Washington State Hospital Association

Legislative Summary

June 2009

recession *n.*
a period of an economic contraction, sometimes limited in scope or duration.

Association of Washington Public Hospital Districts


"The test of our
progress
is not whether we add
more
to the abundance of those who have
much;
it is whether we provide
enough
for those who have too
little."
- Franklin Delano Roosevelt,
Second inaugural address, January 20, 1937

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A LETTER FROM LEO

Without a doubt, this was the most difficult legislative session I have experienced, with major consequences for hospitals and health care. The state budget makes dramatic cuts to the safety net and will cause real pain for vulnerable people and the health care providers who deliver essential services.

The final state budget will bring a loss of health insurance and health care access for vulnerable people, significant reductions in payments for safety net providers, further erosion of the mental health system, and a decline in health care quality and availability for everyone in our state. These changes come on top of already challenging issues for hospitals – increased demand for charity care as people lose their jobs and health insurance, a sharp decline in investment income and charitable contributions, increasing numbers of Medicaid patients for whom payment is well below cost even before these cuts, and less demand for services to insured and paying patients.

Together, these cuts and external pressures threaten hospitals' ability to provide high-quality, around-the-clock care to people and families who need help. The state budget cuts will also cause a dramatic increase in the number of people with no health insurance and will move many people living with a mental illness to the streets and jails.

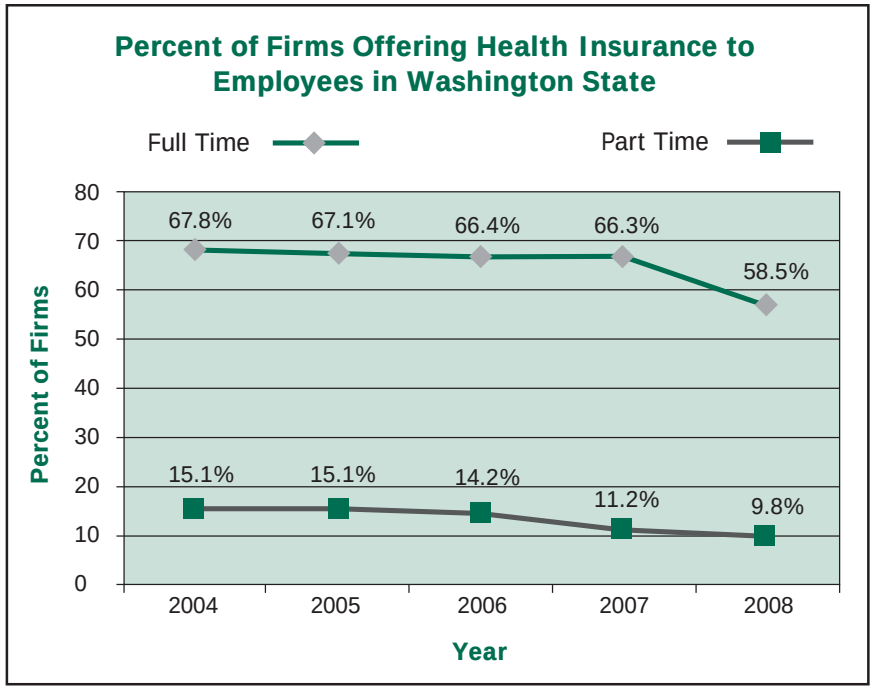
None of us my age or younger has ever experienced the combination of a growing number of working people or newly unemployed who are losing health insurance, together with deep cuts in the entire structure of delivery of care to those left outside the system. We know a generation of workers and children will experience real pain and hardship as a result of these changes.

"We have a particular obligation to speak for those whose needs are greater than their voices."

We are not alone in mourning the budget cuts made to programs we care about so deeply. In large part, the role of the state is to provide vital services to people in need. Our colleagues in K-12 education, higher education, social services, and other fundamental state services were also badly affected by the budget balanced with all cuts and no revenues. I am very concerned about the long-term impacts on all sectors of our society as these cuts are implemented, and believe we must come together to call on legislators to find another way forward.

Faced with these challenges, your association's policy and advocacy staff continue to become more and more effective – always counting on your strong support, participation, and relationships with your legislators. Among our successes in this extraordinarily difficult year, we were able to stop damaging staffing bills, devise a workable MRSA bill, and hold the line on hospital budget cuts even as the deficit grew dramatically.

Now we are looking to the future. We are brainstorming ideas and looking to other states' plans for mitigating these cuts. We do not know what future legislative sessions will bring, and we are concerned the cuts could go even deeper. We are already starting conversations with you and with our external allies about how to prevent further erosion of the health care safety net.



Source: Washington State Employment Security Department

Our overall mission is to provide excellent care for everyone who needs it and to improve the health of our population. We have a particular obligation to speak for those whose needs are greater than their voices. Hospital leaders know the devastating, disabling impacts on people unable to obtain health care because of financial problems. I believe it is our moral duty to be a vocal, perhaps even aggressive force speaking out for those our founders committed to serve.

As always, we truly appreciate your participation in our policy and advocacy work. It is the heart of what we do at the hospital association, and we could not do it without your help.

Warm regards,

Leo Greenawalt
President
Washington State Hospital Association

BUDGET SUMMARY

Budget Proviso

When calculating the effect of across-the-board and transfer payment cuts on non-critical access hospitals, earlier budget proposals included calculations based on savings for Medicaid fee-for-service patients only. WSHA was very concerned the full amount of the cut would be taken from fee-for-service payments; then hospitals would bear the impact of a similar level of cuts from Healthy Options managed care payments and certified public expenditure payments. This would have doubled or tripled the total amount of money cut from hospitals.

WSHA developed and lobbied for a budget proviso that directs Medicaid to ensure the total across-the-board and transfer payment cuts do not go beyond the dollar amount of Medicaid cuts reflected in the final budget. The proviso is included in the final budget bill. This means the total amounts will also reflect savings anticipated from Healthy Options managed care payments and certified public expenditure hospitals. This will reduce the level of the cuts overall and is a significant success.

The Budget Context

In odd-numbered years, the Governor and the Washington State Legislature create a biennial budget – a budget that governs state spending for the following two years. The budget enacted this session will be in effect from July 1, 2009 through June 30, 2011.

Washington State began the legislative session with a biennial budget deficit of $5.7 billion due to the downturn in the overall economy. Things got much worse as the session proceeded, and legislators had to grapple with a $9 billion biennial deficit by the end of the session. Overall, for every $1.00 the Governor cut in her proposed budget, the legislature had to cut $1.60 to bring the final budget into balance.

The decline in the revenue forecast meant the already grim state budget grew even grimmer, and the Washington State Hospital Association's (WSHA's) attempts to stop or minimize budget cuts became much more difficult to achieve. Despite the worsening budget climate, however, the cuts to hospitals in the enacted budget were less than the Governor's budget proposal.

On April 26, 2009, the Washington State Senate and House of Representatives agreed on a budget and adjourned. The Governor approved the vast majority of the budget enacted by the legislature.

Stopping Early Budget Cuts

The Medicaid cut to prospective payment hospitals was scheduled to go into effect on April 1, 2009. It was to be an early cut to the budget, before the state's next biennial budget goes into effect. Medicaid staff were planning a seven percent reduction in hospital payments. In a big victory for hospitals, WSHA successfully lobbied to have the $9 million rate cut removed from the supplemental budget bill. This meant hospital Medicaid rates were not cut in April, which could have reset the base payments and led to even deeper cuts in the biennial budget.

Cuts Affecting Hospitals At-A-Glance

Budget Category	Total Amount of Cut	*Estimated* Direct Impact on Hospitals
Alien Emergency Medical Services	$14 million	$5-$10 million
Basic Health Plan	$236 million	$79 million
Childbirth Payments	$8 million	$8 million
Disproportionate Share Hospital Payments	$43 million	$43 million
General Assistance-Unemployable	$43 million	$15 million
Graduate Medical Education	$20 million	$20 million
Health Clinic Rates	$62 million	$8-$16 million for hospital owned clinics
Imaging Cost Control and Other Reductions	$9 million	$4-$5 million
Medicaid Hospital Payments	$121 million	$121 million
Nursing Home Rates	$94 million	$2 million
Outpatient Prospective Payment System	$9 million	$9 million
Regional Support Networks	$48 million	Substantial impact
Transfer Patients	$16 million	$16 million
TOTALS	**$723 million**	**$330 - 344 million**

Health Care Money for Patients

On the federal level, enactment of the Children's Health Insurance Program bill and the stimulus package helped ease Washington State's budget crisis. The money comes through allowing Washington State to collect more federal funding for children eligible for Medicaid (thanks to the great advocacy of our Congressional delegation, led by Senators Murray and Cantwell) and an increase in the percentage of Medicaid payments reimbursed by the federal government for all Medicaid enrollees. Washington State will ultimately receive more than $2 billion in new federal health care funding.

WSHA and a broad coalition of other health care advocates argued that any increased federal money beyond what the Governor anticipated receiving should be used to fund health care. The federal government intends this money to shore up state health care programs, not to be diverted to other uses, but the strings on the money are not as tight as we had hoped.

Part of our strategy was to seek newspaper editorial support, with great results, including headlines such as "State lawmakers should keep mitts off health care stimulus money;" "Retain health care funding for common good;" and "Don't divert stimulus money meant for safety net." (Special thanks to the hospital leaders who participated in these editorial board meetings!) The message resonated with legislators and the public, and the effort was successful. As cuts grew in other parts of the budget, the federal stimulus money was used to prevent deeper health care cuts and even reverse some of them.

BUDGET SUMMARY (continued)

The Bottom Line

WSHA's analysis shows the final budget will result in about $310 million in total direct cuts to Washington hospitals from Medicaid, General Assistance-Unemployable, Basic Health, and Disproportionate Share Hospital reductions. While this is still a very large number, it is lower than the total cuts from these programs contained in the Governor's, Senate, and House budget proposals.

For comparison, the four budget proposals had the following bottom line effect on hospitals:

- Governor's budget: ***$330 million*** in cuts
- Senate budget: ***$335 million*** in cuts
- House budget: ***$395 million*** in cuts
- Final budget: ***$310 million*** in cuts.

Safety Net Under Stress

Hospitals and other health care providers are already under considerable stress even before the state budget cuts take effect. Hospitals will experience an increase in charity care and bad debt because so many more people in the state are becoming unemployed and uninsured. Hospitals are also seeing an increase in the number of Medicaid patients as more people qualify for state help. Fewer paying patients are having medical procedures. Hospitals are also experiencing a sharp decline in investment income and charitable contributions often used to underwrite uncompensated care.

As a result, hospitals are laying off staff and closing services their communities want and need. These changes are expected to lead to a decline in quality as a result of overcrowded emergency rooms, longer wait times, and fewer caregivers to help patients in need. They will also result in an increasing cost shift, where patients who do pay are charged more than the cost of care to help cover the cost of those who cannot pay. The stress on the safety net affects everyone, even people with good health insurance.

WSHA Budget Priorities

Discussed below is how the final proposed budget addresses WSHA's top budget priorities.

Provide Adequate Funding for Hospital Services: Washington hospitals cannot sustain reductions in payments without cuts in services or increases to those with commercial insurance.

Protecting Critical Access Hospitals

WSHA, with a strong response from critical access hospitals, successfully lobbied in opposition to budget discussions and Senate Bill (SB) 6176 that would have allowed the Washington State Department of Social and Health Services (DSHS) to spread Medicaid payment cuts to critical access hospitals. These hospitals currently receive cost-based reimbursement from Medicaid.

SB 6176 was introduced 10 days before the end of session and not heard in committee. Senator Karen Keiser, the bill's sponsor and chair of the Senate Health and Long-Term Care Committee, indicated she plans to pursue the bill next year. WSHA staff will work with rural hospitals on helping legislators understand the importance of cost-based reimbursement for critical access hospitals.

- ***Medicaid Hospital Payments:*** The final budget cuts Medicaid inpatient and outpatient hospital rates by about four percent (***$121 million***), except for critical access hospitals and psychiatric services. Remarkably, this is a smaller cut than proposed in either the Senate or House budgets – ***$36 million*** less! Hospitals are already being paid only about 80 percent of the costs of caring for Medicaid patients. The cost of nurses' salaries and other key items hospitals purchase will continue to increase. Without adequate payments, hospitals are penalized for sustaining services with a high Medicaid volume and are forced to cost shift by raising their rates to commercial insurers.

- ***Transfer Patients:*** The budget reduces by ***$16 million*** Medicaid inpatient payments at non-critical access hospitals for hospital patients discharged to other facilities (such as skilled nursing homes, acute rehabilitation facilities, and psychiatric facilities). Under this policy, hospitals that discharge patients with shorter than average lengths of stay to other facilities will receive less than the already inadequate inpatient payment rate. The current payment system provides average payments, balancing them for patients who stay shorter and longer than the average length of stay. Hospitals that practice the appropriate policy of transferring a patient who no longer needs hospital care should receive the average payment rate for that type of case, not a lower rate. This is needed to balance out payments for patients who are in the hospital for longer than the average length of stay.

Budget Cuts by Hospital

Washington hospitals will experience significant negative impacts from the adopted state budget. Just how bad the impacts will be varies from hospital to hospital; in many cases, the losses are dramatic. WSHA's Health Information Program has completed a hospital-specific analysis of the impacts of the cuts. The analysis is posted on WSHA's website at www.wsha.org.

This information provides a great opportunity to contact your local legislators and inform them of the impacts to your hospital and their communities. Legislators must hear from local hospital leaders that these budget cuts threaten health care in the community, and legislators should be held accountable for the cuts they made.

BUDGET SUMMARY (continued)

- ***Outpatient Payments:*** The state will move all non-critical access hospitals to the Medicaid Outpatient Prospective Payment System. This affects children's hospitals, cancer care hospitals, and rural non-critical access hospitals. The state will no longer recognize the special needs of patients at these hospitals. The budget assumes savings of ***$9 million***.

- ***Disproportionate Share Hospital (DSH) Payment Programs:*** The final budget:
  - Eliminates the rural and non-rural indigent assistance DSH payments in fiscal year 2010 (***$38 million***), plus state grant indigent assistance in 2010 and 2011;
  - Eliminates the small rural DSH program (***$6 million***);
  - Eliminates the DSH intergovernmental transfer program for certified public expenditure hospitals (***$6 million***, assuming it impacts only Harborview and the University of Washington Medical Center); and
  - Includes a one-time increase in the low income DSH program (***$5 million***).

- ***Childbirth Payments:*** In an effort to reduce unnecessary C-sections, the state will now pay non-critical access hospitals for uncomplicated C-sections at the lower rate currently provided for vaginal deliveries with complicating diagnoses, a ***$4 million*** cut. Based on claims data, WSHA analysis shows this estimate is low, and the actual cut may be closer to ***$8 million***. The final amount of the cut will also depend on whether care patterns change and C-section rates decline.

- ***Graduate Medical Education:*** The budget eliminates the payments to Harborview and the University of Washington Medical Center for Graduate Medical Education for managed care patients (***$20 million***).

Unnecessary Caesarian Sections

Across the country, including in Washington State, there has been a significant increase in the rate of Caesarian sections in recent years. There is wide variation in C-section rates among Washington hospitals not necessarily explainable by how many high risk deliveries a hospital performs. Clinical research shows unnecessary C-sections can cause harm to the mother and baby. WSHA is currently participating in the state Department of Health's Perinatal Advisory Group, which is working to reduce unnecessary C-sections. The group will likely focus on reducing early inductions and other evidence-based practices to reduce harm. For more information on this project, please contact Carol Wagner at carolw@wsha.org or 206/577-1831.

- ***Nursing Home Rates:*** The final budget cuts rates paid to nursing homes by four percent (***$94 million***). This cut could lead to closure of nursing homes and more difficulty placing Medicaid patients in nursing home care.

- ***Health Clinic Rates:*** The final budget reduces enhancement payments for Federally Qualified Health Centers and Rural Health Clinics by ***$62 million***. This is one area of the final budget where the rate cuts are far worse than any previously proposed version. Apparently, the increase in this cut was an error, and WSHA will join other organizations in lobbying to have it corrected. Even with a correction, there will still be an estimated ***$31 million*** cut in enhanced payments.

- ***Emergency Medical Services:*** The final budget reduces by ***$14 million*** the funding for services provided to low-income non-citizens. Funding is continued for renal dialysis, cancer-related treatment, and other services that are approved under federal Medicaid definitions for emergency services.

- ***Health Services Cost Control:*** The final budget reduces funding for transportation, laboratory, and X-ray services by ***$9 million***. DSHS is directed to reduce rates and take measures to control utilization in order to achieve these savings, with a focus on controlling costs and use of advanced imaging services.

Prevent Erosion of the Mental Health System: Washington hospitals cannot currently handle the demands from patients in need of acute psychiatric services.

- ***Eastern and Western State Hospitals:*** The final budget does not restore psychiatric bed capacity for mental health patients. The planned closure of 121 beds at Eastern and Western State hospitals will proceed. Washington State faces a crisis in providing appropriate treatment for patients with acute mental health needs. Closing these beds will only exacerbate the problem of psychiatric patients being "boarded" in emergency rooms while they wait for a bed to become available, causing emergency room overcrowding and leading to unsafe, inefficient care.

The Washington State Budget

As the state legislature grappled with state budget cuts, only some areas of the budget were on the table to be cut. Any part of K-12 education defined as "basic education" – a definition expanded by the 2009 legislature – enjoys Constitutional protection. Other areas unlikely to be cut include prisons, interest on Washington State's debt, and federally required programs.

With the recession and decline in business and sales, Washington is experiencing a significant loss of revenue. In addition, as the economy sours, demand for state services such as Medicaid, public schools, and unemployment compensation continues to grow. The state budget forecast is a combination of projected expenditures versus projected revenues. Increasing expenditures for state services widens the gap and puts increasing pressure on the state budget.

BUDGET SUMMARY (continued)

- ***Regional Support Networks:*** The final budget cuts funding for these community mental health networks by ***$48 million***. Reducing funds the networks receive to provide care will only make the mental health system worse. This funding is essential to help patients get the care they need in a timely fashion and in the appropriate setting.

Maintain Eligibility for the Uninsured: When people lose state subsidized health insurance, hospital emergency rooms often serve as the safety net for health care. People losing state health insurance have nowhere else to turn and will join the already growing ranks of the uninsured.

- ***General Assistance-Unemployable (GA-U) Health Coverage:*** The GA-U program provides health insurance for low income, disabled persons, many with acute needs for mental health treatment. The final budget reduces the GA-U program by 18 percent (***$42.5 million***). Savings will come from moving people on the program into managed care and from restricting eligibility. About a third of GA-U payments go to hospitals.

- ***Basic Health Plan:*** The plan provides sliding-scale insurance for low-income working people. The final budget cuts funding for the plan by 43 percent (***$236 million***). This will mean about 40,000 people will lose their health insurance. Out of pocket costs for enrollees will be substantially increased as a result of the cut in funding. A sizable number of people will leave the plan due to their inability to pay the higher costs. As people lose their insurance, they will delay care — often only to end up requiring more costly care in our hospitals' emergency rooms. About a third of Basic Health Plan funding goes directly to hospital payments.

- ***Apple Health for Kids:*** Thanks to increased federal Children's Health Insurance Program funding, proposed eligibility cuts to Apple Health for Kids did not happen, and the state will continue on the path toward its goal of covering every child by 2010. In addition, the final budget ***adds $2.4 million*** for outreach to help families enroll in and navigate the health care system.

Emergency Room Data

As the number of people with health insurance declines due to state budget cuts and job losses, we expect to see more patients seeking care in hospital emergency rooms. WSHA wants to show legislators the effect their actions have on hospital emergency rooms. Unfortunately, there is no state data set on their use. In the next few months, WSHA staff will be asking all hospitals to voluntarily submit a standardized set of emergency room claims data to the association. These data will be invaluable for our advocacy in Olympia and potentially also a useful data set for sharing among hospitals. For more information, please contact Jim Cannon at jimc@wsha.org or 206/216-2551.

Support Health Care Career Advancement: Working through the Health Work Force Institute and in partnership with SEIU Healthcare, 1199NW, WSHA secured ***$4.5 million*** to give existing low-wage health care workers advancement opportunities through training, while meeting critical job shortages. This is a significant increase over earlier investments. The funding helps current hospital workers advance their careers and become technicians, nurses, and other needed professionals. The program provides training for dedicated low-income employees from diverse backgrounds and helps address the shortages in key areas of the health care work force. Hospital, union, and college partnerships will work together to create new training pathways.

Continue Nurse Staffing Efforts: As a result of the nurse staffing negotiations and agreement in 2008, a significant ongoing work program was created for collaborative discussions among WSHA, the Northwest Organization of Nurse Executives, and the state's three nursing unions. To accomplish this work, WSHA and its partners successfully lobbied for ***$150,000*** in funding for the Ruckelshaus Center to continue the nurse staffing mediation process.

The Governor and legislature made many other health care related cuts, and a few new appropriations, in the biennial budget. These issues were not the major focus of the advocacy efforts of WSHA and the Association of Washington Public Hospital Districts (AWPHD). A list of these appropriations, totaling almost ***$3.5 million***, and cuts, totaling ***$515.7 million***, can be found in the appendix.

Publicize Budget Impacts!

To preserve funding for health care, it is critical we provide legislators with a clear picture of how the reductions they made in hospital and health care funding are affecting the availability of health services in their communities. The messages – that quality will decline, staff are being laid off, hospitals are cutting services, emergency rooms are overcrowded, wait times are long, and the cost shift is increasing – are difficult to deliver. Legislators need to understand the cuts will affect everyone, even people with private health insurance. Unless legislators understand the impacts and are held accountable, they may find it easy to cut deeper in coming legislative sessions. For assistance, please contact Cassie Sauer at cassies@wsha.org or 206/216-2538.

WSHA BILL SUMMARY

Bills Enacted

WSHA successfully lobbied to ***support*** or ***amend*** the following 14 important bills enacted by the legislature, listed in rough order of WSHA priority and effort:

Methicillin Resistant Staphylococcus Aureus (MRSA): Public concern about MRSA in health care settings has grown. In response, legislators introduced two bills addressing MRSA in hospitals. Senate Bill (SB) 5500 focused on measuring MRSA transmission in hospitals and was acceptable to WSHA from the start. House Bill (HB) 1123, the bill ultimately enacted, was more problematic at the outset. WSHA and hospital infection control practitioners worked hard to amend HB 1123 so the requirements for hospitals are based on scientific evidence and are not overly burdensome.

HB 1123 requires hospitals to adopt a policy by January 1, 2010 containing:

- A requirement that patients be tested for MRSA if they are a member of a patient population identified as appropriate to test based on the hospital's risk assessment;
- A requirement to test adult and pediatric Intensive Care Unit patients within 24 hours of admission, unless the person has already been tested during that stay or has a known history of MRSA;
- Appropriate procedures for preventing a patient who tests positive for MRSA from transmitting MRSA to other patients;
- A notification process in hospitals where patients with MRSA may be roomed with patients who do not have MRSA or whose MRSA status is unknown; and
- A requirement that every patient with a MRSA infection receive oral and written instructions about aftercare and precautions against spreading the infection.

As is current practice, any hospital patient with a MRSA diagnosis must be reported using the state Comprehensive Hospital Abstract Reporting System. The hospital is required to use Centers for Medicare & Medicaid Services codes. The bill also requires death certificates to note the presence of MRSA if it was a cause or contributing factor in a patient's death.

Leading in Patient Safety

Washington State's hospitals are committed to ensuring every patient gets the right care, at the right time, every time, throughout their hospital stay. Hospitals are engaging in a variety of strategies to increase quality and patient safety in their facilities and collaborating across the state to learn from each other.

Top patient safety priorities are:

- Preventing health care acquired infections, particularly central line, surgical site, MRSA, and ventilator-associated infections;
- Engaging patients to help provide safe care;
- Reporting to the public about hospital-specific quality performance;
- Implementing standardized isolation precaution signs, emergency code calls, and color-coded wrist bands;
- Preventing adverse drug events and reducing harm from high-alert medications;
- Reducing readmissions to hospitals;
- Increasing the safety of care in Intensive Care Units; and
- Engaging hospital boards to accelerate the improvement of care.

This work saves lives and prevents harm to patients throughout Washington State.

One especially contentious issue in initial versions of HB 1123 was to require pre-surgical screening of patients undergoing certain highly invasive procedures such as total hip and knee replacements and open cardiac procedures. There is no solid scientific evidence suggesting that such screening reduces MRSA infections. HB 1123 requires the already established Washington State Advisory Committee on Hospital-Acquired Infections to make a recommendation to the Washington State Department of Health as to whether current science supports pre-surgical screening.

Representative Tom Campbell, the prime sponsor of HB 1123, has said he is not satisfied with the outcome on pre-surgical screening. In anticipation of the 2010 legislative session, he introduced HB 2375 requiring surgical patients to be tested for MRSA at least two weeks and no earlier than three weeks prior to surgery. The patient is then to be decolonized, "as appropriate." WSHA has significant concerns about this bill and believes the Advisory Committee on Hospital-Acquired Infections should complete its scientific evaluation before additional legislation is considered.

Imaging Services: The state has taken an interest in reducing unnecessary imaging services as a cost-saving measure. WSHA was concerned the initial draft of this legislation would adversely affect hospitals. WSHA worked to ensure SB 2105 treats all providers (including hospitals) fairly in its goal of reducing unnecessary imaging.

WSHA BILL SUMMARY (continued)

SB 2105 builds upon a Washington State Medical Association proposal to establish an advisory group to identify and analyze evidence-based practice guidelines for state purchasing of imaging services by July 2009. WSHA will be a member of the advisory group.

Administrative Simplification: SB 5346 will further collaborative work to provide faster, clearer, and less redundant exchanges of information between payers and providers. The bill's objectives include: streamlining billing, eligibility, and possibly credentialing processes; creating goals for a "lead organization" to implement; and establishing electronic processes for provider supplied data for credentialing and admitting privileges. The "lead organization" mentioned in the bill is most likely to be OneHealthPort, which is a coalition of major payers, physicians, and hospitals.

Unconscious Victims: WSHA, with guidance from member hospital attorneys, worked with the Washington Association of Prosecuting Attorneys to ensure SB 5056 is workable for hospitals. According to the bill, health care providers such as doctors, nurses, and hospitals, must report gunshot or stab wounds to law enforcement as soon as reasonably possible if a patient is unconscious or unable to make such a report. Hospitals must establish a written policy identifying who is responsible for making the report to law enforcement. Finally, the bill also requires emergency medical personnel treating a patient with a bullet wound, knife wound, or a blunt force injury to provide specific information to law enforcement when this information is requested. Emergency medical personnel are immune from liability for disclosing this information to law enforcement.

One of the most important features of the new law is the obligation to make sure the report is secondary to patient care needs, preserving the ability of emergency department workers to prioritize their work appropriately. Health care providers are immune from liability for acting in compliance with the law and are not subject to the physician-patient privilege or the registered nurse privilege. The bill also makes evidence preservation requirements clearer. Bullets or clothing removed from the patient must be reasonably protected and provided to law enforcement.

Health Care Charges: Legislators want patients to have access to better information about health care ***costs***. WSHA supports transparency, but some legislative proposals have been unduly burdensome and ineffective. HB 1869 seeks to give patients information about the ***charges*** for their care. WSHA worked hard to amend

the bill so it is workable for hospitals. The final bill requires hospitals to provide ***estimated charges*** for hospital services at the request of a patient. Other health care providers are subject to a similar obligation. By July 2009, hospitals and other health care providers must post a sign in patient registration areas indicating patients may ask about the estimated charges of their hospital or health services. (WSHA plans to provide guidance to hospitals and develop a model sign; contact Taya Briley at 206/216-2554 or tayab@wsha.org.)

Hospitals and providers may refer a patient to the patient's insurer for specific information on the insurer's charges and fees, any cost-sharing responsibilities required of the patient, and the network status of ancillary providers who may or may not share the same network status as the provider or facility.

Health Care Reform: The Obama administration is bringing new energy to the health care reform debate at the federal level. Legislators in Washington State are interested in health care reform as well. SB 5945 establishes principles for the state in its health care reform efforts. The principles aim to guarantee choice, make health coverage affordable, protect families' financial health, invest in prevention and wellness, provide insurance portability, achieve universal coverage by 2014, improve patient safety and quality care, and maintain long-term fiscal sustainability. The bill also directs DSHS to submit a waiver request to the federal government to expand the Medicaid program to childless adults and streamline medical assistance programs. Another section of the bill created the Washington Health Partnership Advisory Group as a coordinating body for health care reform efforts. The Governor vetoed this section of the bill.

Unannounced Hospital Surveys: WSHA successfully amended HB 1021, which creates a new requirement for unannounced hospital surveys by the state Department of Health. The bill now includes two important provisions allowing hospitals to respond to the survey before the final report is issued. These modifications were made in recognition of the small staff at many rural hospitals, and the fact that critical survey-related personnel may be engaged in patient care at the time of the survey. First, the hospital is given at least two weeks after the survey to provide any information or documentation requested by the department during the inspection that was not available at the time of the request. Second, at least one person from the department conducting the inspection must meet with the chief administrator or executive officer of the hospital following the inspection, unless the chief administrator or executive officer declines such a meeting.

WSHA BILL SUMMARY (continued)

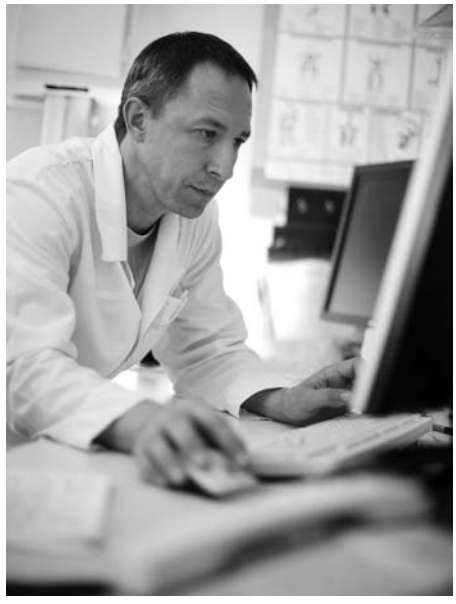
Apple Health for Kids: Washington State is well on the way to ensuring every child in the state has health insurance. HB 2128 makes important changes in the Apple Health for Kids program that provides affordable insurance options for children. The bill increases accountability, streamlines program administration, positions Washington to receive more federal funds, cuts red tape for parents in the application process, and includes measurements for assessing children's health outcomes.

Electronic Signatures: Streamlining enrollment processes for state subsidized programs results in more insured residents. HB 1270 allows electronic signatures on applications for public assistance, including Medicaid, and for benefits administered by the Washington State Health Care Authority, including the Basic Health Plan. State law allowed applicants or beneficiaries of public assistance to use an electronic application, but a paper copy of the actual signature had to be mailed in separately. Allowing agencies to accept electronic signatures will result in a quicker application process and more timely access to health care benefits for eligible individuals. The improved law will also help with outreach efforts and on-line applications for the Apple Health for Kids program.

Swing Beds: WSHA successfully championed enactment of SB 5423, designed to help two Washington hospitals – Snoqualmie Valley Hospital and Providence St. Joseph's Hospital in Chewelah – better serve their communities.

Currently, critical access hospitals in Washington State are permitted to have up to five swing beds without a certificate of need review. Swing beds can be used for acute or long term care. Under SB 5423, a critical access hospital is not subject to state certificate of need review for up to 25 swing beds as long as there is not a licensed nursing home within the same city or town limits. The additional swing bed capacity must be phased in with no more than one-half of the additional beds before July 1, 2010, and the balance phased in after that date.

Boards and Commissions: SB 5995 eliminates many state boards, committees, and commissions in an attempt to save the state money. WSHA and others worked successfully to remove elimination of the Emergency Medical Services and Trauma Steering Committee from the bill. Without the committee, there would be no routine means of providing the expert advice of physicians, nurses, ambulance companies, fire marshals, and law enforcement officials to the state Department of Health.



Telemedicine Reimbursement: WSHA and AWPHD supported the enactment of HB 1529. The bill allows home health care delivered through telemedicine to be covered by and paid for under the state's Medicaid payment program at a rate comparable to that paid for home health visits. Under the bill, home health care providers using telemedicine must provide written statements offering patients the option to refuse telemedical treatment, describing all confidentiality protections and informing them of their right to access their telemedical records. Telemedicine is defined as medical services, treatment, transfer of medical data, or education related to health services using audio, video, or data communication.

Washington Physicians Health Program: WSHA and the Washington State Medical Association successfully collaborated to ensure the enactment of HB 1765, which provides additional support to the Washington Physicians Health Program. The program provides critical services to physicians, physician assistants, dentists, and veterinarians throughout Washington State. The program cares for practitioners with behavioral and substance abuse problems. The program will receive additional funding through increasing the surcharge on physician and physician assistant licensure fees to $50. WSHA strongly supports the program, which provides services to keep good clinicians practicing safely.

Organ Transplants: WSHA supported two bills strengthening health insurance coverage for organ transplants. SB 5725 requires health plans with transplant coverage to increase separate lifetime limits for organ and tissue transplants to at least $350,000. (Many plans previously had caps of $250,000.) HB 1308 is a technical fix that reduces organ transplant benefit waiting periods for insured persons who have had prior continuous coverage and have changed health insurers or plans.

Your Advocacy Makes a Difference!

Hospital contacts with legislators made an important difference in the outcome of many of the bills and budget items WSHA lobbied. For example, without hospital advocacy, WSHA probably would not have been successful in stopping the nurse staffing bills. Hospital nurse executives provided excellent testimony about how the legislation would negatively affect hospital operations and potentially compromise patient care. Nurse executives and hospital Chief Executive Officers made phone calls, wrote letters, and met with legislators. Thank you to those who provided such excellent advocacy on this and many other legislative issues!

WSHA BILL SUMMARY (continued)

Ruckelshaus Center's Nurse Staffing Steering Committee

In February 2008, the Northwest Organization of Nurse Executives; SEIU Healthcare, 1199NW; the United Staff Nurses Union, Local 141, UFCW; WSHA; and the Washington State Nurses Association entered into a unique Memorandum of Agreement to address nurse staffing issues, an approach Washington State is pioneering. The five organizations were convened by the William D. Ruckelshaus Center to address serious challenges related to nurse staffing.

The committee's work has been successful to date, but much remains to be done. Since the work began, the five organizations have accomplished the following:

- Supported enactment of nurse staffing legislation (House Bill 3123) requiring every hospital to form a staffing committee comprised of at least one half staff nurses and up to one half management representatives, post nurse staffing plans, and make staffing information available to the public.
- Hosted educational sessions for more than 600 staffing committee representatives on the nurse staffing legislation and provided information and tools required to implement hospital nurse staffing committees.
- Ensured staffing information is included on the form used to submit root cause analysis information to the state Department of Health after an adverse event.
- Established an immediate staffing alert pilot project in four hospitals that allows staff nurses and units to indicate red, green, or yellow status. Green indicates the capacity to care for new patients; yellow indicates the nurse or unit is behind but could catch up; and red indicates the nurse or unit is overloaded.
- Launched the nurse sensitive quality indicators project to collect data on patient falls, falls with injury, pressure ulcers, nursing hours per patient day, and skill mix. Each hospital's data will be shared with its nurse staffing committee to better inform the committee's recommendations.
- Oversaw the drafting of a research paper on nurse staffing written by Dr. Pamela Mitchell, Associate Dean of the University of Washington School of Nursing.

Bills *Not* Enacted

WSHA successfully lobbied to ***defeat*** or significantly ***amend*** the following seven bills that ultimately were ***not enacted*** by the legislature, in rough order of WSHA priority and effort. Because the legislature operates in a biennial structure, all these bills are still alive for the 2010 legislative session.

Nurse and Hospital Staffing: WSHA lobbied against three staffing bills proposed during the 2009 legislative session and supported by the nursing unions: SEIU Healthcare, 1199NW; the United Staff Nurses Union, Local 141, UFCW; and the Washington State Nurses Association. The proposals contained in HB 1642, HB 1680, and SB 5563 threatened patient access to care and raised patient safety concerns. The proposals included:

- Requiring health care facilities to have scheduled, uninterrupted meal and rest breaks for nurses;
- Significantly limiting an exception for pre-scheduled call in the state law prohibiting mandatory overtime for nurses;
- Curtailing the ability of hospitals to require nurses to complete patient care procedures that run long; and
- Expanding the state's mandatory overtime law to certain categories of technologists and technicians.

The proposals did not include exceptions to the block rest break provisions, even for patient emergencies. Hospitals could have incurred escalating penalties of up to $5,000 per violation. If enacted, this would have been the first law in the state dictating meal and rest breaks for any industry. The pre-scheduled on-call limits did not allow hospitals flexibility to respond to urgent patient care situations. Interrupting a patient care procedure in progress creates opportunities for errors. Finally, hospitals employ fewer technologists and technicians than nurses. To subject these workers to the same rules regarding overtime would create patient care delivery problems and be very expensive for hospitals already struggling with a difficult economy.

Many state legislators are very interested in improving the nursing work environment. Several members of the legislature are registered nurses with close ties to nursing unions. Hospitals need to take the concerns reflected by these bills very seriously.

The three bills were ultimately defeated by a combination of effective advocacy by hospitals, excellent lobbying, and persuasive research and analysis by WSHA staff. One important argument helped defeat the bills' provisions related to nurse meal/rest breaks and prescheduled call time: before legislating in these areas, lawmakers should allow the issues to be considered by the Nurse Staffing Steering Committee convened by the William D. Ruckelshaus Center. We hope the three nursing unions agree to resolve these issues through the Ruckelshaus process before heading back to the legislature.

Washington's Charity Care Law

Washington State is one of only a few states with a law governing charity care. The law was enacted in 1990 with the support of Washington's hospitals. Other states with charity care laws have usually developed mechanisms to pay hospitals for the charity care they provide. In Washington State, however, no charity care pool is available to reimburse hospitals for their costs.

Charity care and community benefit numbers show that non-profit hospitals place a high value on community service and turn the tax exemption into important community benefits. For fiscal year 2007, the state's 32 urban hospitals and health systems provided **$631 million** in community benefits, including charity care. This is equal to 160 percent of the value of their federal, state, and local tax exemptions, which totaled **$401 million**.

WSHA BILL SUMMARY (continued)

Property Tax Exemption: WSHA is pleased that two bills threatening our state's tax exemptions for nonprofit hospitals were not enacted. SB 5347 would have established minimum levels of charity care to be provided by hospitals and expanded the required charity care threshold to patients with incomes up to 400 percent of the federal poverty level – far higher than any other subsidized service. Senate Bill 5557 would have required state level reporting of community benefits. In 2010, hospitals will be required to report community benefits information through the Internal Revenue Service Form 990, Schedule H. WSHA amended the bill so information provided to the state would have been the same as information provided to the federal government. The bill was not enacted.

Withdrawal of Treatment for Minors: WSHA defeated a bill that would have inappropriately inserted state government in the middle of end-of-life decisions for minors. HB 1759 would have required hospital administrators and licensed physicians to notify Child Protective Services if a parent refused available lifesaving medical treatment for a child, and the child was at substantial risk of death without the treatment. This criteria would have directly affected the private and already painful end-of-life decision-making that happens in hospitals.

HB 1759 would also have required Child Protective Services to promptly investigate all reports from hospital administrators and licensed physicians regarding parental refusal to give consent for lifesaving medical treatment for a minor. The bill directed the courts to appoint a guardian *ad litem* for a child whenever the agency took court action in response to a report from a licensed physician or hospital administrator regarding parental refusal to give consent for lifesaving medical treatment for a minor.

Community Benefits Reporting

If enacted, several bills this session would have increased reporting by non-profit hospitals to justify their tax exempt status. WSHA was able to defeat these bills because national reporting is about to begin. Non-profit hospitals are required to report community benefits to the Internal Revenue Service beginning with fiscal year 2009. Elected representatives at the national and state levels will use this publicly reported information to shape policy. Please make sure you accurately and completely report the community benefits your hospital provides. WSHA and the American Hospital Association are providing tools to assist you in reporting. For more information, please contact Taya Briley at tayab@wsha.org or 206/216-2554.

False Claims Act: HB 2329 would have created a Washington State version of the federal False Claims Act. WSHA, working with other health care providers, successfully prevented consideration of the bill during this session. The bill was introduced late in the legislative session, and WSHA staff and lobbyists moved quickly to defeat it. The bill would have increased the likelihood of lawsuits against hospitals and increased state expenses with questionable potential for state recoveries.

Other Bills

WSHA was ***neutral*** on the following five bills, but will be involved in their implementation:

Early Release of Ill Offenders: HB 2194 changes the eligibility conditions for early medical release of certain offenders. An offender is now eligible for early release if the offender has a medical condition that is serious and is expected to require costly care or treatment; the offender poses a low risk to the community because the offender is physically incapacitated due to age or a medical condition; and it is expected that releasing the offender will result in cost savings to the state. Offenders serving time for violent or sex offense charges are not eligible for release.

Electronic monitoring of the offenders is required. If electronic monitoring interferes with the function of an offender's medical equipment or results in the loss of funding of the offender's medical care, an alternative type of monitoring will be used. Each early release is projected to save the state $68,000. The Washington State Department of Corrections expects to release 44 inmates during the 2009-11 biennium to community placements. The state budget provides $4.5 million to mitigate impacts of the early release, with funds used to pay for long-term care placements and health services in the community.

Basic Health Disenrollment: HB 2341 allows the state Health Care Authority to disenroll people insured through the Basic Health Plan. The legislature cut the plan by more than 40 percent and throughout the session maintained this cut could be achieved through attrition or benefit changes. Advocates, including WSHA, testified that making a change this substantial is impossible without disenrolling people. Finally, on the last day of the session, the Health Care Authority and legislature acknowledged this reality with the enactment of HB 2341. The Health Care Authority will devise its own disenrollment system, including evaluating the length of continual enrollment on the program, income level, or eligibility for other coverage. The bill also prohibits people from being simultaneously enrolled in a DSHS medical assistance program and the Basic Health Plan. Finally, the bill establishes a system enabling state employees to contribute to Basic Health Plan coverage for a working poor enrollee and help save plan slots.

WSHA BILL SUMMARY (continued)

Abandoned Newborns: In Washington State, a parent who leaves a baby with a qualified person at the emergency room of a hospital or a fire station while personnel are present is not guilty of a crime. A hospital or fire station — its employees, volunteers, and medical staff — are immune from criminal or civil liability for accepting or receiving a newborn. SB 5318 adds federally-designated rural health clinics as a location where a parent can leave a newborn, with the same immunity protections. The rural health clinic need not provide ongoing medical care to a transferred newborn and may transfer the newborn to a hospital.

Starting July 1, 2011, hospital emergency departments, fire stations, and rural health clinics must post a sign indicating the location is an appropriate place for the safe and legal transfer of a newborn. WSHA will develop model signs for hospitals.

Human Trafficking: SB 5850 requires organizations that employ foreign workers to provide them information to address potential human trafficking. The information must include: a statement that the worker may be considered an employee under the laws of Washington State; information that the worker may be subject to state and federal laws on overtime and work hours; an itemized listing of any deductions the employer intends to make from the worker's pay for food and housing; notice to the worker that he or she has the right to control his or her travel documents; and a list of services or a hot line the worker may contact. Information must be in English, or if the worker is not fluent in English, in a language understood by the worker. We are hopeful the state Department of Labor and Industries will create a model disclosure form. The new law does not apply to those who hold an H-1B visa, which most hospital workers do.

Nonprofit Endowments: HB 1119 gives nonprofit institutions greater flexibility in management and use of their endowments. The new law, called the Uniform Prudent Management of Institutional Funds Act, updates existing rules concerning prudent management and investment of endowment funds and provides institutions with much greater flexibility in the expenditure of such funds. The law takes effect July 1, 2009, but contains a clause allowing governing bodies of institutions to elect to apply the new law to existing funds immediately.

Key Implementation Deadlines

The chart below shows implementation deadlines for hospital regulatory bills enacted during the 2009 legislative session, as well as in previous legislative sessions.

July 1, 2009	Deadline for the imaging advisory group to identify and analyze evidence-based practice guidelines for state purchasing (HB 2105)
July 25, 2009	Hospitals must have a policy in place on MRSA (HB 1123)
July 25, 2009	Hospitals must have a policy in place regarding reporting unconscious victims of gunshot or stab wounds to local law enforcement (SB 5056)
July 25, 2009	Hospitals are required to post a sign in patient registration areas informing patients they may request information about estimated hospital charges (HB 1869)
July 25, 2009	The state Department of Health begins unannounced surveys of hospitals (HB 1021)
July 25, 2009	Rural Health Clinics are added as a location where a parent can safely leave a newborn (SB 5318)
January 1, 2010	Hospitals must report surgical site infection data for cardiac, hip, knee, and hysterectomy procedures to the state Department of Health (See HB 1106 from the 2007 legislative session, which also requires reporting of central line infections and ventilator associated pneumonia data)
January 1, 2011	The state Department of Health makes recommendations to the legislature about the collection of additional hospital infection measures, based on the analysis by the infection rate reporting advisory committee (See HB 1106 from the 2007 legislative session)
January 1, 2011	The infection rate reporting advisory committee recommends to the state Department of Health whether current science supports pre-surgical MRSA screening for open chest cardiac, total hip, and total knee elective surgeries (HB 1123)
July 1, 2011	Hospitals and Rural Health Clinics must post a sign that the emergency department is an appropriate place for the transfer of a newborn (SB 5318)

AWPHD BILL SUMMARY

The Association of Washington Public Hospital Districts (AWPHD) successfully lobbied in ***support*** of the following three bills enacted by the Washington State Legislature:

Small Works Roster Projects: AWPHD successfully lobbied for the enactment of HB 1196 that increases the dollar limit for small works roster projects. Public hospital districts currently may use a small works roster process to award contracts for public works estimated to cost $200,000 or less. HB 1196 raises this amount to $300,000. Currently, if the estimated cost of the work is between $100,000 and $200,000, and the hospital district chooses to solicit bids from fewer than all the appropriate contractors, the remaining contractors on the roster must be notified that quotations on the work are being sought. HB 1196 also changes the dollar amount requiring notification of all contractors on the roster to between $150,000 and $300,000.

Bid Limits: AWPHD successfully lobbied to enact HB 1847 to increase the existing bid limits for public hospital districts. Most public entities are required to use a competitive bid process for public works projects and purchases estimated to cost more than a certain dollar figure. Public works projects estimated to cost less than an established dollar limit may be performed by in-house staff or contracted without a competitive bid. HB 1847 raises the competitive bid limits for public hospital districts from $50,000 to $75,000.

Public Works Contracting Procedures: AWPHD successfully lobbied for the enactment of HB 1197. The bill requires the Capital Projects Advisory Review Board to develop guidelines to be used by the Project Review Committee, which operates under the board, for review and approval of design-build demonstration projects. The projects will include procurement of operations and maintenance services.

The Project Review Committee may authorize two design-build demonstration projects that include operations and maintenance services for a period of longer than three years. The committee may approve up to 10 demonstration projects using the design-build procedure for projects with a total cost between $2 million and $10 million. (Currently, the use of the procedure is generally limited to projects with a total cost of $10 million or more, except with approval of the committee.) The committee must report to the board on recommendations for continued use of the design-build procedure for projects estimated to cost less than $10 million.

Changes were also made to clarify that public bodies seeking certification for the design-build procedure or the General Contractor-Construction Manager process must demonstrate successful management of at least one of these projects within the previous five years. Honorarium payments for design-build projects are made to the finalists submitting responsive proposals rather than those submitting a "best and final" proposal.

Finally, the bill modifies existing law so sealed bids on final proposals for projects must be opened and read in public, and all previous scoring must be made available to the public. The law regarding negotiated adjustments to the lowest bid or proposal for design-build projects was repealed.

Washington Hospital Political Action Committee

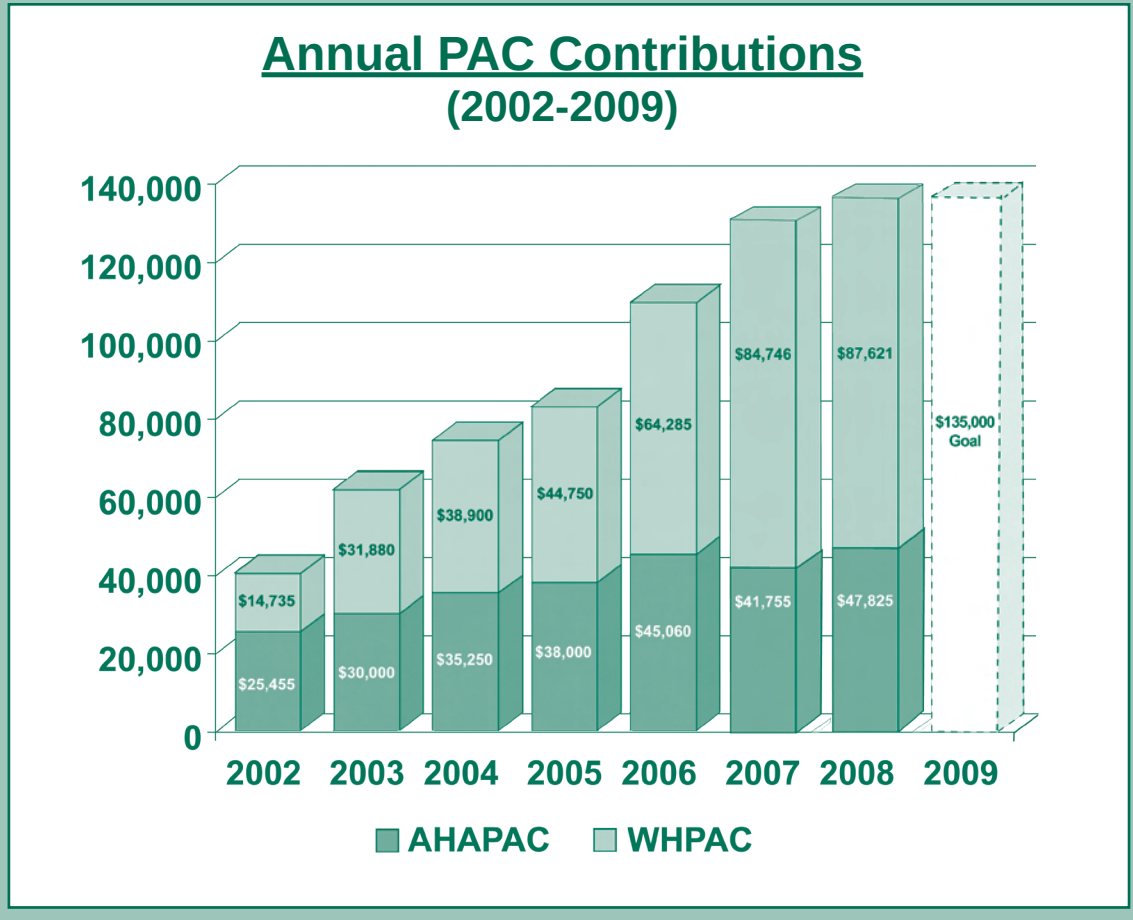
In 2001, WSHA members directed the Washington Hospital Political Action Committee (PAC) to expand and increase its political influence through greater involvement in federal and state elections. They also asked for increased contributions to the American Hospital Association PAC.

As a result, both PACs are making significantly more and larger contributions to federal and state elected officials from Washington State who have been helpful on hospital issues and deserve our support as they seek election. In particular, the Washington Hospital PAC has been instrumental in electing numerous state legislators who have become great supporters of hospitals and health care.

The main reason for both PACs' success is the participation of individual hospital management staff and trustees/commissioners. As shown in the chart below, contributions have grown dramatically since 2002. In 2008, 494 individual contributors from 92 hospitals and health systems contributed about $135,500! The goal for 2009 is $135,000.

The legislative decisions affecting hospitals are significant, and both PACs need your support to be effective. Please contact Jo Chavira at 206/577-1838 or joc@wsha.org for more information or to make a personal contribution.

We look forward to receiving your generous PAC contribution in 2009!



LOOKING TO THE FUTURE

Whew! What a year it was at the Washington State Legislature. The state budget deficit clearly dominated our work, and ongoing concerns about the state budget will continue to be our focus. The state is a major insurer for low-income and vulnerable people, and any changes the state makes to its funding mechanisms have enormous impacts on hospitals and the patients we serve.

We plan to return to the legislature in 2010 to ask them to reduce the cuts they made to the health care safety net. Legislators said repeatedly that the budget they created did not reflect their values, but they had no choice given the constraints of Initiative 960 on their ability to raise taxes, or fees, or close tax loopholes. We were ultimately disappointed that even with I-960, legislators did not pursue creative ideas for new revenues. In 2010, however, the legislature has the power to amend I-960 with a simple majority vote, so increasing revenues will not be as difficult. If the budget situation continues to erode, cutting deeper is not a responsible option.

A highlight of this session is two partnerships we established. The first is with the state's community clinics. Hospitals and community clinics represent the two ends of the safety net – primary care and acute care. Together, we led the charge to preserve health care stimulus money for health care, with excellent results in the media. This campaign definitely helped keep the health care cuts from growing as the deficit increased.

While we are often at odds with the unions on labor policy issues, this year we established a powerful partnership with the health care unions on budget issues, most particularly with SEIU Healthcare, 1199NW. At legislative town halls, rallies, meetings with legislators, and hospital in-service days, SEIU Healthcare members used their strong voices against the health care cuts. We hope this sense of collaboration will allow us to resolve differences on policy issues, such as nurse staffing and overtime regulations, before the 2010 legislative session.

Raising Revenue for Health Care

In the face of the overwhelming state budget deficit, legislators considered a variety of ways to raise revenues to cover a portion of the deficit. One proposal WSHA was involved in was a three year, three-tenths (0.3) percent increase in the state retail sales tax, with all the funding dedicated to health care. Funding would have gone to hospitals, the Basic Health Plan, long-term care, community mental health services, children's health, and other important health services.

The issue would have been put to a public vote in November 2009. Unfortunately, the public's lack of understanding about the depth of the health care budget cuts and their fears about the economic outlook made moving forward difficult. Consequently, a public vote on a revenue referendum for health care will not be held this November.

WSHA will work with the same groups that pursued the revenue referendum to explore possibilities for new revenues to mitigate the devastating health care cuts. These groups include AARP Washington; Community Health Network of Washington; Group Health Cooperative; SEIU Healthcare, 775NW; SEIU Healthcare, 1199NW; SEIU State Council; the Washington State Health Care Association; the Washington State Nurses Association; and Washington United for Quality Nursing Home Care.

All of us on staff continue to be grateful for your effective support of our policy and advocacy efforts and your relationships with your legislators. These relationships and your legislators' understanding of your hospitals are key to our work. We hope each of you will make strengthening these legislative relationships a priority this summer and fall. If we can help you create or improve these relationships, please let us know.

We also appreciate very much your personal contributions to the Washington Hospital PAC. Electing legislators who are proven hospital and health care champions — returning candidates as well as promising new faces — is an important part of our overall strategy on policy and advocacy.

Please do not hesitate to contact us with questions or comments about the 2009 session or with your suggestions as we prepare for 2010. We work for you, and we want to make sure we are doing all we can to support your hospital!

Sincerely,

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POLICY/ADVOCACY TEAM*

The members of the Policy/Advocacy Team represent hospital interests before federal, state, and local governments. Team members work with hospital leaders and elected officials to support priorities of the Washington State Hospital Association (WSHA) and the Association of Washington Public Hospital Districts (AWPHD). Team members also work with federal, state, and local agencies to help ensure appropriate enforcement and administration of hospital-related policies, rules, and laws.

For more information about the Policy/Advocacy Team, see www.wsha.org or contact Randy Revelle at 206/216-2515 or randyr@wsha.org.

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** Everyone works for WSHA only, except where indicated otherwise.*

APPENDIX

Other Health Care Adds and Cuts

Additional Health Care Appropriations

Despite the budget deficit, the state did add funding to a few health care programs. The following appropriations in the 2009-2011 biennial budget will affect hospitals and health care, but were not the focus of WSHA's advocacy efforts. The appropriations, totaling almost ***$3.5 million***, are listed below alphabetically:

- ***Community Collaboratives Grants:*** Funding is provided for the Community Health Care Collaborative grant program to assist efforts of community-based coalitions addressing access to medical treatment, the efficient use of health care resources, and/or the quality of care ***($500,000 appropriated)***.
- ***Emergency Preparedness State Match:*** The Public Health Emergency Preparedness and Response Program prepares for and responds to major acute threats and emergencies that impact the health of the people of Washington State. The federal program now requires state matching funds, which are appropriated ***($917,000 appropriated)***.
- ***Health Care Construction Review Staff:*** The state Department of Health Construction Review Services program is responsible for the review of all health facility construction plans in Washington State. Staff are added to handle increases in the number of plans submitted to the department ***($1.3 million appropriated)***.
- ***Medical Quality Assurance Commission:*** Funding is provided for the Medical Quality Assurance Commission to maintain disciplinary staff and associated costs sufficient to reduce the backlog of disciplinary cases and to continue managing the disciplinary caseload ***($764,000 appropriated)***.

Cultivate Relationships with Your Legislators!

This summer and fall are ideal times to cultivate relationships with your legislators, so when you contact them during the session, you already have a solid connection. Some ideas:

- Arrange a meeting with your legislators in their offices, or for lunch or coffee somewhere in your community.
- Invite legislators to visit your hospital. While they are there, give them a tour. Tours are a great way to inform legislators about the work of your hospital, nursing home, or clinic. Tours give legislators a first-hand view of how government investments are working in hospitals and health care.
- Invite legislators to make a presentation to your hospital's governing board about their goals and priorities, as well as a discussion about the hospital's needs. Legislators always love an opportunity to address a smart, well-connected group!

For assistance, please contact Cassie Sauer at cassies@wsha.org or 206/216-2538.

Additional Health Care Cuts

The following cuts in the 2009-2011 biennial budget will affect hospitals and health care, but were not the focus of WSHA's advocacy efforts. The cuts, totaling ***$515.7 million***, are listed below alphabetically:

- ***Adult Day Health:*** People living in adult family homes and other Medicaid-funded settings will no longer be eligible for adult day health. Funding is provided to continue adult day health services for clients in non-residential settings ***($34.9 million cut)***.
- ***Adult Office Visits:*** Medicaid payments for physician office visits will be reduced effective July 2009 for fee-for-service providers and January 2010 for managed care providers ***($8.4 million cut)***.
- ***Colon Screening:*** The Washington Colon Health Program provides free colorectal cancer exams to individuals between ages 50 and 64 who are below 250 percent of the federal poverty level. The program will reduce its operations from nine counties to one county ***($1.7 million cut)***.
- ***Dental Services:*** Dental rate increases given in recent years will be reduced, and measures to control the use of dental services will be instituted ***($16.5 million cut)***.
- ***Detoxification:*** Funding is reduced for low-income adult detoxification services ***($12.4 million cut)***.
- ***Drug Purchasing Initiatives:*** DSHS will pursue a number of drug purchasing initiatives aimed at achieving greater cost effectiveness, including establishing medical necessity criteria for a variety of drugs ***($16.1 million cut)***.

Educating Hospital Boards

WSHA's Hospital Governing Boards Committee continues to encourage trustees and commissioners to increase their involvement in policy and advocacy. Contacting legislators on behalf of hospitals and their patients is an important role of hospital trustees and commissioners. WSHA works to give them the tools they need to be effective advocates.

One great way for trustees and commissioners to increase their advocacy on behalf of their hospitals is to learn about the legislative process, the issues at stake, who represents them, and how the state legislature affects their local hospitals. WSHA staff will be pleased to come to your hospital's board (or staff) meeting and lead a discussion of these topics. Please contact Jo Chavira at 206/577-1838 or joc@wsha.org to schedule a presentation.

APPENDIX (continued)

- ***Durable Medical Equipment:*** Funding for bath support equipment is eliminated and funding for non-sterile gloves, incontinence supplies, diabetic supplies, and enteral nutrition is reduced ***($35.1 million cut)***.
- ***Family Planning Grants:*** Funding for family planning grants is reduced by 10 percent in 2010 and eliminated in 2011. The grants were intended to increase access to family planning for non-DSHS eligible clients and to expand sexually-transmitted disease testing. The state hopes to receive federal funds to replace this funding ***($4 million cut)***.
- ***Foster Care Pilot:*** Funding is eliminated for the Foster Care Health Care Pilot, which provides care coordination services and individual health histories for about 2,000 children in foster care ***($1.2 million cut)***.
- ***General Assistance-Unemployable (GA-U) Mental Health Pilot:*** Funding is eliminated for a pilot project that added a mental health service component to the GA-U care management pilot project in King and Pierce counties ***($3.4 million cut)***.
- ***Generic Drugs:*** DSHS is charged with increasing the generic drug use rate by 20 percent. The department is also directed to limit off-label usage and promote generic drugs as the first course of treatment ***($88.1 million cut)***.

- ***Health Directive Registry:*** Funding is reduced for outreach activities associated with the Living Will Registry, which allows individuals to submit their advance directives to a statewide database that can be accessed by health care providers ***($282,000 cut)***.
- ***Health Insurance Partnership:*** Funding is eliminated for the Health Insurance Partnership, a connector program that was to facilitate health insurance purchasing and provide a health insurance subsidy to the low-wage small business employees ***($11.8 million cut)***.
- ***Health Navigator Pilot:*** Funding is eliminated for the Health Navigator Pilot, which links children with language and cultural barriers at disproportionate risk of receiving poor health care with navigators who guide them through the health care system ***($2.7 million cut)***.
- ***Healthy Options Premium Rates:*** Rates for Healthy Options Medicaid managed care will be reduced by one percent in 2009, and rates will not be increased in 2010-2011. This is in contrast to the projected 2.5 percent per year Healthy Options premium growth rate and the three percent allowed growth rate in state employee health insurance ***($76.8 million cut)***.

- ***HIV Early Intervention:*** Funding is reduced for the HIV Early Intervention Program, which pays for HIV-related medication, medical care, and insurance premiums ***($1 million cut)***.
- ***Home Care Training:*** Initiative 1029, approved by voters in November 2008, added additional requirements for continuing education, advanced training, and background checks for home care workers. Implementation of the initiative is delayed. Some funding is provided for development of the training infrastructure and implementation of basic training beginning January 2011 ***($14.2 million cut)***.
- ***Lead Poisoning Screening:*** Funding for education and screening activities related to elevated blood lead levels, including the systematic screening of children under age six, is eliminated ***($576,000 cut)***.
- ***Low-Risk Drug Supplies:*** Pharmacists will be required to reduce pharmacy dispensing charges by dispensing a 90-day supply of drugs for patients who require maintenance prescriptions of low-risk pharmaceuticals ***($13.3 million cut)***.
- ***Maternity Support Services:*** Funding for Maternity Support Services, which provides preventive health care for pregnant and postpartum women, is reduced by 20 percent ***($16.7 million cut)***.
- ***Medical Home Pilot:*** Funding to establish a medical home collaborative pilot project is suspended ***($953,000 cut)***.
- ***Over-the-Counter Drugs:*** DSHS will stop paying for selected over-the-counter drugs and supplies ***($34.6 million cut)***.
- ***Pediatric Payments:*** Rates paid to pediatric service providers were increased by 48 percent in 2007. The increase is reduced to 15 percent, effective July 2009 for fee-for-service providers and January 2010 for managed care providers ***($42.7 million cut)***.
- ***Poison Control Center:*** Funding for the statewide poison and drug information service is reduced by 50 percent ***($1.5 million cut)***.
- ***Public Health Enhancement:*** State funding for local public health jurisdictions to be spent on core public health functions of statewide significance is decreased ***($4 million cut)***.

APPENDIX (continued)

- ***Quality Forum:*** Funding for the Quality Forum, responsible for facilitating the collection, evaluation, and dissemination of health care data, is eliminated ***($1.3 million cut)***.
- ***Rare Blood and Marrow:*** Funding to increase outreach efforts to achieve a more ethnically diverse blood and bone marrow supply is eliminated ***($200,000 cut)***.
- ***Senior Falls Prevention:*** Funding to support the Senior Falls Prevention Program, which combines education, exercise, risk identification, and risk reduction, is eliminated ***($750,000 cut)***.
- ***Tobacco Prevention:*** Funding for tobacco prevention public awareness campaigns, such as television and radio advertisements, is suspended, and the program is directed to identify additional savings through administrative and programmatic reductions ***($22 million cut)***.
- ***Universal Vaccines:*** Universal vaccine coverage for human papilloma virus, rotavirus, and meningococcal disease is eliminated. By July 2010, state funds will only be provided to cover vaccinations for low-income children ***($48.5 million cut)***.

Resources on the Web

The following are some of the most helpful Internet resources with information about health care policy:

- American Hospital Association (www.aha.org): federal health care and hospital issues, and the association's priorities
- Centers for Medicare & Medicaid Services (www.cms.gov): Medicare, Medicaid, the Children's Health Insurance Program, and the Hospital Quality Initiative
- Washington State Government/Executive Branch (www.access.wa.gov): current state budget and executive branch agencies
- Washington State Governor (www.governor.wa.gov): Governor's goals and priorities, biographical information, and state news
- Washington State Legislature (www.leg.wa.gov): state legislators' biographical and contact information; bills, state laws, legislative calendars, and legislative committees
- Washington State Office of Financial Management (www.ofm.wa.gov): state budget; population, economic, and labor force information

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