



THE CONNECTICUT HOSPITAL ASSOCIATION AND AFFILIATES

Annual Report

JUNE 2001

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PRESIDENT'S MESSAGE

As healthcare providers, we have had to endure and adapt to substantial economic, regulatory and public policy changes in recent years in order to continue to provide the quality patient care and community service that the public has come to expect of us. In these challenging times, CHA, like its members, must endure and adapt to the ever-changing environment in order to stand firmly committed and true to its mission.



In this past year, CHA has gone through an earnest self-assessment. We have built upon our strengths, and in a period of transition, have effected changes in leadership, structure, and focus.

We recognize that it is only through continuous efforts at improving our programs and services, ensuring meaningful communication to, and input from, our members, developing our expertise, and strengthening our representation and advocacy, that we will best serve the changing needs of our members.

I am personally grateful for having had the steady, measured leadership and counsel of John H. Tobin, CHA's outgoing Chairman of the Board of Trustees. At the same time, I look forward to working with our new Chairman of the Board, Charles Riordan, M.D. CHA and its members are indeed fortunate to have such dedicated and talented individuals serving their cause.

A handwritten signature in cursive script that reads "Jennifer Jackson". The ink is dark and the signature is fluid and legible.

Jennifer Jackson
President and CEO
Connecticut Hospital Association

OUR MISSION

The mission of the Connecticut Hospital Association (CHA) is to advance the health of individuals and communities by leading, representing, and serving hospitals and their related healthcare organizations that are accountable to the community and committed to health improvement.

CHA ACHIEVES THIS MISSION THROUGH:

- Public policy and advocacy on behalf of the interests of hospitals and their related healthcare organizations;
- Leadership and innovative services to further community-based healthcare delivery;
- Strengthened ties and collaborative efforts with other organizations that have common values and aims;
- Innovative research and education in the delivery and financing of healthcare services;
- Leadership in fostering an environment within which integrated delivery systems can be created and thrive; and
- Assistance to the membership in ensuring quality, increasing efficiency and effectiveness, containing costs, and enhancing revenue.

MISSION

*Adopted by CHA Board of Trustees, May 13, 1996
Amended by CHA Board of Trustees, January 10, 2000*

PUBLIC POLICY AND ADVOCACY

Upon joining CHA, the new government relations team immediately set out to reestablish and strengthen the organization's relationship with legislative and executive officials and to heighten awareness in the state capital about the critical function that hospitals perform in their communities. These efforts established a solid foundation for CHA's 2000-2001 legislative agenda, as CHA became a visible, vocal, and well-received advocate for its members.

CHA advocacy efforts this legislative session have included comprehensive, expert testimony by CHA staff and hospital leaders on numerous bills throughout the legislature's committee public hearing process. As of the publication date of this Annual Report, the General Assembly is still in session and the outcome of certain bills, proposed amendments, and compromises is still uncertain. There is no question, however, that CHA's position on all pertinent legislative proposals is on the record.

The lack of fair and adequate reimbursement for the extensive and critical services that hospitals provide for Connecticut residents, regardless of their insurance coverage or ability to pay, continues to be the most important issue facing our hospitals. Thus, this issue received substantial attention by CHA staff and industry leaders.

This has been a crucial year for hospitals at the state capital due to the various proposed revisions to the traditional hospital reimbursement scheme. CHA was active in Hartford throughout the session, evaluating the various proposals, communicating their impact on hospitals to our members and to legislators, participating in budget negotiations, and working closely with legislative leadership and the Office of Policy and Management.

Other reimbursement initiatives this year included lobbying for timely payment, fair and adequate payment for mental health services, timely payments for medically necessary care, and a requirement that HMOs satisfy reserve requirements solely by funding such reserves.

CHA expended considerable effort this year on addressing the serious and rapidly worsening healthcare workforce shortage. The CHA Board created the Ad Hoc Committee on the Status of the Healthcare Workforce Shortage, comprising an interdisciplinary group of hospital leaders charged with developing an action plan to

address the shortage. CHA collaborated with many partners to educate the public and legislators on accelerating vacancy rates and the impact on current hospital staff and on patient care. CHA lobbied for an inclusive approach: a private/public partnership focusing on marketing healthcare careers, expanding educational access and resources, and ensuring adequate resources for providers. CHA supported a variety of bills in support of these goals.

In addition, stressing that passage of a bill to eliminate hospitals' use of limited mandatory overtime during a workforce shortage would jeopardize patient safety and threaten the viability of patient services, CHA was successful in brokering an agreement to eliminate the bill and to instead create a subcommittee of the Commission on the Future of Hospital Care in Connecticut. The subcommittee will analyze the mandatory overtime issue as part of a study on workforce shortage and retention issues.

Other CHA legislative activities this past year included advocating for greater access to healthcare coverage for Connecticut's citizens through expanded HUSKY coverage, modifying medical errors legislation to be consistent with federal requirements, avoiding unnecessary duplicative fraud legislation, and opposing an unreasonably broad proposal on patient abuse.

On the national front, nearly 20 Connecticut hospital leaders and CHA staff members traveled to Washington this spring to meet with Connecticut's Congressional Delegation during the American Hospital Association's Annual Meeting in order to address firsthand the critical issues facing our hospitals. CHA's federal advocacy agenda included issues such as: the healthcare workforce shortage and its impact on Connecticut hospitals, employees and patients; the lack of coverage for the nation's uninsured as a significant barrier to the delivery of effective healthcare; the failure of government payment programs to adequately compensate hospitals for the costs of caring for patients; and how burdensome rules, like the Health Insurance Portability and Accountability Act (HIPAA), divert resources that should be used for delivering patient care. In recognition of the fact that many policy, regulatory and reimbursement issues are federal in nature, CHA has been committed to enhancing its relationship with Connecticut's Congressional Delegation and their respective staff members.

LEADERSHIP AND INNOVATIVE SERVICES

CHA took a leadership role with the Commission on the Future of Hospital Care in Connecticut, including the preparation and delivery of presentations on the CHA-sponsored Mental Health Collaborative; the impact of Medicare, Medicaid, and Disproportionate Share Payments on hospital solvency; ChimeData's statewide healthcare database; and the healthcare workforce shortage.

To assure significant member input into CHA's financial policy development process, the CHA Board reestablished the Committee on Finance. CHA was subsequently able to develop — in response to efforts to eliminate the Uncompensated Care Pool and related taxes — an industry consensus on how to redistribute funds and increase Medicaid rates.

CHA has developed a comprehensive strategy to assist members in interpreting and implementing the complex requirements of the Health Insurance Portability and Accountability Act (HIPAA). CHA will synthesize HIPAA requirements with existing state law, provide technological solutions and critical vendor analysis, develop model policies and procedures for meeting privacy and security standards, and provide a series of implementation tools, and educational programs.

CHA continued to advocate for the exercise of appropriate Certificate of Need jurisdiction by the Office of Health Care Access over "free standing outpatient surgical facilities."

CHA continued to take a leadership role regarding the consent decree negotiated in 1999 by CHA on behalf of the state's acute care hospitals relating to services for deaf and hearing-impaired patients and their families. CHA hosted a special membership meeting to introduce the long-awaited pictograms developed by the Department of Justice. CHA also provided regular updates and held educational sessions throughout the year regarding decree compliance and ongoing staff training requirements.

*S*ERVICE

STRENGTHENING TIES AND COLLABORATIVE EFFORTS

CHA strengthened its relationships with state agencies, enabling it to provide practical and prompt information to members concerning several agency initiatives, including the Department of Children and Families' safe haven project, the Department of Public Health's community benefit survey, and distribution of the Office of Health Care Access' seminal report, "The Health of Connecticut's Hospitals."

CHA worked with the Department of Mental Health and Addiction Services (DMHAS) to restore funding for ambulance transportation of mentally ill patients from hospital emergency departments to DMHAS mental health facilities. In addition, the CHA-sponsored Mental Health Collaborative brought together state agencies, advocacy groups, payors, and providers to discuss strategies for resolving the mental health patient placement crisis in Connecticut.

CHA worked collaboratively with other associations, nursing leaders, education leaders, government agencies, and others to address the workforce shortage. Joint press conferences, press releases, editorial board meetings, mailings, and meetings with legislators and government agencies all contributed to a rapid education of the public and legislature about this critical issue. CHA also joined nursing leaders in support of legislation to create a nurse intervention program to provide an alternative, voluntary, and private opportunity for the rehabilitation of nurses with substance abuse or certain other problems so that they may return to treating patients promptly and safely.

CHA and several member hospitals participated in two exclusive roundtable sessions hosted by Congresswoman Rosa DeLauro and Congressman John Larson to discuss the impact of the healthcare workforce shortage on Connecticut's healthcare institutions, their staffs, healthcare educators and patients.

CHA's 2001 *Hospital Day at the Capitol* was a success and included a new Health Fair feature that raised the profile of hospital and health issues. The event provided an effective forum to mobilize grassroots support of legislation helpful to hospitals.

CHA met with senior representatives from Empire Medicare Services, the Health Care Financing Administration, Congresswoman Nancy Johnson's staff, and the Connecticut Association of Ambulatory Behavioral Healthcare to discuss the lack of adequate Medicare reimbursement for mental health services. The meeting was a critical step in CHA's efforts to implement strategies to reduce denial rates for mental health services.

CHA provided regular, and often daily, member updates during a statewide nursing home strike. Working closely with the Department of Public Health and nursing home industry representatives, CHA was a conduit of information on strike developments and implications.

CHA joined forces with the Connecticut Business & Industry Association (CBIA) and many other associations concerned about the potential erosion of the progress made in the past several years on Workers' Compensation statutes and regulations, strengthening its voice in support of initiatives to benefit the members of the CHA Workers' Compensation Trust.

T H CHA launched *UPDATE*, a new weekly newsletter that communicates information critical to our members in a timely manner via brief updates on key initiatives. This year also marked the conversion of much of CHA's communications from paper to e-mail, providing less costly and more timely information dissemination.

INNOVATIVE RESEARCH AND EDUCATION

Through CHA's Toward Excellence In Care (TEIC) program, Connecticut became one of only five states to participate in the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) Core Measures Pilot, and was the first performance measurement system to pass testing of the algorithms for all three pilot measure sets. As part of the pilot, TEIC has been designing a software program to assist the participating hospitals with data collection, editing, and analysis.

CHA is participating in the "Connecticut Collaboration for Fall Prevention," a project funded by The Patrick and Catherine Weldon Donaghue Medical Research Foundation. Through its ChimeData program, CHA will be providing data for this multi-year research project, which involves Yale University, the Connecticut Association of Home Care, Qualidigm, the Yale School of Medicine, the University of Connecticut School of Medicine, and 14 hospitals in the New Haven and Hartford area.

CHA's finance area collaborated with the Healthcare Financial Management Association (HFMA) to present a seminar on Medicare audit and reimbursement topics and contributed to HFMA's overall education program design.

The ChimeData program continues to provide statewide data for national research projects such as the Health Care Utilization Project (HCUP), sponsored by the Agency for Healthcare Research and Quality (AHRQ). The ChimeData program also supported the Connecticut Department of Public Health by providing data as part of its study on pediatric asthma, as well as data on neonatal hospitalizations as part of the Connecticut Birth Defects Prevention Program.

CHA completed a three-year research project called "RxInfo: Data Mining Tools for Assessing the Impact of Pharmaceutical Therapies on Population Based Healthcare Outcomes." The project, funded by the National Institute for Standards and Technology (NIST), came to a successful close in February 2001. Following completion of the NIST project period, CHA has continued the RxInfo research study with ten participating hospitals. CHA is providing pharmacy-specific comparative information to study participants and will evaluate the current and future use of the data.

Through its affiliate the Connecticut Healthcare Research and Education Foundation (CHREF), CHA offered nearly 100 education programs with more than 3,500 attendees from member organizations.

A resource for ongoing professional development, CHA Education Services planned a calendar of programs that met identified educational needs, enabling the rapid and responsive development of programs to provide information on emerging issues. The calendar featured annual premier programs such as the *Public Perception – Reality Check Conference*, the *Megatrends Conference*, the *Human Resources Forum* and *Nursing Forum*, and the *Complementary and Alternative Medicine Conference*, among others. It also included series programs, such as those on management skills, or those on coding and billing, as well as one-time programs on current healthcare topics.

This year CHA's education programs provided members with a source of continuing education credits through such professional associations as the Connecticut Nurses' Association, the National Association of Social Workers, the American Health Information Management Association, and the Healthcare Quality Certification Board.

Entering the arena of distance learning, CHA offered three new member services:

- CHA, in cooperation with 38 hospital associations and the American Hospital Association, has formed CareLearning.com, an internet-based education and learning administration system that recently released its Health & Safety Compliance Training series, designed to meet JCAHO and OSHA requirements.
- CHA contracts with Audionet to offer programs in an educational format that blends the convenience of teleconferencing with the visual power and resources of the Internet.
- Members are now informed via ChimeNet-hosted listservs of upcoming free government-sponsored satellite broadcasts.

FOSTERING AN ENVIRONMENT FOR INTEGRATED DELIVERY SYSTEMS

This year, ChimeNet, CHA's healthcare-specific network provider, significantly expanded its services and is currently working with hospitals to provide high-speed, secure connectivity between the hospitals and remote sites, such as physician offices. During the past year, ChimeNet renovated its facilities to create a telecommunications class data center, incorporating a new, highly redundant backbone infrastructure to support mission-critical provider communications. ChimeNet also added: new business class Digital Subscriber Line (DSL) service to facilitate more cost-effective connectivity for smaller remote sites; Virtual Private Networks (VPNs), which have been deployed at many facilities to encrypt data between sites and individuals over the ChimeNet network; and a managed firewall product that offers a cost-effective solution to network security.

CHA's Third Annual Megatrends Conference, "*Strategic Imperatives for a New Millennium*," brought more than 75 healthcare leaders together for a fast-paced program on revenue enhancement, physician alignment, workforce development, and strategically appropriate services.

CHA and the Connecticut Coalition to Improve End-of-Life Care cosponsored a successful second annual EPEC (Education for Physicians on End-of-life Care) program.



ENSURING QUALITY, INCREASING EFFICIENCY AND EFFECTIVENESS, CONTAINING COSTS, AND ENHANCING REVENUE

The Committee on Finance established a subcommittee to explore all possible options for reducing the growing number of denials for payment of services from managed care companies.

CHA's finance area obtained claims level outpatient data from the Healthcare Financing Administration (HCFA) and provided our members with a hospital specific analysis of the fiscal impact of Medicare's outpatient APC payment methodology. The financing area also educated members on the Medicare Wage Index and its computation, undertaking a statewide effort to improve the reporting of wage data to HCFA.

The ChimeData program implemented an online web-reporting tool that enables hospitals to electronically access comparative statistics on utilization and charges, and provides the flexibility to analyze the data in various ways and to present the data in different graphical formats.

CHA Insurance Services (CH AIS), the sales and marketing arm for the CHA Workers' Compensation Trust (CHAWCT), enrolled a record 90 new members during this past fiscal year and renewed more than 99 percent of expiring premium. Trust membership consists of more than 283 healthcare employers in Connecticut, including six acute care hospitals. CHA provides management services to the Trust and provides fully integrated services to Trust members aimed at decreasing members' loss experience and associated costs. CHA also provides third party administration to employers that self-insure their workers' compensation programs and now provides claims administration, managed care and loss control services to five hospitals, five municipalities, and two other employers.

CH AIS also announced the development this year of a specially designed, innovative equipment maintenance insurance program that reduces and monitors equipment maintenance expenditures. Savings typically range from 18 - 25 percent of current vendor maintenance contract costs. Additionally, in response to member requests,

CHAS began offering a voluntary short-term disability program to meet the needs of members' employees for non-job-related illness or injury.

CHA Securities, which markets financial service products to both individuals and institutions primarily through endorsement arrangements with organizations such as the New England Guild and SEI Asset Management Group, announced a new arrangement this year with CitiStreet Associates, LLC, a premier provider of defined contribution and financial services.

CHA Trust (CHAT) Conservation Loan Program continues to provide technical expertise and interest-free loans to acute care hospitals to help them improve their energy efficiency. To date, more than \$8 million has been committed to implement 104 energy conservation measures at 19 hospitals, with annual cost savings estimated at \$2.3 million.

The CHA Shared Services Program (CHASSP) has undergone some important changes. In addition to a mix of price-competitive national contracts and unmatched servicing of local contracts, CHASSP has added to its portfolio such untraditional offerings as financial services, human resources consulting, patient satisfaction measurement tools, employment screening services, internet-based equipment auction services, prescription review and auditing systems, and claims recovery services.



2000-2001 CHA BOARD OF TRUSTEES

EXECUTIVE COMMITTEE:

Chairman:

John H. Tobin

The Waterbury Hospital

Term Expires: 6/01

Chairman-Elect:

Charles E. Riordan, M.D.

The Hospital of Saint Raphael

Term Expires: 6/01

Immediate Past Chairman:

Edward S. Sawicki, M.D.

Windham Hospital

Term Expires: 6/01

President:

Jennifer Jackson

The Connecticut Hospital
Association, Incorporated

Secretary:

Marna P. Borgstrom

Yale-New Haven Hospital

Term Expires: 6/01

Treasurer:

Robert J. Lyons, Jr.

Gaylord Hospital

Term Expires: 6/01

Larry M. Gold

Connecticut Children's Medical
Center

Term Expires: 6/02

Cynthia A. Gutierrez

MidState Medical Center

Term Expires: 6/01

TRUSTEES:

John "Rusty" Chandler

Sharon Hospital

Term Expires: 6/02

Patrick A. Charmel

Griffin Hospital

Term Expires: 6/02

William T. Christopher

Lawrence & Memorial Hospital

Term Expires: 6/01

Philip D. Cusano

The Stamford Hospital

*Term Expires: 6/03 - Delegate to
American Hospital Association*

Richard Davidson

American Hospital
Association

*Ex Officio (Designate of President
of American Hospital Association)*

David D'Eramo, Ph.D.

Saint Francis Hospital
and Medical Center

Term Expires: 6/03

Lenworth Jacobs, M.D.

University of Connecticut
Health Center

Hartford Hospital

Term Expires: 6/01

Diana O. Karish

Norwalk Hospital

Term Expires: 6/03

Robert G. Kiely

Middlesex Hospital

Term Expires: 6/03

Paul J. McCool

VA Connecticut Healthcare
System

Term Expires: 6/03

Paul E. Moss

Milford Hospital

Term Expires: 6/03

Laurence P. Rubinow, Esquire

Eastern Connecticut
Health Network

Term Expires: 6/01

John C. Russell, M.D.

New Britain General Hospital

Term Expires: 6/02

Robert J. Trefry

Bridgeport Hospital

Term Expires: 6/02



*John H. Tobin, CHA Board
Chairman, delivers his address at
the 2000 annual meeting.*

2001 CHA AWARDS

CHA HONORARY MEMBERSHIP



Since the inception of this award, CHA's 81 Honorary Members have been distinguished by virtue of their personal dedication and contributions to the advancement of healthcare services. This year's recipient, Michael J. Daly, is no exception. The longest serving board member in the history of St. Vincent's Medical Center, Mr. Daly served for many years as Board Chair of the St. Vincent's Foundation, helping to build a \$42 million endowment focused on the protection and preservation of those mission-driven services that benefit the community.

JOHN D. THOMPSON AWARD FOR EXCELLENCE IN THE DELIVERY OF HEALTHCARE THROUGH THE USE OF DATA



*Standing: (left to right)
Dr. Michael Parry, Director of Infectious Diseases and Senior Vice President of Medical Services, and Julie Stewart, APRN, HIV Nurse Practitioner*

*Sitting: (left to right)
Pamela Wright, RN, HIV Adherence Nurse, and Jim Tucker, RN, MBA, Clinical Effectiveness Coordinator*

Sponsored by The Connecticut Healthcare Research and Education Foundation (CHREF), this prestigious award recognizes The Stamford Hospital as its seventh recipient. The hospital's award winning *HIV Collaborative Disease Management as a Roadmap to Quality* program included exhaustive data collection efforts that determined, among other factors, that one-third of HIV-related admissions were preventable. Aligning with The Stamford Hospital's organizational goals for quality, the program sought to improve the outcomes of HIV patients through initiatives such as the establishment of an HIV specialty clinic and HIV nurse practitioners and adherence counselors. The program achieved impressive results, improving the outcomes of HIV patients and creating a "Roadmap to Quality" for others to follow in their own communities.

CONNECTICUT'S HOSPITAL COMMUNITY SERVICE AWARD

The Hospital of Saint Raphael's *Smiles 2 Go* program is the recipient of this year's award, which is sponsored jointly by CHA and the state Department of Public Health. Founded in response to a comprehensive community needs assessment, the *Smiles 2 Go* program has provided care to more than 3,500 low-income children who would have otherwise gone untreated since it first "hit the road" in February 2000. The 48-foot mobile dental clinic consists of a custom-built tractor trailer and a staff of four – including two bilingual/bicultural staff members. Providing care on a mobile basis enables multiple populations to be served with minimal capital investment, a model for meeting oral healthcare needs that can be replicated in other communities around the state and the nation.



T. STEWART HAMILTON, M.D. DISTINGUISHED SERVICE AWARD

Philip D. Cusano joins a legacy of 36 preceding award winners who have been recognized for their significant contributions to public health. In his nearly 30 years with The Stamford Hospital, Mr. Cusano has demonstrated a broad vision of community health. As President & CEO of Stamford Health System, he directed the creation of a community health system and continuum of care through the integration of The Stamford Hospital and other local providers, such as hospice, VNA, and other long-term care services. Mr. Cusano has also championed the primary care needs of the community — without regard for ability to pay — through his commitment to the hospital-based pediatric services supported by the philanthropic efforts of The Stamford Health System.



CHA...SERVING CONNECTICUT HOSPITALS AND HEALTHCARE ORGANIZATIONS

*F*ounded in 1919, the Connecticut Hospital Association, Incorporated (CHA) has been representing hospitals and healthcare organizations for more than 80 years. Through a staff of professionals whose combined expertise covers virtually all areas affecting healthcare, CHA provides a wide array of services for its members including:

- State and federal representation and legislative advocacy;
- Patient care, legal and regulatory services;
- Patient and quality data analysis and interpretation;
- Healthcare network connectivity and security services;
- Healthcare finance and reimbursement data and interpretation;
- Extensive educational programming;
- Healthcare workforce data and assistance;
- Communication and information-sharing through member conference and meeting groups; and
- Insurance products and services and group purchasing savings.

SERVING

HOSPITALS

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CONNECTICUT HOSPITAL ASSOCIATION AND AFFILIATES

110 Barnes Road • Wallingford, CT 06492-0090

Tel: 203-265-7611 • Fax: 203-284-9318 • <http://www.cthosp.org>