

Chip Kahn – Federation of American Hospitals

Mark Masselli: This is Conversation on Healthcare, I am Mark Masselli.

Margaret Flinter: And I am Margaret Flinter.

Mark Masselli: Well, Margaret, the president has released his budget proposal for the upcoming year. The Trump budget plan cuts about 18% from the Department of Health and Human Services. That would mean significant cuts to departments, such as the National Institute of Health, which could see cuts by as much as six billion dollars.

Margaret Flinter: Such cuts could seriously diminish the country's reputation as the world's leader in scientific research and medical breakthroughs and really put developing and new researchers at risk.

Mark Masselli: The budget also places a number of social programs at risk; school nutrition programs and the popular Meals-on-Wheels for seniors. Studies have shown that bolstering childhood nutrition for those at risk support school performance. As for the nation's elderly, the Meal Delivery Program serves two important functions, it keeps them healthier longer; also, provides much needed social interaction, which supports health and well being.

Margaret Flinter: Well, the president's budget proposal comes on the heels of the Republican plan to repeal and replace the Affordable Care Act and the American Healthcare Act is expected to result in 24 million Americans losing health coverage within a couple of years and that is not sitting well with a number of constituencies throughout the country, Mark.

Mark Masselli: Among those that this new initiative is not sitting well with include The American Medical Association, The American College of Physicians, just to name a few.

Margaret Flinter: And several organizations representing America's hospitals also have registered their concerns and that includes the Federation of American hospitals.

Mark Masselli: Which leads us to our guest today, Margaret; Chip Kahn is long time health strategist in Washington and is CEO of Federation of American Hospitals; looking forward to hearing his views, Margaret.

Margaret Flinter: And Lori Robertson will stop by, the Managing Editor of FactCheck.org, and no matter what the topic, remember, you can hear all of our shows by going to [www.chcradio.com](http://www.chcradio.com).

Mark Masselli: And as always if you have comments, please email us at [www.chcradio@chc1.com](mailto:www.chcradio@chc1.com) or find us on Facebook or Twitter. We love hearing from you.

## Chip Kahn – Federation of American Hospitals

Margaret Flinter: We will get to our interview with Chip Kahn in just a moment.

Mark Masselli: But first, here is our producer Marianne O'Hare with this week's Headline News.

Marianne O'Hare: I am Marianne O'Hare with these Healthcare Headlines. The White House is out with its own analysis of the Republican Healthcare Bill and the predictions are even more severe than the bipartisan Congressional Budget Office Assessment of the American Healthcare Act. The White House projecting the law could lead to 26 million Americans losing coverage versus the CBO projections of 24 million. Meanwhile, there have been high-level meetings underway for the past week in efforts to tweak the bill to make it more likely to pass the senate after going through the house, Republican leadership including president Trump, speaker Ryan, and others looking at alterations to the bill to be able to give more assistance to seniors in the form of tax credits and install a work requirement for those receiving health coverage under Medicaid. And while this debate is centered largely around the leaders of the Republican majority, as well as the Trump White House, there has been some input of note from a former champion of the Affordable Care Act, who worked in the Obama White House, Dr. Ezekiel Emanuel has been meeting with the Trump team. Emanuel discussing tweaks the administration could recommend to fix what needs fixing in the existing law and much to do about MACRA, with cuts to Medicaid and almost certainty under the new administration, there are many unanswered questions from the Centers for Medicare and Medicaid under the current leadership as well and clinicians are awaiting on instructions on next moves for MACRA, that's the Medicare Access and Chip Reauthorization Act passed in 2015. Clinicians who improve outcomes, metrics in a number of areas will be compensated accordingly. Many clinicians are uncertain what exemptions they will qualify for under the new payment system and shades of the opioid epidemic, which has led to the deaths of some 50 thousand Americans last year and is the leading cause of accidental deaths now in this country. Number of cases of children taking potentially lethal amounts of these drugs has also skyrocketed between 2000 and 2015. Poison control centers in the U.S. receive almost 200 thousand calls about prescription opioid exposures in children and teens, putting all those young people's lives at risk. I am Marianne O'Hare with these Healthcare Headlines.

Mark Masselli: We are speaking today with Charles N. Kahn, President and CEO of the Federation of American Hospitals and National Advocacy Organization representing 20% of the nation investor owned hospitals. He serves on the National Quality Forums Measure Application Coordinating Committee and served as Commissioner of the American Health Information Community serving then HHS secretary, Michael Leavitt. He was staff director for health on the House Ways and Means Committee helping shape the Health Information Portability and Accountability Act, better known as HIPAA. He has earned many accolades in his career including being named to modern

## Chip Kahn – Federation of American Hospitals

healthcare's 100 most influential list every year. He earned his Bachelors of Arts degree at Johns Hopkins University and his Masters in public health from Tulane. Mr. Kahn, welcome to Conversations on Healthcare.

Chip Kahn: Nice to be here.

Mark Masselli: And Chip, you have had a great career in health policy development. I think it is fair to say the most dramatic transformation happened with the Affordable Care Act. Obviously, we have a new Sheriff in town. President Trump and the whole new approach to health policy with the GOP authored American Healthcare Act. There are quite a few observers who have expressed concern and I am wondering if you could share with our listeners and lay out this critical transition and what you believe be at risk for the healthcare industry.

Chip Kahn: Well, I think some might have thought that the passage and the implementation of ACA was sort of the end of history for healthcare policy making and I guess we've found out it wasn't and the other team came into town with the election of president Trump and the Republicans controlling both Chambers of Congress and they are going make big changes. They do have in fact a different agenda and the speaker of the House has said this, you many times, that he is interested in reducing healthcare costs and isn't interested in coverage, that means when the Congressional Budget Office came out with an estimate of the coverage loss the other day, the speaker, who is really spearheading the legislative process here said that it was a great projection estimate because it showed that his effort was going to reduce the deficit and was going to enable the reduction of healthcare costs and of tax at the same time. So I think it's just a different set of priorities that we now face than we did back in 2009 with the beginning of president Obama's term.

Margaret Flinter: Well, Chip, your organization, The Federation of American Hospitals represents over a thousand hospitals across the United States and I understand many of the hospitals have seen better bottom lines in the wake of 20 million consumers gaining health coverage. Could you talk about your outreach to Congress and to the Trump administration, I understand your organization sent a letter urging them not to undermine the level of coverage Americans now have or to try and fix the Federal budget by cutting Medicaid, what are you hoping to see happen next?

Chip Kahn: You know, I do have a lot of respect for the Congressional Budget Office. I think if you look into the weeds of the estimate, that it probably overstates the near term effect, long-term I suspect that it's probably more correct. You know, we have pretty grave concerns about the proposal and I think there are some people in the Senate, who take quite a different view of what the priority ought to be. I am hoping that the winds will change and at least there'll be more of a focus on the transition and making sure that we lose as little ground

## Chip Kahn – Federation of American Hospitals

as possible in the coverage. Hospitals are generally speaking out about this, but frankly, in the current environment, I am not sure that the provider clinician community is the constituency that is being addressed directly. The insurers and the governors seem to have more leverage right now.

Mark Masselli: You know I would talk a little bit about the process; you obviously had a great deal of experience in the development of the Health Information Portability and Accessibility Act, known as HIPAA and I am wondering if you sort think about that, what your advice might be to the Congress on how to move forward, this is something that is going to take lots of time and lots of effort. Any advice on how they maneuver past this big event that's going to happen, getting through the Senate as well?

Chip Kahn: Well, you know the context for every legislative process is different. You know, I wish the current process was being approached in a different way. I think it is probably going to come out with a product that will not provide the kind of coverage that Americans need so that we can really put the patient first. You are better off if you have coverage, we know that from so many different ways. I would not have approached it the way they approached it, but you know, I am not working up there right now and I think this process is taking the route it's taking because of the last election and then how the public interprets what they finally decide if they are able to come to some conclusion. You know, health stands to be, you know, everybody looks at the economy, but you know over the last many-many cycles, with how major legislation is undertaken it tends to have a big influence on the next election.

Margaret Flinter: Well, Chip, back in the 1990s, when you were Executive VP of the Health Insurance Association of America, I understand you presided over a very successful and effective campaign that Harry and Louise Campaign, which was aimed at blocking passage of then president Bill Clinton's health reform plan. So I think you've learned some vital lessons about the importance of messaging. When you look back at the passage of the Affordable Care Act, what might the Obama administration have done to create a better messaging campaign?

Chip Kahn: We actually began the Harry and Louise Campaign simply to get the attention of the administration and leaders in Congress, so they would negotiate with this and it actually wasn't our purpose to bring down health reform. Our purpose was to make sure that the kind of insurance we felt was important was available. There is a lot of focus on what could have been different in terms of messaging from 2009-2010, they got the legislation through. On the one hand, I would say, president Obama was successful. Then, they really did a subpar job, in terms of the immediate implementation, but actually I think at the end of the day, action and products and outcomes are what the American people see. I mean if they had not bungled healthcare.gov, if the premiums had not gone up quite as much. If Congress had not been as uncooperative so that mid course

## Chip Kahn – Federation of American Hospitals

corrections that were needed couldn't have been made, we wouldn't be on the path we are on right now.

Mark Masselli: We are speaking today with Charles N. Kahn, President and CEO of the Federation of American Hospitals and National Advocacy Organization, representing 20% of the nation's investor owned hospitals. He serves on the National Quality Forum's Measure Application Partnership Coordinating Committee. Yeah, I am wondering, you mentioned the governor's role looms large in terms of this legislation of how it's being formed, talk a little about Medicaid in the block reining back to the State. How much wind in that sail do you think there is? Do you think this is something that we are going to see in the future of how Medicaid is going to be operated and funded?

Chip Kahn: Well, I think that there is a tremendous amount of momentum here for reforming Medicaid in the direction that the House bill has chosen. I think there may be changes in the Senate that would probably have to some more accommodation for this transition from the current Medicaid program to the Medicaid program that is envisioned. The objective in ACA was to make Medicaid a coverage program. I think they wanted to move it to a program that just was based on income and basically was a low-income health coverage program. I think if you look at the letter that Seema Verma, the new CMS administrator and the Secretary Of Health And Human Services, Price, sent to the governors, they are very clear there that they want to move Medicaid back to its pre-ACA roots, where it really was a welfare program, a more of a welfare program in terms of categorical eligibility and other factors and that's where this work factor they would like to instill in it, as well as giving the governors more latitude in terms of cost sharing, in terms of their viewing as "skin of the game," you know, for the Medicaid recipients, so they have the power, either administratively through waiver and through just legislation to move Medicaid to a different place than it is right now.

Margaret Flinter: Well, Chip, let's take a step back from the weeds of health reform for just a moment and talk about healthcare and take a look at the myriad advances that have occurred within the healthcare industry over the past decades and we've certainly seen the hospital industry make very important changes to address the problems of medical errors. We've also seen great advancement in health IT, remote monitoring, telehealth; may you could talk with us about some of the fundamental advances and improvements that you have seen to make hospitals safer, more efficient, as well as more cost whereas they adapt to the 21<sup>st</sup> Century advances.

Chip Kahn: First back in the late 90s, the Institute of Medicine reports both on quality of care and hospital acquired conditions. It had a big impact because hospitals are in the business of making people better, serving patients and families, and I don't think there was a clear understanding frankly of how large the problem was. Since then hospitals governments and those who provide the

## Chip Kahn – Federation of American Hospitals

guidance to help us assure quality, you know, have all worked together and had an incredible impact, so that today, whether it is central line infections or areas for potential harm, hospitals have moved really mountains to make themselves safer. In most American hospitals today, you can't move 10 feet without a container to clean your hands, there is an awareness of even the simple stuff that can have such an impact, so that's been a big change. There is a trend transforming the hospital from inpatient to outpatient, so everyday the science and the practice, more and more activities are being pushed out of the hospital, at least of inpatient services. I think in most cases that's been good for the patients. It has though made the hospitals, you know, more concentrated for generally sicker patients and may be that is the best use of those very expensive resources. I think the adoption of electronic health records has been a mixed blessing. It makes a big difference for patient care. It has negatively affected I think work flow to some extent and I don't think we are at the point where we have the ideal medical record. It still is really just a digitalization of what we used to have paper. There is great research going on with big data, but in terms of keeping track of patients and applying metrics from medical records for measurement, we are still in the sort of awkward beginning of that, but I mean I think we are on the right path and so I am encouraged.

Mark Masselli: You know, to pull the thread a little on that important role hospitals are playing in this growing movement towards the health systems based on coordinated care, the growth of the Accountable Care Organizations and ultimately more value based delivery model and increasingly, we are seeing hospital organizations as the epicenter of community based delivery systems. I am wondering if you can talk to our listeners about this fundamental shift in the hospital industry within the context as a larger health system.

Chip Kahn: Well, in some ways, all healthcare is local and so there is variation and it has lot to do with demographics and social development, but there is variability across the country in terms of the kinds of healthcare systems communities have. Whether it's the effect in some communities of accountable care or managed care or the bundling that's now included both in Medicare and some private contracting with third parties and healthcare insurers, I think we are moving to a place where there are attempts at more coordination. It's been more successful in some communities than others and the nature of the communities and their structure will have an effect on that, but I think it is the future, some of this will be virtual as we reach real inner operability of electronic health records, which still is to come. You know, as we consolidate between both group practices and hospitals, you know some will be just as we get larger organizations. At the end of the day though, the tracking, the coordination, the data collection, the use of big data, the bringing electronic health records, the impact to help the patient, a lot of this requires capital and organization and structure and I think either larger groups and/or with hospitals are going to be sort of the ground zero of most people's healthcare into the future in a way that it wasn't necessarily in the past, I mean, if you were really sick you went to the

## Chip Kahn – Federation of American Hospitals

hospital, otherwise you were out in the community in a small group practice. I think that's all changing and the demographics of physicians and clinicians are really changing that also.

Margaret Flinter: We've been speaking today with Charles N. Kahn, President and CEO of the Federation of American Hospitals and National Advocacy Organization, representing over a thousand hospitals in both urban and rural settings across the United States. You can learn more about their work by going to [FAH.org](http://FAH.org) or follow them on Twitter. Chip, thank you so much for the work you do and for joining us on Conversations on Healthcare today.

Mark Masselli: At Conversations on Healthcare we want our audience to be truly in the know when it comes to the facts about healthcare reform and policy, Lori Robertson is an award-winning journalist and Managing Editor of [FactCheck.org](http://FactCheck.org), a non-partisan, nonprofit consumer advocate for voters that aim to reduce the level of deception in U.S. politics. Lori, what have you got for us this week?

Lori Robertson: Both Democrats and Republicans have been spinning the Congressional Budget Offices' analysis of the Republican Healthcare Bill. This week we will look at the Democrats. Some have overstated what the nonpartisan CBO said about the impact on those who now have health insurance. For instance, Senator Bernie Sanders claimed that the GOP Healthcare Bill would "throw 24 million Americans off of the health insurance that they currently have." Representative Richard Neal and Frank Pallone, Jr., similarly said the bill "would rip away health insurance from 24 million Americans over the next decade, but those claims go too far. The analysis by the CBO and Joint Committee on Taxation did say that 24 million fewer Americans would be insured under the American Healthcare Act, but not all of them would have their insurance ripped away or would be losing insurance that they currently have. The numbers represent a complicated mix of some losing insurance, some deciding not to have it, others gaining it, and others not having insurance in the future that they would have had under current law. The CBO said 14 million more would be uninsured next year under the bill, most due to the elimination of the individual mandate requirement to have insurance or pay a tax. Some of those, CBO said only had insurance under current law to avoid the penalty, so they would choose not to have it under the GOP bill. Older and low income Americans on the non-group market could see substantially higher costs in future years under the Republican plan. Insurers would be allowed to charge older people more and new age-based tax credit wouldn't be large enough to offset those premium increases. These factors mean that the make up of the non-group market would be significantly different, CBO said, with a net two million fewer on non-group insurance by 2026; the biggest changes under Medicaid with 14 million fewer with Medicaid coverage in 2026 under the GOP bill. For more on the breakdown of the CBO projections, see our website [FactCheck.org](http://FactCheck.org) and that's my [FactCheck](http://FactCheck.org) for this week, I am Lori Robertson, Managing Editor of [FactCheck.org](http://FactCheck.org).

Margaret Flinter: FactCheck.org is committed to factual accuracy from the country's major political players and is a project of the Annenberg Public Policy Center at the University of Pennsylvania. If you have a fact that you would like checked, email us at [www.chcradio.com](http://www.chcradio.com), we will have FactCheck.org, Lori Robertson, check it out for you, here on Conversations on Healthcare.

Margaret Flinter: Each week conversations highlights a bright idea about how to make wellness a part of our communities into everyday lives. When long-time IBM executive, Sharon Linder left the corporate world, she thought she would ease into semiretirement, but then breast cancer diagnosis for her mother and two sisters shifted her focus. She watched as all three of them went through multiple surgeries and treatments wherein the ubiquitous Johnny, the hospital gowns that tie in the back and leave patients often feeling vulnerable and exposed when they are also scared and uncomfortable during their treatments.

Sharon Linder: The hospital gowns never meant to close in the back. It was meant to make it easy for you to go the john and so when you put it in the front, it really does not close.

Margaret Flinter: The former corporate executive decided that the one in eight woman going through breast cancer treatment needed a power suit of their own to navigate this challenging experience and she launched her own research project into which fabrics and which designs might provide a better alternative to the standard hospital gown, but one that one would also be an easy addition to hospital laundering services.

Sharon Linder: The feel of it is very much like a cotton cashmere that is just so soft, you just don't want to take it off.

Margaret Flinter: She called her invention Janes as opposed Johnnies, creating a gown that thousands of users have called comfortable, stylish, and a vast improvement from their predecessors.

Sharon Linder: And they fit people in a comforting way. You know, you are totally covered, there is a little D neck cross over at the very top and it goes all around your body.

Margaret Flinter: And she developed the gown in time for her own cancer diagnosis and was able to see her invention put to her own good use.

Sharon Linder: Janes did give me a really a leg up. I think that I felt better about all of my treatments. When you think you look better, you feel better.

Margaret Flinter: Dozens of hospital systems across the country are adopting her gown design, which you can also order online for women who have received a recent diagnosis of breast cancer and even nursing mothers are using her



Chip Kahn – Federation of American Hospitals

product. Janes, a hospital gown designed for enhancing the female patient experience, providing comfort, dignity, easier access during challenging procedures. We are just providing an easier experience for newly breastfeeding mothers, now that's a bright idea.

Margaret Flinter: This is Conversations on Healthcare, I am Margaret Flinter.

Mark Masselli: And I am Mark Masselli, peace and health.

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