

OVER 80%  
OF RURAL  
HOSPITALS  
ARE  
OPERATING  
AT A LOSS



# Partnerships & Results In the New Era



2017  
Annual Report

# Letter to Members

For the better part of three years now, hospitals across our state have experienced a lesser version of the state's former economically depressed era known as the Oklahoma Dust Bowl. But just as Oklahomans then journeyed in search of a brighter future, so too have the OHA and its members been working to achieve a brighter future for the health and wellbeing of all Oklahomans. Although over the past two years we have prevented further cuts to Medicaid provider rates, our primary goal of restoring previous cuts has not been achieved. Available federal funds remain untapped, and this spring we fell six votes shy of a supermajority vote in the House to pass a cigarette tax. However, as F. Scott Fitzgerald wrote, "Never confuse a single defeat with a final defeat."

As we write this letter, the Oklahoma Legislature has entered into special session seeking additional revenue due in large part to the historical challenge of SQ 640, which requires any tax raising measure to be approved by a supermajority in both houses. The reality of a true "revenue crisis" finally appears to be surfacing in both the House and Senate. As they have all this year, our members, along with the OHA-led health care coalition, are being called upon to again tell their story of what shoring up Medicaid rates means for them to be able to properly serve their communities. Your diligence in continuing to press OHA's position on this critically important measure is the primary reason the cigarette tax increase remains a viable option.

As noted in the following lead article, our unified voices, coupled with active member engagement, have enabled our achieving results vitally important to Oklahoma hospitals. Vigorous participation by our members in partnership with the OHA will always be a key ingredient to advance our stated goals, particularly in the legislative arena as noted elsewhere in this report.

Despite the challenges stemming from Oklahoma's waning budget allocations, our members have shown their vigilance in continuing to achieve noteworthy gains in many quality and patient safety initiatives, whether in small rural or large urban settings. We could not be more proud of all your achievements in these areas.

These efforts and programs, along with several others highlighted in this report, reflect the positive outcomes that can be achieved through the active and persistent engagement of our members working side-by-side with OHA's board of directors and staff. We truly see this each and every week as we converse with you in so many areas of collaboration.

Many challenges remain as we travel along this uncertain path of transitional change in the health care field. Most will require our ongoing close working relationship with legislators, and that always includes ensuring an active, successful sourcing of the OHA-PAC. Other challenges will necessitate change in our day-to-day operations as we define the "new normal" for what health care is and must become. Thank you for joining us in this necessary, worthwhile endeavor.



  
**Jimmy Leopard, FACHE**  
Chairman



  
**Craig W. Jones, FACHE**  
President

## OPINION

Mental health efforts win with tobacco tax

Boost to tobacco tax makes sense for state

**OHA** is a respected and valued voice on behalf of hospitals in the legislative and regulatory arenas. Working in concert with strong member participation, OHA achieved several key items this year that will strengthen your ability to provide care in your community and protect your bottom line:

- **Achieved a PAUSE in legislative attempts to award contracts to managed care companies** who would implement statewide per-capita insurance plans for Medicaid's aged, blind and disabled enrollees.
- **Led a strong coalition of stakeholders in advocating for an increase in the cigarette tax**, the only viable tax measure even considered by the Legislature. Working with partners, we were able to make health care and mental health priorities in the state budget.
- **Stopped or defeated legislation harmful to hospitals**, such as maintenance of certification, mandates to the state employees' insurance plan, redundant pricing transparency, and bills diminishing the authority of state health agency boards.
- **Led an effort toward achieving favorable rate review rulings from the Corporation Commission** regarding electrical service rates for hospitals through OG&E and PSO companies. This resulted in a much lower rate increase and refunds from OG&E to customers of more than \$47 million.
- **Worked with the state's Medicaid agency to achieve a modification to the three day signature rule.**

For more information on our activities during the 2017 legislative session, go to [www.okoha.com/2017legislativereport](http://www.okoha.com/2017legislativereport).

# A Unified Voice



*Chuck Skillings (far left), CEO, St. Anthony Shawnee Hospital; Jimmy Leopard, CEO, Wagoner Community Hospital, OHA board chair; and Doug Weaver, CEO, Hillcrest Hospital Pryor (far right); speak with Rep. Tom Gann during OHA Advocacy Day.*



*At the Capitol are (left to right): Sen. Greg McCortney; Roberta Jeffrey, CEO, Holdenville General Hospital; and Drew Johnson, CFO, Holdenville General Hospital.*



# New Models for Rural Hospitals

- **OHA continues its partnership with the New Mexico and Kansas hospital associations on preparing a proposal on a pilot study** of the 24-hour outpatient hospital model, with a multi-payer global budget payment plan. Substantive conversations with CMS/CMMI were held and progress was made, in spite of federal policy uncertainty.
- **OHA held seven regional meetings in 2017**, giving rural members an opportunity to connect with the Association and colleagues to discuss issues of interest affecting their areas.
- **The OHA Council on Rural Health's work on editing hospital standards chapter 667, subchapter 40, dealing with emergency hospitals, came to fruition** when those edits were submitted to the Oklahoma State Department of Health early this year. The goal is to amend the language to allow for more flexibility if a hospital chooses to convert.
- **OHA worked on important telemedicine legislation**, allowing a physician-patient relationship to be established through telemedicine. OHA also advanced work on reimbursement parity in telemedicine.



Hospitals Using Telehealth

- **OHA, in partnership with OSDH and the Telehealth Alliance of Oklahoma, surveyed member hospitals to get information on the depth of telehealth infiltration and use** across the state. The information from this survey will help guide strategic efforts around telehealth.

## Keeping you Informed

- **As the voice of hospitals in Oklahoma, OHA received more than 125 media inquiries over the past year** on issues ranging from Medicaid financing and pending state or federal legislation to hospital quality, transparency, and rural hospitals.
- **Members receive timely updates** through the weekly Hotline newsletter, website updates, and member conference calls, and benefit from key publications such as the Legislative Report, Resource Guide for Elected Officials, and Membership Directory, as well as issue briefs and talking points.



## Tools to Plan and Adapt

**OHA equipped members with powerful tools and data, enabling them to prepare for a new era in health care.**

- **Medicare payment analyses** from OHA this year included reports on proposed Episode Payment Models for cardiac and orthopedic services. OHA informed Disproportionate Share Hospitals of the impact of Medicare's change in calculation of uncompensated care payments, illustrating how the data reported by the hospital will affect future uncompensated care payments.
- **OHA's annual Healthcare Compensation Survey provided free, comprehensive data** on more than 280 job titles to 93 participating hospitals.
- **OHA coordinated meetings and a flow of information** between members of our affiliated Oklahoma Hospital Managed Care Association and the Oklahoma Insurance Department on claims processing and payment problems hospitals are having with two health plans in the state.

# A Healthier Oklahoma

Through an ongoing TSET grant, OHA's Hospitals Helping Patients Quit (HHPQ) initiative has helped more than 50 hospitals develop a sustainable, system-wide tobacco-free culture and patient treatment protocol.



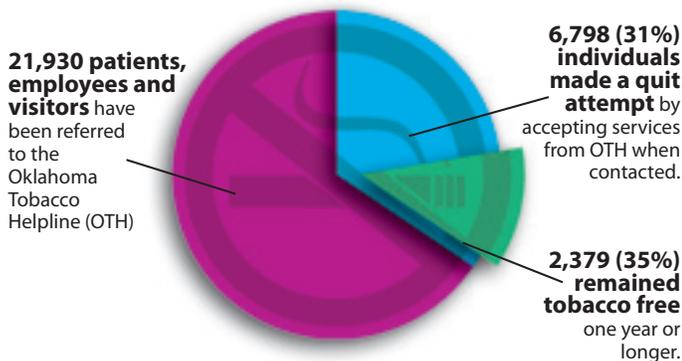
OHA's WorkHealthy Hospitals program launched a new cost-effective online tool to assess and assist participating hospitals.



## HHPQ has:

- **Integrated comprehensive tobacco free environments and tobacco treatment**, both inpatient and outpatient, in four health systems, including more than 20 hospitals and 150 clinics; and assisted six health systems to integrate electronic referrals to the Helpline through EMRs. Three tribal systems were assisted in implementing this protocol and electronic referrals.

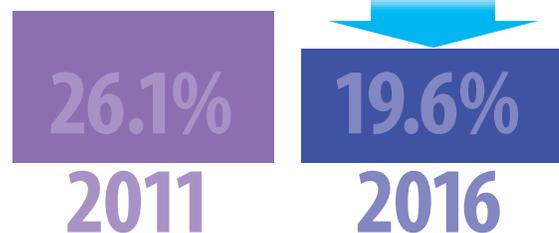
## Helpline Referrals



(Oct. 2010-July 2017)

- **WorkHealthy Hospitals has worked with more than 40 hospitals since its inception**, impacting more than 20,000 employees statewide, to develop a sustainable method to improve health outcomes over time and save long-term health care costs.
- **This year, 100 percent of the facilities that have taken the WorkHealthy Hospitals assessment received platinum status in the area of tobacco cessation.** In addition, two hospitals received the WorkHealthy Hospitals Excellence award for achieving platinum status in all nine dimensions of the WorkHealthy assessment.

## Oklahoma's Smoking Rate Goes Down



\*Data provided by CDC

## Leading-Edge Learning



OHA provided numerous educational opportunities on a variety of platforms to help your hospital better understand and prepare for the new era in health.

- Through the third quarter of 2017, employees from **140** Oklahoma hospitals have participated in OHA education offerings. Eleven tribal systems also participated.
- **340** hospital registrants participated in **75** OHA webinars.
- **449** individuals participated in **13** in-person seminars and workshops.
- **76** hospitals, with **665** registrants, participated in the 2016 Annual Convention.
- **2017** educational topics included CoPs, HCAHPS, documentation and coding, credentialing, opioid prescribing, medical staff issues, FGI guidelines, strategic planning, cybersecurity, and more.
- Leadership development programs continue to grow. The OHA Leadership Development Series, now in its fifth year, had a full class of **20**. The OHA Health Care Leaders Forum, returning to Shangri-La this year, had **62** registrants from **28** facilities.

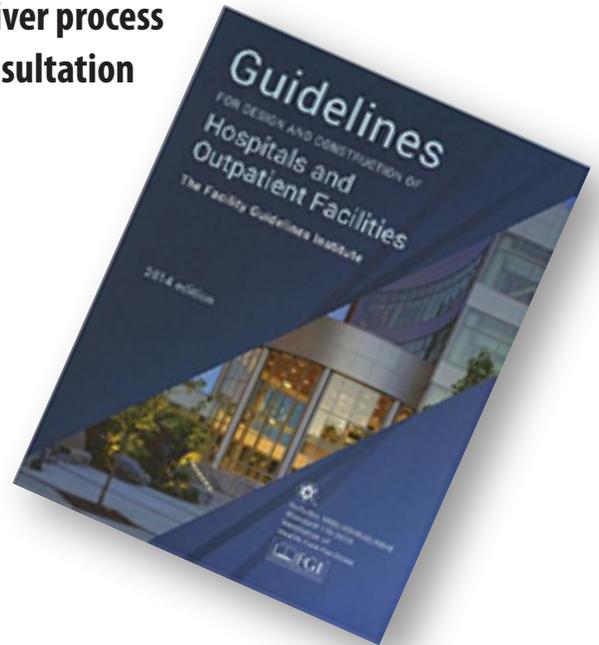
# Improving Review Processes

In response to frustrating and time-consuming regulatory requirements OHA members have faced in recent years, the Association has played a pivotal role in improving changes in the state's Health Facility Plan Review Process. This year, we worked with the Oklahoma State Department of Health's Medical Facilities Plan Review Task Force to achieve:

- **A complete transition from outdated standards to implementation in fall of 2017** of current national guidelines governing the design and construction of hospital and outpatient facilities.
- **A more streamlined construction plan review process**, including a shortened, self-attesting compliance alternative within the process.

## New Oklahoma hospital design and construction rules

- ✓ FGI Guidelines
- ✓ Self-certification process
- ✓ Administrative review
- ✓ Waiver process
- ✓ Consultation



# Partnering for Savings

The OHA Preferred Partner Network continues to be a beneficial revenue source for OHA, as well as a way for member hospitals to save money and time.

- **The PPN brought in more than \$200,000 in non-dues revenue to the Association.** Since its formation in 2012, the PPN has cumulatively generated **more than \$1 million in revenue.**
- **52 hospitals used one or more PPN companies this year.**
- **The partnership now includes 27 vendors.**



# OHA Insurance Agency

The OHA Insurance Agency is now in its 23rd year of serving the OHA membership.

- While the insurance market remains somewhat unstable, the **agency has provided competitive products and services** this past year to our members.
- **Cyber Crime insurance continues to be a product of interest** and offers a variety of coverages designed to meet the needs of hospitals.
- **Areas of growth for the agency include workers' comp and hospital professional liability.**

|                  |             |             |             |             |             |
|------------------|-------------|-------------|-------------|-------------|-------------|
| Written Premiums | \$3,935,668 | \$4,407,766 | \$4,131,856 | \$4,482,832 | \$4,357,221 |
|                  | 2013        | 2014        | 2015        | 2016        | 2017 Est.   |
| Commissions      | \$281,233   | \$353,854   | \$332,793   | \$364,224   | \$359,103   |

# Advancing safety and quality

**OHA** continues to assist member hospitals on the journey to higher quality and patient safety.

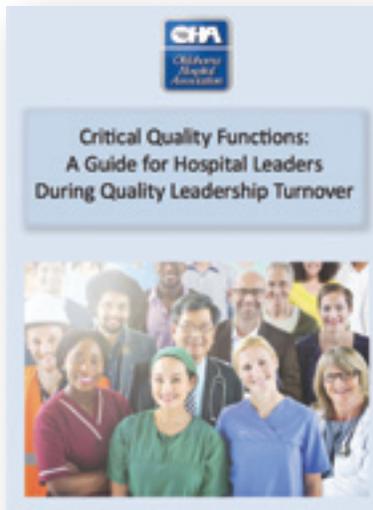
OHA is participating in the Hospital Improvement and Innovation Network (HIIN), a continuation of the HEN patient safety network. Forty-six hospitals currently participate in HIIN, impacting 3,702 beds. The initiative focuses on 10 core topic areas, as well as readmissions, with a goal of 20 percent reduction in all-cause patient harm and 12 percent reduction in all-cause readmissions by September 2019.

## ■ Year one progress in the OHA HIIN:

- Oklahoma HIIN hospitals have performed particularly well in the following topic areas:
  - ✓ Central line associated blood stream infections – 11 harms prevented.
  - ✓ Post-operative blood clots – 53 harms prevented.
  - ✓ Readmissions – 146 prevented.
- 54 on-site consultation visits to hospitals and more than 67 consultation conference calls.
- Four in-person meetings offered.
- Nine scholarships awarded to OHA HIIN Leaders to attend AHA Leadership Conference.

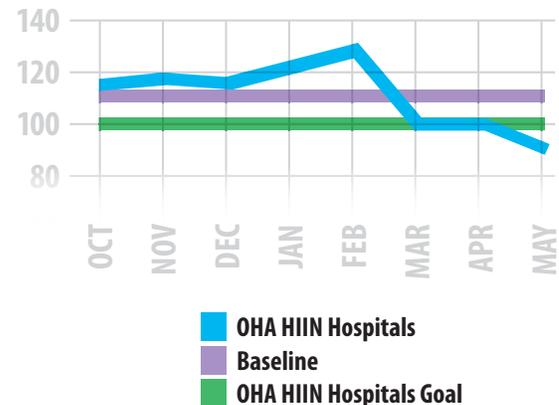
■ **The Oklahoma Sepsis Collaborative is saving lives across the state with a focus on early implementation of treatment.** This year, 12 hospitals are participating. Benefits of participation include connection to content experts and other successful peer hospitals, and many technical resources.

■ **OHA published a guide for hospital administrators, “Critical Quality Functions Guide,”** to assist the CEO and other hospital leadership in assuring the maintenance of required quality and reporting functions, especially during times of quality management turnover. It can be found on the OHA website.



## OHA HIIN Hospitals Total Harm Prevention

### Harms per 1,000 Discharges



OHA HIIN staff, AHA/HRET HIIN staff, and St. Mary's HIIN leaders gather during a site visit to discuss patient safety improvement.

Additional details about OHA activities can be found at [www.okoha.com](http://www.okoha.com).



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