



IDAHO HOSPITAL  
ASSOCIATION

# 2004 ANNUAL REPORT

---

## HIGHLIGHTS OF 2004

---

The year began with President Bush rolling out a proposed budget plan for FY 2005 that included a pay-as-you-go system requiring additional spending to be offset by reductions in other areas. Some key hospital issues impacted by the proposed budget included cuts to hospital bioterrorism preparedness and substantial cuts to health professions spending. Also included in the cuts was the proposed elimination of the Flex program affording critical access hospitals a broad array of services.

Early in May, IHA and hospital leaders met with our congressional delegates in Washington, DC, bringing to light concerns over pending regulations dealing with Medicare reimbursement, critical access hospitals, Homeland Security and others. Advocacy at the federal level resulted in lawmakers dropping proposals to cut Medicaid funding by a proposed \$11 billion over five years. Idaho's congressional delegation supported passage of the heavily debated fiscal year 2005 spending bill, which ultimately passed containing many important provisions to community hospitals including:

- Nursing education funding totaling \$151.9 million, including programs under the Nurse Reinvestment Act.

- \$88 million for rural hospital outreach and other programs.

- \$495.4 million for the National Bioterrorism Hospital Preparedness Program.

- A moratorium on enforcement of the 75 percent rule for inpatient rehabilitation services until 60 days after the Government Accountability Office (GAO) completes a formal assessment of the rule's impact on access to services.

Additionally, at the state level, IHA tracked well over 120 pieces of legislation in 2004. Staff worked through Idaho's legislative session to protect hospital interests and pursue many legislative and regulatory issues. These included:

- IHA successfully lobbied against H657, a measure which would have required hospitals to report any incident of substance abuse to health professional licensure boards. Through negotiation with several other entities, a compromise measure (S815) was passed. It requires reporting of terminations for adulteration or misappropriation of controlled substances. The bill became law on July 1.

- IHA supported H835, a prompt payment bill requiring an insurer to pay or deny a claim no later than 30 days after the claim's receipt unless additional information is needed to process the claim. The bill passed both the House and Senate. It takes effect January 1, 2005.

- IHA negotiated and worked with the Attorney General's office on the passage of

S1249 which extends to the institutional setting the DNR (Do Not Resuscitate) provisions for pre-hospital personnel. It provides immunity protections to hospitals and other health care providers. This new law ensures that the choices individuals make regarding their health care are known and observed on into the hospital. The law also is designed to ensure that medical personnel and institutions have clear terms and conditions on which to rely when interacting with medical directives and agents of a patient.

- IHA supported and lobbied for S1283, a proposal to revise the Clean Indoor Air Act to extend the prohibition on smoking to additional public places and publicly-owned buildings and offices. The bill amended the definition of public place to include any enclosed indoor place of business, commerce, banking, financial service or other services-related activity (hospitals included), whether publicly or privately owned, for-profit or not. Outdoor smoking areas must be at least 20 feet from building entrances. The measure was signed into law on July 1.

- IHA supported H661 revising the dissolution of hospital districts, and allowing commissioners of a county or counties in which a hospital district is located to dissolve the district if it has failed or ceased to function for at least two years. The measure also allows dissolved districts existence under the board(s) of county commissioners solely to "wind up" and liquidate the district's business affairs. The measure became law on July 1.

- IHA supported H697 a bill adopting criteria for the use of air medical services by certified emergency medical services personnel at emergency scenes.
- IHA strongly opposed and helped defeat H545, which would have removed the “exclusive remedy” provision of the state’s workers compensation laws.
- AT IHA’s urging, H617 was withdraw by its sponsor. This measure provided that a person may inspect and copy all documents pertaining to that person’s treatment by a medical provider. The language in this measure was broad enough to include peer review records among other documents.
- IHA helped defeat H698 which would have delayed implementation of the CHIP B Access Card program for two years.
- IHA succeeded in getting hospitals amended out of H757a, which would have imposed onerous requirements on hospitals and others to provide patients information on health plan participation. The bill later failed in committee.
- The Association strongly opposed, lobbied and testified against S1332, which would have created an Idaho false claims act patterned after the federal act which created extensive problems for hospitals throughout the country in the late 90s. The bill was held in the Senate committee.

## **IHAPAC**

IHAPAC, the Idaho Hospital Association Political Action Committee, formed in 1976,

is a joint PAC with AHA (American Hospital Association). IHAPAC supports candidates for state office; AHAPAC supports candidates for federal office.

In 2004, IHAPAC enjoyed its most successful fundraising campaign ever as the regional hospital conference areas competed for the highest percentage of regional members at or above their individual hospital goals. In the end, it was the North Idaho Hospital Conference that took home the first year traveling trophy as IHAPAC Conference Challenge champs, and Kootenai Medical Center was recognized as the hospital that most exceeded its goal.

Members of the IHAPAC Advisory Committee -- particularly its Chairman Joe Morris and conference presidents Jeff Martin (North), Anne Oglevie (Southwest), and Keith Steiner (Southeast) – made the race not only competitive, but fun.

In the end, IHAPAC broke records with 10 Chairman’s Circle members, 22 at the Capitol Club level, and a whole host of Silver, Bronze and other supporters. As a result IHAPAC met its AHAPAC obligation and had the funds to assist 48 candidates in Idaho’s primary and general elections of 2004. Thanks to all who participated. Your continued interest and support enhance IHA’s advocacy efforts.

## **Consultation**

Malpractice Insurance: In April, IHA entered into an agreement with Lexington/AIG Insurance to provide risk

management services to the Lexington/AIG hospital insureds in Idaho. This new agreement provides many of the same benefits the participating members enjoyed under the Farmers’ Insurance program. Existing staff will be utilized in providing these risk management services to the hospitals insured with Lexington/AIG through the program structured by Chivaroli and Associates. Expenses incurred in the delivery of risk management services by the association will be reimbursed under the terms of the agreement. Hospitals in this program will also be eligible for a premium credit at the end of 5 years participation if loss experience is less than projected. As with the Farmers’ program, periodic meetings of the insured members and Lexington/AIG will be held in conjunction with the Spring Forum and Annual Convention for purposes of providing input to Lexington/AIG. To date 14 member hospitals have chosen to participate in this group program.

Fee for Service Consultation: When the Farmers’ risk management program was replaced by the AIG program, the number of members insuring and requiring risk management services through AIG was significantly fewer. Accordingly, the reimbursement from AIG for those services is less than it was under the Farmers’ program. In an attempt to mitigate this lost revenue, the association approved a proposal to charge fees for services rendered by its risk management staff to non-AIG insured members who want to purchase IHA’s risk management services. IHA members will not be charged for help with regulatory, administrative and legal

questions that generally apply to all members. Such services will continue to be funded under the dues structure. Phone consultation and in-house research relevant to more than a single hospital also will continue as part of our membership service.

Services which are outside the existing realm of membership services and for which fees will be charged include:

- compliance surveys (e.g., state surveys, JCAHO surveys, mock surveys and survey preparation)
- policy and procedure development
- management audits
- risk management services (for non-AIG insureds)
- in-service education
- other hospital-specific requested services

Members will be charged \$50 per hour, plus travel expenses (mileage, lodging and meals) for such services.

Regulatory/Legal Issues: A complete revision of the **Guidebook: Issues In Healthcare Management** was completed and is available to all members on the IHA website. In this new format, changes and updates will be made on an ongoing basis as regulations change. Also available on the website are the Regulations and Interpretive Guidelines for Hospitals, The Regulations and Interpretive Guidelines for Critical Access Hospitals, the latest EMTALA regulations and Interpretive Guidelines, Model Medical Staff Bylaws, Model Medical Staff rules and a variety of sample forms and policies.

In conjunction with AHA, IHA continues to discuss with CMS issues in the Interpretive Guidelines for Hospitals which go beyond the regulations themselves.

## Education

**Convention:** The theme for IHA's 71<sup>st</sup> annual convention, held October 2-5 in Sun Valley, was "Managing Mission, Manpower and Money." Keynote speaker, Dr. Leo Frangipane offered an inspirational message as a "hope broker," blending the qualities of spirituality, medical expertise and inner understanding in motivating positive change in individual's daily lives. He referred to recent data that show patients who felt their doctor took the time to listen and talk to them actually got well at a rate twice that of patients whose doctor did not take the time to interact. Dr. Frangipane went on to point out that, in treating the patient from a caregiver's perspective, it is very important to "treat people from where they are, not from where you are." He also emphasized that "health care becomes an issue when we forget it's not about me." He concluded by adding, "As a physician, I've learned that physical cures without healing of the spirit are, at best, half-cures."

In his opening address to hospital leaders, volunteers, and trustees, IHA Chairman Carl Hanson spoke about the important role of hospitals in rural communities and the tremendous support they provide in the areas they serve. He went on to point out the many good deeds of hospital employees that rarely if ever are recognized in local community media. As

a result, he has encouraged a program within the hospital that recognizes employees' good deeds, not only to patients, but to fellow employees as well. The program has resulted in a hospital culture where employees routinely look to see the positive in others. "People live up or down to the statements made about them. In our hospitals we can be a greater force for positive behavior and I challenge you to do that.," Hanson said.

Attendance was record setting with over 800 sharing in the various educational and recreational opportunities offered by IHA and the allied societies.

### **Legislative/Governance Conference:**

The 2004 Legislative/Governance Conference was held January 27-28 in Boise. Throughout the first day, speakers and panelists addressed hospital billing and collection practices. The audience heard from leaders of both the House and Senate health and welfare committees and from DHW Division of Medicaid Administrator David Rogers. The second day of the conference John Church of Boise State University detailed Idaho's economic outlook and Ron Purcell, regional executive of the American Hospital Association (AHA), outlined the agenda for the AHA's legislative and regulatory year. IHA staff reviewed legislation of interest to members.

IHA's annual legislative luncheon was a success with attendance approximately two-thirds of legislators from all corners of the state. This important venue afforded hospital leaders the opportunity to talk with senators and representatives about their

communities hospital and health care issues.

**Spring Forum:** In May, attendees at IHA's annual Spring Forum in Coeur d'Alene heard the latest from Jean Chenoweth, executive director, Solucient Institute, Ann Arbor, MI, about "Board and CEO Strategies: Capitalizing on Public Reporting." She discussed the urgency and need for action by boards and CEOs to manage the growing levels of public information available to consumers about the hospital performance and shared strategies for converting public report cards into a positive opportunity for stronger physician partnerships and improved community health. Gary Krough, MD, vice president of professional services, St. Luke's Regional Medical Center, Boise, outlined Local Medical Review Policies (LMRP), interactions with the General Accounting Office, Medicare Northwest, and success in appealing denials. Kim Stanger, attorney, Hawley, Troxell, Ennis and Hawley, Boise, offered guidance on "Responding to the Legal Process Under HIPAA." Although HIPAA has been in place for over a year, hospital record departments and federal and state officials continue to struggle with the do's and don'ts of responding to subpoenas, orders, warrants, and requests for protected health information. Stanger also addressed "The New and Improved EMTALA" in addition to a discussion on the new Stark laws. He offered suggestions on handling transactions with physicians to ensure compliance with the regulations.

**Auxiliary Leadership Conference:** In April, hospital auxiliaries and volunteer

leaders from throughout the state gathered in Boise for the 2004 Leadership Conference. Developing enthusiastic, happy volunteers who make a difference was a focal point of the conference with presentations on developing stronger relationships, fulfilling hospital missions, and giving from the heart.

**WRTS:** The 8<sup>th</sup> Annual Western Regional Trustee Symposium this year brought nearly 300 trustees and CEOs from eight western states to Denver, CO, for two and a half days of governance guidance. IHA is a sponsoring state. This intensive learning opportunity is attended by 30-some Idaho trustees and CEOs each year.

**careLearning.com:** IHA continued to enroll hospitals in careLearning.com, a comprehensive website featuring courses for healthcare professionals and an administrative management system to track enrollment, registration, course completion, and test scores. An added feature in 2004 was the ability to participate in webinars via careLearning.com.

## Recognition

IHA awarded its most prestigious award, the Star Garnet, to Karl Kurtz, director of the Idaho Department of Health and Welfare. Honors for Trustee of the Year went to Maurice Masar, M.D., board president of Clearwater Valley Hospital and Clinics (CVHC), Orofino. The board recognized Michael Denyer, M.D., of Eastern Idaho Regional Medical Center's (EIRMC's) Heart Center, Idaho Falls, with

the Distinguished Service Award. The Leader of Volunteer Excellence (LOVE) Award went to Peggy Flowers of St. Joseph Regional Medical Center, Lewiston. A citation for meritorious service was awarded to Judy Lawson-Murray of St. Alphonsus Regional Medical Center, Boise. Retirement Awards of Recognition were presented to Sharon A. Lee, RN, former vice president of patient care services at St. Luke's Regional Medical Center, Boise; Gene K. Tomt, former chief executive officer at Bonner General Hospital in Sandpoint.; and Tom Skaggs, retired vice president of finance and chief financial officer, Portneuf Medical Center, Pocatello.

## Ongoing Services

### Medicare Rural Hospital Flexibility

**Activity:** With reauthorization of the Medicare Rural Hospital Flexibility Program, IHA provided extensive services to critical access hospitals as it completed the fifth and began the sixth FLEX grant cycle during 2004. The grant funds from this vital program provide increased opportunities for assistance to our smallest hospitals. Idaho's critical access hospital (CAH) number grew by three, to a total of 26, during 2004.

During this past year ongoing activities and new projects included:

Quality: IHA has 23 quality assurance and 21 credentialing agreements with CAHs. Staff and subcontractors have performed onsite review of the quality and

credentialing programs at designated intervals and provided technical assistance for improvement of policies and procedures. The web-based quality indicator project began collecting data in January 2003. Twenty-one CAHs have participated this year.

**Peer Review Network:** A peer review network for Idaho's CAHs was implemented in April 2004. Nine CAHs have signed agreements to participate in the peer review network. Over 100 providers are participating in the network, and over 80 charts have been reviewed to date.

**Balanced Scorecard:** Twenty-four CAHs received Balanced Scorecard education during the IHA Convention held in October of 2004. IHA now offers in-services, implementation assistance, and Balanced Scorecard formatting to all CAHs. Three CAHs have since implemented scorecards; eight others have expressed intent to participate.

**CAH Collaborative:** The Idaho Critical Access Hospital Collaborative was a ten-month quality improvement plan (starting in January and ending in October 2004) sponsored by Qualis Health and co-facilitated by the Idaho State Office of Rural Health and the Idaho Hospital Association. The objective of the collaborative was to improve care for acute myocardial infarction and pneumonia patients. Fourteen critical access hospitals participated, and the outcomes are as follows:

- angina and heart attack patients who received timely administration of aspirin increased from 78 to 92 percent,
- pneumonia patients who received timely administration of antibiotics increased from 78 to 91 percent,
- collection of blood cultures from pneumonia patients within the first 24 hours of hospitalization increased from 15 to 40 percent,
- use of antibiotic therapy for pneumonia patients consistent with current guidelines increased from 90 to 100 percent; and
- number of patients screened for pneumococcal immunization status and vaccination before discharge if indicated increased from 20 to 54 percent.

October quality data submitted on the IHA website indicates that the improvements that occurred during the collaborative time frame are holding steady post-collaborative.

**Education:** IHA has provided CAH staff and trustee education on a variety of subjects, including, emergency department issues; EMTALA and transfer procedures; HIPAA and privacy issues; liability issues; nursing care plans, peer review and the peer review network, and Balanced Scorecard. Pre-CAH survey assistance was provided to two hospitals that received CAH designation in 2004. Mock surveys were conducted for three CAHs.

**Cancer Data Registry of Idaho (CDRI):** The Cancer Data Registry of Idaho received a "gold" level award for excellence—the highest possible—from the North American Association of Central

Cancer Registries (NAACCR). During the year, staff added over 8,200 new cancer cases to the registry database; more than 7,100 of these cases are Idaho residents. Staff responded to 50 requests for cancer registry data. "Cancer in Idaho - 2002" is the latest publication available. This and other reports can be found on CDRI's webpage at [www.idcancer.org](http://www.idcancer.org).

**Group Unemployment Compensation Program (GUCP):** IHA's GUCP staff handled nearly 500 claims in 2004. Staff also managed 50 hearings for hospitals during the year, a 30 percent increase over the previous year. Other human resource-related services and activities provided by GUCP staff included: training for managers and supervisors on controlling unemployment costs through effective disciplinary action and management policies; the annual salary survey; telephone consultation, handbook review; and assistance with policy development.

**Databank:** The Databank program has remained a practical source to track financial and utilization data for Idaho's hospitals. A quarterly report highlighting a number of the data elements available, is sent to each participating hospital's CEO/administrator. The report provides each hospital's performance with comparisons to various peer groupings.

**Maryland Quality Indicator Project:** IHA is a sponsor of this Quality Indicator Project offering participating facilities comparisons on state and national clinical data to improve facility quality and performance. In 2004, 12 facilities submitted data in one or more indicator

sets (acute care, long term care, home care and psychiatric).

## Beyond 2004

At year's end, the IHA gavel passed to incoming chairman Louis Kraml, chief executive officer, Bingham Memorial Hospital, Blackfoot. Gary Moore, chief executive officer of Shoshone Medical Center, Kellogg, is chairman-elect, and Joe Messmer, president/chief executive officer, Mercy Medical Center, Nampa, became secretary-treasurer. New board members for 2005 are Joe Caroselli, administrator, Idaho Elks Rehabilitation Hospital, Boise, and Margaret Soulen Hinson, trustee, Weiser Memorial Hospital, Weiser. Members continuing on the board include: Carl Hanson, immediate past chairman, administrator, Minidoka Memorial Hospital, Rupert; Jeff Martin, chief executive officer, Gritman Medical Center, Moscow; Doug Crabtree, chief executive officer, Eastern Idaho Regional Medical Center, Idaho Falls; Craig Johnson, chief executive officer, Boundary Community Hospital, Bonners Ferry; Anne Oglevie, administrator, Weiser Memorial Hospital, Weiser; Keith Steiner, chief executive officer, Madison Memorial Hospital, Rexburg; Ed Dahlberg, president/chief executive officer, St. Luke's Regional Medical Center, Boise; Linda Porter, trustee, Madison Memorial Hospital, Rexburg; John Hoopes, chief executive officer, Caribou Memorial Hospital, Soda Springs; Jerry Cobb, trustee, Shoshone Medical Center, Kellogg; Mark Adams,

chief executive officer, West Valley Medical Center, Caldwell; Jess Hawley, administrator, Syringa General Hospital, Grangeville; and Steve Millard, IHA president.

## IHA Staff

Steven A. Millard, President  
Bonnie K. Haines, Senior Vice President  
John J. O'Hagan, Vice President,  
Clinical and Legal Services  
Carla Terry, Vice President, Finance  
Stacey L. Carson, PHIT,CTR, Vice  
President and Executive Director,  
Cancer Data Registry of Idaho  
Chris Johnson, MPH, Epidemiologist,  
Cancer Data Registry of Idaho  
Deanna O'Toole, Director, Human  
Resources and Public Relations  
Toni S. Pugmire, Director, Quality and  
Health Resources  
Janel Galbraith, Director, Performance  
Improvement  
Darryl-lynn Biery, Executive  
Assistant  
Denise Jozwik, RHIT,CTR  
Assistant Director, CDRI  
Simona Stanciu, Assistant Director,  
Human Resources  
Wendi Blauvelt, Accounting/Payroll  
Specialist  
Jessica Shew, CTR, Cancer Data  
Controller, CDRI  
Vicki Cate, Office Assistant

**2004 IHA Board of Directors**



**Carl Hanson**  
Chairman  
Administrator  
Minidoka Memorial  
Hospital  
Rupert



**Louis Kraml**  
Chair-elect  
Chief Executive  
Officer  
Bingham Memorial  
Hospital  
Blackfoot



**Gary Moore**  
Secretary-Treasurer  
Chief Executive  
Officer  
Shoshone Medical  
Center  
Kellogg



**Susan Kunz**  
Immediate Past  
Chairman  
Chief Executive  
Officer  
Teton Valley Hospital  
and Surgicenter  
Driggs



**Steven A. Millard**  
President  
Idaho Hospital  
Association  
Boise



**Jeff Martin**  
Chief Executive  
Officer  
Gritman Medical  
Center  
Moscow



**Craig A. Johnson**  
Chief Executive  
Officer  
Boundary Community  
Hospital  
Bonners Ferry



**Anne Oglevie**  
Administrator  
Weiser Memorial  
Hospital  
Weiser



**Joe Messmer**  
President/Chief  
Executive Officer  
Mercy Medical  
Center  
Nampa



**Edwin E. Dahlberg**  
President  
St. Luke's Regional  
Medical Center  
Boise



**Keith Steiner**  
Chief Executive  
Officer  
Madison Memorial  
Hospital  
Rexburg



**Doug Crabtree**  
Chief Executive  
Officer  
Eastern Idaho  
Regional Medical  
Center  
Idaho Falls



**John Hoopes**  
Chief Executive  
Officer  
Caribou Memorial  
Hospital  
Soda Springs



**Bill R. Ringert**  
Trustee  
Elmore Medical  
Center  
Mountain Home



**Jerry Cobb**  
Trustee  
Shoshone Medical  
Center  
Kellogg



**Linda Porter**  
Trustee  
Madison Memorial  
Hospital  
Rexburg



**Mark B. Adams**  
AHA Delegate  
Chief Executive  
Officer  
West Valley Medical  
Center  
Caldwell



**Jess B. Hawley**  
AHA Alternate  
Delegate  
Administrator  
Syringa General  
Hospital  
Grangeville