



**Arizona Hospital and Healthcare Association**

2901 North Central Avenue  
Suite 900  
Phoenix, Arizona 85012  
602-445-4300  
[www.azhha.org](http://www.azhha.org)



---

# FOUNDATIONS

2007-08 Strategic Priorities Year-End Report

---

ARIZONA HOSPITAL AND HEALTHCARE ASSOCIATION



## 2007-08 Strategic Priority:

Fair, Adequate & Timely Payment for Hospital Services/Access to Healthcare Services for Arizonans

### TACTICS

Building a structure that will withstand the years requires a well-grounded foundation. This is true whether the structure is a building that will hold people or a program that will serve people.

In 2007-08, the Arizona Hospital and Healthcare Association (AzHHA) and its members worked together to shore up the foundation that is our healthcare and hospital system. From advocating on behalf of member hospitals in the state legislature and Congress...to building relationships with Arizona's decision makers...to studying and submitting comments on regulations that impact hospitals...to proactively addressing key healthcare policy concerns, AzHHA worked to fortify and promote healthcare in our state and beyond.

This report highlights AzHHA's 2007-08 strategic priorities and features the ways in which the Association addressed those priorities. The report content highlights June 2007-May 2008.\*

#### ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

**State Legislative Advocacy:** During what state leaders dubbed Arizona's worst fiscal crisis in memory, AzHHA successfully defeated legislative proposals to cut programs of significance to Arizona's hospitals and the people hospitals serve. Arizona Health Care Cost Containment System (AHCCCS) programs saved—because of AzHHA's advocacy efforts—from significant state budget cuts included:

- Hospital payments for outlier patients;
- Disproportionate Share Hospital payments;
- Critical Access Hospitals;
- Stable, Accessible, Viable and Efficient (SAVE) Rural Hospitals;
- KidsCare; and
- KidsCare Parents.

AzHHA also defeated legislation that would have exempted out-of-state health insurance companies from oversight by the Arizona Department of Health Services (ADHS), including timely payment provisions.

**Financial Advocacy:** Worked with AzHHA's Managed Care Task Force to reduce hospitals' claims 60 days and older from 35 percent to 28 percent, a decrease of 20 percent.

Secured legislation permitting Federal Home Loan Banks to issue letters of credit on hospital and other tax-exempt bonds, allowing Arizona hospitals to continue their needed expansion and improvement projects.

\*In order to produce a concise report, AzHHA has summarized key initiatives in this publication. This report does not reflect every activity, project or tactic undertaken by AzHHA on behalf of members during 2007-08.

**Media Outreach Advocacy:** Launched an earned media campaign likening proposed AHCCCS budget cuts to a “hidden healthcare tax” on businesses, health plans and consumers. Also, alerted media of the results of an AHCCCS study that showed hospitals are reimbursed 88 cents for every dollar of services provided under AHCCCS\*. The campaign resulted in significant media coverage and editorials of support for AzHHA’s position from four major Arizona newspapers.

**Business Outreach Advocacy:** Spearheaded the formation of Arizonans Against the Hidden Healthcare Tax, a coalition of business organizations and commercial health plans committed to:

- fighting state government cost shifting;
- improving AHCCCS payments to hospitals; and
- minimizing the hidden healthcare tax on consumers, businesses and health plans.

### MEDICARE

**Federal Advocacy:** Partnered with the American Hospital Association (AHA) to defeat presidential budget proposals to cut Medicare and Medicaid funding by nearly \$200 billion over five years in the congressional budget resolution.

**Regulatory Advocacy:** Advocated for the successful exclusion of Arizona from the Centers for Medicare & Medicaid Services (CMS) Recovery Audit Contractors (RAC) Demonstration Program.

Collaborated with the AHA to improve the permanent RAC scope of work, including imposing a cap on the number of records the RAC may request from hospitals and requiring repayment of RAC contingency fees if the RAC’s decision is overturned on appeal.

**Education:** Sponsored Medicare education programs—webinars and workshops—focusing on CMS Conditions of Participation, RAC and other CMS payment and compliance issues.

\*Current figures show AHCCCS payment to Arizona’s hospitals has dropped further to 82 cents for every dollar of service provided.

### ATTEMPTS TO DISMANTLE THE FOUNDATION: ACTIONS AZHHA HALTED\*

In the world of federal and state legislation, what does not happen may be equally as significant as the visible victories. Below is a listing of measures that would have compromised hospitals and healthcare that AzHHA’s Public Affairs team successfully deflected in the past year.

#### STATE

Defeated legislation that would have changed the constitution to allow the legislature to divert voter-protected funds—including healthcare funds from Proposition 204—in years that the state projects a budget deficit.

For the fourth consecutive year helped halt Taxpayer Bill of Rights (TABOR)-style legislation that would have amended the constitution to lower Arizona’s existing appropriations limit and forced deep spending cuts to healthcare as well as other state services.

#### FEDERAL

Eliminated myriad problematic provisions from the proposed 2009 Inpatient Prospective Payment System rule.

Thanks to AzHHA’s advocacy efforts CMS:

- o reduced from 43 to 13 the number of new pay-for-reporting quality measures;
- o decreased from nine to two the number of new hospital-acquired conditions eligible for the higher diagnosis related group payment weight;
- o eliminated expansion of the post-acute care transfer policy threshold; and
- o abandoned plans to expand the EMTALA “duty to accept” requirement for hospital inpatients.

Advocated for continued access to healthcare services in rural communities by convincing CMS to withdraw proposed rules to tighten designation criteria for Health Professional Shortage Area Rules and Medically Underserved Areas.

\*See page one for information on AzHHA’s successful efforts to defeat proposed cuts to essential hospital payment programs.

## Building A Foundation on Behalf of Arizona’s Hospitals: A Calendar of AzHHA’s 2007-08 Activities

*Journey through the past 18 months and learn the tactics that have supported AzHHA’s strategic priorities. While this report covers June 2007-May 2008, the calendar reaches back further as many of the previously implemented tactics were critical to the Association’s recent advocacy on behalf of members. Information on state and federal legislative actions are highlighted under the strategic priorities to allow for more detailed explanation.*

### JANUARY 2007

Unveiled the results of an economic impact study to quantify & communicate Arizona’s hospitals as an economic pillar in our state.

### APRIL 2007

Announced statewide standardization of color-coded wristbands, which eventually becomes the national standard.

# 2007-08 Strategic Priority:

Arizona's Shortage of Nurses, Allied Health Professionals Physicians & Issues that Impact the Shortages

## TACTICS

**Innovation & Leadership:** Established the Arizona Healthcare Workforce Center, with the support of key partners, to monitor the state's shortage of nursing and allied health professionals as well as to investigate solutions to the shortages.

**Data Dissemination For Sound Decision Making:** Unveiled the results of the first comprehensive study of Arizona's shortage of registered nurses (RNs) from the Arizona Healthcare Workforce Center.

**Media & Member Outreach:** Generated extensive broadcast and print media coverage of Arizona's RN shortage as well as efforts to address the shortage with the first study released by the Arizona Healthcare Workforce Center.

Provided members with a communications kit (*online information, newsletter articles and media message points*) to communicate the results of the first Arizona Healthcare Workforce Center study to their constituents and local news media.

**Information Technology:** Reinvigorated [www.azhealthjobs.com](http://www.azhealthjobs.com), an AzHHA-sponsored member tool for workforce recruitment, launching a more dynamic and user friendly Web site.

**State Advocacy:** Workforce advocacy efforts focused on defeating legislation to:

- derail hospitals' efforts to tap technology as well as outsource reading of CT and MRI scans as a way to address the shortage of radiologists;

- require surgical assistants to obtain licensure even as they already are credentialed by hospitals; and
- mandate staffing ratios as well as halt duplicative whistleblower legislation, thus allowing Arizona to maintain patient-acuity based staffing.

**Federal Legislative Advocacy:** Advocated for a congressional moratorium (*until April 2009*) of six problematic Medicaid rules, including elimination of federal funding for graduate medical education.

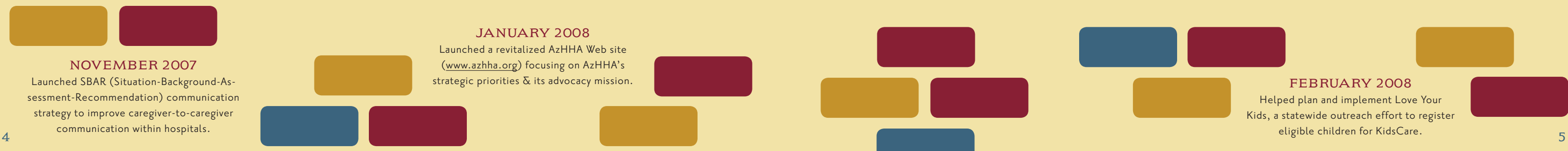
Won passage of the Medicare Improvements for Patients and Providers Act, which blocked a scheduled physician payment cut and infused \$1.1 billion into funding for rural providers. The legislation freezes payments in 2008 and increases them by 1.1 percent in 2009.

### FUTURE FOUNDATION-BUILDING TACTICS

The Arizona Healthcare Workforce Center is pursuing studies focusing on the following health profession shortage areas during the coming year and beyond:

- o registered nurses (*second study*);
- o licensed practical nurses;
- o advanced practice registered nurses; and
- o pharmacists/pharmacy technicians.

In 2009, AzHHA will launch its Arizona Healthcare Workforce Center Web site to provide demographic and planning data for hospitals to tap when planning for future staffing needs.



**Regulatory Advocacy:** Advocated for an attorney general opinion of a Medical Radiology Technology Board of Examiners action prohibiting radiologic technologists from filling standing orders for x-rays.

**Education:** Hosted the *Healthcare Workforce Summit: Innovation in Action*, AzHHA's first annual workforce summit, arming AzHHA members with diverse strategies to retain RNs and other healthcare professionals.

Partnered with the Arizona State Board of Nursing to sponsor a Day of Innovation to unveil AzHHA's report on Arizona's Simulation Laboratories and to engage education as well as healthcare leaders in discussion.

Sponsored webinars focusing on physician recruitment, governance issues as well as navigating the workforce shortage given the current environmental challenges (*managed care and an aging population*).

## 2007-08 Strategic Priority: Patient Safety

### TACTICS

#### INITIATIVE LEADERSHIP

##### National

- Served as Arizona's "node" (*organizing entity*) for the *5 Million Lives* and *100,000 Lives* campaigns, which involves 85 percent of the state's inpatient beds.

##### Arizona

- Launched *MRSA: It's In Our Hands*, a campaign to promote MRSA prevention strategies among hospital staff and patients as well as their families. Provided member hospitals a comprehensive toolkit to implement the initiative.
- Introduced the *Forget-Me-Not* campaign to raise awareness of patients as a resource for safety and to articulate practical steps to involve staff as well as patients in specific safety improvement activities.

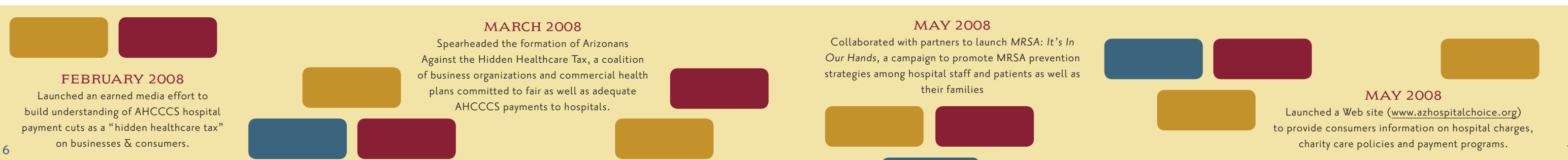
**State Legislative Advocacy:** Demonstrated leadership by bringing together the healthcare community to create legislation addressing concerns among lawmakers and the public about infections in healthcare institutions as well as the community. The legislation established an Infection Prevention and Control Advisory Committee to provide recommendations to ADHS regarding infection reduction, prevention and control.

**Education:** Sponsored the third annual Patient Safety Forum—*Keeping Our Patients Safe*—featuring opportunities to learn about "just culture," addressing disruptive behavior in health professionals and preventing wrong-site surgery.

Engaged members in a wide variety of patient safety education programs, workshops and webinars, including:

- improving patient flow;
- understanding medication reconciliation;
- developing a full disclosure program to address adverse medical events;
- implementing National Patient Safety Goals; and
- engaging medical staff in shared quality programs.

**Media Outreach:** Generated media coverage of *MRSA: It's In Our Hands* as well as continued national and state media coverage of AzHHA's wristband standardization initiative.



# 2007-08 Strategic Priority:

Public Reporting: Pricing Transparency & Community Benefit

## TACTICS

### INITIATIVE LEADERSHIP

Launched a Web site ([www.azhospitalchoice.org](http://www.azhospitalchoice.org)) to provide consumers information on hospital charges, charity care policies and payment programs.

Encouraged AzHHA-member hospitals to post their charity care and payment policies on their respective Web sites.

Sponsored Arizona's first statewide community benefits initiative, *There to Care: Building A Healthy Arizona*, revealing the state's hospitals collectively provided more than \$1 billion in community service to Arizonans.

### MEDIA, MEMBER & COMMUNITY OUTREACH

#### AZ Hospital Choice

- Hosted online member and media briefings on AzHHA's pricing transparency Web site, [www.azhospitalchoice.org](http://www.azhospitalchoice.org), and garnered media attention of the Web site.
- Provided members, business chambers and consumer organizations with specifically tailored communications kits—online information, newsletter articles, media message points and patient/consumer pamphlets—to introduce [www.azhospitalchoice.org](http://www.azhospitalchoice.org).

#### *There to Care: Building A Healthy Arizona*

- Unveiled *There to Care: Building A Healthy Arizona*, AzHHA's community benefits initiative, with targeted outreach efforts to Arizona's congressional delegation, legislators and the state's business community.
- Engaged in statewide and community-specific media outreach, developing media releases to target Arizona communities and spark media attention.
- Introduced a monthly e-feature—highlighting an Arizona hospital community benefit program from *There to Care: Building A Healthy Arizona*—for Arizona's congressional delegation and staff as well as state legislators and their staff.

