

2005 ANNUAL REPORT

2005 HIGHLIGHTS

ANOTHER BANNER YEAR FOR IHAPAC

LEGAL AND INSURANCE CONSULTATION

EDUCATION

SPECIAL RECOGNITION

ONGOING SERVICES

BEYOND 2005



2005 HIGHLIGHTS

Throughout 2005, hospitals continually worked to provide a healthcare safety net to their communities despite many challenges. Mid-year we saw one of the worst natural disasters in our nation's history in Hurricane Katrina. As hospitals in Louisiana and Mississippi had to close, hospital workers among the affected regions, in Idaho and across the nation rose to the occasion by providing help and care to those in need.

Although regulatory and reimbursement concerns were on the forefront in 2005, other issues such as quality, the uninsured, health information technology enhancements, and health care delivery dominated discussions. Workforce shortage unease continued to be evident, as seen in a 2005 survey of hospital leaders encompassing some 4,800 community facilities. Hospitals were still finding it difficult to recruit nurses, pharmacists, clinical technicians, and other allied health professionals. Although rising unemployment outside of healthcare led employees to return to hospitals for employment, those returning tended to be older and closer to retirement, making long-term projections grim.

Additionally, hospitals found emergency departments (EDs) were no longer just being utilized as the main entry point for patients with immediate acute conditions such as stroke, heart attacks and injury, but they were also being used by those who had nowhere else to turn for non-emergent conditions, resulting in capacity challenges. Specialty coverage in hospital EDs was and is a concern as doctors have increased opportunities to practice in other settings without the responsibilities of ED on-call. Early in May, Idaho hospital leaders met with our congressional delegation in Washington, DC, to help bring federal attention to these varied and complex issues.

At the state level, IHA tracked over 100 pieces of legislation in 2005 and was actively involved in many. Staff worked to protect hospitals interests and pursued a number of legislative and regulatory issues in 2005 including:

- IHA actively supported H0213 to give political subdivisions statutory power from the legislature to enter into contracts under which an issuer of bonds can convert its interest payments from a fixed rate to a variable rate, or vice-versa. The legislation affords a level playing field by allowing the county-owned and district hospitals to avail themselves of this financial tool with the potential to reduce their interest costs on debt and thereby lowering the cost of healthcare. The bill passed both the House and Senate and was signed into law by the governor on July 1, 2005.
- IHA opposed H0065, a measure designed to impose a sales tax on certain services, including all medical care. Additionally, the bill would have reduced the sales and use tax to four percent as well as repealing certain sales tax exemptions. The bill was held in committee.
- IHA opposed H0148 which would have established a Bureau of Health Care Statistics and would have required providers and payers to report healthcare to a central repository, but did not specify what type of data and its use. The bill was held in committee and later forwarded to the Health Care Task Force.
- H0268 was an IHA bill to address the hospitalization of the mentally ill by clarifying who in a facility could make the decision to detain voluntary patients for examination by a designated examiner. The measure also

set forth a process whereby the designated examiner's application for continued care and treatment be adjudicated timely, assisted in detention determinations by peace officers who take persons into custody due to mental health issues, and allowed unequipped facilities to hold patients for a short time without treatment until a treating facility could be found. Ultimately, IHA pulled the bill to resolve this complex issue with interested parties.

- H0282 was a bill that provided legal standing to extend from three to five years the ability of individuals to pay medical expenses before the counties and the Catastrophic Fund are required to pay those expenses. Although the bill was opposed by IHA, it ultimately passed both the House and Senate and was signed into law July 1, 2005.
- H1089, a bill supported by IHA, created a prescription purchase program known as Affordable Rx Idaho. The intent of the measure was to make prescription drugs available to Idaho residents, who don't qualify for Medicaid, and who have an income level equal to or less than 250 percent of federal poverty level. Applicants would be required to pay for prescription medications but at a substantially reduced price. The bill passed both the House and Senate and was signed into law July 1, 2005.
- IHA opposed S1104, a bill which delineated that the county indigent program was not the appropriate method to address responsibility for payment of medical claims for persons who are not legally present in the U.S. and the state of Idaho. It further indicated that the county would only be required to provide payment for medical care in circumstances of emergency up to the point of stabilization, at which time the individual would be returned to his or her country of origin. Under the measure, an employer who knowingly and willfully employed a person who was not legally present in the U.S. and the state of Idaho would be held responsible for the cost of medical care for the person or members of that person's household while the person is employed by the employer. This measure was held in committee.

ANOTHER BANNER YEAR FOR IHAPAC

In 2005, IHAPAC, the Idaho Hospital Association Political Action Committee, 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 held on to its bragging rights for a second year. They took home the second year traveling trophy as IHAPAC Conference Challenge champs, and Kootenai Medical Center was recognized as the hospital that most exceeded its goal at 205 percent.

IHAPAC, formed in 1976, is a joint PAC with AHA (American Hospital Association). IHAPAC supports candidates for state office, while AHAPAC supports candidates for federal office.

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

In the end, IHAPAC broke records with 14 Chairman's Circle members, 22 at the Capitol Club level, and a whole host of Silver, Bronze and other supporters. Thanks to all who participated. Your continued interest and support enhance IHA's advocacy efforts.

LEGAL AND INSURANCE CONSULTATION

In 2005, the agreement between IHA and AIG continued, with member hospitals insured by AIG enjoying access to risk management, consulting, and education services offered by IHA through John O'Hagan.

In October, IHA entered into a similar agreement with Chivaroli and Associates which greatly expanded John's availability to insured hospitals. John is now a licensed insurance broker and serves as Chivaroli's primary contact in the state for all professional liability, general liability, and directors and officers insurance. This new contract provides seamless service to the members in their insurance needs and provides IHA with an enhanced revenue stream.

For clinically oriented regulatory and legal issues, Janel Galbraith, RN, IHA's director of performance improvement, began the process of serving members with needs in these areas. With the transition of John O'Hagan to insurance brokerage work, Janel's assumption of more duties in this realm is part of IHA's long term planning to ensure that members always have the most current and most correct information. IHA members should consider Janel as the primary contact, while John will continue to serve as a resource for both Janel and for our members.

IHA Annual Convention: At the Idaho Hospital Association's 72nd Annual Convention, keynote speaker Commander Scott Waddle (Ret.) shared with the 700-plus assembly of hospital leaders, volunteers, and trustees the power of integrity, accountability, and responsibility. In February 2001, Commander Waddle gave the order to perform an emergency surface maneuver of the Los Angeles class Fast Attack nuclear submarine *USS Greenville* and inadvertently caused the 9,000-ton submarine to collide with a 500-ton Japanese fishing vessel, killing nine people on board. When faced with the aftermath of this open sea collision, Commander Waddle relied on these traits to sustain him and allowed him to make the decisions necessary to do the right thing.

Chairman Louis Kraml, chief executive officer, Bingham Memorial Hospital, Blackfoot, honored community hospitals in his address to hospital leaders. "When you are faced with an emergency, it's your community hospital that's there 24 hours a day, seven days a week to treat you or your loved ones with the specialized equipment and experience you need, regardless of your ability to pay," Kraml said.

Kraml went on to point out that any money that is made by a community hospital is reinvested back into that community for new equipment, physicians and services that help improve healthcare for everyone, unlike private investor owned surgery centers and specialty facilities. He cautioned that, as healthcare providers, we tend to be a little too close to the project assuming that everyone around us knows exactly what the benefits are of a community hospital. "After all, we see them every day," he said. As healthcare leaders in our communities, Kraml challenged all to "inform people in our counties and towns as to what we have to offer and why we are ultimately the better choice for them and their families," and how the dynamics of today may be impacting the vital services community hospitals provide.

Legislative/Governance Conference: In February, IHA hosted the 2005 Legislative / Governance Conference, providing members the opportunity to meet with legislators and address some of the healthcare issues facing Idaho hospitals. Included in the presentations were a panel on patient safety and a presentation on responding to patient concerns and complaints. Medicaid and Medicare topics were of significant interest with discussions and presentations ranging from cost drivers to the pending Medicare Modernization Act and its implementation in Idaho. Legislative leaders Robert Geddes, Senate Pro Tem, and House Speaker Bruce Newcomb both presented a laundry list of issues and insights into the session which will be looked heavily at budget issues.

Spring Forum: American Hospital Association President, Dick Davidson, opened the 2005 Spring Forum with the *Power of the Promise*, reminding leaders about the important responsibilities community hospitals assume. Said Davidson, "We can never take for granted in our daily lives the promise we hold in the symbol of the hospital sign, that the care provided will be done so in a compassionate and caring manner. Our challenge is in assuring our communities that we can meet that promise." Leadership, communication, and governance presentations rounded out the forum. Attendees heard presentations from Michael Cohen of MRC Consulting Group, on Communication Skills for Managing Change and Best Practices of Outstanding Leaders. Governance practices and building strong board, CEO, and physician relationships were the focus of presentations by Mac McCrary of The McCrary Company.

Auxiliary Leadership Conference: In April, hospital auxiliaries and volunteer leaders from throughout the state gathered in Boise for the 2005 Leadership Conference. New to this year's conference was an evening event which included a highly successful silent auction and raffle with the proceeds dedicated to the IHA Junior Volunteer of the Year Scholarship fund. Developing enthusiastic, happy volunteers who make a difference was a focal point of the conference with presentations on stress management, palliative care, fund raising, and expanding volunteer programs.

Western Regional Trustee Symposium: The 9th Annual Western Regional Trustee Symposium brought nearly 300 trustees and CEOs from eight western states to Scottsdale, AZ, for two and a half days of governance guidance. IHA is a sponsoring state. This intensive learning opportunity is attended by Idaho trustees and CEOs each year.

careLearning.com: IHA continued to enroll hospitals in *careLearning.com*, a comprehensive Web site featuring courses for healthcare professionals and an administrative management system to track enrollment, registration, course completion, and test scores. Participation in webinars increased in 2005, a feature that was added to *careLearning* in 2004. In December 2005, IHA's Director of Education, Toni Pugmire, was appointed to serve a three-year term on *careLearning's* executive committee.

RECOGNITION

At the 2005 Annual Convention, IHA had the privilege of recognizing many who go above and beyond in Idaho's hospitals.

- The Star Garnet Award -- Gordon and Velma Williams, volunteers, Veterans Affairs Medical Center, Boise
- Trustee of the Year Award -- B.J. Swanson, board chair, Gritman Medical Center, Moscow
- Distinguished Service Award -- John Fullmer, board member, Bingham Memorial Hospital, Blackfoot
- Leader of Volunteer Excellence (LOVE) -- Mae Bubel, Minidoka Memorial Hospital, Rupert
- Junior Volunteer of the Year Award -- Elizabeth Caval, Magic Valley Regional Medical Center, Twin Falls
- Citation for Meritorious Service Award -- Drew McRoberts, MD, and members of the Trauma and Emergency Care Conference Planning Committee, Portneuf Medical Center, Pocatello
- Retirement Awards of Recognition were presented to: Carolyn Wright, former director of nursing, COO, and compliance officer, Madison Memorial Hospital, Rexburg; Raymond J. Laible, former administrative director, State Hospital South; Wayne Frieders, former vice president of human resources, St. Luke's Regional Medical Center, Boise

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 began the seventh FLEX grant cycle during 2005. The grant funds from this vital program provide increased opportunities for assistance to our smallest hospitals. During this past year ongoing activities and new projects for the 26 Idaho CAH hospitals included:

- **Quality:** IHA has 23 quality assurance and 22 credentialing agreements with CAHs. Staff and subcontractors have performed onsite reviews of the quality and credentialing programs at designated intervals and provided education, resources, and technical assistance for meeting regulations and improving quality. The web-based quality indicator project began collecting data in January 2003. Twenty-two CAHs participated last year. Indicators are updated on a quarterly basis to reflect current best practices. Data is abstracted and formatted monthly so that each CAH can view their data and aggregate data in graph and table format.
- **Peer Review Network:** A peer review network for Idaho's CAHs was implemented in April 2004. Thirteen CAHs have signed agreements to participate in the peer review network. Over 100 providers are participating in the network, and over 200 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. Eleven CAHs have since implemented scorecards.
- **Education:** IHA has provided CAH staff and trustee education on a variety of subjects, including; HIPAA and privacy issues; liability issues; medical necessity, peer review and the peer review network, Balanced Scorecard, implementing best practices, and preventing survey deficiencies.

Cancer Data Registry of Idaho (CDRI): This year marks the sixth consecutive year that CDRI has achieved Gold Standard certification from the North American Association of Central Cancer Registries (NAACCR). The certification process recognizes population-based cancer registries that have achieved excellence in the areas of completeness of case ascertainment, quality of the data, and timeliness in producing incidence data.

CDRI has been a core member of the Comprehensive Cancer Alliance for Idaho (CCAI) and has provided valuable data needed to identify and measure objectives for a statewide comprehensive cancer control plan.

This year CDRI received funding from the Centers for Disease Control and Prevention (CDC) for the development and testing of a web-based reporting tool for physician offices and small hospitals to use to report cancer cases.

During the year 2005, staff added 8,330 new cancer cases to the registry database; more than 7,750 of these cases are Idaho residents. CDRI responded to 50 requests for cancer registry data from public health officials, physicians, hospitals, media, and citizens during 2005. "Cancer in Idaho – 2003" and other reports can be found on CDRI's Web site at www.idcancer.org.

Idaho Trauma Registry (ITR): Idaho Hospital Association has been awarded a contract with the Idaho Department of

Health and Welfare to provide trauma registry database planning, implementation, and to provide ongoing operational management of the trauma registry for the State of Idaho. IHA has partnered with Digital Innovations to provide a central-site system using their Collector product with technical support services.

The first year of the contract will be a "pilot" phase to involve five hospitals with existing trauma registries, and six hospitals without existing trauma registries. IHA is recruiting hospitals to be involved in this pilot project. In addition to hospital data, the registry will link and obtain additional data from the Office of Traffic and Highway Safety (OTHS), Emergency Medical Services (EMS), and death records from the Idaho Bureau of Health Policy and Vital Statistics.

IHA looks forward to the opportunity to host and make usable a trauma registry database which can be used to analyze incidence, severity, causes and outcomes of trauma, and other such data to evaluate trauma in Idaho and the health system's response to it as stated in §57-2003 of the Idaho Code.

Group Unemployment Compensation Program (GUCP): IHA's GUCP staff handled 447 claims in 2005. Staff also managed 47 hearings for hospitals during the 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 and CFO. The report provides each hospital's performance with comparisons to various peer groupings.

BEYOND 2005

At year's end, the IHA gavel passed to incoming chairman Gary Moore, chief executive officer, Shoshone Medical Center, Kellogg. Joe Messmer, president / chief executive officer of Mercy Medical Center in Nampa is chairman-elect; and Doug Crabtree, chief executive officer, Eastern Idaho Regional Medical Center, Idaho Falls, became secretary-treasurer.

New board members for 2006 are:

- Sandra Bruce, president / chief executive officer, Saint Alphonsus Regional Medical Center, Boise
- Patrick Hermanson, president/chief executive officer, Portneuf Medical Center, Pocatello
- Rod Jacobson, administrator, Bear Lake Memorial Hospital, Montpelier
- Susan Kunz, chief executive officer, Teton Valley Hospital and SurgiCenter, Driggs
- B.J. Swanson, board chair, Gritman Medical Center, Moscow

Members continuing on the board include:

- Joe Caroselli, administrator, Idaho Elks Rehabilitation Hospital, Boise
- Ed Dahlberg, president/chief executive officer, St. Luke's Regional Medical Center, Boise
- Carl Hanson, administrator, Minidoka Memorial Hospital, Rupert
- Craig Johnson, chief executive officer, Boundary Community Hospital, Bonners Ferry
- Louis Kraml, immediate past chairman, chief executive officer, Bingham Memorial Hospital, Blackfoot
- Jeff Martin, chief executive officer, Gritman Medical Center, Moscow
- Anne Oglevie, administrator, Weiser Memorial Hospital, Weiser
- Linda Porter, trustee, Madison Memorial Hospital, Rexburg
- Margaret Soulen Hinson, trustee, Weiser Memorial Hospital, Weiser
- Steve Millard, president, IHA

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, RHIT, 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 G. Pugmire, Director, Education
- Janel Galbraith, Director, Performance Improvement
- Darryl-lynn Oakes, Executive Assistant

-
- Denise Jozwik, RHIT, CTR, Assistant Director, CDRI
 - Shawnie Christensen, Assistant Director, Human Resources
 - Wendi Blauvelt, Accounting/Payroll Specialist
 - Regina Eck, Database Coordinator
 - Vicki Cate, Office Assistant

Idaho Hospital Association
PO Box 1278 - Boise, ID 83701
208-338-5100
www.teamiha.org