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WHA Applauds Governor's Health Care Stability Plan

Calls on Governor and Legislature to use hospital-generated Medicaid surplus to improve payments, curb hidden health care tax

Statement from Eric Borgerding, President/CEO, Wisconsin Hospital Association:

"Rising premiums threaten access to affordable health insurance and erode the impressive gains Wisconsin has made over the past four years in reducing the number of uninsured. With solutions from Washington nowhere to be found, WHA has repeatedly called on the Governor and Legislature to strike Wisconsin's own path and act to stabilize health insurance markets and sustain our gains in coverage. Governor Walker's Health Care Stability Plan is a crucial step in protecting access to Wisconsin's top ranked health care. WHA commends the Governor for initiating the stability plan and the many Republicans and Democrats in the Legislature who came together to support this sound, Wisconsin-focused solution.



Governor Walker signs Health Care Stability Plan in Green Bay July 29 with Therese Pandl, HSHS President & CEO, Eastern Wisconsin Division

"Even with today's great news, our urban, rural and safety net hospitals continue experiencing massive

losses from Wisconsin's Medicaid program. Dubbed the 'hidden health care tax,' recouping these losses adds more than \$1 billion annually to the cost of health care and health insurance in Wisconsin. At the same time, the State is projecting an over \$100 million 'surplus' in Medicaid, revenue essentially generated by Wisconsin's Medicaid hospital assessment. We call on the Governor and Legislature to again come together, to take another important step and preserve access to care by using the hospital-generated surplus to improve Medicaid hospital payments and begin curbing the hidden health care tax.

"With the next state budget just around the corner, WHA will continue its successful track record of working with the Governor and Legislature to ensure Wisconsin's health care system continues to be a national model for quality, safety, and coverage."

Learn About Advanced Practice Clinician Integration at WHA Conference, Sept. 13

Understanding and growing your APC workforce

WHA Education

WHA Advanced Practice Clinician Conference: A Comprehensive Look at APC Practice Challenges and Opportunities for Integrated Care Delivery in Wisconsin

Thursday, September 13, 2018
Glacier Canyon Lodge | The Wilderness Resort
45 Wilderness Blvd, Wisconsin Dells, WI 54496
Phone: 1-800-867-9433

Program Description:
This half-day conference will bring together hospital and physician leaders, advanced practice clinicians, and integrated care providers to discuss the challenges and opportunities associated with the integration of advanced practice clinicians into the hospital and physician settings. The program will provide an opportunity for attendees to learn about the latest trends in the field, and networking and connection tools to help hospitals, clinics, and physician offices better integrate advanced practice clinicians into their organizations.

Who Should Attend:

- Hospital and clinic leaders
- Advanced practice clinicians (nurse practitioners, physician assistants, and certified registered nurse midwives)
- Physician offices
- Hospital departments managers
- Hospital and clinic administration
- Physician office management

On September 13, WHA will bring together those interested in examining the challenges and opportunities for integrated care delivery associated with the use of Advanced Practice Clinicians (APCs) for a one-day conference. The program will provide a comprehensive review of key regulations and payment policies, education and training, scope of practice, and onboarding and retention trends.

WHA Advanced Practice Clinician Conference: A Comprehensive Look at APC Practice Challenges and Opportunities for Integrated Care Delivery in Wisconsin is scheduled September 13 at Glacier Canyon Lodge at The Wilderness Resort in Wisconsin Dells. A full agenda can be viewed [here](#). Registration is now open.

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This one-day conference is designed for hospital and clinic leaders, clinicians in leadership and practice roles, human resources and recruiting specialists and all others who need to understand and navigate nuances, limitations and opportunities to support and maximize the integration of APCs within their organizations.

[Register today](#). Content questions can be directed to [Ann Zenk](#) or [Matthew Stanford](#). Registration questions can be directed to [Kayla Chatterton](#) or call 608-274-1820.

WHA Staff and Board Stress Importance of Delivering Member Value

Disruption, innovation, partnership, and opportunity all key topics at WHA annual Board retreat

The WHA Board of Directors and WHA staff held its annual strategic planning session July 18-20. The focus: disruptors in the health care industry and their impact on WHA's future agenda and strategic planning.

"We have a clear focus on the issues and how to position ourselves for the future. As a number of our Board members pointed out, health care is our business, but our mission is health." - Damond Boatwright

WHA Chair-Elect Damond Boatwright, Regional President of Operations at SSM Health Care of Wisconsin, kicked off the meeting discussing how all hospitals across Wisconsin are important—small and large alike.

"We have a clear focus on the issues and how to position ourselves for the future," said Boatwright. "As a number of our Board members pointed out, health care is our business, but our mission is health."

According to recent Board and stakeholder surveys, WHA continues to perform at a very high level, providing a multi-faceted "return on investment" for members. Board members commented on WHA's ability to influence policy and produce results, saying members could not fulfill their mission without WHA. Debra Standidge, Ascension Health's Regional President for North Region, said, "When we band together, we do have a voice." This sentiment was echoed by long time WHA Board member Steve Little, who said, "WHA's leadership, effectiveness and advocacy are undeniable. We do what's right for the state of Wisconsin."

"WHA's leadership, effectiveness and advocacy are undeniable. We do what's right for the state of Wisconsin."

- WHA Board Member Steve Little

Others noted some of WHA's most significant initiatives start at the annual Board retreat. This year's meeting focused on looking ahead and maintaining WHA's top influential position in Wisconsin health care by staying diligent in achieving the five elements that define WHA value—responsive, knowledgeable, influential, impactful and relevant, Board members engaged in thoughtful discussion around using these guideposts to ensure continuing success in a changing world.

Over two days in Minocqua, 26 of WHA's 30 Board members examined the opportunities and challenges that could "disrupt" health care, particularly advances in technology. The importance of new and strategic partnerships that will help WHA advocate, advance, and lead Wisconsin health care was also a key topic.

"WHA pays close attention to where health care is going, and a big part of that is engaging our members and involving them closely in our work. This helps us craft an agenda and set priorities that are relevant, forward-looking and of value to the Wisconsin's hospitals and health systems," said Eric Borgerding, WHA President and CEO. "Year after year, our annual retreat has proven one our most valuable tools in

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WHA's Board Retreat, July 18-20, 2018

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WHA staff and members at the 2018 WHA Board planning session

positioning WHA to succeed, and we are very grateful for the high degree of participation, commitment, and time invested in WHA by our fantastic Board of Directors."

As in the past, the annual Board retreat will prove instrumental for WHA's planning and strategic positioning. WHA staff will spend the next several weeks digesting the many takeaways from the retreat, using the information to help craft and guide 2019 annual goals and tee-up the coming rewrite of WHA's 3-5-year strategic plan.

"WHA never rests on past accomplishments nor assumptions of what is or will always be. Our members are innovative and often ahead of the curve, and we need to always be there with them delivering a dynamic and meaningful agenda," Borgerding said. "Health care is rapidly evolving, changing, creating opportunities and we are always looking to the horizon to understand our future and strengthen our value proposition. Our Board and our members are our most important partners in this pursuit. They draw the chart, we steer the ship, and they graciously give the time to guide and affirm our efforts."

CMS Issues Final 2019 IPPS Rule

The Centers for Medicare & Medicaid Services (CMS) issued its final 2019 Inpatient Prospective Payment System (IPPS) rule on August 2. Overall, the rule will increase hospital payments by about 1.35% or around \$4.8 billion in FY2019. This reflects a market basket update of 2.9%, a 0.8% productivity reduction, a 0.75% reduction required by the Affordable Care Act, and a 0.5% increase to restore cuts made in the American Taxpayer Relief Act of 2012 relating to documentation and coding changes.

WHA will analyze the final rule in the coming weeks and will hold a webinar for interested members, so stay tuned for more information. In the meantime, an overview of some of the main provisions are below and CMS has a factsheet and text of the final rule on its website.

- Electronic Health Records (EHR) – renames the EHR Incentive Program as the Medicare and Medicaid Promoting Interoperability Programs. The new program will have a 90-day reporting period beginning in 2019, with fewer objectives that will be more targeted to streamline the program. This will include finalizing two new e-prescribing measures for opioids and Schedule II controlled substances.
- Reducing and Deduplicating Quality Measures – finalizes the removal of 18 measures from the inpatient quality reporting program that are no longer relevant or where the cost of reporting the measures outweighs their value. It also removes redundancy of 21 inpatient quality reporting (IQR) measures. However, CMS did not finalize its proposal to remove the safety measure domain from hospital value-based purchasing programs.
- Boosting Payments for Medical Innovations – contains an increase for new technology add-on payments for chimeric antigen receptor t-cell (CAR-T) therapies, as well as 9 of the other 11 applications discussed in the proposed rule.
- Updating Price Transparency Guidance – requires hospitals to publicly post their charges in machine-readable format, and update them at least annually, or more often as appropriate. CMS is holding off on additional price transparency initiatives, such as issues related to surprise billing issues commonly associated with out-of-network radiologists and anesthesiologists, until it receives additional feedback.
- Long-Term Care Hospital (LTCH) Changes – updates the LTCH PPS standard federal payment rate by 1.35%, which CMS projects will increase LTCH PPS payments by approximately 0.9%, or \$39 million in FY 2019. The rule also finalizes CMS' proposal to eliminate the 25% threshold policy, which limited the share of an LTCH's cases that could be admitted from certain referring acute care hospitals.

One other area of interest to WHA members is related to the Medicare area wage index. CMS notes it has begun the process of making geographic payments more equitable for rural hospitals to the extent permitted under current law by finalizing its proposal to allow the imputed wage index floor to expire for all-urban states (MA, NJ, RI). CMS says it looks forward to continuing work on geographic payment disparities.

House Ways and Means Health Subcommittee Holds Hearing Examining Stark Law Burden

On July 17, the House Ways and Means Health Subcommittee held a hearing on the physician self-referral law, more commonly referred to as the Stark Law. A [recent Valued Voice article](#) covered how the Centers for Medicare and Medicaid Services (CMS) has issued a request for information asking for feedback on how to address any undue regulatory impact or burden healthcare providers have in complying with the law.

During the hearing, committee members asked Health and Human Services (HHS) Deputy Secretary Eric Hargan for his ideas on improving the law, which generally prohibits physicians from referring Medicare patients to an entity in which they or their immediate family members have a financial interest. Hargan noted that the past few administrations have had similar goals of reforming Medicare's payment system by encouraging value-based payments, but the law appears to have had a detrimental impact on achieving those goals. He also said that early commenters on the RFI have made it clear that the law has also hindered efforts to better coordinate care. Wisconsin Congressman Ron Kind, a member of the subcommittee, requested an update from the Secretary on the administration's progress in implementing legislation he authored with Rep. Kenny Marchant (R-TX) that was included in the 2018 Bipartisan Budget Act which sought to clarify certain technical violations under the law.

The panel of witnesses also included Advocate Aurora Health's Chief Integration Officer, Michael Lappin, who noted how difficult the law has made it for Aurora's efforts to accelerate value-based payment arrangements. Lappin recommended Congress change the law by making four key reforms:

1. Creating clearer exemptions from the law for value-based payment arrangements.
2. Making penalties lower for unintentional violations of the law than for clear intentional violations.
3. Clarifying key definitions, such as "fair market value," that are currently vague and confusing when it comes to compliance.



Aurora Advocate Chief Integration Officer Mike Lappin provides comments on how the "Stark Law" is impeding efforts to move to more value-based payment arrangements.

4. Streamlining how Stark Law intersects with other similar statutes such as the anti-kickback statute, and false claims act, which are currently regulated by different federal entities.

The Committee also heard testimony from Claire Sylvia, who belongs to a law firm that represents whistleblowers under the False Claims Act. Sylvia maintained that Stark Law provides key protections for patients and taxpayers against abuses from bad actors who might otherwise make care decisions based on financial self-interest, rather than the patient's. Subcommittee chair Peter Roskam (R-IL) responded by saying the Committee's goal is not to sweep away these protections but improve and modernize the law.

WHA will continue to advocate for reforming the Stark Law and monitor any agency and Congressional developments at the federal level.

CMS FY 2019 OPPS/ASC Proposed Rule Hospitals concerned about more cuts from site-neutral, 340B policies

On July 25, the Centers for Medicare and Medicaid Services (CMS) released its 2019 Outpatient Prospective Payment System (OPPS) proposed rule. While the rule contains some standard provisions, such as adjusting rates upwards by 1.25%, WHA is closely analyzing proposed expansion of "site-neutral" policy and 340B provisions that could reduce payments to hospitals.

In its site-neutral recommendations, CMS proposes reducing the payment rate for hospital outpatient clinic visits provided at off-campus provider-based departments (PBDs) to 40% of the OPPS rate. This would even apply to PBDs who were grandfathered in the Bipartisan Budget Act of 2015.

By reducing payments for the most commonly billed service under OPPS, CMS estimates Medicare would save \$760 million due to reduced payments from CMS and reduced copays from Medicare beneficiaries. Additionally, CMS would apply this payment rate to new services offered by grandfathered off-campus PBDs that previously did not offer such services.

CMS also proposes changes to the 340B prescription drug discount program. First, it proposes applying last year's reimbursement cut for disproportionate share (DSH) hospitals (which reduced payments from the Average Sales Price plus 6% to ASP minus 22.5%) to non-grandfathered PBDs – or drugs provided in certain off-campus hospital clinics. CMS would also propose changes to reimbursement related to separately payable biosimilars acquired under 340B and new drugs and biological products.

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OPPS/ASC Proposed Rule

Despite these two concerning proposals, CMS is continuing its work to remove unnecessary reporting burdens by proposing to remove 10 measures from the Outpatient Quality Reporting Program. The rule also includes new requests for information (RFIs) on price transparency and interoperability or sharing of healthcare data between providers. [A fact sheet of the rule can be found here](#), as well as a [full copy of the text here](#).

Over the next few weeks, WHA staff will analyze the rule in its entirety and submit comments to CMS which are due by September 24, 2018. For further information on the proposed rule, contact [Jon Hoelter](#), WHA Director of Federal and State Relations.