



A Message from the President

Dear Colleagues,

Spring is here, and thankfully a very different winter is finally behind us. This is maybe the best time of year for me... the grass seeps through the ice and snow... I trade my shovel in for my golf clubs... and of course, it is the usual climax of the sports year. March Madness, The Masters, Opening Day and the NBA and NHL Playoffs.....not so fast Flyers and Sixers fans!!

ACHE CONGRESS. It is also the time of year when ACHE continues its valued tradition of the its Annual Congress. In excess of 4,000 affiliates and fellows made their way to New Orleans in an effort to network, realize great educational opportunities, and attain valuable Category I credits. I was pleased that many of members from Eastern Pennsylvania took advantage of this great opportunity. While I have attended many past events, I must admit this year was particularly special for me. First, the sessions I attended were better than before. Secondly, I think I was similar to others who enjoyed the change in location (versus Chicago). Thirdly, I was very impressed by the amount of ACHE colleagues transitioned to Fellowship status, particularly in our region of the Commonwealth. Finally, our local chapter was one of two chapters nationally that won an award for providing our membership premier customer satisfaction. On behalf of our present and past administration, we appreciate your support, and hope to continue our commitment in providing you the highest of value for your membership.

However, one of the key moments for me was having some time to walk around New Orleans and even talk with some of the locals. I was taken back, by how the city and the people were determined to persevere and bring back New Orleans to its original state. On my flight home, I sat with two former natives of the Gulf Area who had to relocate to Alabama due to losing their home due to Hurricane Katrina. Although they safely carried their memories insides their hearts and minds, nevertheless, most physical memories were lost. I admired their courage and optimism, and was once again reminded how fragile life really can be.

PAST AND UPCOMING EVENTS. Our first quarter to the calendar year was very successful. We have recently completed our membership drive, and continued to see our membership stay in excess of 100 people. Our key educational event for the quarter was marked by our February 22 event entitled, "Prescription for Pennsylvania". Our guest speaker was Barbara Holland, Esq., Deputy General Counsel with the Pennsylvania Governor's Office for Health Reform. Over 60 guests were provided a fabulous learning experience on the present and future state of healthcare reform in the Commonwealth. All participants received two Category II credits for their participation.

For this next quarter, we will have multiple events scheduled in May. First, on May 15, the Hospital Association of Pennsylvania will be hosting its annual event. The ACHE

Calendar of Events

Eastern Pennsylvania Healthcare Executive Network (EPAHEN)

May 31, 2007 * 6:00pm

EPAHEN Membership Meeting

Brookside Country Club

Speaker: Congressman Charlie Dent
"Legislative Update"

Hospital Association of PA (HAP) Leadership Meeting

May 14-15, 2007

HAP Leadership Summit

Harrisburg Hilton & Towers

May 15 * 7:30am

Statewide ACHE Breakfast

American College of Healthcare Executives (ACHE)

May 21-24, 2007

New York, NY Cluster

June 11-14, 2007

Cape Cod, MA Cluster

July 31-August 2, 2007

Lake Geneva, WI Cluster

September 17-20, 2007

Atlanta, GA Cluster

Information on these, and other upcoming local, regional and national events is also available at the EPAHEN web site:

<http://epahen.ache.org>

(note: no "www" !)

Notes From ACHE

Medicaid Pay-for-Performance: Ongoing Challenges, New Opportunities. With pay-for-performance (P4P) programs on the rise among private health plans, more states are considering ways to integrate both financial and non-financial incentives into their Medicaid programs. In *States in Action: A Bimonthly Look at Innovations in Health Policy*, the Commonwealth Fund reviews some of the challenges states are facing in implementing P4P. A review of states that have implemented P4P in Medicaid managed care plans found that the top five goals were to: 1) reward high-quality care; 2) reduce variation in patterns of care; 3) improve performance on specific measures; 4) support broader quality strategies, including value-based purchasing; and 5) improve access to care and support for the safety net. The report is available at http://www.cmf.org/publications/publications_show.htm?doc_id=444954#medicaid.

Nursing Workforce Expands as Average Age of RNs Increases. The number of licensed registered nurses (RNs) in the United States grew by almost eight percent between 2000 and 2004 to a new high of 2.9 million, but the average age of the RN workforce continues to increase, according to a report just released by the Health Resources and Service Administration (HRSA). The report, *The Registered Nurse Population: Findings from the March 2004 National Sample Survey of Registered Nurses*, includes data comparisons from seven recurring surveys, 1980 through 2004. The 2004 survey found that real earnings for RNs grew significantly for the first time in over a decade. For more information or to order the report, go to: <http://newsroom.hrsa.gov/releases/2007/nursing-survey.htm>.

Report Outlines Steps Hospitals Can Take To Promote Public Health. The American Hospital Association's Health Research and Educational Trust (HRET) affiliate recently sent hospital leaders a report (PDF) that suggests ways hospitals can work with their communities to end health disparities, coordinate care, prevent disease and optimize access to care. A national committee of 21 hospital and public health leaders with expertise in public health developed the report for HRET after 15 months of focused discussion supported by the Centers for Disease Control and Prevention. "The recommendations and the report serve as a catalyst for hospitals to re-examine the role they play in the public health of the communities they serve and how to build and improve that relationship," said HRET President Mary Pittman. (*AHA News Now, March 13, 2007*)

Cost of Healthcare Top Concern of US Adults. The rising cost of U.S. healthcare is a pressing concern for 85 percent of U.S. adults, according to a recent survey sponsored by the American Society for Quality (ASQ) and conducted by Harris Interactive®. In fact, healthcare costs overtake U.S. adults' concern for other hot button issues including the war in Iraq (79 percent), the rising cost of fuel (80 percent) and the threat of global warming (61 percent). The issue of universal healthcare coverage wins strong approval in the ASQ survey which found that 79 percent of adults believe universal coverage would improve healthcare quality. According to the ASQ survey, nearly nine in 10 (88 percent) adults think being able to go to any doctor would also improve the quality of their healthcare over the next five years. In other findings, 39 percent of adults said they would be concerned/very concerned about medical errors occurring if they were hospitalized; 29 percent of U.S. adults have not filled a prescription; and 28 percent have delayed a medical procedure due to expense (28 percent). For more information on the study, go to <http://www.asq.org/media-room/press-releases/2007/20070320-healthcare-war.html>.

A Retail Solution for Healthcare. According to a recent Strategy+Business article "Health Care's Retail Solution" by David Knott, Gary Ahlquist, and Rick Edmunds, the time is finally ripe for a transformation of the global healthcare industry to a true retail marketplace. New formats like "mini-clinics," new modes of payment and increased transparency may make the difference that legislators alone cannot. Drawing on experience and insights gained from a 2006 Booz Allen Hamilton study of 3,000 consumers and 600 physicians, the authors suggest that to make competition and innovation among payors and suppliers possible, the system will require the following: consumers who live healthy lives and plan for their future healthcare needs; a fundamentally restructured supply side that provides consumers all the information they need to make wise choices and is quick to respond to changing consumer demands; and new kinds of intermediaries (perhaps the payors of today, perhaps not) to help align the supply and demand sides and help consumers navigate the complex system. The authors suggest that we are already seeing the following signs of a retail transformation:

- New healthcare formats and competitors are gaining traction.
- Companies that aren't traditional healthcare players are leveraging their capabilities to create entirely new offerings that enable and encourage the move toward healthcare consumerism.
- More employers are starting to offer consumer-directed health plans.
- The federal government and leading private-sector payors are driving providers to make

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University of PA Health System
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Lehigh Valley Hospital and Health Network

PRESIDENT'S MESSAGE *continued*

breakfast scheduled for that morning will be sponsored by multiple chapters, including EPAHEN. At the end of the month (May 31), State Representative Charlie Dent will present at the Brookside Country Club. Mr. Dent will focus on local, state and national legislation associated with healthcare.

In closing, with the weather changing you will see more communications with respect to upcoming events. As always, if there are any thoughts or ideas you may have as to making sure we are providing you with the highest of customer satisfaction, please do not hesitate in contacting me anytime. I look forward to seeing you in May!!!

NOTES *continued*

cost and quality data more transparent so that consumers can make better informed choices.

Visit the Strategy+Business Web site at <http://www.strategy-business.com/press/article/07107?gko=d8bb0-1876-23503925> to read the full article.

State Medicaid Programs “Pay for Performance” Practices. In the first published nationwide survey of state Medicaid programs on "pay-for-performance" practices, more than half of all programs state they provide financial incentives to healthcare providers for better quality care. Almost 85 percent of states plan to have pay-for-performance programs within five years. Seventy percent of existing Medicaid pay-for-performance programs operate in managed care or primary care case management (PCCM) environments, focusing on healthcare for children, adolescents and women. While planned programs are still focused on managed care and PCCM providers, they appear to be shifting their emphasis to environments in which quality and cost issues related to chronic disease management can be better targeted. The study was published by The Commonwealth Fund, a private foundation working toward a high-performance health system. Authors are from IPRO, a not-for-profit quality evaluation and improvement organization and The Kuhmerker Consulting Group LLC. For more information, go to http://www.cmf.org/publications/publications_show.htm?doc_id=472891.

Welcome New Members!

Brandon Calderon
Administrative Resident
Pocono Medical Center

Stephanie Pacelli
Quality Analyst
Lehigh Valley Hospital and Health Network

Samuel Platia
Regional Manager
St. Luke's Hospital & Health Network

John Toner
Director of Development
St. Luke's Hospital & Health Network

Welcome Back Returning Members!

Brian Finstein
Chief Executive Officer
Mercy Fitzgerald Hospital

*The full EPAHEN membership directory
can be found on our web site (epahen.ache.org).*