

OHA Leading the Way

Annual Report 2012





Chairman's Letter

I can't believe how quickly the year has passed. It seems like yesterday we were at the 2011 Annual Convention and I was beginning my term as OHA chairman. The next thing I know I am being asked to prepare this letter. This year has been about reaping the benefits from last year and starting to lay the foundation for 2013.

We were successful in implementing the SHOPP program at a very critical time for many of our member facilities. For some it meant the difference between making a margin or not. We were also successful in maintaining current state budget levels for Medicaid and other essential health care programs. Despite those efforts, many of our member hospitals in Oklahoma still face financial shortfalls on a recurring basis. For many of our communities, the local hospital is the safety net for health care services and that has to be protected.

Not everything the OHA does is about money and our effort to improve both quality and safety in our hospitals has seen great success. While the quality initiatives are too numerous to include here, I would be remiss if I did not mention the "Every Week Counts" initiative. As a state we have made tremendous strides in reducing the number of early elective deliveries, which has had a direct impact on the health and development of the babies in this state. We also have taken great strides as an association at improving the health of citizens. Many of our members have taken a leadership role in their community to promote healthy lifestyles. We continue to see more member hospitals set an example for their community by achieving "Certified Healthy Business" status.

Now we must look to the future. The coming year will be pivotal to the success of our hospitals and the health of our communities. We will face major issues at the Legislature that will have far reaching implications for the health of our state. It will be crucial for all of us to stay engaged in the legislative process here and in Washington, D.C. We have great staff at both the OHA and AHA, but they cannot do it alone. At the end of the day it will be up to all of us as health care providers to advocate for the health of our state. That is how we will make the difference.

I thank you for having the opportunity to serve the OHA as your chairman and I look forward to working with you this next year. ■

Charles E. (Chuck) Skillings
Chairman, Board of Trustees

President's Letter

A common thread intertwined throughout many of the issues explored and discussed this year by the OHA board of trustees has been a theory proposed by Ian Morrison, noted author and futurist who specializes in long-term forecasting and the business environment, especially in health care. Morrison's theory describes the importance of a business riding out the "first curve" (a company's traditional business carried out in a familiar business climate) to the all-important "second curve" where the business climate entails markedly different characteristics with different factors that must be mastered to survive and thrive. Sounds like what's occurring in the health care field!

The key aspect to Morrison's prescribed transitional theory is anticipating the rate and pace of change, knowing when and how to jump from the first curve to the second, and whether to play in both. It is this latter point where I believe hospitals find themselves – living in the gap between the two curves.

The first curve for hospitals has been characterized by a traditional focus on volumes, fee-for-service, acute care, inpatient vs. outpatient services, and the like. However, we are undoubtedly transitioning to a second curve that will be dominated by value-based-purchasing, clinical integration of chronic conditions, coordinated care across provider settings, transparency, and population health management.

What is rewarded in each curve is decidedly different. But how long will the transition from one curve to the other take? How does one manage and survive, let alone thrive, with one foot in each?

These are the questions the OHA and its board have been pondering. What are the skills and competencies hospitals will need to strengthen or acquire to successfully traverse this gap? And, therefore, how does the OHA need to adapt and change to best support its members in and through this transitional period? This Annual Report outlines many such activities, but we are just beginning.

The upcoming November elections will dramatically influence the path this transition takes next, and especially how the Affordable Care Act may further be implemented. Oklahoma is not unlike several other states that are taking a wait and see attitude. However, regardless of the elections, the elements of the "second curve" await us and will remain largely unchanged, and we best be about thoroughly understanding and preparing for such changes. It is a challenge we must meet together. ■

Craig W. Jones, FACHE
President





Left to right: Kevin Gross, president, Hillcrest HealthCare System; Rep. Jeannie McDaniel; Tyra Palmer, VP/community and government relations, Hillcrest.



Darin Farrell (left), CEO, Arbuckle Memorial Hospital, Sulphur, with Sen. Frank Simpson.

OHA stays on top of SHOPP implementation to ensure hospital benefit



David Whitaker (left), president & CEO, Norman Regional Health System, with Rep. Scott Martin.



HA's Supplemental Hospital Offset Payment Program (SHOPP), passed by the state Legislature in 2011, came to fruition in 2012. OHA worked closely with the Oklahoma Health Care Authority during the Centers for Medicare & Medicaid Services' (CMS) final review and approval of SHOPP, and then facilitated communication of the program's operating procedures to hospitals.

CMS approved SHOPP for federal matching in January 2012, retroactive to July 1, 2011. Under SHOPP, hospitals paid assessments totaling \$153 million annually to the state. **With federal matching, SHOPP increased Medicaid payments for hospital services by \$341 million, and funded another \$83 million in general Medicaid program payments.** ■



Left to right: Shelly Dunham, RN, CEO, Okeene Municipal Hospital; Gary Mitchell, DPh, CEO, Newman Memorial Hospital, Shattuck; Rep. Purcy Walker.



Jimmy Leopard (right), CEO, Wagoner Community Hospital, with Rep. Wade Rousselot.

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Kevin Gross (left) presents the OHA Outstanding Achievement Award to Speaker Kris Steele.

SHOPP

OHA leads efforts at the state Capitol to strengthen Oklahoma's health care system

OHA's efforts during the 2012 legislative session primarily centered on ensuring funds generated from the 2011 passage of SHOPP, the hospital provider fee, were **used according to the legislation** and not diverted for any other state program. OHA was successful in this endeavor.

OHA partnered with OSU and OU as well as leaders in the business community to achieve passage of the "Oklahoma Hospital Residency Training Program Act," which establishes **new primary care residency training programs** affiliated with the OSU College of Osteopathic Medicine and the OU College of Medicine in eligible hospitals. Funds totaling \$800,000 were appropriated for eight \$75,000 primary care residencies in up to five hospital locations meeting the criteria.

State leaders spent much of the 2012 state session discussing cuts in the personal income tax, which accounts for roughly one-third of all funds in the general revenue fund. OHA and others expressed much concern about this potential cut in revenue, particularly since Oklahoma hospitals are helping fund the state Medicaid program. **No tax cuts were enacted**, but this will be a major issue in the 2013 session.

OHA once again partnered with the business community, health advocates, and other providers to form a coalition **in support of creating a state-based, free market health insurance exchange**, an option under the Affordable Care Act. The federal government will create exchanges for states that do not create one themselves. After several attempts by legislative leaders to advance such legislation, the session ended with no authorization to move forward on a state-based health insurance exchange.

On June 28, the **U. S. Supreme Court upheld the Affordable Care Act** allowing Medicaid expansion, but not allowing a penalty to withhold all Medicaid funding from states that do not expand. The OHA saw the need to quickly take action and educate state leaders and legislators about the importance of not "opting out" of this program. OHA took the leadership in forming a coalition of providers and advocacy groups to work together in **a coordinated grassroots education effort** on this important topic. ■

Patient safety initiative

Hospital Engagement Network

Sixty Oklahoma hospitals have joined more than 1,600 hospitals in 33 states through the OHA Hospital Engagement Network (HEN), "Safe Hospitals. Safe Patients." The OHA HEN, made possible by a grant from the Health Research & Educational Trust (HRET), an affiliate of the American Hospital Association (AHA), is part of a national initiative to increase patient safety through use of proven clinical practices in 10 target areas. **The goal: reduce inpatient harm by 40 percent and prevent avoidable readmissions by 20 percent by 2014.**

In April and May 2012, OHA hired four HEN staff members with experience in quality and patient safety to provide leadership, coaching and technical assistance to hospital teams composed of executive, physician, and nursing champions. These hospital teams select projects in two or more of the following clinical areas: central-line associated blood stream infections, catheter-associated urinary tract infections, surgical infections and complications, venous thrombosis, adverse drug events, falls, birth-related harm, pressure ulcers, ventilator-associated pneumonia, and preventable readmissions.

A national training course, the Improvement Leader Fellowship, taught by the faculty of the Institute for Healthcare Improvement, is offered free of charge to OHA HEN members. Half of OHA's HEN members attended in 2012, and half are scheduled to attend in 2013. Toolkits with resources for best clinical practices, creating small tests of change, measuring and sustaining change, are available to the teams in all project areas.



atives aim high, build partnerships



At an Every Week Counts event where hospitals were recognized for their participation in the initiative are (left to right) Dr. Terry Cline, Oklahoma cabinet secretary for health and human services and state health commissioner; Barbara O'Brien, program director, Office of Perinatal Quality Improvement, OU Health Sciences Center; LaWanna Halstead, OHA VP/quality and clinical initiatives; and Craig W. Jones, OHA president.

Every Week Counts

Elective inductions and scheduled cesarean births in women who have not completed 39 weeks of pregnancy are known to contribute to problems for newborns, including premature birth, low birth weight and respiratory difficulties, which are the second leading cause of infant mortality in Oklahoma.

In an effort to impact the prematurity and infant mortality rates, **52 Oklahoma hospitals have worked together for a second year** in a project called "Every Week Counts" to eliminate early elective deliveries. The initiative is funded by the March of Dimes and the Oklahoma State Department of Health and co-led by OHA and the OU Health Sciences Center Office of Perinatal Quality Improvement.

Data reported by participating hospitals through June 2012 show a **remarkable 65 percent reduction in such early scheduled births**. Another perspective on this result is that in the first quarter of 2011, eight babies every day in Oklahoma were born before 39 weeks of pregnancy without a medical reason. At the end of the second quarter of 2012, that number had decreased to 2.5 babies per day.

Other results of the Every Week Counts initiative to decrease non-medically indicated scheduled cesarean births and inductions show a 7 percent increase in full-term births at 39 to 41 weeks and a 10 percent decrease in births at 36 to 38 weeks, according to analysis of Vital Records data from the Oklahoma State Department of Health Maternal and Child Health Service.

8
Early Scheduled
Births Per Day
(1st Quarter 2011)



2.5
Early Scheduled
Births Per Day
(3rd Quarter 2012)



65% Reduction

HCAHPS



OHA partnered with the American Hospital Association's Health Research and Educational Trust (HRET) and the Agency for Healthcare Research and Quality (AHRQ) to provide an HCAHPS curriculum to help our member hospitals effectively use HCAHPS results for improving quality, safety, and the patient experience. With the imminent implementation of value-based purchasing, as well as research demonstrating the link between the patient experience and other critical hospital metrics, HCAHPS is becoming increasingly important to hospitals.

Thirty-six OHA member hospitals participated in the project curriculum that provided practical tools and resources to help organizations achieve new levels of performance on HCAHPS, while creating a better experience for patients, families and staff. The five-month curriculum consisted of a full-day onsite workshop that was attended by 135 participants from 31 hospitals, three Webinars, a comparative HCAHPS assessment report, and ongoing dialogue and support.

The success of the curriculum depended in part on the commitment and engagement of the hospitals to actively participate in a learning community. Results are based on responses from a post-project assessment that will be administered in November 2012.



OHA education programs help prepare members for the future

As the mediums for providing education change, OHA has adapted by offering a variety of methods for our members to receive education, beyond face-to-face programs in our seminar center to now include numerous webinars and live-streaming video.

OHA offered **10 webinars on health care reform topics**, including provider-based billing, delivery system reforms, payor arrangements, readmissions, access to care, coordination of care, ACOs, and value based purchasing.

Nine webinars focused on **physician topics**, such as purchasing physician private practices, compensation for employed physicians, alignment, strategy challenges, legal issues, and medical staff bylaws.

Seven webinars addressed community benefit and assessment topics.

OHA also offered 12 webinars focusing on **quality and patient safety issues**, including core measures, medication errors, surgical errors, the link between quality and finance, care transitions and readmissions, pharmacy and quality, and ethical issues.

OHA presented 17 webinars and three face-to-face programs on **compliance issues**; and seven webinars and one face-to-face program on **survey success**.

The OHA Management & Leadership Series included seven face-to-face programs and four webinars. OHA also offered nine webinars on other leadership topics, such as leading a team, coaching, succession planning, generational differences, cultural leadership and more.

Fifty-two hospitals participated in **OHA's live-streaming programs** in 2012. ■

Hospitals lead with important



"Your 1 2 3" hospital wellness initiative

The OHA board of trustees announced at the 2011 OHA Convention a new initiative aimed at leading the way to healthier communities across our state. The "Your 1 2 3" initiative challenges hospitals to make a significant contribution to the health of Oklahomans by serving as role models for healthy living.

OHA members accepted the challenge to become an Oklahoma Certified Healthy Business. In 2011, the number of OHA members receiving the CHB designation increased from 25 to 55. In 2012, OHA provided tools and resources through our website and Hotline weekly newsletter to help OHA members meet the criteria for the Oklahoma Certified Healthy Business program. *To view these resources, go to www.okoha.com/wellness.*

In April, OHA organized a networking opportunity to learn how hospitals have partnered with their communities in efforts to promote wellness. Attendees heard from businesses, schools and municipalities the importance of the local hospital's participation in improving the health status of the community. Attendance included 61 members from hospitals across the state. ■



the way to a healthy future

OHA wellness initiatives

Hospitals Helping Patients Quit



OHA was awarded its fifth year grant from the Tobacco Settlement Endowment Trust (TSET) beginning July 1, 2012 in the amount of \$306,813 for the *Hospitals Helping Patients Quit* (HHPQ) program. This program **provides free education and consultation to Oklahoma hospitals** to implement four sustainable components of cessation, based on nationally endorsed evidenced-based models. Those components are: 1) developing and implementing a comprehensive tobacco-free property policy, 2) implementing a brief cessation protocol to identify inpatients that use tobacco, provide medication and refer them for counseling, 3) implementing the inpatient protocol in hospital-affiliated outpatient clinics, and 4) providing employee benefits and the same protocol to assist employees in quitting tobacco use.

Over the past year, the program has experienced a significant increase in the number of hospitals requesting assistance with tobacco cessation policy development and treatment protocol implementation for patients and employees. A total of eight new hospitals implemented at least one or more components of tobacco cessation protocol/processes: Valley View Regional Hospital, Ada; Weatherford Regional Hospital; McCurtain Memorial Hospital, Idabel; Fairview Regional Hospital; McBride Orthopedic Hospital, Oklahoma City; Okeene Municipal Hospital; Sequoyah Memorial Hospital, Sallisaw; and Wagoner Community Hospital. Two others have begun planning processes for implementation: Medical Center of Southeastern Oklahoma, Durant; and Midwest Regional Medical Center, Midwest City.



At the poster presentation are Kim Olson and Joy Leuthard.

In addition to these, INTEGRIS Health, the first health system to pilot the program in partnership with OHA by implementing it in seven hospitals last year, added three new hospitals and rolled out improved cessation benefits for their employees. From July 2011 to June 2012, all INTEGRIS facilities assisted 1,884 patients and 43 employees to enroll for cessation assistance with the Oklahoma Tobacco Helpline (OTH). Since the program began, October 2010 through June 2012, a total of 3,454 patients and 54 employees have received assistance. With additional funds from TSET this grant period, INTEGRIS is beginning implementation of the evidence-based cessation protocol in its affiliated primary care clinics through INTEGRIS Health Partners.

From October 2010 to June 2012, all participating hospitals, clinics and employee wellness programs statewide **have helped 3,887 tobacco users enroll to receive tobacco cessation help with the OTH, with 35 percent remaining quit after one year, a higher rate than the national average.**

Through additional TSET funds, OHA is pleased to announce that Mercy hospitals and clinics statewide began partnering with OHA July 1 to implement a comprehensive system of cessation in all of their hospitals and clinics over the next two years.

The HHPQ program was honored to present a poster session of its successful outcomes, in partnership with INTEGRIS Health, at the 2012 National Conference on Tobacco or Health. In addition, the HHPQ program, along with INTEGRIS Health and Choctaw Memorial Hospital, Hugo, which referred 191 patients to the OTH in 11 months, was recognized by the American Hospital Association.

For more information contact Joy L. Leuthard, coordinator, (405) 427-9537, leuthard@okoha.com. ■

Key OHA programs see positive changes

OHA Insurance Agency

The OHA Insurance Agency has been managed under an agreement with CL Frates and Company since its beginning in 1994. On July 1, the management and employees of OHA Insurance Agency became managed directly by the Oklahoma Hospital Association. This new arrangement allows Shelby Faust, vice president, to market both the OHA Insurance Agency and the OHA Preferred Partner Network, allows the agency to utilize OHA's computer network, phone system and other shared services, and, most importantly, strengthens our commitment to improving benefits of service to OHA members. Additionally, this new arrangement enhances the identity of the OHA Insurance Agency to the OHA membership.



OHA Preferred Partner Network

OHA made enhancements this year to significantly improve its OHA Preferred Savings Network program now renamed OHA Preferred Partner Network. The program is now being operated entirely in house, ensuring the ability to build better relationships with the representatives from the vendor companies that have expressed a genuine desire to make the Oklahoma market a priority. Shelby Faust, vice president, will market the Preferred Partner Network as he travels to hospitals across the state. Each company will be evaluated on an annual basis to ensure continued status. Not only do OHA members using PPN vendors have the opportunity to save time and money, but the program provides non-dues revenue in support of OHA's overall operations. OHA members can use just one vendor in the PPN or multiple vendors, depending on their needs.



OKHospitalJobs.com

OHA announced a new jobs site, OKHospitalJobs.com, for member hospitals in July. The new site uses advanced recruitment technology, offering integration with member hospitals' online career centers, social media exposure, cross-posting with national job aggregator sites, and analytic tools.

OHA works toward positive outcome in Medicare Rural Floor settlement



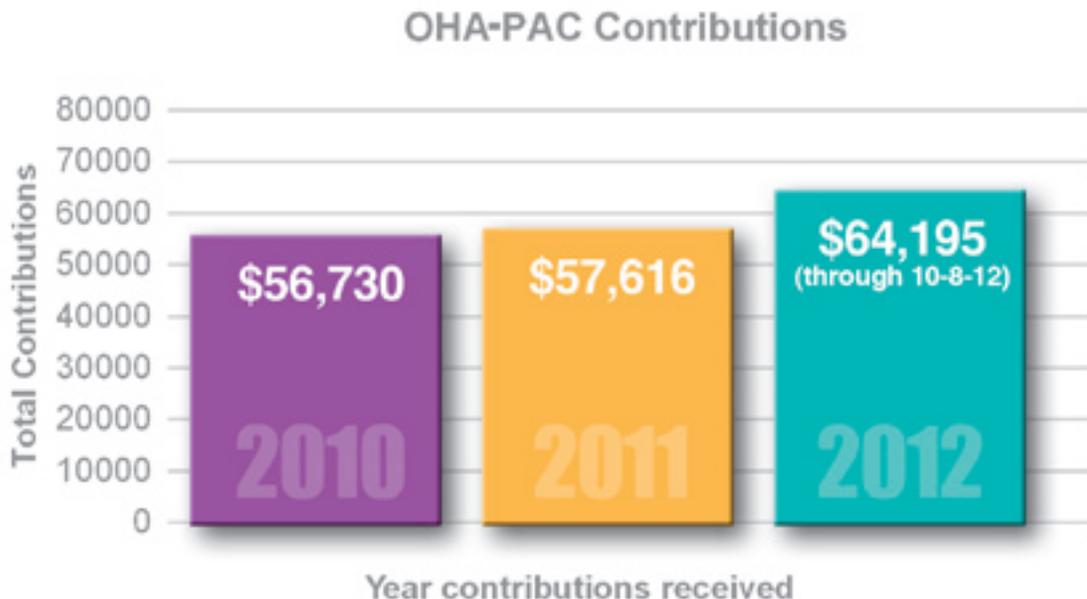
OHA's efforts in 2007 to recruit hospitals to join a group appeal on a Medicare payment issue paid off in 2012 when the hospitals received a large settlement from the Centers for Medicare & Medicaid Services (CMS). The "Rural Floor Budget Neutrality Adjustment" issue was a successful claim that hospitals were underpaid for inpatient PPS services from 1999 to 2011 because of a small technical error in the CMS rate calculation.

CMS paid out **more than \$30 million to 22 Oklahoma hospitals** as a result of this group appeal. A smaller opportunity may remain for other PPS hospitals to join a group appeal for additional payment for some recent years, and OHA is again providing information to members on how to participate. ■

OHA-PAC Contributions



Supporting legislators who support our industry, the OHA-PAC is only as strong as our members' contributions.



Looking Ahead...

- Oklahoma hospitals will have a **revenue benchmarking** service available in the near future. Professional Data Services (PDS) is being made available through an arrangement between OHA and the Hospital Association of Southern California. The PDS database of paid claims provides hospitals with the market intelligence they need for effective managed care contract negotiation, accurate forecasting of business development opportunities, and data driven strategic planning.
- OHA recently announced the **OHA Hospital Productivity Management Program**, a free (for members) web-based data service. The OHA Hospital Productivity Management Program will offer quarterly comparative and trending reports to reporting facilities for benchmarking staffing data against peer groups and statewide data for nursing units and other departments. It will be introduced in November 2012 for data entry and analysis of third calendar quarter (July – September 2012) information.
- OHA will unveil a significant upgrade to our website, www.okoha.com, in early 2013. Watch for a more user-friendly, member-centric and intuitive website with enhanced member-only content.
- As the results of the November election begin to shape the future of our nation and of health care reform, **OHA is poised to adapt quickly** in order to respond to pending federal policy or proposed changes.



For more information on OHA products and services, contact:

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