



HOSPITAL AND HEALTH SYSTEMS

# Hotline

• VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS • 148 MAIN STREET • MONTPELIER, VERMONT 05602 • 802-223-3461 •

## March-April 2003 PRESIDENT'S MESSAGE



As we enter the second half of the legislative session, legislation dealing with hospital governance issues continues to progress through the General Assembly. To provide information and perspective to the House and Senate Health and Welfare Committees, the Vermont Association of Hospitals and Health Systems

(VAHHS) has completed an analysis of governance structures at Vermont's 16 hospitals.

Here's what we have found. For the most part, **governance structures at our local hospitals are a source of strength for our health care system, not a source of weakness.** Broad community involvement is the standard at almost every one of Vermont's hospitals. In fact, there are literally thousands of Vermonters with decision-making power on hospital boards and corporations across the state.

A brief primer on hospital corporate structure will help explain how hospitals involve local citizens. When a hospital incorporates, its governance structure must include "incorporators" or "members." These members are stakeholders in the community served by the hospital. Among their powers, the members elect the hospital board of directors.

Roughly half of Vermont's hospitals are subsidiaries of parent corporations. For example, North Country Hospital and Health Center is a subsidiary of North Country Health Systems. The parent corporation may oversee several other subsidiaries: a nursing home, a physician practice, a community health trust, or other health care providers that serve non-hospital functions. The parent corporation, which through its subsidiaries

has multifaceted relationships with many health care consumers in its local area, typically will have large numbers of citizen "members" or "incorporators." Rutland Regional Health Services, which is the parent of Rutland Regional Medical Center, has 1,200 members. Vermont hospitals that are not subsidiaries may also have a extensive membership that represents the community. Gifford Medical Center, for instance, has 450 members.

All together, there are nearly 3,000 Vermonters who serve their local hospitals as members or incorporators. There are nearly 250 Vermonters who serve on hospital boards as trustees or directors. These Vermonters are a diverse lot, and they bring tremendous perspective and breadth of experience to their work.

This analysis indicates that overall, hospital governance in Vermont is not at all "broken." Local residents are well represented in their hospitals' decision-making, and they are in position to play an important role in addressing challenges that now face our health care system.

Reassured by this knowledge, we can recognize that talking about who sits on hospital boards doesn't really get to the heart of governance dialogues. Health care stakeholders should be

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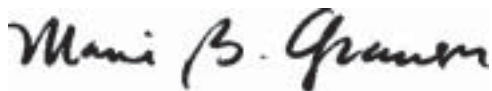
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asking, "What does governance for tomorrow look like in Vermont?" We face tremendous long-range challenges: an aging population, increased utilization, and declining reimbursements, to name a few. Rising to these challenges will require a great meeting of minds and community involvement that extends far beyond the board rooms of our hospitals. Our hospital boards and members must bring their collective expertise to bear in addressing the tough issues we face. Conversations about governance should first and foremost be trying to figure out how to make this happen.

Trustee governance isn't perfect. Events at Fletcher Allen have recently highlighted that reality. But the FAHC leadership, including both new and outgoing trustees, is spearheading welcome change. The Fletcher Allen Board of Trustees has launched an effort to review the hospital's fundamental governance structure and to make recommendations that will bring FAHC in line with current best practice for governance of a nonprofit health care organization. Issues that the board will take up include the appointment process for board members; the appropriateness of having employees, contractors, and/or vendors serve on the board; clearer definition of board and CEO responsibilities; the role of trustees in the community; and a review of which board meetings can or should be open to the public. Although Fletcher Allen has its work cut out for it in terms of repairing its governance structures and restoring public confidence, the work that the board and interim-CEO have undertaken to date is highly commendable. Their hard work will make Fletcher Allen a stronger institution in the long run. As Vermont's only tertiary care center, I hope it will be one that Vermonters will ultimately embrace and support.

Navigating the difficult waters of health care provision and regulation is hard work. In our local communities, and at the Statehouse, let's keep this in mind: our hospital boards are not a problem; they are a resource.



### AHA ANNUAL SURVEY DATA ARE IN FOR FY2001

Vermont Explor has acquired the national data set compiled by the American Hospital Association. Below is a first look at some of the data, comparing Vermont to all other states. Hospitals selected: general medical/surgical, rural, and with fewer than 100 staffed beds. Excludes nursing homes, LTC and other units.

	VT	Rest of US
Hospitals	11	1,538
Staffed Beds - Total	534	62,721
Staffed Beds - Avg	49	41
Avg Daily Census - Avg	26	16
Admissions - Avg	2,063	1,491
Admissions per Bed	42.5	36.6
Patient Days - Avg	9,459	5,951
Reg. Nurse FTEs	702	63,063
RNs per Bed	1.31	1.01
ER Visits - Avg	9,937	7,506
OP Visits - Avg	68,884	39,397
OP Surgeries - Avg	1,769	958
Mcare Discharges - Avg	162	227
Mcaid Discharges - Avg	16	63
Births - Avg	224	145

For more information contact Greg Farnum.

#### VERMONT ASSOCIATION OF HOSPITALS AND HEALTH SYSTEMS

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## VAHHS TO HELP RID HOSPITALS OF MERCURY DEVICES BY 2005

Vermont's sixteen hospitals have each agreed to participate in a voluntary project to rid our facilities of mercury by the end of 2005. The initiative is sponsored by VAHHS through a grant from the Vermont Department of Conservation Environmental Assistance Division.

Mercury has been shown to pose a significant threat to public health and the environment. In hospitals, mercury is most commonly found in thermometers, certain blood-pressure monitoring devices, and in batteries that provide back up power to medical equipment. There are now non-mercury alternatives for virtually all devices that once relied on mercury. VAHHS has contracted with CGH Environmental Strategies, a firm specializing in health care environmental management located in Newport, Vermont, to facilitate identification and safe disposal of all mercury-containing devices in Vermont hospitals.

In the coming year our members will:

- Audit their facilities to identify all sources of mercury still in use.
- Develop mercury elimination plans that will guide them in finding alternatives for all current uses of mercury still present in their facilities.
- Participate in educational forums organized by VAHHS.
- Take active steps to document the elimination of mercury at each facility.

This initiative – and the statewide participation it has elicited – demonstrates hospital commitment to strengthening our environmental performance. Reduction of mercury releases to the environment is a significant public health goal, one that has been embraced and advanced by the hospital community. The initiative is a natural next step to the enormous success of the public mercury fever thermometer exchange in Vermont, in which hospitals were key participants [*Lauri – is this the right way to say this?*]. This is the right time for Vermont hospitals to take the initiative and complete our efforts to safeguard Vermont's environment and public by completing our efforts to eliminate the use of mercury in our facilities.

## VERMONT RECRUITMENT CENTER TO CLOSE ITS DOORS

On April 9th, the VAHHS Board of Directors decided to close the Vermont Recruitment Center. The Recruitment Center was opened in 1995 with the help of federal funds to coordinate statewide efforts to recruit primary care physicians. Over the past eight years, market conditions for physicians have changed, with much greater emphasis on the need for specialists. The Center's model unfortunately became obsolete. The Center will officially close on May 1st, 2003.

## LEGISLATIVE REPORT: APRIL, 2003

As the legislative session hits the mid-way point, the three main issues that VAHHS has been working on are a certificate of need reform bill, the FY 04 Medicaid budget and a bill related to anesthesiologists assistants.

H.128, a comprehensive certificate of need reform bill, passed the House on April 2<sup>nd</sup>. VAHHS lobbied hard on this bill and made significant progress on key issues, including hospital report cards and community assessments. The bill is now in the Senate Health and Welfare committee where VAHHS will continue to offer suggestions for improving the bill.

The FY 04 budget bill passed the House on April 2<sup>nd</sup>. Significantly, the House agreed to replace the existing co-payment requirement for Medicaid recipients with premiums based on a recipient's household income. This proposal has the potential to increase costs for families with incomes of \$40,000-50,000 with children enrolled in the Medicaid program, and decrease costs for older, sicker Vermonters with chronic conditions. VAHHS supports this proposal for a number of reasons: it will help improve the Medicaid program in the long run, it will ward off increases in beneficiary co-pays and deductibles, and will reduce provider bad debt.

Finally, the Senate passed S.144, a bill that proposes to establish a system for certifying Anesthesiologist Assistants (AAs) in Vermont on April 3<sup>rd</sup>. VAHHS strongly supports this bill because it will help alleviate the severe nursing shortage faced by Vermont's hospitals. AAs will be a welcome addition to the pool of available professionals for Vermont hospitals to recruit. VAHHS will now shift its focus and urge the House to pass the bill.

## CALENDAR

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May 13, 2003

Realigning Healthcare Payment Policies and Incentives for  
High Quality Diabetes Care  
The Highlander Inn, Manchester, NH  
*Co-sponsored by US Dept. of Health and Human Services - New  
England Region, Vermont Program for Quality in Health Care,  
New England Public Health and Managed Care Collaborative*

September 3-5, 2003

VAHHS Annual Meeting  
Focus: Quality in Health Care  
Killington, VT