WISCONSIN HOSPITAL ASSOCIATION

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U.S. House Republicans Release ACA Repeal and Replacement Draft

An initial draft of the much-awaited replacement legislation for the Affordable Care Act (ACA) was released March 6 including anticipated proposals to change the insurance markets and fundamentally change how Medicaid is financed. The bill, named the American Health Care Act, was being marked up this week by two separate House committees.

The bill has been receiving much scrutiny and is seeing opposition among both conservative and democratic groups. As reported by the *Associated Press*, Wisconsin Gov. Scott Walker, who is currently chair of the Republican Governor's Association, believes "more work needs to be done" on the bill.

At issue for Medicaid is how states are funded now and into the future, given that some states chose to expand their programs under the ACA's Medicaid expansion rules and received higher federal

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WHA Physician Leaders Council Requests Additional MEB Clarity on PDMP Compliance

Council also discusses 2017 goals, ACA repeal and replace, and state budget

WHA Physician Leaders Council Meeting, March 2, 2017

In a WHA letter to the Medical Examining Board (MEB) sent March 9, the WHA Physician Leaders Council asked the MEB to consider providing via MEB resolution additional clarity to physicians regarding the MEB's intent regarding physician discipline and the upcoming Prescription Drug Monitoring Program (PDMP) prescriber mandate. The letter, signed by the chair of the WHA Physician Leaders

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The following article appeared in Healthcare Finance News, March 3, 2017 online edition.

Wisconsin Hospitals Slash Readmission Rates, Penalties through Partnerships with Hospital Association, Multiple States

Wisconsin's average penalty for 2017 will be 0.33 percent, which ranks the state at 17th when compared to other states

By: Jeff Lagasse, Associate Editor, Healthcare Finance News

Hospitals in Wisconsin have reduced their readmission rates, and the penalties applied to them by the Centers for Medicare and Medicaid Services, largely through local partnerships, according to a report from the Wisconsin Hospital Association.

Wisconsin hospitals began working with the WHA in 2012 in CMS' Partnership for Patients Hospital Engagement Networks, and readmission rates began to decline appreciably, along with a host of other performance improvements.

The third phase of Partnership for Patients, the Hospital Improvement Innovation Network, was launched in September 2016; WHA's participation in the HIIN over the next three years will be in partnership with the Michigan Health and Hospital Association and the Illinois Hospital Association as the Great Lakes Partners for Patients Network.

The partnership will allow the three states to pool their resources to offer education, training, data management and clinical expertise to all participating hospitals. The 79 Wisconsin hospitals

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WHA Post-Acute Care Work Group Refines Focus, Develops Guiding Principles

WHA Vice President, Policy Development, Laura Rose; WHA Post-Acute Work Group Chair Greg Banaczynski, President, UW Health Rehabilitation Hospital

Hospitals continue to increase their focus on post-acute care as they assume greater responsibility for patient outcomes following discharge from the hospital. The goal of WHA's recently formed Post-Acute Care Work Group is to develop policy initiatives that improve the ability of hospitals and health systems to provide or locate post-acute care for their patients.

The Work Group held its second meeting March 3 at the WHA offices in Madison and began framing principles that will guide the development of its policy recommendations. The Work Group decided to focus its efforts on post-acute care provided during the first 90 days following a patient's discharge from an acute care hospital. This focus is due, in part, to the impact of federal payment policies, including readmission penalties and bundled payments.

Additional guiding principles developed by the Work Group at the meeting recognize the increasing need for hospitals and post-acute providers to closely collaborate to improve patient outcomes after a hospitalization. The Work Group also recognized the challenges facing hospitals when planning for post-acute care for specific patient populations, including pediatric patients, patients with the most complex medical needs, patients who have dementia and mental health challenges and patients at the end of life. Shortages of direct care workers in post-acute settings, burdensome regulatory requirements, and reimbursement policies will also be addressed by the Work Group as it develops its policy recommendations. Finally, the Work Group will examine ways to improve access to high-quality, timely post-acute care.

The WHA Post-Acute Care Work Group Meeting, March 3, 2017

The Work Group reviewed provisions in Gov. Scott Walker's budget bill that affect post-acute care. Some of the significant items that may have an impact on post-acute care are rate increases targeted to the nursing home and personal care direct care workforce; elimination of the waiting lists for the Children's Long-Term Support Program; increased funding for the Wisconsin Rural Physician Residency Assistance Program; and funding for the Board on Aging and Long-Term Care to provide ombudsman services to participants in the Include, Respect, I Self-Direct (IRIS) program.

WHA will continue to monitor these and other budget items, as well as advocate for provisions advantageous to our membership.

Dozens of Hospital/System Leaders Send Joint Letters to Congress

AHCA should ensure equity and coverage gains

Dozens of hospital leaders across Wisconsin sent joint letters to several legislators in the U.S. House of Representatives as action began on the American Health Care Act (AHCA) in two U.S. House committees. The AHCA is the House Republican proposal to repeal and replace the Affordable Care Act.

"Specifically, we are seeking your leadership to place Wisconsin on equal financial footing as other states with respect to Medicaid funding and to preserve our important health insurance coverage gains," said the CEOs in their letters.

Hospital leaders and the Wisconsin Hospital Association (WHA) have continued to push for equity for states like Wisconsin with respect to any changes under the AHCA. Wisconsin significantly reduced its uninsured population through a "partial expansion" of its Medicaid program in 2014. While that approach provided coverage for 130,000 individuals with incomes below the federal poverty level, the Obama Administration did not recognize it as an ACA expansion population. Therefore, Wisconsin has not received enhanced federal Medicaid funding to date, as some 31 other states have received.

"[E]ven though our uninsured rate is among the best in the nation and our Medicaid program expanded to cover 130,000 more individuals, Wisconsin now spends approximately $280 million per year in state taxpayer dollars to cover the same Medicaid population for which 31 other states receive full federal Medicaid funding. We do not see this as equity."

Additionally, the health care leaders reminded members of Congress that hundreds of thousands of Wisconsinites have gained access to affordable coverage due to income-based assistance under the ACA's federal health insurance exchange.

"Some 85 percent of Wisconsinites on the exchange receive the ACA's income-based premium subsidies. On average, those individuals received $332/month in assistance. As these statistics reveal, income-based subsidies have been instrumental in making coverage accessible and affordable for many lower-income individuals in our state. We are very concerned if these subsidies are removed without being replaced with comparable assistance."

Action continues in the U.S. House of Representatives on the AHCA. *(See related article on page 1)*

WHA Board Chair Jacobson Talks ACA Repeal in *Modern Healthcare*

The Trump Administration health care policy recommendations, along with the ACA repeal and replacement proposals, are triggering a lot of debate and discussions in the C-suite—conversations that reporters find intensely interesting these days. State and national media are reaching out more than ever to senior health care leaders to tap into their knowledge and opinions on a broad range of topics. That includes *Modern Healthcare* (MHC), a key source of news for many health care executives.

WHA Chair Cathy Jacobson, CEO, Froedtert Health, was among the health care leaders featured in a March 6 article in *Modern Healthcare*. Jacobson was one of the 110 CEOs participating on *Modern Healthcare's* CEO Power Panel survey. She was later contacted for an interview.

MHC reported their survey results confirmed that anxiety runs high among the CEOs that changes in the ACA will increase the number of uninsured, reduce Medicaid funding and drive up health systems' uncompensated care costs.

When asked for her opinion, Jacobson responded, "Any drop-off in coverage falls 100 percent on health systems, because we're the ones who pay in terms of bad debt and charity care." ***(continued on page 4)***

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How Medicaid will be funded going forward is a great concern in Wisconsin and across the country. MHC reported from their survey that "CEOs are desperate for details on how the Republican plan would set the baseline for calculating annual increases in federal Medicaid payments, and how each state would be affected, whether or not it had expanded Medicaid."

Jacobson was asked for a reaction.

"How people will function under a block grant is entirely dependent on how much money they get," Jacobson said during the interview. "What's the base level of funding, and how is that indexed going forward? That's the whole deal."

On the topic of the CMS Innovation Center's value-based pilot programs, Jacobson said while she would not voluntarily sign up for the orthopedic bundled-payment program, it's now functioning fine, but she added, "If they want those programs to get traction, they have to make them mandatory."

American Hospital Association Annual Meeting

May 7-10 in Washington, DC

The American Hospital Association (AHA) Annual Meeting will be held May 7-10 in Washington, D.C. The AHA Annual meeting provides programming and networking opportunities. In addition, WHA hosts several Wisconsin events during this time. WHA events include a luncheon issues briefing, a members-only dinner and WHA-scheduled Hill visits with Wisconsin's members of Congress.

Every year Wisconsin hospital leaders provide essential insight to their members of Congress during our meetings on Capitol Hill. WHA briefs attendees on issues and facilitates all Hill meetings on your behalf. With everything going on in Washington, D.C. on health care, you will want to make your voice heard on priority issues.

If you plan to be in Washington for the AHA Annual Meeting, contact Jenny Boese, WHA vice president, federal affairs & advocacy, at *jboese*@*wha.org* or 608-268-1816 for details about WHA's events. For more details or to register for the AHA Annual meeting, log onto www.aha.org/advocacy-issues/annual-meeting/index.shtml.

President Issues New Executive Order Imposing Temporary Travel Ban

In a separate announcement, USCIS temporarily suspends premium processing of H-1B visas

On March 6, President Donald Trump revoked the January 27 Executive Order creating a temporary travel ban on nationals from certain countries and issued a new Executive Order imposing a new temporary travel ban. The Executive Order can be viewed here: https://www.whitehouse.gov/the-press-office/2017/03/06/executive-order-protecting-nation-foreign-terrorist-entry-united-states

Like the earlier Executive Order, the new Executive Order imposes a 90-day ban on entry into the United States for nationals of Iran, Libya, Somalia, Sudan, Syria, and Yemen. But the new Executive Order is different from the earlier Executive Order in several important ways, including:

- The new Executive Order does not apply to foreign nationals of the six designated countries who (1) have a valid visa on March 16, 2017, (2) had a valid visa at 5:00 p.m. EST on January 27, 2017, or (3) is a lawful permanent U.S. resident (i.e., a green card holder).
- The new Executive Order is not effective immediately but instead goes into effect March 16, 2017.
- The new Executive Order does not include Iraq in the banned-countries list, although it does state that Iraqi foreign nationals seeking entry into the United States "should be subjected to additional scrutiny." ***(continued on page 5)***

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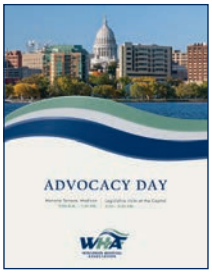
Read the U.S. Department of Homeland Security's FAQs on the new Executive Order here: https://www.dhs.gov/news/2017/03/06/qa-protecting-nation-foreign-terrorist-entry-united-states.

In a move apparently not related to the new Executive Order, the U.S. Citizenship and Immigration Services (USCIS) announced on Friday, March 3 that, starting on April 3, USCIS will be temporarily suspending premium processing for all H-1B applicants (including physician applicants) and that the suspension could last for up to six months.

Premium processing of H-1B visas allows an applicant to pay an additional filing fee and receive a decision from USCIS within fifteen calendar days, as opposed to having to wait for many months. USCIS also temporarily suspended premium processing last year, albeit not for an indefinite six-month time period.

View USCIS's announcement here: https://www.uscis.gov/news/alerts/uscis-will-temporarily-suspend-premium-processing-all-h-1b-petitions.

For additional information on the Executive Order or the suspension of H-1B visa premium processing, contact WHA Assistant General Counsel Andrew Brenton at 608-274-1820 or *abrenton*@*wha.org*.



2017 Advocacy Day: Register Today!

Make an impact in Madison for your hospital by attending Advocacy Day
April 19, 2017 at Monona Terrace in Madison

Register before March 17 to be entered into the early bird drawing.
Register at: www.cvent.com/d/svqylc

Enroll Your Physicians Today in WHA Physician Quality Academy

Physicians are leading or playing significant roles in a variety of quality improvement efforts in WHA member hospitals and health systems. Knowledge about quality improvement tools and principles can increase the likelihood that those physicians will be more successful in and comfortable with their leadership role.

Enrolling those physicians in WHA's Physician Quality Academy will ensure they have access to the training and resources necessary to lead successful quality improvement initiatives. Participants will learn to design and conduct quality improvement projects utilizing proven improvement models; interpret data correctly; facilitate physician colleague engagement in quality improvement and measurement; and, discuss quality requirements, medical staff functions and their link to quality improvement.

The Academy will be offered twice in 2017, which will allow a physician to choose the cohort that works best for his/her schedule: Cohort #1 will be held May 10 and July 21; Cohort #2 will be September 29 and November 3. Attendance is limited to the first 100 registrants per cohort, so register your physicians today at www.cvent.com/d/wvq5nm. For more information contact Jennifer Frank at *jfrank*@*wha.org* or 608-274-1820.

Hospitals Participate in HIIN Quality Training

More than 90 people participated in two days of Quality Essential Skills Training (QuEST) in Madison February 28 - March 1. The training is part of the Hospital Improvement Innovation Network (HIIN) project to reduce readmissions and hospital-acquired harm.

During the first day of training, participants learned new strategies for designing small tests of change, getting direct caregivers involved in improvement and how to establish an effective quality improvement team. Day two of the training focused on simple data analysis techniques that help hospitals quickly determine if the changes they are implementing are getting the desired results.

QuEST participants learn how to design a simple test of change

Attendees included quality professionals and infection prevention staff and nurses who are working to reduce harm and readmissions.

"Quality improvement happens at the bedside of the patient, so it is critical for people throughout the hospital to be able to apply these quality strategies to their work," said Kelly Court, WHA chief quality officer. "The training also helps people make new connections to share and spread success among hospitals."

The QuEST training is an important component being used by the Great Lakes Partners for Patients HIIN, designed by WHA. Court and Beth Dibbert, WHA quality director, are also providing QuEST training to hospitals in Michigan and Illinois. Additional sessions will be held throughout the HIIN project, and all hospitals enrolled in the HIIN are encouraged to send staff who are key to their quality improvement work.

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funding for doing so. Wisconsin instead chose a "partial expansion" approach, adding about 130,000 childless adults to its program, without receiving enhanced federal funding. Wisconsin is one of 19 states that did not take the expansion as defined by the ACA and the previous Administration. If parity between non-expansion and expansion states is not addressed, funding inequities could be locked in for future years.

The legislation would change Medicaid funding to a per capita allotment, but allow expansion states to continue to receive their enhanced federal funding through 2020. Non-expansion states, like Wisconsin, would receive a portion of a new "safety net funding pool" based on their share of the population with income below 138 percent FPL.

As reported in *Wisconsin Health News*, WHA President/CEO Eric Borgerding noted that even though the bill makes a few steps toward addressing funding inequity, Wisconsin would still end up with "the short end of the stick." WHA estimates that under the bill, Wisconsin could be eligible for about $70 million in the new safety net funding pool. However, if Wisconsin's partial expansion is counted on par with expansion states, Wisconsin would be getting about $250 million.

The legislation would make several other changes to the insurance markets, such as removing the individual and employer mandates for coverage, changing how insurance companies could set premium rates based on age and changing the current income-based tax credits for purchasing coverage to new credits based primarily on age. Borgerding noted these new age-based credits could negatively impact a state like Wisconsin that relied heavily on the income-based credits to help low-income individuals buy coverage in the private market.

The U.S. House Ways and Means Committee advanced its portion of the bill, and the U.S. House Energy & Commerce Committee approved its bill March 9. Both bills will now move to the House Budget Committee where they will be merged. Republican leadership reportedly hopes to move the merged bill to House floor in the next few weeks.

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enrolled in the HIIN are working with WHA to achieve an additional 20 percent reduction in harm and 12 percent reduction in preventable readmissions.

Leveraging these partnerships, Wisconsin hospitals have made headway in those readmissions by improving internal care processes, and by partnering with community agencies that help to care for patients once they leave the hospital.

Wisconsin's average penalty for 2017 will be 0.33 percent, which ranks the state at 17th when compared to other states. Twenty-six percent of Wisconsin hospitals received no penalty, and no hospital will be penalized more than 1.51 percent.

When it came to the Value-Based Purchasing Program, 85 percent of eligible hospitals in the state received an incentive bonus, with the average bonus at about 0.7 percent. No hospital will be receiving a payment penalty over 0.65 percent.

The state's hospitals have also made headway in the Hospital Acquired Condition (HAC) Penalty program. The number of Wisconsin hospitals receiving the HAC penalty has decreased each year; 16 percent of eligible hospitals will receive the penalty in fiscal year 2017.

Continued from page 1 . . . WHA Physician Leaders Council Requests Additional MEB Clarity on PDMP Compliance

Council, Steve Kulick, MD, CMO ProHealth Care, was the result of discussions at the March 2 WHA Physician Leaders Council meeting. A copy of the letter can be found here: www.wha.org/pdf/WHALettertoMEB3-9-17.pdf.

"Physicians greatly appreciate the information contained in the PDMP and have significant interest in utilizing the PDMP to enable physicians to make more informed decisions," wrote Kulick. "However, the Council has also been concerned that a well-intentioned mandate for use of a PDMP system has the potential to introduce additional, unintended regulatory complexity for physicians, particularly if the PDMP system is not optimally designed to be integrated into existing physician practice patterns and EHR resources."

"It is clear that physicians across the state have many questions regarding multiple technical compliance questions regarding the new PDMP mandate and how the Medical Examining Board will be approaching physician discipline related to the April 1 mandate," wrote Kulick. "By articulating a clear and common sense approach that aligns with the intent of the PDMP prescriber mandate, the Medical Examining Board can help physicians focus on the benefits of the PDMP and remove technical compliance concerns of physicians intending to make good faith use of the PDMP tool."

The letter was one outcome of a detailed discussion by the WHA Physician Leaders Council at its March 2 meeting of a growing list of PDMP implementation concerns being identified by physicians and physician leaders in health systems across Wisconsin. Discussions were consistent with the concerns discussed at a WHA-organized February 28 meeting of multiple health systems with the Department of Safety and Professional Services (DSPS) including:

- The critical importance for DSPS to expedite the implementation of an interoperable/integrated EHR solution for accessing the PDMP database.
- The lack of progress by the PDMP vendor to have a widely available interoperable/integrated EHR solution before April 1.
- Multiple, ongoing functionality problems with the new web-based PDMP.
- Timeliness of response to questions and multiple organizations asking the same questions.

Staff also reported that following the February 28 meeting, DSPS indicated they would be taking additional steps recommended by WHA to help advance a successful full implementation of the PDMP including:

- Create a PDMP user group to help formally inform DSPS and its vendor as they continue to implement the new PDMP.
- Add new FAQs and resources to the PDMP website to address questions and concerns that are brought to DSPS's attention, including information about how the MEB will interpret compliance requirements.
- Add to the PDMP website a list of "known issues" that DSPS is working on, what the solution will be and the timeline for the solution.

WHA also offered to DSPS to help host or promote any additional educational webinars DSPS is planning regarding PDMP usage and implementation before April 1.

"The burden of regulatory complexity, intended or not, on physicians is a significant concern to physicians and their hospitals and health systems," said WHA Chief Medical Officer Chuck Shabino, MD. "Regulatory complexity adds to physician frustrations and professional dissatisfaction as even well intentioned regulations such as the PDMP mandate can erode trust in physicians' professional judgement and negatively impact their ability to meet the public's expectations to provide efficient, high-quality patient care. When regulations are added, government has an obligation to make sure that it is taking all steps possible to minimize the burden of those regulations. " *(continued on page 9)*

Continued from page 8 . . . WHA Physician Leaders Council Requests Additional MEB Clarity on PDMP Compliance

2017 Physician Leaders Council Plans and Goals

As has been the case in prior years' WHA goals, WHA's 2017 goals includes a section addressing physician engagement in the integrated health care enterprise. At its March 2 meeting, the Council discussed WHA's past and present integrated physician engagement and advocacy efforts, and potential topics and efforts the Council would like to focus on in 2017.

"As WHA's members' focus has evolved beyond the traditional 'walls' of the hospital to a presence as local and regional integrated health systems, WHA's focus has similarly evolved," said Shabino. "The physician component of our members' enterprise is significantly larger, and WHA has been evolving to respond to those changes by enhancing WHA activities to incorporate, from the system prospective, physician issues, opportunities and initiatives."

Legislative and Regulatory Input

Matthew Stanford, WHA general counsel, provided an overview of the Governor's proposed state budget and other WHA advocacy efforts to the Council. As part of that overview, staff asked the Council for input on three policy items: A state budget proposal to permit licensing boards such as the Medical Examining Board to impose fines on licensees, the pros and cons of gathering workforce data as part of physician license renewal, and potential federal Stark/Anti-kickback reform.

The Council was particularly concerned with the state budget proposal that would authorize licensing boards to impose fines on licensees. The Council said the licensing boards already have broad authority to take a wide range of actions against licensees, each of which can impose significant financial costs on licensees. Council members did not see how imposing forfeitures would improve patient safety and would instead add another layer of regulatory subjectivity on physicians.

ACA Repeal and Replace

Joanne Alig, WHA senior vice president, policy and research, shared with the Council the latest developments related to the ACA. Her presentation discussed WHA's policy priorities and advocacy strategies both in Washington, D.C. and Madison.

Alig said WHA has been fully engaged in the federal reform issue, making several trips to Washington to meet with Wisconsin's congressional delegation. WHA staff has also delivered several letters and white papers to the congressional and state delegation along with state agency leaders to keep them fully informed on the impact reforms would have on their constituents. In addition, WHA Board Chair Cathy Jacobson recently appointed a subcommittee on health care reform to help WHA proactively engage and react to health care reforms as Congress and the President move toward repealing and replacing the ACA.

The next meeting of the WHA Physician Leaders Council is May 11.