



MHA's goal is to make hospitals better.

Better is a promise; it's forward looking. *Better* anticipates. And, *better* requires action.

The challenges health care leaders and organizations face are immense. Internal and external forces call for hospitals to do better. MHA's focus is to deliver the knowledge and advocate for the policies that help hospitals create value.

Better is an environment where hospitals prosper, and patients lead healthier more productive lives. Better is the embrace of the Triple Aim — better care, better health and lower cost.

Finally, better is built on a framework of state and federal policy that promotes improvement in health care while removing barriers to success.

Progress is incremental, but it's always forward. Together, we're making health care better in Missouri.

Thank you for allowing us to be your partner.



Herb B. Kuhn
MHA President and CEO

BETTER together

MHA is dedicated to making health care in Missouri better.

We're helping build the health care workforce through the Missouri Hospital Employee Scholarship Program launched this year, participation in the Health Professions Opportunity Grant program to provide health professions' training for low-income individuals and the ongoing support of the Primary Care Resource Initiative for Missouri. And, we're helping inform better investments through workforce analysis and compensation surveys.

Making hospitals better requires a strong and sustainable MHA. Sound governance, engaged members, dedicated staff and fiscal strength allow us to provide better services and products. We are committed to both financial stewardship of member resources and member value for your dues investment. And, member satisfaction scores, which are at a record high, reflect that commitment.

Our mission is to help hospitals serve their communities. We're better because we are doing this together.



2016 Report of Accomplishments



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BETTER policy

MHA's core business is advocacy.

To help hospitals better serve their patients and communities, MHA works with state and federal lawmakers, regulators, policy experts and the media. This effort is supported by a large network of grassroots advocates that weigh-in with lawmakers on policies to support the hospital agenda.

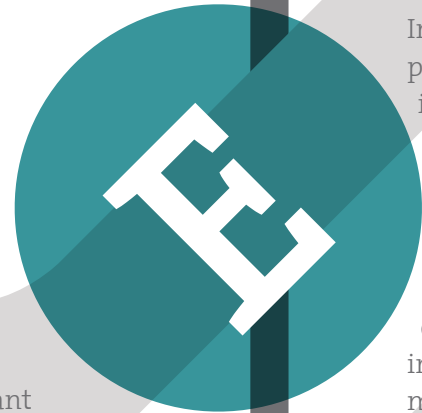
Although legislative opposition to Medicaid eligibility expansion precluded debate of the topic in 2016, significant legislative success was achieved in other areas. The Federal Reimbursement Allowance program was protected from diversion and extended for two years. New laws streamlined hospital regulations — for hospital licensure, infection reporting and stroke centers. And, the hospital transparency law simply codifies the reporting standards of MHA's voluntary transparency initiative.

As with any legislative effort, blocking bad laws was as important as adopting good laws. MHA helped stop efforts to restrict hospitals' physician employment contracts, allow HMOs to sell high-deductible coverage and impose onerous requirements for hospital billing.

In 2016, MHA embarked on a campaign to build recognition, trust and support for hospitals' community-centered missions through the "H" campaign. The effort added significantly to MHA's grassroots advocacy program — thousands of new social media followers were added and hundreds of thousands viewed videos telling the hospital story. The campaign was designed to celebrate hospitals and their employees, and build understanding and goodwill in advance of the 2017 legislative session.

MHA's diverse membership creates opportunities for broad, communitywide victories and significant accomplishments for specific categories of members. In 2016, MHA supported the state's critical access hospitals by documenting historical state CAH designations to ensure continued federal designation. In addition, the FRA pooling program was reconfigured to provide greater stability for investor-owned hospitals.

Finally, we're better when we accept that diversity is a strength. Participation in the American Hospital Association's #123forEquity Campaign to Eliminate Health Care Disparities ensured that our deeds were as good as our words. Only five states have higher levels of participation.



BETTER finances

In the complex world of hospital finance, no singular effort or program determines whether hospitals just survive, or thrive. MHA is committed to helping secure every dollar Missouri hospitals are owed, or eligible to receive. Part of being better is safeguarding and building the bottom line.

MHA continues to fight the wage-index battle by advocating for repeal of the "Bay State Boondoggle" and ensuring accuracy of the Centers for Medicare & Medicaid Services wage-index analysis. In 2016, MHA worked with national media to expose a reporting error that helped bring a multi-year reprieve to the wage-index manipulation. MHA also worked with CMS to address problems with data, resulting in nearly **\$30 million** in additional payments to Missouri hospitals.

MHA has actively worked to protect hospitals' tax-exempt status, including legal analysis of hospitals' responsibilities, support of community health needs assessments and transparency of community benefit.



BETTER care

Better care on the front lines is driven by MHA's strong data company, the Hospital Industry Data Institute and focused investments in strategic quality.

Value-based payment systems are expanding, and MHA is working to help hospitals improve quality and protect patients in parallel by evaluating improvements and reimbursements based on performance.

MHA is working with hospitals of all sizes and resources to improve care. In 2016, MHA concluded the Hospital Engagement Network 2.0 work, and was selected to implement its continuing effort, the Hospital Improvement and Innovation Network. In addition, MHA's work through the Medicare Rural Hospital Flexibility Program, or FLEX, supports quality and financial improvement and population health to improve care at rural and critical access hospitals. These contracts and others — including the Hospital Preparedness

BETTER quality & transparency

In early 2016, MHA re-launched the Focus on Hospitals website to help increase consumers' understanding of the cost and quality of hospital care in Missouri, and provide a platform for explaining hospitals' significant community investments. In addition, it provided — for the first time — a system for Missourians to understand hospital prices.

Several MHA projects are designed to help create a transparency system that works for consumers, while creating fairness and focus for the evolving value-based payment system. Hospital Industry Data Institute researchers have helped MHA develop more accurate risk adjustment for disadvantaged populations, including analysis of patient-community, rather than hospital-community risk factors. In addition, this year MHA partnered with the Robert Wood Johnson Foundation to enrich their community health data release, which will help Missouri hospitals, and hospitals throughout the country, more accurately assess the health of their communities.

Earlier this year, the data on MHA's Focus on Hospitals website helped shape a national debate about readmission penalties, by placing observed rates, rates adjusted by CMS and sociodemographic status-adjusted rates side-by-side. This project, and other data-driven efforts, including *HIDI HealthStats* and *Trajectories* research are helping inform and transform health care transparency, payments and delivery.

Program grant that supports resilient communities — have contributed nearly **\$4 million** to Missouri's quality improvement programs.

Protecting patients from harm is a fundamental goal of quality improvement and delivering value. In 2016, MHA led a transition to a new patient safety organization — Vizient™ — to increase the value of the hospital-PSO relationship for members. MHA's support of this effort has saved hospitals nearly **\$2 million**.

MHA increasingly is working side-by-side with hospital quality leaders to improve care. Immersion projects are growing hospitals' capacity to deliver better care. In 2016, 50 hospitals participated in 90 immersion projects — work that will underpin quality improvement, patient safety and value delivery through the HIIN and other strategic quality programs.

