

How We Win

Mark Parkinson, AHCA/NCAL President & CEO
Kansas Health Care Association Annual Winter Conference
January 25, 2012















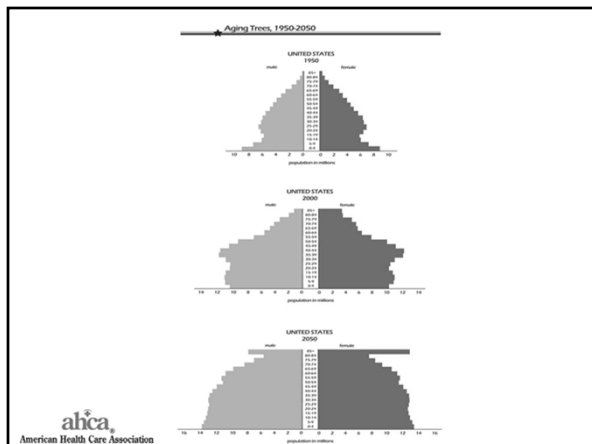




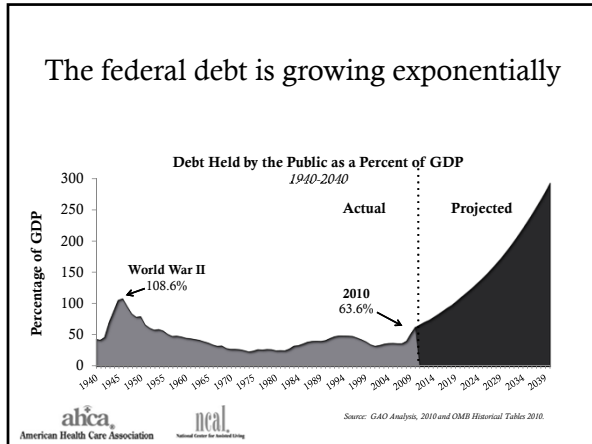


The opportunities and the challenges we face





The federal debt is growing exponentially



Our Battle Begins Now: *SGR Extension*

- ✓ Late last year, Congress passed a two-month extension of SGR – payroll tax cut, unemployment benefits and doc fix.
 - House version included nursing home bad debt as a pay-for
 - Senate version did not
- ✓ Now Congress must address longer term solution by March
- ✓ AHCA in midst of advocacy blitz for our issues

ahca American Health Care Association neal National Center for Health Policy and Law

Our Goals with SGR

- ✓ Extend doc fix and therapy caps exceptions process
- ✓ Not be a pay-for
 - Prevent reduction of bad debt reimbursement
- ✓ Encourage targeted savings through hospital readmission reduction program

ahca American Health Care Association neal National Center for Health Policy and Law

Reducing Rehospitalizations

AHCA's Solution to the Government's Fiscal Crisis

AHCA's Proposal:

- ✓ Secretary of HHS sets targeted readmissions reduction goal for SNFs to achieve **\$2 billion in savings** by 2021.
- ✓ If savings not achieved, the SNF market basket updates will be reduced.
- ✓ If SNFs meet the \$2 billion in savings, then facilities could share in additional savings.



Reducing Rehospitalizations

The Benefits

- ✓ **Care Focused** - incentivizes SNF providers to improve quality and coordinate care
- ✓ **Cost Effective** - saves \$5 billion to Medicare in the next 10 years
- ✓ **Innovative** - generates savings through improvements rather than just slashing payments to providers
- ✓ **Equitable** - responsibly encourages SNFs across the country to share in the goal (unlike bad debt)



Our Tactics

- ✓ Launching Our Grassroots Efforts
 - In-District meetings/facility tours with Members of Congress
 - Meetings on Capitol Hill with key Members of Congress
 - House delegation letters to Conference Committee members

Join our letter writing campaign on CapWiz:
<http://www.ahcancal.org/advocacy>



Additional 2012 Goals

- ✓ Prepare for FY 2013 SNF PPS rule
- ✓ Clear path to better long term relationships with
 - The Administration
 - CMS
 - MedPAC
 - Hill Leadership
 - Rank & File Members of Congress
- ✓ Prepare long term care proposals for 2013 Congress



How We Win

1. We must be the cost and quality solution.

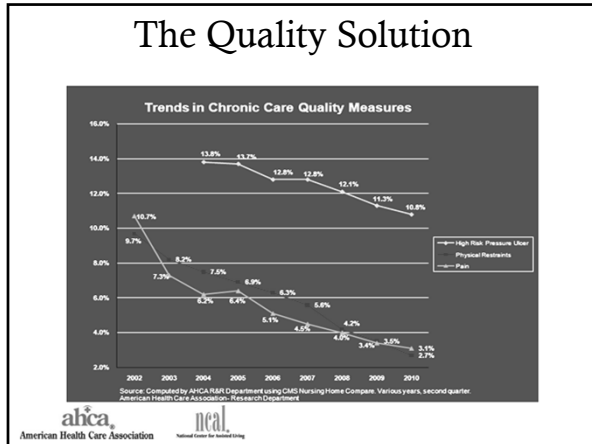


The Lower Cost Solution

CMS Medicare Payments by Care Setting

Hospital Diagnosis	LTACH	IRF	SNF
Stroke	\$32,724	\$18,253	\$10,445
Hip fracture	\$27,497	\$14,117	\$11,265
Total hip replacement	\$26,315	\$11,918	\$8,399
Total knee replacement	\$22,703	\$9,722	\$5,244





AHCA's Quality Initiative

- ✓ Demonstrating and improving the value of services the SNFs provide
- ✓ Developing concrete measures of quality outcomes
- ✓ Providing tools and training to facilities to achieve goals

**February 23-24
Houston, TX
qs.ahcancal.org**

**2012 AHCA/NCAL
QUALITY
SYMPOSIUM:
INSPIRING EXCELLENCE
IN LONG TERM CARE**

ahca American Health Care Association
ncal National Center for Assisted Living

AHCA's Quality Initiative

What You Can Do

- ✓ Attend AHCA/NCAL's Quality Symposium
 - February 23-24, Houston, TX
- ✓ Sign up for the *Advancing Excellence* campaign
 - www.nhqualitycampaign.org
 - 65% of AHCA members are participating
- ✓ Get involved AHCA/NCAL National Quality Award Program
 - In 2011, 444 Bronze, 31 Silver and 1 Gold recipient

ahca American Health Care Association
ncal National Center for Assisted Living

Implications For the Future

- ✓ Learn everything you can about new payment models
- ✓ Quality will become a reimbursement issue
- ✓ We must adapt and diversify



Hospitals Facing a Paycut

- ✓ Beginning in FY2012, CMS will rank hospitals based on 30-day readmission rate for the top three diagnoses causing the majority of readmissions:
 - heart attack
 - heart failure
 - pneumonia
- ✓ Hospitals in bottom quartile (nationally) from the prior year will have a % of total Medicare payments withheld:
 - 2013: up to 1%
 - 2014: up to 2%
 - 2015: up to 3%



Source: Sections 1151 and 3025 of the Patient Protection and Affordable Care Act



How We Win

2. *We must be a political and lobbying powerhouse*

- ✓ Focus on Audience
- ✓ Focus on Message
- ✓ Change Messengers
- ✓ Utilize our broad-based membership



Jobs & Economic Development

- ✓ 3.1 million American jobs
- ✓ \$529 billion in economic activity
- ✓ \$60 billion in federal and state tax revenues



Jobs & Economic Development



- ✓ Long Term Care in Kansas:
 - 52, 840 jobs
 - 8th largest employer
 - \$3.7 billion in economic activity



Use Our Broad-Based Membership

- ✓ Fundraising events all over the country
- ✓ Members lobbying on Capitol Hill continuously
- ✓ Hundreds of thousands in touch with their Members through CapWiz



AHCA/NCAL PAC Exceeded Goals in 2011

- ✓ Exceeded goal to raise \$1 million in hard dollars
- ✓ Exceeded goal to raise \$1.1 million in soft dollars
- ✓ Hosted over 170 events in districts across the country



AHCA/NCAL PAC Exceeded 2011 Goals in 2011

AL AK AZ CA CO CT DC DE FL GA HI IA IL IN KS KY LA MA MD ME MI MN MO MS MT NC ND NE NH NJ NM NV NY OH OK OR PA RI SC SD TN TX UT VA VT WA WI WV WY

ahca American Health Care Association neal National Center for Health Policy

What We Need From You

- ✓ Sign up for our grassroots efforts
 - Register in CapWiz: www.ahcancal.org/advocacy
 - Participate in our letter writing campaign
- ✓ Get involved with your Member of Congress
- ✓ Get involved in our quality efforts

ahca American Health Care Association neal National Center for Health Policy

It is time for us to write our own history

ahca American Health Care Association neal National Center for Health Policy
