

FACTS & FEATURES



A for-profit subsidiary of the Arkansas Hospital Association

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AHA Services Welcomes Class Action Capital *A market leader in class action settlement claim management*



AHA Services Inc. (AHASI), a subsidiary of the Arkansas Hospital Association (AHA), has partnered with Class Action Capital, a market leader in class action settlement claim management. Class Action Capital is already successfully working with many hospitals, health care facilities and state hospital associations across the country, helping to recover refunds on their behalf from a number of recent class action settlements. AHA will now offer these value-added services to its members.

Many hospitals do not have the time, resources or relevant data to file a settlement claim, and Class Action Capital will work with them to submit a fully comprehensive claim recovery, while minimizing the use of their employees' time and internal resources. By working with Class Action Capital, the risk of errors in claim submittal is also reduced.

Class Action Capital has determined that a number of AHA member hospitals are eligible to recover meaningful refunds from three recent class action settlements totaling approximately \$6 billion.

Settlement One, Payment Card Settlement, alleges that Visa and MasterCard violated the law by setting interchange fees, resulting in hospitals paying excessive fees to accept payment from Visa and MasterCard credit or debit cards. www.classactioncapital.com/paymentcard

Settlement Two, Blood Reagents Settlement, a \$22 million settlement, with more expected, claiming that the defendants violated federal antitrust law, and as a result of conduct, the prices paid by individuals and entities for Traditional Blood Reagents were higher than they otherwise would have been. www.classactioncapital.com/bloodreagents

Settlement Three, Lithium Ion Batteries Settlement, a \$58,500,000 settlement, with much more expected, which claims that the defendants and co-conspirators engaged in an unlawful conspiracy to fix, raise, maintain or stabilize the prices of Lithium Ion Battery Cells ("Li-Ion Cells"). Lithium Ion Battery Products include, but are not limited to, laptop computers, notebook computers, tablet computers (e.g., iPads), mobile phones, smart phones, cameras, camcorders, digital video cameras, digital audio players (e.g., iPods), power tools and many types of portable medical equipment. www.classactioncapital.com/arkhospitals

These settlements are highly relevant to the health care industry. In joining the claim process, health care organizations would not be entering into a lawsuit, but would be submitting a claim to recover the hospital's pro rata share of the settlement funds that have already been set aside in an escrow account. Class Action Capital works on a contingency fee basis, so there is no up-front cost, risk or hidden fees.

It is critical that AHA member hospitals understand these opportunities and, if you wish to explore and recover your hospital's pro rata share, engage either on your own or through a consultant.

For more information contact John Borley, 914.200.0020 or john@classactioncapital.com.

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MACRA and Your Hospital's Recruiting Strategy



A Quick MACRA Snapshot

The Centers for Medicare and Medicaid Services (CMS) released the final MACRA rule in October. Known officially as the Medicare Access and CHIP Reauthorization Act of 2015, the original legislation was signed into law in April of 2015. With a hefty 2,400 pages, MACRA represents one of the biggest changes in Medicare's history and may take years for full implementation.

At its core, MACRA establishes new ways for the program to pay physicians for providing care to Medicare beneficiaries. Under the new rules, compensation will be based on the quality and effectiveness of the care provided. Physicians will earn more (or less) for their performance through two new payment systems or tracks.

Track 1

Merit-Based Incentive Payment System (MIPS)

Projected preference for 400,000 – 500,000 clinicians

Reimbursement based on:

- Reporting quality measures to the government for calculation of performance scores
- Meaningful use of EHR technology

Track 2

Advanced Alternative Payment Models (AAPMs)

Projected preference for 100,000 clinicians

Reimbursement based on:

- Reporting quality measures to the government for calculation of performance scores
- Meeting set qualifications for EHR technology
- Potential increase in earnings by taking on some risk related to patients' outcomes

Practices must determine the track they intend to use by January 2017, as their choice will dictate the quality measurement they must submit to the government. Physicians or organizations who wish to choose the AAPM track must meet certain qualifications. The quality measurements submitted in 2017 will determine Medicare reimbursement rates in 2019.

What This Means for Recruiting

Under both the MIPS and AAPM tracks, performance scores will be based on four categories, with payments in 2019 depending on quality (60 percent), cost (0 percent), improvement activities (15 percent) and advancing care information (25 percent). Over time, the cost category will increase in weight as that of the quality category decreases.

Based on the data submitted, CMS will assign each physician, group and APM entity a performance score between zero and 100. They'll then compare this score to a performance threshold – the mean or median of all composite performance scores submitted by participants. Physicians, groups or APM entities whose scores fall above the performance threshold will receive bonuses. Those whose scores fall below it will have to pay penalties.

Whether your hospital submits quality measure data as a group or has each physician do so individually, the fees your organization charges for services, use of electronic health records (EHRs), and improvement activities it undertakes will affect the performance score – and, therefore, reimbursement – that your doctors receive for Medicare services. As such, it's likely that physician jobseekers will begin considering these factors when evaluating job offers. Hospitals that actively work to improve practice access, care coordination, beneficiary engagement and patient safety, for example, may be more successful in their recruiting efforts.

Additionally, because the performance score a physician earns in 2017 will be tied to him or her in 2019, and the previous year's score will follow him or her thereafter, you may want to begin considering that data when evaluating job candidates. The scores that affect 2019's payments should be available sometime in 2018. Hiring a physician whose score carries a penalty – or reduced Medicare reimbursement – will have negative effects on your organization's bottom line.

Resources

www.bls.gov/ces/highlights092016.pdf

<http://www.bls.gov/ces/highlights102016.pdf>

www.bls.gov/ces/highlights112016.pdf

<http://www.nbcnews.com/health/health-care/new-medicare-rules-will-change-it-doctors-n666511>

<https://www.advisory.com/research/physician-practice-roundtable/members/expert-insights/2016/nine-faqs-on-provider-payment-under-macra#20>

For more information go to www.HealthCareers.com/AHA or 888.884.8242.

Physician and Hospital Reimbursement: From “Lodge Medicine” to MIPS



When seeking to understand the priorities and behaviors of various professionals or organizations, it is instructive to understand how they are reimbursed for the goods and services they provide. As is commonly observed in business, “you get the behaviors that you reward,” and this has historically been true in health care. Both physician and hospital priorities and practices have been shaped by shifting methods of reimbursement, and reimbursement patterns and models remain the key to understanding why health care is delivered the way that it is.

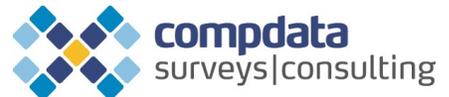
In the linked white paper, Merritt Hawkins traces how compensation for physician and hospital services has evolved through the years, and the profound ways in which new reimbursement models are transforming the health care delivery system. The white paper begins with a look at early, direct compensation methods and includes an examination of emerging compensation models such as the Merit-Based Incentive Payment System (MIPS) mandated by the 2015 Medicare Access and CHIP Authorization Act (MACRA). It concludes with a discussion of how changing reimbursement methods may affect physician practice patterns and physician staffing.

[Download White Paper](#)



For additional information on the growth of hospitalists, please contact Rich Gehrke at 469.524.1657 or rich.gehrke@merrithawkins.com.

AHA’s Compensation Survey is Underway



The annual Arkansas Hospital Association (AHA) 2017 compensation survey is underway. Survey materials, including the online access information, were distributed January 2 by Compdata Surveys, the contractor which is conducting the survey again this year. The materials went to individuals in each AHA-member hospital who were designated last year to receive them. The data submission **deadline is Tuesday, February 3, 2017**. Results will be available in April, in compliance with Department of Justice requirements. Presented as an online tool, the results provide the most comprehensive hospital wage rate source in the state. The resulting report is available, free of charge, to all AHA members who submit data.

It has come to our attention that it would be helpful to access salary data by facility type. The 2017 survey is set up to report data in this manner. In order for the survey to provide breakouts by facility type, every member must report pay data by facility type. Every job title for which an AHA member reports in the survey asks for facility type and the zip code of the facility. **Please direct those completing the survey to include pay data for all facilities.**

We understand that payroll is the single largest expense in every hospital's budget. We can provide comprehensive survey data to every AHA member free of charge – as long as every member provides a complete data submission by the survey deadline.

All member hospitals are strongly encouraged to submit data for this survey. The more participants who participate, the more valuable the resource becomes. Please remind your HR team to submit its information by the February 3 deadline in order to take advantage of this great member benefit.

Executive data is included in the survey, so those members who submit data on executive job titles will receive results on executive pay, as well. Hospitals where executive compensation is not handled through HR can specify who in the hospital should have access to that portion of the survey.

For more information contact Theresa Worman at Compdata Surveys & Consulting at 800.300.9570 or tworman@compdatasurveys.com.

Protecting Your Hospital Volunteers

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Dedicated hospital volunteers deserve to be protected while they are serving our hospitals and patients. Because they are not paid for their services, however, there often is no coverage available for an injured volunteer worker.

Does your hospital have insurance to cover hospital volunteers? AHA Services, Inc. and the American Hospital Association endorse the AHA Volunteer Plan for the protection of hospitals and those generous individuals who donate their time to our facilities.

There is a group plan available for Arkansas Hospital Association members, or hospitals can take out individual plans, if desired.

“In absence of any coverage, an injured volunteer could file a general liability claim to have their injury/medical bills paid,” says Tina Creel, vice president of AHA Services, Inc. “This would go against the facility’s loss experience with their liability carrier. Volunteers injured while at the hospital facility are not covered by Workers’ Compensation coverage; therefore it makes sense that healthcare facilities would rather provide some level of coverage for injured volunteers, such as this plan co-endorsed by the American Hospital Association.”

The AHA Volunteer Plan was developed in collaboration with the American Hospital Association and AXIS Accident & Health, and it is a

cost-effective option for insuring hospital volunteers, whether on or off your hospital’s premises. The program offers flexible benefit levels and premiums that meet the specific needs of each healthcare organization, without deductibles or co-payments.

The benefits offered under each plan include:

- Coverage of medical expenses that result from covered accidental injuries;
- Coverage for accidental death and dismemberment;
- Coverage for dental expenses resulting from accidental injuries; and
- No deductibles.

For more information on the plan or assistance with plan enrollment, please contact Tina Creel, 501.224.7878 or tcreel@arkhospitals.org.

Personal Property and Casualty for Arkansas Hospital Employees – Liberty Mutual Benefits



Since October 2014, AHA Services, Inc. has endorsed Liberty Mutual Insurance to provide personal property and casualty insurance (discounted Auto and Home) to employees of our AHA member hospitals.

By enrolling in Liberty Mutual's Auto and Home Voluntary Benefits Program, your employees can enjoy quality coverage, expert advice, and caring service at a fair price, while your company enhances its benefits package – with no administrative burden or additional costs.

What's Available:

As a member of the Arkansas Hospital Association, your employees could be eligible to receive a discount on their auto and home insurance. Plus, with Liberty Mutual, they will get service and support when and where they need it.

- Onsite participation in quoting days, benefits fairs and picnics;
- Free educational seminars on a variety of insurance and safety topics, such as identify theft and disaster preparedness;
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- Convenient payment options, such as payroll deduction.

Liberty Mutual is a proven insurance leader. Writing policies since 1912, Liberty Mutual is the #1 provider of auto and home insurance to members of organizations like the Arkansas Hospital Association.

Today, Liberty Mutual is a top-5 insurer and #78 on the Fortune 100 list. They've also earned an "A" (Excellent) rating from A.M. Best Company.

Fellow AHA members, we are happy to call Liberty Mutual Insurance a partner of Regional One Health. The voluntary benefit offer for their Auto/Home Affinity program has helped many of our employees not only protect their most valuable assets, but also save them money.

Liberty Mutual has done a great job working with Regional One Health, and we recommend them.

*Cynthia Branch
HR Director of Operations*



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