



MHA
Michigan Health &
Hospital Association

Leading Healthcare

MHA ANNUAL REPORT
PROGRAM YEAR 2016-2017



To our members: To say that the last 12 months have been exciting would be an understatement. Election outcomes in Washington, DC, and Lansing have left critical healthcare decisions in the hands of largely new and inexperienced elected officials. Our members — both hospitals and other member types — have continued to consolidate and evolve as care delivery demands change. And here inside the MHA, the ground is literally moving under us as we prepare to modify our headquarters building to better house and use our data and the experts who manage it and to support a structure for better data strategy in the future. Amid all of this excitement, we have remained steadfast in our focus on achieving the goals you, the members, set for us last summer. Our time has been spent this program year protecting the dollars that keep your doors open, the coverage and access your patients need, and the autonomy you need as providers to best care for your communities — because at the end of the day, your assessment of our value to you as an association and our ability to collectively advance the health of Michiganders is what matters. Thank you for your partnership. We look forward to seeing you in the program year to come.

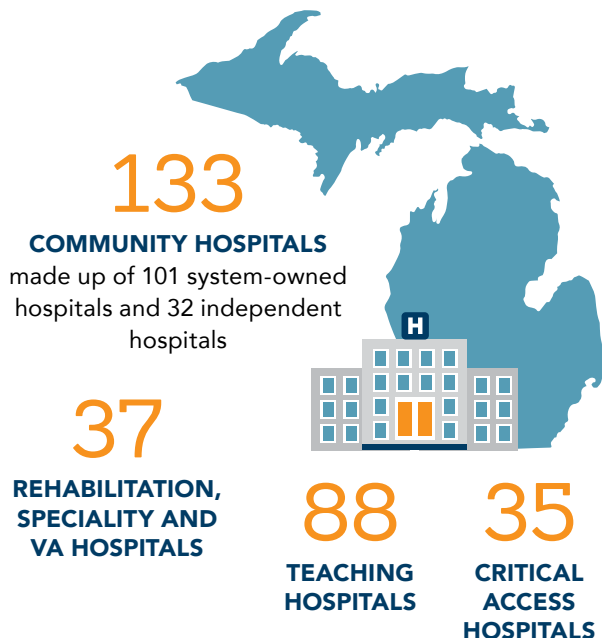
Sincerely,



MHA CEO Brian Peters



2016-2017 MHA Board of Trustees Chair Robert G. Riney



THE MHA ALSO REPRESENTS 59 valued associate members

These organizations help hospitals, health systems and other healthcare providers deliver high-quality, efficient care to patients and communities across Michigan. The MHA associate membership is made up of 7 financial service firms, 8 healthcare IT and data firms, 16 healthcare consultants, 3 insurance companies, 11 legal firms, 3 medical technology and testing companies, 6 medical group and staffing firms, 1 pharmaceutical company, 1 university, 1 utility, and 2 affiliate organizations.

IN TOTAL, THE MHA'S MEMBERS PAY

\$7 million
in dues annually.

Hospital Priorities

Each August, the MHA Board of Trustees approves a program year action plan to guide the association's goals and activities, as well as plan for strategic long-term objectives. Below are key objectives from the 2016-2017 action plan

GOALS AND ACTIVITIES	STATUS
Elect Healthcare Champions in 2016	✓
Protect Auto No-fault	✓
Fully Fund Healthy Michigan Plan	✓
Protect GME, Small and Rural, and OB Stabilization Funds	✓
Protect Medicaid HMO Funding	✓
Protect Provider Tax Programs	✓
Modernize Payer Relationships	✓
Improve Data and Design on the MHA's Hospital Quality Transparency Website	✓
Improve Hospital Data Transparency Among Members	✓
Research Hospital Image and Develop Grassroots Network Plan	✓
Establish Advisory Structure and Create Strategic Plan for the MHA Service Corporation	✓
Further Implement Association Efficiencies and Plans for Nondues Revenue	✓
Support Implementation of Patient and Family Advisory Councils in 80% of Michigan Hospitals	✓

STRATEGIC ROADMAP AND THE TRIPLE AIM	STATUS
BETTER CARE	
Further engage physicians around key quality and cost measures, such as pain management, high reliability and healthcare leadership	➡
Advance health access and health status of key populations, including children and those with behavioral health needs, through new MHA councils	➡
BETTER EXPERIENCE	
Reposition the MHA's hospital quality transparency site as a primary resource for consumers to learn about healthcare quality and safety	➡
Improve the MHA's data around hospital readmissions to help reduce unnecessary and preventable readmissions	➡
LOWER COSTS	
Continue work on volume-to-value efforts for care and treatments, such as joint replacement	➡
Work with state and federal agencies to modernize the Medicaid managed care regulations	➡
Identify and pursue partnerships with agencies working to increase health and health insurance literacy to help maximize coverage and improve the appropriateness of healthcare use and decision making by consumers	➡

Elect Healthcare Champions

Last year, after a record-breaking Health PAC season that raised \$395,500, the MHA was able to support healthcare champions in both Michigan and Washington, DC, during a major election cycle for the state House, U.S. House and Michigan's Supreme Court.



of candidates **supported by the MHA were victorious** in their elections, ensuring hospitals have elected officials willing to learn and engage on critical healthcare issues.

Protect Auto No-fault

Once again, the MHA successfully protected the auto no-fault insurance system, also making progress with legislative leadership on potential fixes to the system that could reduce fraud and help save drivers money.

These efforts prevented a **\$1 billion** loss for Michigan hospitals

and set the foundation for potential future improvements to the no-fault system.

Defend Expanded Coverage and Access



The Affordable Care Act and the coverage it's provided to nearly 1 million Michiganders were under attack in the first six months of 2017. The MHA and members engaged in numerous activities to protect the Healthy Michigan Plan as part of a collective effort focused on maintaining coverage and program funding for **650,000 Michiganders**. This included submitting formal comments to the Centers for Medicare & Medicaid Services encouraging the federal government to approve state waivers that continued the program and MHA-led federal lobbying efforts aimed at members of Congress.

In addition to the Healthy Michigan Plan, the MHA engaged in multiple legislative and regulatory battles to prevent overreach into healthcare delivery and operations and to improve access to health information and services for all. These efforts included hospital pharmacy distribution issues such as regulation of Pyxis machines, implementation of the new opioid tracking system known as Appriss, ensuring access to opioid overdose medications for first responders, supporting a statewide public health education campaign on childhood vaccinations known as I Vaccinate, and more.





Protect State Healthcare Funding

The MHA budget deal negotiated early in calendar year 2016 with the Snyder administration and legislative leadership continued to ensure **full protection of three critical hospital state funding pools — graduate medical education, small and rural stabilization, and obstetrical access** — in the fiscal year 2018 budget, which was finalized late this spring. Advocacy efforts from our collective voice were able to prevent an unexpected attempt to reduce hospital disproportionate share hospital dollars by \$4.5 million. In addition, the administration agreed to continue to allow the MHA price and quality transparency site to meet the needs of boilerplate language that put state GME funding for individual hospitals at risk.



Graduate Medical Education



Small and Rural Access



Obstetrical Stabilization

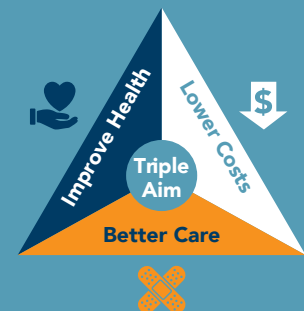
PROTECT PROVIDER TAX PROGRAMS

\$10 billion+

Cumulatively through FY 2016, Michigan’s hospital provider tax program has delivered nearly \$9 billion in additional funding to hospitals, with another \$1.3 billion expected for FY 2017. Every dollar has been critical for maintaining access to care amid state budget challenges. As the federal government increases its focus on provider taxes, this funding is no longer a given — and must be protected against use for nonhealthcare agendas. This year, the MHA successfully advocated for the continuation of Michigan’s provider tax program.

Modernize Payer Relationships

In 2015, the MHA began evaluating and modernizing our relationships with private payers. Amid continued uncertainty in the insurance market and the increase in provider-owned insurance entities, the MHA, with Board participation, is carefully evaluating historical relationships with key insurers and taking steps to ensure those relationships **continue to provide high value for hospitals and health systems and the patients they serve**. The year ahead will include visioning with regard to what a new relationship with payers, focused on Triple Aim objectives, could look like.





Improve Data Transparency

Two major initiatives to improve hospital data transparency in Michigan are at or near completion. Within the MHA membership, hospitals are now sharing unblinded quality data at certain association meetings. This allows hospitals to understand their performance in the context of similar facilities and to work with those other organizations to facilitate improvement and sustainability. In the public sphere, the MHA is reimagining its hospital quality data website, currently housed at www.verifymicare.org, to provide data that is easy to understand and relevant for patients. The data that will be shared is voluntarily submitted to and verified by the MHA and is available nowhere else online in such a comprehensive, statewide format. The new website is expected to launch late in 2017.

Advance Healthcare Quality and Safety

This year, the MHA
Keystone Center



for Patient Safety & Quality continued to expand its footprint beyond Michigan's borders as it launched a federally funded Health Improvement Innovation Network across our state, Illinois and Wisconsin. Launched last September, the Great Lakes Partners for Patients (GLPP) aims to reduce hospital-acquired conditions by 20 percent and readmissions by 12 percent from a 2014 baseline. Over the course of the three-year contract, GLPP hospitals will implement



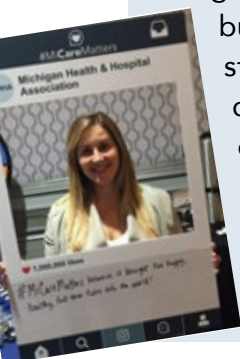
person- and family-engagement practices, enhance antimicrobial stewardship, build cultures of high reliability, reduce readmissions and address 11 types of inpatient harm.

Hospital Image Research and Building a Grassroots Network

Since last summer, with instruction from the MHA Board at its August retreat, the MHA has engaged in a research effort to measure the standing of Michigan hospitals with the public and key stakeholder groups. The qualitative and quantitative research engaged



businesses, patients, caregivers, physicians, the general public and a variety of hospital staff to understand perception of hospitals on key issues like quality, access, affordability, community-centeredness and more. The results showed a significant opportunity to create a statewide engagement campaign to educate Michigan residents about the efforts of hospitals to improve community health outside the hospital walls, and to recruit healthcare champions. The #MiCareMatters campaign will kick off this summer with videos, website materials, hospital engagement tools, a grassroots network tool, earned media and more.





The New and Improved MHA.org and Monday Report

In November, the MHA launched an entirely new website at mha.org, restructured and designed to put critical information at the fingertips of members, lawmakers, media and other key audiences. The new website is designed to feature enhanced digital content (like the new *2017 Economic Impact of Healthcare* report) to help members and others communicate about the issues important to the health of our state. The digital newsroom allows members to track issues and events in real time, and *Monday Report* is now delivered directly to subscribers via email.



6,771

NEW UNEMPLOYMENT CLAIMS MANAGED IN 2016

1,260

OF THOSE CLAIMS WERE IDENTIFIED AS FRAUDULENT

Potential liability: \$28 million
Benefits paid: \$5.1 million

Over \$22 million saved

MHA Business Services

Nondues revenue sources are a critical component of the MHA's financial health. This year, the MHA launched an in-depth strategic planning and growth process for its MHA Service Corporation (MHASC), which was led by a newly formed MHASC advisory group made up of business partners from around Michigan. The MHASC and its products and services will soon have a strategic business development and marketing plan in place to diversify its portfolio, establish new revenue goals allowing for innovation and appropriate risk, and continue identifying new products that provide value in improving health and business practices for hospitals, other providers, and business partners. The MHASC's current portfolio of valued products and services includes:

BASIC – FMLA and Attendance Management Solutions

Class Action Capital

Commerce Bank Automated Payment Solutions Program

Community Benefit Tracker

Data Koala

Healthcare Loan Program (HeLP)

An all-new **MHA Healthcare Career Center**

MHA Salary Survey

MHA Unemployment Compensation Program

ReAdmetrix

Strengthening our Unified Voice

Convening



The MHA launched several new initiatives that bring together hospital professionals to learn, advocate and network. The MHA held multiple financial forums to educate members on key

state budget issues and held the second annual summer conference for hospital communications and public relations staff. These meetings were in addition to four successful major member meetings throughout the program year attended by healthcare professionals and leaders from across the state.

Governance

The MHA continued its Excellence in Governance Fellowship program, which provides hospital trustees with the tools necessary to be successful board members. In addition, the association hosted more than 20 hospital trustees from multiple organizations in Lansing for the MHA Trustee Advocacy Day in May.



Digital Outreach & Social Media

This year, to promote and discuss hospital issues, the MHA released



26 videos
ON SOCIAL MEDIA

and had
50,486 views

during the 2016-17 program year!

The new mha.org attracted an average of

3,778 users
PER MONTH

Across all of our social media channels, our messages about healthcare policy, member achievements and more

WERE SEEN BY USERS
2.1 million

times and received 25,189 clicks, comments and shares.



Person & Family Engagement

AWARENESS CAMPAIGN

14 posts on LinkedIn and Facebook highlighting member hospitals' PFE efforts generated:



3,799
ARTICLE VIEWS



12,548
FACEBOOK REACH



893
USER ENGAGEMENT

#MHAHEALTHCHAT ON PROPER Rx DISPOSAL

SOCIAL MEDIA SNAPSHOT



53,453
ACCOUNTS REACHED



921,397
IMPRESSIONS



364
TWEETS



35
CONTRIBUTORS

Service to Our Community

The MHA team knows that your physical, mental and spiritual health benefit from doing good for others. So this year, the MHA staff committed to giving back more to the communities in which they live, work and play.



For the second year, the MHA dedicated an entire afternoon to employee volunteerism. In September, the **MHA had 94 employees**

collectively volunteer over 375 hours at various mid-Michigan organizations including: Ele's Place, Greater Lansing Food Bank, Hunter Park GardenHouse, REACH Studio Art Center, Stoneleigh Hospice House, Susan G. Komen Mid-Michigan and the Woldumar Nature Center.

UNITED HARVEST CAMPAIGN, OCTOBER 2016

\$20,000

Amount raised by the MHA's employees for the United Way & Harvest Gathering campaigns.



DONATIONS:

\$8,434



DONATIONS:

\$11,761

GO CASUAL FOR A CAUSE

Started in late 2015, this effort allows staff to wear blue jeans on certain Fridays in exchange for a donation to a selected cause. Throughout 2016, MHA staff made a big impact on the following organizations:

JANUARY	
David's Faith & Hope Life Foundation	\$270
FEBRUARY	
American Heart Association	\$265
Bonus Jeans Day: Flint Water Fund	\$1,640
MARCH	
4-H Double M Club	\$400
APRIL	
WILDSIDE Rehabilitation & Education Center	\$224
MAY	
Second Chance Support Network	\$245
JUNE	
Mason Optimist Club	\$190
JULY	
March of Dimes	\$200
AUGUST	
Toys for Tots	\$231
SEPTEMBER	
Paws with a Cause	\$220
Bonus Jeans Day: Sepsis Alliance	\$170
OCTOBER	
Eve's House	\$170
NOVEMBER	
Capital Area Humane Society	\$200
DECEMBER	
LeConte Medical Center	\$2,270

Total 2016 Go Casual for a Cause Impact =

\$6,695

A Forecast for the Year Ahead

“...the November election could significantly impact the political landscape and our future efforts on Medicare and Medicaid funding, hospital and physician payment reform, medical liability, auto no-fault insurance, Affordable Care Act implementation, and many other key issues.”

This was my closing statement to you in last year’s annual report. One year later, it sounds and feels like a monumental understatement, and I have found myself often repeating the old maxim *“elections have consequences.”* Our days this year have been and still are filled battling the dismantling of the ACA and the Healthy Michigan Plan. Our hard-fought coverage expansion has improved the lives of some 675,000 Michiganders by providing better access to primary and preventive care, and removing the fear of personal financial catastrophe should more intensive care be required. The actual patient stories that MHA collected from HMP enrollees over the course of this past year are incredibly powerful reminders of how health policy can be so impactful, and why our new mission statement – *“We advance the health of individuals and communities”* – resonates with so many. At the same time, we know that the ACA and HMP have significantly reduced the crushing burden of uncompensated hospital care, thereby allowing our members to continue providing a full range of needed services to everyone in their communities.

We are deeply concerned by any action at the federal or state level that threatens to reverse this positive momentum. In our nation’s capital, the fight rages on between the U.S. Senate and House, and the Trump

Administration, as to how fast and how far to tear down the ACA, and with what to replace it. The MHA will not only be working to inform the Congress about the impact of these actions, but identifying ways we can instead fix the existing reform law to ensure there is access to coverage and care for all; that costs continue to be reined in; and that providers can work with their patients on data-driven health decisions. Beyond our efforts on ACA, the association will continue its long-term strategy of establishing an ever more robust presence in Washington, DC, enhancing our ability to advocate on important issues like 340B drug pricing, rural health reforms, and so many other priorities. And in Lansing, we will continue to push for common-sense improvements to our existing no-fault system like a robust fraud authority, while helping hospitals manage regulatory changes to the system. At a statewide level, we will work to find relief for some of the most pressing issues facing our members, including behavioral health access and integration, children’s health, opioid abuse, and healthcare worker safety. We will have new discussions with the payer community about how to truly transform the provider-insurer relationship to meet the Triple Aim objectives. On that note, you can count on the MHA continuing our nation-leading work on patient safety and quality.



With that context in mind, **the 2017-2018 MHA program year is really about opportunity.** As your association, the year ahead holds continued opportunities to grow our nondues revenue and realize operational cost savings, ensuring your dues dollars go as far as possible. We have the opportunity to continue building strong partnerships with our colleague state hospital associations as well as the American Hospital Association, maximizing our shared learning and synergistic advocacy. And with the spotlight shining brightly on healthcare, we have the opportunity to embrace transparency more effectively than ever before.

Every person at the MHA is with us because they share your passion for healthcare, and that drives our goals, strategies and activity every day of the year – and that dedication is reflected in the service we provide to you, our members. We look forward to serving as your unified, trusted voice in healthcare in the year ahead. On behalf of the entire MHA team, thank you for your support and engagement.

A handwritten signature in black ink that reads 'Brian Peters'.

MHA CEO Brian Peters

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REFERENCES

Please visit our 2016-2017 online photo album showcasing the highlights of the program year!
You can find the album at www.mha.org

Find and engage with the MHA and MHA Keystone Center on social media:



@MIHospitalAssoc and @MHAKeystoneCtr



www.facebook.com/MichiganHospitals



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Michigan Health & Hospital Association

Get news, resources and more at www.mha.org and
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