Welcome to the newly designed ATS Health Policy Newsletter!

*Featuring important news from around the health policy world, the Pulse delivers federal, state and local policy information affecting the trauma professional. Make sure to click on the article title to learn more!*

**Hospital Systems Branch Out as Insurers**
*Wall Street Journal, December 19, 2012*

Hospital chains across the country are under intense pressure from public and private insurers, as well as employers, to accept flat-rate payments for care, rather than reimbursements for every service. And that puts pressure on hospitals not just to manage costs, but to keep people well - in short, to act more like insurers.

**Medicare Discloses Hospitals Bonuses, Penalties Based on Quality**
*Kaiser Health Policy News, December 20, 2012*

Medicare revamped its payment system for hospitals as part of an effort to make them accountable on quality. The latest change will give bonuses and penalties to hospitals based on how well they performed on quality measures. The program, called Value Based Purchasing, began January 1st, 2013, and is expected to result in an increase of payments to 1,557 hospitals and a decrease to 1,427 hospitals around the country.

**As Life Expectancy Increases, so does Number of Americans Living with Chronic Disease**
*United Health Foundation, December 2012*

The United Health Foundation recently released the 2012 America’s Health Rankings, finding that American’s average life
expectancy increased by 1.7 years between 2000 and 2009. Further, the report notes that cardiovascular and cancer deaths have declined since 1990, while obesity and diabetes continue to be at epidemic levels.

States To Get More Time To Set Up Exchanges, Flexibility In Medicaid Expansion

The Centers for Medicare & Medicaid Services published a rule early this month detailing how states should coordinate certain elements of health exchanges and Medicaid. Though the deadline was set for Jan. 1st, 2013, HHS Secretary Kathleen Sebelius, said she would waive or extend the deadline for any states that expressed interest in creating their own exchanges or regulating insurance sold through a federal exchange.

EHRs: Quality Care Versus Cost Savings, Next 'Meaningful Use' Rules

Some say the adoption of electronic health records are not saving money like they'd hoped, but that it does improve care. In the meantime, doctor groups want a delay in the next round of “meaningful use” rules that give doctors financial incentives for utilizing such records.

Controversy Flares Over Health Care Worker Flu Shots As Early, Severe Flu Season Kicks In
USA Today, January 16th, 2013

The widely publicized flu epidemic has sent record numbers to doctor’s offices and pharmacies to seek out the influenza shot. However, whether or not health providers should be required to get the vaccine has become a contentious issue. Reports of workers who refused the shots being fired or forced to wear surgical masks are prompting new calls from union officials to put a stop to mandatory flu shot efforts.

State Hospital Associations Call on White House to Address Wage Index Policy in Budget
Missouri Hospital Association, January 16th, 2013

Twenty-one hospital associations are pressing President Obama to help eliminate a provision of the healthcare reform law that will cost a majority of states billions of dollars in Medicare payments. A provision in the 2010 healthcare law they say allows hospitals in Massachusetts to collect higher Medicare payments at the expense of other states. The provision, which

State Health Policy News Continued....

longer valid. Health officials are scrambling to rewrite the approval process.

New York

New York City Ties Doctor’s Income to Quality of Care

The New York City Health and Hospitals Corporation, the group that runs the city’s 11 public hospitals is looking into experimenting with a model of compensating physicians tied partly to patient outcomes and cost containment.

Waiver denied - CMS: No cash relief for hospitals hit by Sandy
Modern Healthcare, January 16th, 2013

The CMS denied New York state’s request for emergency cash relief for healthcare providers that lost revenue or saw expenses soar as superstorm Sandy forced the evacuation of hospitals and nursing homes. In November, the state requested $427 million under a Medicaid waiver that would have awarded the greatest relief to hospitals closed by the storm.
ATS Releases Legislative Update on “Doc Fix” and “Fiscal Cliff” Legislation

Legislation was passed by Congress on New Year’s Day to avoid the anticipated “fiscal cliff” and scheduled payment cut in Medicare Physician payments. Contained in the legislation included provisions preventing an estimated 26.5 percent scheduled cut to these payments. However in order to pay for stopping these cuts, Congress turned their targets to hospital payments. The legislation would cut $10.5 billion from projected Medicare hospital payments over 10 years for inpatient or overnight care through a downward adjustment in annual base payment increases. The Senate measure also would reduce Medicaid disproportionate share payments to hospitals by an additional $4.2 billion over the next decade. These cuts are on top of those made to hospitals as part of the 2010 health care law.

Other items included in the “Fiscal Cliff” legislation that would assist in financing the “Doc Fix” measure and other Medicare extenders include rebasing bundled payments for end stage renal disease (savings of $4.9 billion), implementing competitive bidding for diabetic test strips purchased in retail pharmacies (savings of $600 million) and reducing risk-adjusted payments to Medicare Advantage plans (savings of $2 billion).

In addition to the physician payment fix, the bill alters tax rates and delays a series of automatic cuts in federal spending, called “sequestration,” scheduled to go into effect Jan. 2. That includes a 2 percent reduction to physicians and other Medicare providers - including hospitals.

was added to the Affordable Care Act by Sen. John Kerry (D-Mass.), is based on a payment system that stipulates urban-area hospitals receive at least the same amount in Medicare reimbursements for doctor and staff wages as rural hospitals.

New HIPPA Rules Fortify Privacy

Addressing 15 years of digital advances in health record information, the Department of Health and Human Services released stronger rules and protections governing patient privacy last week. The rules will extend requirements to “business associates” - contractors and subcontractors, such as billing companies that perform services on behalf of health providers.

State-By-State Injury Prevention Policy Report Published
Robert Wood Johnson Foundation, January 2013

The Robert Wood Johnson Foundation recently completed a report detailing injury prevention statistics throughout the country and provided a report card of state-by-state injury prevention policies. The report concluded, “Millions of injuries could be prevented annually if more states adopted additional research-based injury prevention policies, and if programs were fully implemented and enforced.”

House Congressional Committee eyes Permanent Repeal to SGR Formula
MedPageToday, January 22nd, 2013

U.S. Rep. Kevin Brady (R-TX), chairman of the House Ways and Means Health Subcommittee is working with his colleagues to craft legislation to permanently repeal the sustainable growth rate (SGR) formula. His goal is to replace it with a “physician reimbursement formula that rewards quality”