



**Kansas Hospital
ASSOCIATION**

***KHA's Trustee Resource
October 2024***

Register Today for the Hospital Board Leaders' Program – Oct. 22, Nov. 5 and Nov. 19

The Kansas Hospital Association and governWell are pleased to offer KHA members a program designed for board chairs, chair-elects, vice chairs and board members in line to be chairs. Learn about the board chair's leadership role, building purposeful agendas, facilitation and executive sessions, the Open Meetings Act, quality oversight, the board chair/CEO relationship, board conduct, board orientation, learning and development and board self-assessment.

This virtual program will include three 90-minute sessions on Zoom (4:00 - 5:30 p.m. on Oct. 22, Nov. 5, and Nov. 19) and an optional individual coaching session. Attendance will be limited to 50 trustees. Trustees will have access to breakout rooms to connect with other trustees. This education is for trustees only. Trustees will need to have a video connection and be able to use the chat feature in Zoom. Session resources will be shared with attendees' CEOs before the program.



New Guide to Kansas Health Care Terms, Acronyms and Abbreviations – Sixth Edition

Revised in October 2024 with the help of our partners at [governWell](#), the Kansas Hospital Association is pleased to provide members with a resource specifically designed for hospital trustees/board members: [*Speaking Health Care: A Trustees Guide to Health Care Terms, Acronyms and Abbreviations*](#). A lot has changed in health care since our last publication in 2020. This sixth edition will help trustees better understand health care's complex and confusing world. *Speaking Health Care* is also available in a customizable version to add specific hospital terms and abbreviations. Go to the [KHA website](#) or [Kansas governWell](#) to download the Word or Publisher version. We hope you find this resource useful.

Revisions Available to the Board of Trustees Governance Manual – October 2024

The Kansas Hospital Association's [*Board of Trustees Governance Manual*](#) is customizable for hospital trustees. It is a perfect tool for orienting new board members. The manual and all the appendices are created in Microsoft Word templates. Kansas hospitals can quickly and easily customize the manual and appendixes to their organizations' unique needs.

- [Instruction Guide for Board of Trustees Governance Manual](#)
- [Board of Trustees Governance Manual](#)
- [Appendix A: Kansas Health Care Terms and Abbreviations](#)
- [Appendix B: Effective Grassroots Involvement](#)
- [Appendix C: Writing Effective Letters](#)
- [Appendix D: Elected Officials Contact Information](#)
- [Appendix E: False Claims Guidelines and Sample Policy](#)
- [Appendix F: Hospital Corporate Compliance Program](#)
- [Appendix G: Sample Conflict of Interest Disclosure Statement](#)

What Boards Need to Know from the AHA Environmental Scan

Every year, the American Hospital Association publishes its Environmental Scan, including wide-ranging data and trends to help health care leaders understand current issues in the health care environment. The comprehensive scan is a valuable tool for strategic thinking, but the abundance of data can be overwhelming. This article provides high-level insights from the AHA scan, with questions for boards to consider as they prepare their strategic plans.

Financial Stability

Moody's predictions are positive, but the workforce is a significant factor. Moody's Investor Service recently revised its 2024 outlook for the health care sector from negative to stable. Part of this shift is due to decreased labor costs as the reliance on contract nurses has declined. At the same time, the health care workforce shortage is far from over and continues to have massive implications for hospitals and health systems. Hospital chief financial officers report that the top concerns they lose sleep over are employed labor, contract labor, inflation and supply chain expenses.

Billing and insurance are resource-consuming. Administrative costs comprise nearly one-third of total health care spending, and most of those expenses (82 percent) are attributed to billing and insurance. Hospitals report increases in the cost of seeking prior authorization approvals, complying with insurer policies, worsening experiences with commercial insurers and denials that are ultimately overturned.

Reimbursement costs do not cover expenses. Hospital expenses remain high, and reimbursement has not kept pace with rising costs. Hospital expenses increased more than twice what Medicare reimbursement increased from 2019 to 2022.

Care redesign is happening. AHA predicts that care will continue to shift to alternative settings, including virtual visits. The increased complexity and acuity of patients and changing care settings will require care redesign.

Rural hospitals face unique financial pressures. Rural hospitals and health systems face many pressures, including low reimbursement, staffing shortages, low volumes, a sicker patient population and regulatory barriers. More than three times as many rural hospitals closed in 2022 compared with 2021. When a rural hospital closes, the impact on community health and the local economy is significant. Some rural organizations are exploring other designations including rural health clinic, rural emergency hospital or Critical Access Hospital designation.

Financial Stability: Questions to Consider

- What is our organization's financial outlook for the next two years?
- Does our board understand the major financial factors at play?
- How does that influence our mission and strategic thinking?
- What does our CFO "lose sleep over"?
- How is care redesign happening in our local area?
- Are we proactive or reactive in the changes as consumer preferences change?

The Health Care Workforce

Workforce shortages continue to grow. 100,000 registered nurses left the workforce during the pandemic, and one-fifth of RNs nationally are projected to leave the health care workforce by 2027. It takes more than three months to recruit an experienced RN, and the turnover cost is significant. While the nursing shortage often garners the most attention, the professions most common to leave the health care workforce are physical therapists, nurse practitioners, licensed clinical social workers, physician assistants and physicians.

The work environment matters. The top factors influencing RNs to stay in their current positions include meaningful work, positive interactions, caring and trusting teammates, good health and a safe environment. Conversely, the top factors influencing RNs to leave their jobs are not being valued by their organization, inadequate compensation, no work-life balance, an unmanageable workload or a better job offer. Provider burnout is not unique to nurses. Pharmacy professionals are the most likely to report burnout among all health professions. Physicians also report a significant shift in "happiness at work," with 75 percent reporting they were very/somewhat happy before the pandemic and only 48 percent reporting they are very/somewhat happy today.

Technology has the potential to alleviate some challenges. Technology could provide relief for some of the workforce challenges faced. The AHA Environmental Scan predicts that as much as 30 percent of nurse tasks can be shifted to automation. The increase in virtual nursing programs also has potential, with one pilot program resulting in a significant decrease in first-year turnover rates.

Mental health shortages are substantial. More than 6,000 areas in the U.S. face mental health professional shortages, impacting 163 million people. This gap isn't expected to change, as more than 60 percent of all psychiatrists in the U.S. are 55 or older. The shortage of mental health providers has far-reaching implications. Studies increasingly demonstrate stronger patient outcomes when patients receive integrated primary care behavioral health services. In addition, integrated models demonstrate cost savings and reduced emergency visits.

Workforce shortages are the top concern for rural hospitals. More than 60 percent of all health professional shortage areas are in rural areas, including mental health shortages. The top two challenges rural organizations reported in 2023 were the cost of labor and labor shortages/employee turnover.

The Workforce: Questions to Consider

- What are our greatest workforce challenges and what long-term strategies do we have to address them?
- How does the board set the tone for a positive workplace environment and minimize provider burnout?
- How do employees view our organizational culture?
- Where is our organization in the process of implementing technology that could provide administrative relief for providers?
- What would greater integration of behavioral health services look like at our organization?
- What steps do we need to take to make it happen?

Quality and Value

Value-based payment models influence how care is delivered, with the goal of paying for quality rather than the volume of services provided. The increase in value-based payment models has leveled off. Delivery transformation models, such as team-based care, telehealth and alternative care sites, also improve quality and value.

Patient safety culture measures show opportunities for improvement. In a survey conducted by the Agency for Healthcare Research and Quality, the highest reported measurements of patient safety culture in hospitals include teamwork, supervisor, manager or clinical leader support for patient safety and communication openness. The lowest measures of patient safety culture in hospitals are a response to errors and learning from mistakes, handoffs, and information exchange between hospital units and during shift changes, staffing and work pace.

Care will increasingly shift to the home. Hospital-at-home programs have existed since the mid-1990s and have been shown to reduce costs, improve outcomes, and enhance the patient experience. HaH waivers continue to provide flexibilities for remote care, and experts predict that as much as one-quarter of all Medicare beneficiaries care could shift from traditional facilities to the home by 2025.

Health equity and social factors that Influence health. Health equity and addressing social determinants of health is a big part of improving population health. The majority of hospitals report collecting data on patients' health-related social needs and receiving social needs data from external sources. The Centers for Medicare & Medicaid Services has added two social determinants of health measures to the Inpatient Quality Reporting program. While these measures were voluntary in 2023, they are mandatory in 2024.

Quality and Value: Questions to Consider

- Do we, as a board, understand delivery transformation models and how care is changing? Does our strategic thinking reflect that?
- What are infection rates like at our hospital or health system compared to national trends?
- How does our board set the tone for a culture of patient safety, and how is that measured?
- How does care increasingly shift to the home impact our organization?
- Are we measuring and taking active steps to address social determinants of health in our community?

Consumerism

Patients want trustworthy care that meets their unique needs, increases patient engagement and provides the tools and resources to manage their health.

Technology allows care to be more individualized. Continued advancements in medicine and technology have expanded the potential of "individualized" care or "precision medicine." The most advanced applications are in genomics, using patient DNA to diagnose and custom-treat diseases.

EHRs provide opportunities for increased patient involvement. More than nine in ten hospitals provide patients with an electronic health record that allows them to view their information online in a portal. Hospital EHRs also increasingly allow patients to download information from their medical records, transmit medical information to a third party and submit patient-generated data (such as blood glucose). Most hospitals also provide patients with access to their health information using apps.

Where patients access primary care is changing. Between 2017 and 2022, claims grew 200 percent for retail clinics and 70 percent for urgent care centers. During that same time, claims declined by 1 percent for emergency departments and 13 percent for primary care physician offices. Experts predict that while traditional primary care will still exist in the future, many will shift toward non-traditional providers such as retailers (CVS Minute Clinics, Kroger Health, Amazon), virtual care, payers and payer-owned services.

Coverage impacts whether patients access needed care. More than 40 percent of working-age adults were inadequately insured in 2022. Four out of ten insured adults report skipping or delaying care due to cost; another one in six said they had problems paying their medical bills. When patients delay care, they report more use of emergency departments and urgent care centers and less routine preventive care. Some challenges could be addressed by improving the transparency of health care costs, helping customers understand their options and helping patients navigate the care they need.

Trust in public health must be re-established due to misinformation. The pandemic resulted in information overload and a prevalence of misinformation, including confusion about vaccines, COVID-19, pandemics and emerging infectious diseases. There is a need for health leaders to strengthen information management strategies to build trust and better prepare for future emergencies.

Telehealth utilization is predominantly for mental health. Nearly 70 percent of telehealth claims among privately insured patients are for mental health conditions. New mental health apps are being created for specific populations, such as people of color and Indigenous people, LGBTQI+ individuals and people with serious mental illness. These shifts can potentially impact rural behavioral health needs, but one-third of rural patients currently do not have access to consistent or affordable internet.

Consumerism: Questions to Consider

- Is our organization providing "individualized" care?
- How are we utilizing EHRs and other forms of technology to better engage with patients?
- What is our organizational strategy for participating in the transition in how care is accessed? For example, have we considered partnerships with retail-based clinics or adopted retail-like strategies?
- How can we better help uninsured and underinsured patients navigate the health care system to increase access to care when needed?
- Are we leveraging telehealth?

Special thanks to The Walker Company and governWell™ for the use of: *What Boards Need to Know from the AHA Environmental Scan*. Additional trustee resources are available in [Kansas governWell](#) and the [Trustee Section](#) of the KHA website.

Key Health Care Trends for Hospital Boards

Hospital and health system boards should regularly engage in education about the trends and shifts occurring in both national and local environments. While not an inclusive list, the trends outlined below are highlighted in the AHA Environmental Scan.

Public Trust: Trust in Hospitals and Doctors Is Positive. Although the pandemic resulted in significant erosions of public trust in the health care system, there are indications that trust may be strong with individual hospitals and providers. More than eight out of ten voters surveyed report they trust their preferred hospital either a "great deal" or a "fair amount" for information about critical health issues. In addition, more than three-quarters of individuals surveyed say they trust their doctor or clinician. Reported trust is much lower for digital health apps, websites and social media groups.

Uninsured Rates Are Low, but Some May Lose Coverage or be Underinsured. The uninsured rate improved from 9.2 percent in 2019 to 8 percent in 2022. In August 2023, the U.S. Department of Health and Human Services reported that the national uninsured rate reached an all-time low of 7.7 percent. While the low rates are good news, some reports indicate that nearly a quarter of those covered are underinsured and continue to face affordability challenges that impact access to care. In addition, Medicaid enrollment may be experiencing a shift. Legislation passed during the pandemic prevented state Medicaid programs from disenrolling people, but that ended in March 2023. Late in 2023, more than nine million Medicaid enrollees had been disenrolled, many for procedural reasons. Children accounted for 40 percent of all disenrollments.

Artificial Intelligence Has the Potential to Reduce Costs and Streamline Care. Artificial intelligence is already being used in varying degrees by health care organizations. Many are using AI for chatbots and personal assistants to streamline patient documentation and charting and to predict readmissions or individual risks for certain medical conditions. There are concerns about how AI can best be used to its full potential without introducing new risks and potential for errors. Still, one study predicts that wider adoption of AI could lead to savings of 5-10 percent in U.S. health care spending without sacrificing quality or access. Other studies predict AI could lessen workforce shortages.

Mental Health Concerns Are Growing Among Young People. Mental health cases in children's hospital emergency departments were 20 percent higher in 2022 than in 2019. Young adults are more likely than older adults to experience anxiety or depression, with half of all young adults (ages 18-24) reporting anxiety or depression symptoms in 2023. Social media can negatively impact mental health, and LGBTQI+ youth are at higher risk. In addition, firearms are the leading cause of death for children in the U.S. and are the most used weapon in interpersonal violence against women.

Heart Disease Is Still the Leading Cause of Death. The leading cause of death in 2022 was heart disease, followed by cancer, unintentional injury and COVID-19. COVID-19-related deaths declined by nearly 50 percent compared to the previous year. At the same time, deaths by suicide reached a record high in 2022.

Climate Change Is Impacting Health. In 2023, there were 24 weather-related disasters in the U.S., with damage of at least \$1 billion. In addition, one in three Americans lives in unhealthy levels of air pollution, and the summer of 2023 was the hottest summer on record. Some hospitals are making changes to impact climate change by moving toward plant-based meals, updating HVAC systems, implementing building automation and controls, and updating electrical systems to be more efficient.

Health Care Trends: Questions to Consider

- Does our board receive regular education about current trends and how they impact our organization and community?
- How would we describe our community's trust in health care?
- Are rates of uninsured and underinsured shifting in our community? How is it impacting our organization?
- Is our organization already using AI?
- What steps can we as a board take now to understand AI better and start using it in small ways?
- What are our local community's mental health challenges, and how are we helping meet those needs?
- How do our mission and vision inspire our organization to respond to ongoing public health challenges and climate change?

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Exemplary Trustees Recognized at KHA Convention

It is with pleasure that the Kansas Hospital Association recognizes hospital trustees who provide an exemplary contribution through their leadership and governance. Hospitals across the state nominated individuals for the Trustee of the Year Award because they routinely went above and beyond the call of duty. Seven trustees from hospitals and health systems across Kansas were nominated as Trustees of the Year:

- Terry David, Hospital District #1 of Rice County, Lyons
- Jared Estes, Via Christi Rehabilitation Hospital, Wichita
- Matt Floersch, MD, Ascension Via Christi Hospital Manhattan, Inc., Manhattan
- Debbie Palacioz, NMC Health, Newton
- Dan Palmgren, Satanta District Hospital, Clinics & LTCU, Satanta
- Kenton Welmter, Smith County Memorial Hospital, Smith Center
- Sister Pam Young, Ascension Via Christi Health, Wichita

Based on the recommendation from a committee of KHA member CEOs and hospital trustees, the KHA Board of Directors selected Terry David, Hospital District #1 of Rice County, Lyons, as the 2024 Trustee of the Year. He was recognized during the KHA Awards Ceremony on Sept. 5. A donation has been given to the Rice Community Healthcare Foundation in his honor.

Save the Date for the Critical Issues Summit – March 6-7

The Critical Issues Summit, hosted by the Kansas Hospital Association, brings together hospital leadership and trustees from across the state and promotes the importance of good governance practices. This event provides top notch speakers, educational sessions and discussions on the most critical topics facing hospitals today. This is an event hospital trustees will not want to miss. Mark your calendars for March 6-7, 2025.

Registration Now Open: Rural Health Symposium – Nov. 21

Register now and plan to attend the Rural Health Symposium on Nov. 21 at the DoubleTree by Hilton Hotel Wichita Airport in Wichita. Rural health care providers constantly face new challenges and fewer resources. The purpose of this symposium is to provide attendees with the skills, ideas and information necessary to survive in the rapidly changing world of rural health care.

Target Audience: This symposium is designed for senior-level administrators, hospital trustees and others interested in rural health issues.

Session topics include the following:

- Predicting Financial Distress
- Understanding the Policy Landscape
- When Generations Connect
- Improving Behavioral Health Access in Kansas



American Hospital Association Convenes Regional Meetings

The American Hospital Association recently convened the final Regional Policy Board meeting for 2024. The event occurred in St. Louis and brought together hospital leaders from Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota and South Dakota. As always, the AHA staff sets a full agenda to discuss current and future hospital and health care issues. To kick off the meeting, the AHA team provides a thorough and up-to-date briefing on the latest federal legislative and regulatory environment. While most attention is focused on the Nov. 5 general elections, AHA has already started strategizing on the advocacy priorities that will top the agenda for the upcoming "lame duck" session. The advocacy agenda will include several key initiatives, such as protecting against site-neutral payments, extending the Medicare-Dependent Hospital /Low-Volume Hospital programs, avoiding Medicaid Disproportionate Share Hospital cuts and holding commercial insurance plans accountable. As expected, the upcoming elections will also influence Congress's priorities. The Kansas Hospital Association team will collaborate with our AHA colleagues to ensure we are aligned in speaking with a unified voice.

Most Regional Policy Board meetings focused on the health care workforce, including physician impact and projections. Recent reports from the Association of American Medical Colleges indicate the U.S. may have a shortage of up to 86,000 physicians by 2036. This shortage could be even more significant, up to 202,800, if historically underserved communities had fewer health care access barriers. Another factor that is impacting the physician workforce is reimbursement. From 2001 to 2024, the Medicare physician payment has decreased by 29 percent. Several physician workforce solutions were explored by the RPB attendees that ranged from the expansion of digital health and AI to ensuring other health care professionals are permitted to practice at the top of their license.

Additional topics discussed during the RPB meeting included Enhancing Public Trust and Confidence, Impact of the SCOTUS Rulings: Beyond Chevron, Coalition to Strengthen America's Healthcare and Member Accountability. Regarding the last topic, AHA is developing an "internal self-assessment tool for public trust and accountability" to help hospitals better understand their "blind spots" and areas of strength. Once finalized, this comprehensive tool will be placed on the AHA website for member hospitals to access.

An Ongoing Focus on Quality Is Essential

Each year, our partner, the Kansas Healthcare Collaborative, brings together clinical, quality, risk management and administrative leaders to educate and inspire improvements in quality and safety at an annual Summit on Quality. This event is an opportunity for leaders to come together to focus on systems issues and how we can all work together to improve safety and quality.

In addition to speakers who inspired and educated attendees, hospital quality work is recognized with the Leadership in Quality Award program, sponsored by the KAMMCO Foundation. This year's Leadership in Quality Award winners are NMC Health in Newton and Logan County Health Services in Oakley.

NMC Health was recognized for its interdisciplinary approach to reducing health care-acquired C. Diff infections. This multi-year process improvement project to reduce *Clostridioides difficile* Infections resulted in a significant reduction in C. Diff infections after the addition of two-step testing, daily surveillance and re-education of clinical teams. The current outcome of this initiative at NMC Health is consistently zero HAI CDI for nine months.

Logan County Health Services was recognized for its achievement in reducing and preventing infections through antimicrobial stewardship. The Antimicrobial Stewardship team at Logan County Health Services initiated and expanded a comprehensive AS program to reduce and prevent infections throughout the facility. At the project's initiation, only 45 percent of the expected cultures were obtained before initiating antimicrobial therapy. Following nursing and provider education and buy-in, expected cultures have exceeded the goal of 90 percent.

We congratulate NMC Health and Logan County Health Services on their achievements and their teams' hard work in improving care and safety in their facilities. Learn more about these award-winning quality initiatives on the KHC website.

We also applaud the Kansas Healthcare Collaborative for providing a high-quality and inspiring conference to improve care and safety in Kansas. This conference is one example of the types of quality education the Kansas Hospital Association and Kansas Medical Society envisioned when we partnered to found KHC 15 years ago. We appreciate our ongoing collaboration and the opportunity to support members jointly for the work they do every day to improve care quality and safety in your facilities.