data Trends

The following are Iowa hospital data trends for January-November 2009 compared to the same period in 2008, as reported to the IHA DATABANK Program. This shows the lingering impact of the economic downturn on Iowa hospitals. Please note that charity care and uncompensated care (bad debts) increased 9.6 percent and 16.9 percent, respectively. Contact [Perry Meyer](#) at IHA with any questions.

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| Acute Discharges | ↓6.5% |
| Total Discharges | ↓5.5% |
| Acute Patient Days | ↓6.5% |
| Total Patient Days | ↓6.3% |
| Total Acute Average Length of Stay | ↓0.2% |
| Births | ↓1.5% |
| Inpatient Surgeries | ↓3.4% |
| Ambulatory Surgery Visits (Hospital Based) | ↑0.4% |
| Emergency Department Visits | ↑2.7% |
| Inpatient Admissions from ED | ↓1.7% |
| Observation Visits | ↑13.2% |
| Home Health Visits | ↑0.3% |
| All Other Outpatient Visits | ↑4.8% |
| Total Outpatient Visits | ↑4.2% |
| Medicare Contractual Adjustments | ↑9.3% |
| Medicaid Contractual Adjustments | ↑15.9% |
| Wellmark Contractual Adjustments | ↑10.8% |
| All Other Payers Contractual Adjustments | ↑7.5% |
| Charity Care | ↑9.6% |
| Net Patient Revenue | ↑4.0% |
| FTEs Per Adj. Occupied Bed | ↓1.5% |
| Payroll Expenses | ↑0.5% |
| Employee Benefit Expenses | ↑5.2% |
| Supply Expenses | ↑2.2% |
| Uncompensated Care Expenses (Bad Debt) | ↑16.9% |
| Total Expenses | ↑3.4% |
| Operating Margin (Actual) | +2.1% |
| Total Margin (Actual) | +6.9% |
| Gross Patient Accounts Receivable | ↓0.4% |

Iowa Economic Outlook Survey Sees Some Positives

Increased levels in sales, capital spending and employment projected for the coming six months has moved the 2010 Iowa Business Council (IBC) Overall Economic Outlook Survey Index (OSI) for the first quarter of 2010 to 54.3 – its first time in positive sentiment

territory since the third quarter of 2008 (six quarters ago). The Overall OSI is more than six points higher than three months ago (47.7) and 19 points higher from one year ago (35.3). The survey was completed by IBC corporate members during the second half of February and results were released last week.

The first quarter sales index is 58, eight points higher than last quarter and 20 points ahead of a year ago. Eighty percent of the CEOs expect steady (30 percent) or increased (50 percent) business activity over the next six months. Twenty percent of survey respondents expect sales levels to decrease. For capital spending, the index is 55, which is six points above last quarter and 24 points higher than 2009. Eighty percent of IBC corporate members expect steady (50 percent) or increased (30 percent) capital spending levels through August 2010. Twenty percent of survey respondents expect capital spending, such as investments in facilities and equipment, to decrease.

For employment, the index is 50, six points higher than three months ago and 13 points ahead of this same time last year. Eighty percent expect hiring levels for the next six months to remain steady (60 percent) or grow (20 percent). Twenty percent expect employment needs to decrease.

Member-Abilia

Sean Williams, CEO at **Jones Regional Medical Center** in Anamosa, has been named to replace Donna Oliver at **Mercy Medical Center-Clinton**. Williams, who has been in Anamosa since 2004, is to take over in Clinton upon Oliver's retirement. That date has not been announced.



Robert Peebles has been named CEO at **Mercy Medical Center-Sioux City**. Peebles had been serving as interim CEO since May 2009. Before coming to Sioux City, Peebles served as president of St. Vincent's Catholic Medical Center, an eight-hospital system serving the Brooklyn and Queens areas of New York City.

Links:

1. [Newsstand](#)
 2. [Administrative Rules](#)
 3. [Employment Opportunities \(IowaHealthJobs.net\)](#)
 4. [Friday Mailing Archive](#)
 5. [IHA Blog](#)
 6. [IHA Education Program Calendar](#)
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“After the costs of my own benefits are deducted, that will leave me with the equivalent of a minimum wage job.”

- William Schreiber, a New York state physician, on the impact of a proposed 21 percent cut in Medicare physician payments