President’s Message

I hope everyone was able to spend some time with friends and family.

I would like to thank everyone that supported me and Michael Bock the 2016 MOSHE president for all of his dedication and leadership. His knowledge of the organization is invaluable and I appreciate everything that has been done to create this wonderful organization.

January went by like a flash, and as we move forward, our goals and plans for home and family have started. The education committee has started with a bang with two blockbuster SELL OUT shows: “The Changes to the Life Safety and Environment of Care Standards” (January) and “CMS Requirements” (February).

MOSHE News

MOSHE is doing very well in 2017. We had 388 members in 2016, and this year we’re up to 451. A big thanks to our membership committee and the excellent programs offered through our affiliation with the Missouri Hospital Association.

Upcoming Events

March 12-15: Orlando, ASHE PDC Conference
April 5: Jefferson City, St. Mary’s Health Center
Behavioral Health — Psych Safe, Presenters TBD

May 3: St. Louis, Mercy Virtual Care Center
Jonathon Flanery, Senior Associate Director, ASHE

June 7: Rolla, Phelps County Cancer Center
Water Treatment; Presenters TBD

July 12: St. Louis, Moto Museum
(Time change: 3-6 p.m.) Case Study/Best Practices

Aug. 2: St. Elizabeth’s Hospital, Belleville Ill.
Joint meeting with SICHE
Fire Stopping; Presenter Bill McHugh, FCIA National

Aug. 6-9: Indianapolis, ASHE Annual Conference

Sept. 11: Innsbrook Resort and Conference Center
Annual Education Program & Golf Outing

Oct. 4: Forest Hills Country Club, Education Seminar
Perpetual Readiness - 5th Annual Education Seminar
Keynote speakers: Rod Schafefer and Ty Moeder,
Mitigation Dynamics Incorporated — MOSHE’s Men in Black

Nov. 1-3: Missouri Hospital Annual Conference, Tan-Tar-A
Change Management; Presenter TBD
2017 Challenges: The Health of Health Care

Hospitals across the nation are struggling to meet the challenges of the current payer model and looking at staffing levels. MD Anderson in Texas announced 1,000 staff layoffs. The engineering departments of all hospitals are being challenged to do more with less, which is affecting all hospitals large and small.

Communities need a functioning hospital system regardless of location. Without Medicare expansion, the hospitals in Missouri are making 15 percent less on each patient stay, compared to the states that have expanded Medicare. Those challenges to make up the difference are difficult. It is imperative that we are able to provide the critical information to facility managers and administrators to keep the environment of care and the life safety system at the appropriate level for patient care. There is great concern as to how it will continue to operate.

Here’s where the money goes for each dollar:

- 43 cents – salaries and benefits
- 24 cents – supplies
- 14 cents – maintenance, utilities, operational expenses
- 9 cents – contracted services
- 6 cents – depreciation

This leaves a 4 cent margin in which to operate. This is not sustainable, and serious changes will need to be made to continue. ASHE and MOSHE offer affordable ways to provide the opportunity to meet and discuss the issues that are affecting all of us at an affordable rate.
ADVOCACY PRINCIPLES FOR REPLACEMENT OF THE ACA

- Any action that Congress takes should enhance and protect access to health care coverage, ensure equity in all programs, adequately reimburse all health care providers with appropriate incentives to deliver care more efficiently, and improve the safety and the quality of care that is delivered.

- If Congress repeals the coverage components of the ACA, the repeal should be concurrent with the effective date of a replacement law that provides comparable levels and stability of coverage to an equivalent number of Americans. The transition should not displace current coverage or increase the number of uninsured.

- If Congress repeals the coverage components of the ACA it should concurrently repeal the payment reductions imposed by the ACA to provide funding for the ACA’s coverage initiatives. If any of the ACA’s payment reductions are to be used to provide funding for an ACA replacement law, their inclusion should be debated as part of the enacting legislation.

- Implementation of an ACA replacement law should be timed to permit an orderly transition to new models of health care financing and delivery and minimize disruption to patient care.

- An ACA replacement law should not disadvantage states which choose to make use of provider taxes to support their Medicaid programs.

- An ACA replacement law should not disadvantage states that did not expand Medicaid eligibility under the ACA.

- An ACA replacement law should ensure fair competition for hospitals and other safety net providers.

- An ACA replacement law should have long-term fiscal sustainability.

- Building on lessons learned from the ACA’s enactment, an ACA replacement law should be thoroughly and openly reviewed by Congress and the American public before enactment.
Realities of Repeal

$9 billion in cuts to Missouri hospitals isn’t sustainable without offsetting coverage

Congress is considering whether, how and when to repeal the Affordable Care Act and enact laws creating new health programs. The potential consequences are daunting for hospitals and their patients. A badly synchronized repeal and replacement could be a travesty for Missouri. The following describes two components of the ACA that warrant careful attention. Title III of the ACA authorizes more than $9 billion of payment reductions for Missouri hospitals throughout the next 10 years. Repealing the coverage component of the ACA is expected to cause more than a quarter-million Missourians to become uninsured.

Cuts Rural Versus Urban

<table>
<thead>
<tr>
<th>District</th>
<th>Rep.</th>
<th>Medicare Marketbasket</th>
<th>Medicare DSH</th>
<th>Medicaid DSH</th>
<th>Medicare Pay-for-Performance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RURAL</td>
<td></td>
<td>-$593,527,000</td>
<td>-$72,475,600</td>
<td>-$1,235,770,100</td>
<td>-$18,138,100</td>
<td>-$1,919,910,800</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,591,849,500</td>
<td>$1,171,440,300</td>
<td>$2,192,432,365</td>
<td>$227,631,500</td>
<td>$7,183,353,665</td>
</tr>
<tr>
<td>URBAN</td>
<td></td>
<td>-$317,075,200</td>
<td>-$22,260,000</td>
<td>-$341,728,400</td>
<td>-$6,103,600</td>
<td>-$687,167,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,871,735,500</td>
<td>$1,191,450,000</td>
<td>$1,855,844,300</td>
<td>$183,434,000</td>
<td>$5,241,974,845</td>
</tr>
</tbody>
</table>

<p>|</p>
<table>
<thead>
<tr>
<th>District</th>
<th>Rep.</th>
<th>Medicare Marketbasket</th>
<th>Medicare DSH</th>
<th>Medicaid DSH</th>
<th>Medicare Pay-for-Performance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>District 6</td>
<td>Rep. Graves</td>
<td>-$317,075,200</td>
<td>-$22,260,000</td>
<td>-$341,728,400</td>
<td>-$6,103,600</td>
<td>-$687,167,200</td>
</tr>
<tr>
<td>District 5</td>
<td>Rep. Cleaver</td>
<td>-$317,075,200</td>
<td>-$22,260,000</td>
<td>-$341,728,400</td>
<td>-$6,103,600</td>
<td>-$687,167,200</td>
</tr>
<tr>
<td>District 4</td>
<td>Rep. Hartzler</td>
<td>-$317,075,200</td>
<td>-$22,260,000</td>
<td>-$341,728,400</td>
<td>-$6,103,600</td>
<td>-$687,167,200</td>
</tr>
<tr>
<td>District 7</td>
<td>Rep. Long</td>
<td>-$317,075,200</td>
<td>-$22,260,000</td>
<td>-$341,728,400</td>
<td>-$6,103,600</td>
<td>-$687,167,200</td>
</tr>
</tbody>
</table>

ACA Repeal: Impact On Coverage

252,000 Missourians lose coverage

On average, Missourians lose a $313 subsidy of a $407 monthly premium and likely become uninsured.

Value of lost coverage – $1.23 BILLION

Cuts By U.S. Congressional District

MISSOURI

- District 3 – Rep. Luetkemeyer
  - $300,470,000 (Medicare marketbasket)
  - $88,315,200 (Medicare DSH)
  - $553,265,100 (Medicaid DSH)
  - $17,758,200 (Medicare Pay-for-Performance)
  - $959,808,500 total

- District 1 – Rep. Clay
  - $677,834,900 (Medicare marketbasket)
  - $291,484,800 (Medicare DSH)
  - $605,159,165 (Medicaid DSH)
  - $72,014,600 (Medicare Pay-for-Performance)
  - $1,646,493,465 total

- District 2 – Rep. Wagner
  - $782,460,200 (Medicare marketbasket)
  - $112,095,200 (Medicare DSH)
  - $185,851,400 (Medicaid DSH)
  - $33,150,100 (Medicare Pay-for-Performance)
  - $1,113,556,900 total

- District 8 – Rep. Smith
  - $468,288,200 (Medicare marketbasket)
  - $106,664,400 (Medicare DSH)
  - $560,149,900 (Medicaid DSH)
  - $40,396,000 (Medicare Pay-for-Performance)
  - $1,175,498,500 total

1 Includes value-based purchasing, hospital readmission reduction and hospital-acquired conditions programs
Source: DataGenEnacted Medicare Cut Analysis - February 2017
February 1, 2017

Senator Roy Blunt
U.S. Senator
260 Russell Office Building
Washington, DC  20510-0001

Dear Senator Blunt:

Congress is considering whether, how and when to repeal the Affordable Care Act and replace it with different health programs. As this debate occurs, the Missouri Chamber of Commerce and Industry and the Missouri Hospital Association urge Missouri’s congressional delegation to maintain and improve access to affordable, effective health insurance coverage for Missouri’s workforce.

We offer for your consideration several recommendations. Congressional action to revamp the health financing and delivery system should:

- Provide access to coverage of comparable scope and stability to what currently is provided by the Affordable Care Act. In 2016, 252,000 Missourians paid premiums to receive coverage from private sector insurers through the ACA’s health care marketplace. We believe this marketplace coverage is largely responsible for the recently-announced $100 million decrease in Missouri hospital uncompensated care between 2014 and 2015—the first decline in a decade.
- Ensure a well-synchronized transition to whatever may replace the ACA’s coverage components, so that new forms of affordable health coverage are in place before an ACA repeal takes effect.
- Minimize disruption to the Missouri insurance market.
- Be consistent with ongoing initiatives to enhance the value Missourians receive from their health financing and delivery system.
- Equitably allocate federal funds among the states to support coverage.

Thank you for your consideration. As always, we look forward to collaborating with you to promote a healthy workforce to power a robust Missouri economy.

Sincerely,

Daniel P. Mehan  
President and CEO  
Missouri Chamber of Commerce and Industry

Herb B. Kuhn  
President and CEO  
Missouri Hospital Association

dpm:hbk/djb

c Desiree Mowry  
Andrew Lock
2017 MOSHE Board and Committee Chairs and Co-Chairs

Michael C. Menzel  
2017 President  
Barnes-Jewish Hospital

Keith Mosley  
President-Elect  
Nominating/Scholarship Committee  
Hannibal Regional Healthcare System

Michael L. Bock  
Past-President  
SSM Health St. Mary’s Hospital – Jefferson City

Terry E. Banister,  
Director  
Education Committee Co-Chair  
SSM Health DePaul Hospital

Loie Couch,  
Director  
Barnes-Jewish Hospital

Jeffrey Ditzfeld,  
Director  
Boone Hospital Center

Debra Lueckerath  
Director and Membership Committee  
VA St. Louis Health Care System

Linda Marie Grawl  
Affiliate Director  
ZAK Companies Inc.

Paul M. Sabal  
Affiliate Director  
Principal - Healthcare Architect Bates

Advocacy Committee  
Alexander F. Zivnuska  
Code Consultants Inc.

Auditing Committee  
MOSHE Board Members  
Plus Jackie Gatz, MHA Liaison

Communications & Marketing Committee Chair  
Martin Grabanski  
Capital Region Medical Center

Communications/Marketing Committee Co-Chair  
David Pederson  
Boone Hospital Center

Golf Committee  
Richard Moravec  
Mercy Hospital Jefferson

Golf Committee  
Fred L. Waldrop  
Murphy Company

Education Committee Chair  
Shawn Bailey  
Barnes-Jewish Hospital

Education Committee Co-Chair  
Dawn L. Niermann  
Ross & Baruzzini

Membership Committee  
Peg J. Johnston  
C.K. Power
Thank You
2017 Gold Sponsors
Thank You

2017 Silver Sponsors

[Logos of Custom Engineering, SM Wilson, Catco, E.J. Welch Company, OWH, Midwest Elevator Company, Inc., and Part]