WISCONSIN HOSPITAL ASSOCIATION

The Valued Voice

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WHA Submits Comments on MACRA Proposed Rule

The need for flexibility as well as administrative ease were key themes of proposed comments submitted June 27 by WHA to the Centers for Medicare and Medicaid Services (CMS) in a letter on their proposed rule to implement the Medicare Access and CHIP Reauthorization Act (MACRA). The implementation timeline, need for a focus on rural areas and suggestions for additional alternative payment model (APM) options prompted WHA to encourage CMS to adopt a thoughtful and accommodating approach to implementing what they are now calling the Quality Payment Program.

"Wisconsin is home to very innovative health systems which, by many national measures, provide very high quality health care," said WHA President/CEO Eric Borgerding in the comment letter. "WHA strongly supports payment systems that reward value and believes value-based payment policies can drive better quality, lower cost of care and can reduce overall costs for health care programs. Such programs must be thoughtfully implemented, recognize administrative burdens and complexities and be highly accurate in order to drive improvement."

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WHA Submits Comment Letter to CMS Opposing CAH Reimbursement Changes

On June 29, the Wisconsin Hospital Association submitted comments to the Centers for Medicare and Medicaid Services (CMS) in opposition to reducing reimbursement for Critical Access Hospitals from 101 percent to 100 percent of allowable costs. While the policy has been proposed by the Administration previously, it would require an act of Congress to be enacted. CMS solicited comments in order to determine the impact of such a policy on CAHs nationally.

"WHA is opposed to the continued focus on reducing CAH reimbursement, especially when we see no connection to improving access or value to the Medicare program," WHA President/CEO Eric Borgerding said in WHA's letter. "We are not certain what outcome CMS seeks to achieve with continued proposals to reduce CAH reimbursement because data support the fact that CAHs already provide access to care across rural communities in our state and in the nation in an affordable manner."

"These are the two main concerns CMS should have with any changes in Medicare reimbursement policy—does it help maintain or

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WHA Information Center Inpatient Psychiatric Bed Locator Now "Live"

Project began as WHA member work group recommendation

Wisconsin emergency departments now have a new tool to more efficiently place patients in need of an inpatient psychiatric bed following the launch of WHA Information Center's new Inpatient Psychiatric Bed Locator website June 22. The website enables emergency departments to view information about potential inpatient psychiatric bed availability voluntarily posted by inpatient psychiatric units on the website.

The launch of the website comes just four months after Gov. Scott Walker signed into law a WHA-developed package of mental health initiatives that included funding for the creation of the Inpatient Psychiatric Bed Locator for use by hospital emergency departments.

"The concept of the Inpatient Psychiatric Bed Locator website began as part of a series of behavioral health policy recommendations developed by WHA's Medicaid Workgroup in late 2014," said WHA President/CEO Eric Borgerding, "With the continuing help and input of WHA members, WHA's policy and lobby team and the WHA Information Center's team of data project managers have developed that concept into a reality that will benefit patients and hospitals across Wisconsin."

"Senators Leah Vukmir and Janet Bewley and Representatives Mary Czaja and Deb Kolste deserve special recognition for embracing the idea for a psychiatric bed locator and leading a bipartisan effort in the Capitol to make that idea a reality," said Borgerding.

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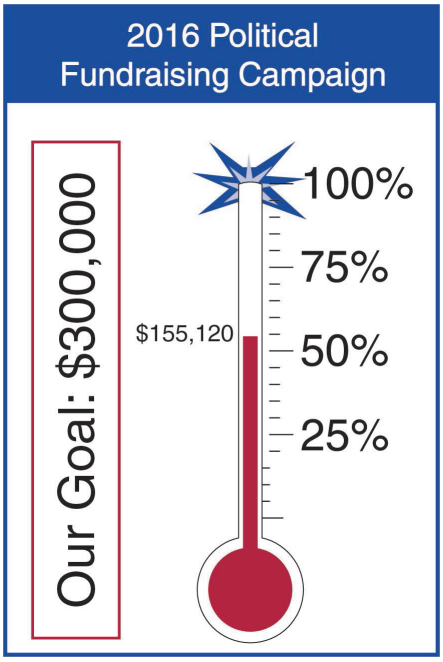
Political Action Spotlight

Half Way to Goal: Wisconsin Hospitals State PAC & Conduit

Contributions top $150,000; Next contributor list coming soon

Contributions to the Wisconsin Hospitals State PAC and Conduit surpassed the half-way mark with over $155,000 raised from close to 160 contributors to date. The campaign is 26 weeks into the year, which means that contributions are averaging $6,200 per week.



"This is a strong pace that must be sustained in the coming months to reach the 2016 goal of $300,000 by year's end," said WHA President/CEO Eric Borgerding. "Advocacy is more than lobbying in the Capitol; it also means engaging in the political process and participating in our democracy, and we are very grateful to all those who have already made the commitment to participate in 2016."

In this pivotal election year, remember that elections matter, and participation is important. Contribute today to the Wisconsin Hospitals State PAC and Conduit because electing knowledgeable individuals who value Wisconsin's high value, high quality health care system is essential. What were some examples of past positive public policy successes?

- Reauthorizing Medicaid Disproportionate Share Hospital funding—nearly $150 million since 2013
- Enacting the Interstate Physician Licensure Compact to reduce regulatory red tape and speed up the licensure process for successfully recruited physicians
- Enacting $10 million in funding for 73 new physician residencies in Wisconsin by 2022
- Enacting behavioral health pilot programs to pay providers that coordinate care for Medicaid patients with chronic mental and physical health care needs

By helping support candidates running for office—Democrats and Republicans—who value and support the role of Wisconsin's hospitals and health care systems, this success story can continue.

Contribute today so you will be on the next contributor list, which will run in the July 14 *Valued Voice* newsletter. Contribute online at www.whconduit.com or by contacting Jenny Boese at 608-268-1816 or *jboese*@*wha.org* or Nora Statsick at 608-239-4535 or *nstatsick*@*wha.org*.

ETF Releases Draft RFP for Self-Funding

Draft Contract Includes RAC-Like Audits on Hospitals

On June 13, the state Department of Employee Trust Funds released a draft of the RFP it intends to issue for self-funding the state employee group health insurance program. In moving from the current fully insured model to many fewer plans or even a statewide/national plan where the state is now at risk for medical costs, ETF's proposal would include enhancements to auditing and utilization review functions, putting significantly more administrative burden on hospitals.

One provision in particular would impose RAC-like audits on hospitals. Medicare Recovery Audit Contractor, or RAC, audits have been heavily criticized as being non-transparent and overly burdensome for providers. Auditors are required to scan claims for errors and any amount recovered for Medicare is shared between Medicare and the auditor. The auditor has a significant incentive to recoup funds by challenging claims and services, and providers have had to deal with RAC auditors inappropriately denying claims, or delaying claims asking for huge amounts of additional documentation resulting in appeals and backlogs. The added administrative burdens placed on hospitals and clinicians have been immense. In fact, CMS recently has paused certain reviews due to concerns about inaccurate and inconsistent denials.

Similarly, in its draft contract, ETF would require more audits on hospitals and allow the winning vendor or vendors to keep 45 percent of any funds it recoups. Other provisions would impose more stringent utilization review requirements on providers.

"True shared savings programs allow the health plan and provider to share in savings for actually reducing a patient's utilization appropriately, an approach far more similar to the current system for state employees," said Joanne Alig, WHA's senior vice president of policy & research. "This instead would be an unnecessary and onerous regulation put onto the backs of providers, which will have the effect of actually raising overall health care costs. It's an outdated strategy, and one that even the federal government has found unproductive and is moving away from."

The draft RFP indicates the state is requesting services for statewide/nationwide self-funded, or regional self-funded plans. The contract term would be for five years, with two options for two year renewals, putting the total possible contract term through December 31, 2026. This means the state will be bound to a five year contact arrangement that one consultant, hired by the state, could end up costing state taxpayers an additional $100 million a year.

The draft RFP includes four regions, with the southeast and northeast being combined for one eastern region. Health plans can bid on statewide/nationwide and/or individual regions. The details of the scoring of the RFP were not specified in the draft. Pricing is a significant variable, with proposers being required to submit their current price information. Provider networks are another significant issue, as there is much concern about disruption in care for patients. Proposers are required to submit a listing of their entire proposed provider network, identifying whether each provider is currently under contract or has entered into a legally binding letter of intent with the proposer.

ETF took comments on the draft RFP from proposed vendors through June 24. They expect to release the final RFP for bid on July 22, with proposals due on September 20. The State's Group Insurance Board is scheduled to meet on November 15 to discuss the proposals.

The proposal can be found on the state's vendornet website at:
https://vendornet.wi.gov/Bid.aspx?Id=793aa05a-af31-e611-80f4-0050568c7f0f

WHA, Rural Leaders in Washington, DC

Discuss 96 hour rule, direct supervision, mixed-use space

The Wisconsin Hospital Association and rural hospital leaders were in Washington, DC recently to meet with Wisconsin Members of Congress on rural and Critical Access Hospital (CAH) issues.

L to R: Rick O'Farrell, U.S. Rep. Reid Ribble, Dan DeGroot, John Russell

"Each time I make the trip to DC I am reminded of how important it is to keep the dialogue going with our elected officials, especially as it pertains to some of the nuances of rural health care," said Dan DeGroot, chief operating officer at HSHS St. Clare Hospital in Oconto Falls. "I really feel we can make a difference through education and influence on the political process at it pertains to health care."

During their meetings, health care leaders asked legislators to support and pass important rural legislation related to the "96 hour rule" for CAHs (HR 169/S 258) and modifications to the Centers for Medicare & Medicaid Services (CMS) "direct" supervision policy (HR 1611/S 257). Hospital leaders also discussed newly emerging problems with varying CMS interpretations of its policy on "mixed use" space.

"I am always pleased to hear that the same regulations and policies we find to be illogical, and worse yet, may even come between the physician-patient relationship in terms of care, are oftentimes viewed the same way by our Members of Congress," DeGroot added.

"As a health care leader I believe it is my obligation to get involved in the advocacy process," said John Russell, CEO, Columbus Community Hospital. "I have found our legislators to be responsive to our needs. WHA does a great job of coordinating these visits and preparing the legislators and their staff for our visits. This allows us to discuss our needs in a way that demonstrates the direct impact on patients."

"We are fortunate to have such an impact, with an exceptional advocacy organization to help us in our efforts to meet our missions of service to the people," said Charisse Oland, chief executive officer of Rusk County Memorial Hospital.

Participating in the trip and pictured above are: Charisse Oland, Rusk County Memorial Hospital; Rick O'Farrell, Holy Family Memorial; Jeremy Levin, Rural Wisconsin Health Cooperative; Dan DeGroot, HSHS St. Clare Hospital; John Russell, Columbus Community Hospital; and, Jenny Boese, Wisconsin Hospital Association (not pictured).

Duplicative DHS 124 Hospital Regulations Sunset on July 1

WHA-legislative priority now a reality

A more than a decade-long WHA effort to simplify Wisconsin's hospital regulation became a reality on July 1, when the federal Medicare conditions of participation for hospitals regulations became Wisconsin's state regulatory standards for hospitals. The federal standards replace a set of nearly 30-year old state standards in DHS 124 that Governor Walker's 2013 Wisconsin Regulatory Review report identified as "outdated, duplicative, and confusing for health care operators."

Synchronizing Wisconsin's hospital regulations with existing federal rules was triggered by 2013 Wisconsin Act 236 ("Act 236"), which was signed into law by Governor Walker on April 8, 2014 with strong bipartisan support. Led by authors Senator Leah Vukmir and then-Representative Howard Marklein, Act 236 established July 1, 2016 as the date that the federal conditions of participation for hospitals regulations would replace significant portions of DHS 124, including Subchapter II, Management, Subchapter II, medical staff, and Subchapter IV, Services.

"WHA thanks Governor Walker, the authors of Act 236, Senator Vukmir and then-Representative Marklein, and the multiple leaders and staff within the Department of Health Services for making these important regulatory reforms a priority and now a reality," said Eric Borgerding, WHA president/CEO. "These reforms will help Wisconsin hospitals to continue to provide high-value and high-quality health care to Wisconsin."

"Wisconsin hospitals have been operating under two sets of redundant regulatory standards - a state standard that had not been updated in 30 years and a federal standard that has and continues to be regularly updated," said Matthew Stanford, WHA general counsel. "By adopting the federal Conditions of Participation standards as Wisconsin's primary regulatory standards, an unnecessary regulatory burden and cost has been lifted from Wisconsin hospitals."

Although Act 236 sunset and replaced DHS 124's regulatory provisions, it did retain administrative provisions describing hospital approval and plan review processes and fees, waivers and variances, as well as provisions relating to Critical Access Hospital designation. Act 236 also authorizes the Department of Health Services to establish additional state standards for hospitals. The Department continues to work on rulemaking to adopt additional rules relating to plans of correction, waivers and variances, maternity and neonatal care, patients rights and responsibilities in critical access hospitals, satellite emergency locations, and physical environment and plan review fees.

If you have questions about the regulatory changes, contact Matthew Stanford, WHA general counsel, at *mstanford*@*wha.org* or 608-274-1820.

WI Trained Physicians Eligible for Primary Care and Psychiatry Grant Program

Wisconsin graduate medical education programs should be providing their new residents with information about a grant program for physicians who choose to practice in underserved Wisconsin communities. The Legislature enacted the Primary Care and Psychiatry Shortage Grant program to encourage primary care providers and psychiatrists to practice in underserved areas of the state. The program provides up to 24 physicians with loan forgiveness of at least $20,800 each year for up to three fiscal years.

The WHA-supported legislation that created this Primary Care and Psychiatry Shortage Grant program, (2013 Act 128, available at: https://docs.legis.wisconsin.gov/2013/related/acts/128.pdf) was a product of the 2013 Speaker's Task Force on Mental Health chaired by then-Rep. Erik Severson, MD (R-Star Prairie).

According to the Wisconsin Higher Educational Aids Board (HEAB), an eligible physician must take important steps to be eligible to receive this financial assistance. The physician must file a notice of intent during a physician's residency, but prior to accepting employment or becoming in any other way affiliated as a physician in an underserved area of Wisconsin. The Higher Educational Aids Board staff stress that it is important to start the application process as soon as possible, but that the notice of intent to apply must be done before accepting employment following a physician's residency training program. A qualified physician must be in the process of completing or have completed a graduate medical education training program in Wisconsin.

While the physician must submit a notice of intent to apply prior to accepting employment, they would be able to claim an award after each year of practice—for up to three years. For more information about the program and the underserved areas that are included as part of the Primary Care and Psychiatry Shortage grant program, see this bulletin from HEAB: www.heab.state.wi.us/docs/PrimaryCareandPsychiatryShortageGrant/PrimaryCareAndPsychiatryShortageGrantInformation.pdf.

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WHA's comments are consistent with feedback garnered from members over the past months. In addition, Borgerding and Mark Thompson, MD, Monroe Clinic's chief medical officer, had the opportunity to discuss MACRA implementation directly with CMS Director Andy Slavitt, at an invitation-only meeting held in Chicago June 13. (See Valued Voice story: http://www.wha.org/pubarchive/valued_voice/WHA-Newsletter-6-17-2016.htm#1)

In its written comments, WHA encourages CMS to seek alignment between hospital-based measures and physician measures. In Wisconsin, as many as 70 percent of physicians are now estimated to be employed by a hospital or health system. Wisconsin has tremendous integrated care, where incentives between providers and hospitals are aligned. "Measures that are relevant and aligned for both physicians and hospitals will be a key strategy for driving meaningful improvement in quality and cost," Borgerding said.

WHA also encourages alignment across payers as a way to drive efficiency, achieve better patient outcomes, and reduce administrative burden. Finally, WHA's comments included several recommendations around the implementation of the electronic health record provisions proposed by CMS. WHA noted that it shares CMS's belief that exchange of health information can help providers improve quality and efficiency of care, and that its comments are intended to help minimize administrative burden on providers in complying with program requirements.

WHA's comment letter can be found here: www.wha.org/pdf/2016WHA_CommentMACRA_Proposed_Rule_Final6-27.pdf

Fast Facts from the WHA Information Center

Play it Safe with Fireworks

With the July 4 weekend coming up, many are getting ready to celebrate with fireworks. Fireworks are great to see, but they can also be dangerous.

According to the WHA Information Center, there were 79 emergency room visits and eight inpatient admissions to Wisconsin hospitals due to fireworks last July. Enjoy the holiday, but be safe if you are using fireworks.

For more safety tips, visit the US Consumer Product Safety Commission website: www.cpsc.gov/en/Safety-Education/Safety-Education-Centers/Fireworks

Data provided by the WHAIC (www.whainfocenter.com)

The WHA Information Center is dedicated to collecting, analyzing and disseminating complete, accurate and timely data and reports about charges, utilization, quality and efficiency provided by Wisconsin hospitals, ambulatory surgery centers and other health care providers.

Cont'd. from page 1 . . . WHA Information Center Inpatient Psychiatric Bed Locator Now "Live"

The WHA Information Center provided instructional webinars to emergency department staff and inpatient psychiatric unit staff June 21 and 22 demonstrating how users can post and view bed availability information on the website. If hospital staff were unable to attend the webinars, copies of the instructional materials are available by contacting Brian Competente, director of operations, WHA Information Center, at *bcompetente*@*wha.org* or 608-274-1820.

"With the website now live, inpatient units now have the ability to begin voluntarily posting bed availability information on the system and emergency departments now have the ability to see what is posted," said Matthew Stanford, WHA general counsel, during the instructional webinars. "However, some time will be needed for inpatient staff training and process implementation. Information will appear on the website as inpatient units complete their internal implementation."

A link to the Inpatient Psychiatric Bed Locator can be found at: http://bedlocator.whainfocenter.com. If you have general questions about the Inpatient Psychiatric Bed Locator system, contact Stanford at 608-274-1820 or *mstanford*@*wha.org*. If you have questions about how to use or participate in the Inpatient Psychiatric Bed Locator system, contact Competente at 608-274-1820 or *bcompetente*@*wha.org*.

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increase access to care and does it do so in an affordable, value-based manner. WHA believes the recent CAH reimbursement reduction proposal from 101 percent to 100 percent of allowable costs fails on both accounts."

WHA's comment letter provided background on the creation of the CAH designation as a necessary, alternative reimbursement model and that CAHs in Wisconsin are part of the rural health care infrastructure which help the state maintain one of the top rankings for health care quality nationally.

"Wisconsin hospitals and health systems are nationally known as innovators and deliverers of high 'value' care—high-quality, cost efficient care. In fact, Wisconsin was ranked the second most highly-rated state in the country based on the quality of its health care according to the federal Agency for Healthcare Research and Quality (AHRQ)," read the WHA letter. "Results like these have been confirmed by others including the Dartmouth Atlas, Kaiser Family Foundation and The Commonwealth Fund and equate to benefits for both the Medicare program and Medicare beneficiaries. Wisconsin's Critical Access Hospitals are an integral part of Wisconsin's accessible health care delivery system and key contributors to our continued recognition as a high-value health care state."

In describing the negative impacts a reduction in CAH reimbursement would have, WHA's letter highlighted the millions of dollars in cuts statewide this would mean to CAHs and what that could mean to access to care, including potentially reducing or eliminating services such as: obstetrics, hospitalists, behavioral health, urgent care, wound care, pathology, radiology, respiratory therapy or outpatient therapeutic services and more. Cuts would also make it that much more difficult to ensure necessary technology, diagnostics and other capital improvements.

"Wisconsin hospitals have a strong and long-standing commitment to collaboration and the pursuit of the very type of value CMS desires—high-quality, cost efficient care. This pursuit is shared by all of Wisconsin's facilities, regardless of size. WHA and our CAHs stand at the ready to assist CMS in developing approaches that continue moving Medicare further along the health care value continuum while still recognizing the unique roles Critical Access Hospitals play throughout our state and much of the country," WHA stated in the letter.

Read WHA's letter at: http://www.wha.org/pdf/2016WHA_CMS_CAHCommentLetter6-29.pdf