Mercy Medical Center in Iowa City is joining Mercy Health Network as an Affiliate Hospital

Effective June 1, 2017, the Mercy Iowa City Board of Directors and Interim CEO Mike Heinrich agreed to participate in MHN through a Strategic Affiliation and Management Services Agreement. It is a longstanding goal of MHN to unify Catholic Health Care in Iowa and contiguous areas. In addition, MHN and Mercy Iowa City share missions focused on improving and transforming health care in the communities we serve. The ties between our organizations are very deep starting with our founding by the Sisters of Mercy and our legacies of compassionate care and service to the poor. Both organizations also share commitments to do our work with excellence, respect for the dignity of the people and families we serve, integrity and stewardship.

MHN was created to add value to participating organizations and communities by improving quality health care, reducing costs, increasing accessibility of care and improving the health of those we are privileged to serve. We are excited to have Mercy Iowa City join us in these efforts to transform health care across the region. Mercy Iowa City is recognized for its high quality and patient satisfaction scores, which are consistent with the excellent experiences provided at existing MHN hospitals and clinics. Having Mercy Iowa City as a part of MHN also creates the opportunity to extend specific statewide strategies such as value-based insurance contracts and direct-to-employer services.

Mercy Health Network Names New CEO

Bob Ritz has been named Chief Executive Officer for MHN effective July 1, 2017. Bob has been the President at Mercy Medical Center–Des Moines since 2013.

Dave Vellinga, who announced his retirement as CEO in November of last year, said, “Bob has boundless energy, unquestionable integrity, commitment to our ministries, drive, focus and compassion. He uses all of his talents to build high-performing teams and I am excited for the future of Mercy Health Network under his leadership.”

Dean Swindle, MHN board member and president of enterprise business lines and the chief financial officer for Catholic Health, added, “Bob has done an excellent job leading his team in adapting to the constant changes in health care and transitioning from a volume based environment to focus on value and health for our patients.”

Bob’s selection as CEO follows a thorough search conducted by Witt/Kieffer, which included extensive vetting of candidates from across the country. Sally Jeffcoat, MHN Board President and Executive Vice President, West/Midwest Group Trinity Health, said, “Today is an incredibly exciting day for Mercy Health Network. Bob has a history of creating a next-level vision for the Catholic Health Care systems he leads, a record of accomplishment in leading organizations to improved financial performance, innovating to improve health care experiences and outcomes and builds strong relationships within both the medical community and through the many community boards he serves.”

Mercy Accountable Care Organization (ACO) in final year of Health Care Innovation Award

Mercy Accountable Care Organization (ACO) and critical access hospitals across Mercy Health Network (MHN) are in the final year of a $10.1 million Health Care Innovation Award from the Centers for Medicare and Medicaid Services (CMS). An April site visit took place in Des Moines in recognition of their successful implementation and program sustainability.

Continued on next page
Iowa Legislature — End-of-Session Summary

The 2017 legislative session adjourned at the end of April. This session saw debate on many contentious bills including substantial changes to collective bargaining, worker’s compensation, funding of Planned Parenthood, voter identification and nullification of county-based minimum wage increases. Below is a policy summary:

Policy Summary
There were no changes to Certificate of Need – good news for us!
• The Iowa General Assembly passed the most significant medical malpractice reforms in a generation.
• The enhanced nurse licensure compact was adopted by the Iowa legislature updating standards to include background checks to promote greater consistency across states.
• An additional newborn screening was passed that will require newborns with hearing loss to be screened for cytomegalovirus.
• Legislation was passed to extend Iowa's cannabis oil for nine additional disease treatments.
• Legislation for breast density notification would require physicians to disclose to patients when they have dense breast tissue, explaining tumor diagnosis is more difficult at times with traditional mammography, which may impact their decision on further testing.
• A bill was passed that adds mental health professionals to the short list of individuals who can examine and make treatment decisions regarding patients in the civil commitment process.
• Polk County, a two year agreement to address the mental health funding was extended to Broadlawns Medical Center related to mental health transfers.

Budget
• Medicaid cuts totaled $30.2 million state funds, and $66.5 million with associated cuts in federal matching funds.
• A Telehealth Parity Interim Study Committee will be established which is designed to convene stakeholders to make recommendations to the General Assembly on policies related to telehealth policies and reimbursement.
• The medical residency training grant program was not funded for next fiscal year (this does not impact any current grant awards - only suspend for new awards for one year).
• The state entered into a risk corridor agreement with the three managed care companies (MCOs) and the federal government in an attempt to mitigate some of the losses these companies have sustained in the transition to managed care. Iowa has agreed to additional funding for the Iowa Health and Wellness population (Medicaid expansion population). Once the fiscal year has closed and audits are conducted the risk corridor agreement would be implemented. The estimated cost to the state is approximately $10 million; federal share could top $225 million. It's not clear if the three MCOs’ contracts will be reduced or if the MCOs will be allowed to maintain or even increase their current funding. The managed care companies are in the process of negotiating new capitated payments for next year’s contracts. In short - we believe there will be increases for the managed care companies. This appears to be increasing funding to out of state for-profit companies at the expense of Iowa health care providers, which is detrimental to Iowa.

During the legislative interim it will be important for MHN leaders and board members to communicate to policy makers about the impacts of these budget reductions and the ongoing challenges within Medicaid- managed care. We know these decisions will have real impacts to Mercy Health Network and the patients we serve. It will be imperative to work together to ensure legislators are aware of the consequences of these budget and policy decisions. Thanks to all of you who helped in our advocacy efforts this year. Contact Sara Eide, MHN Director of Advocacy, with any questions or concerns at 515.358.8026 or at eidesl@mercyhealth.com.

Health Care Innovation Award
Continued from front
During the visit, MHN leaders outlined the network-level results of the project – a tighter, clinically integrated network; working toward standardized processes; and network-wide implementation of best practices. They also discussed MHN’s expanded role in preparing rural affiliates for success in value-based contracts, including working to address barriers to the transition.

Health coaches, physician champions, and rural market managers were able to explain their roles in the project, how the project has influenced and supported their practice, and how patients benefit from the work of the project. This focus across the organization and the network has resulted in the work of the project becoming more sustainably ingrained in the work of MHN rural hospitals and clinics. Constructive feed-back on ways to fund the work of health coach teams in the current reimbursement structure were provided including billing for Medicare Annual Wellness Visits, chronic care management, transition care management, and avenues for requesting appropriate changes in Medicare payment models.