ALLIANCE ANNUAL REPORT: 2012 ACCOMPLISHMENTS

In recognition of tight resource constraints faced by members and the desire to preserve the Alliance’s national voice (pending more favorable environmental forces), the annual dues for each member were reconfigured to be either $3,000 or the current level, if less.

Even though activities were downsized and restructured, with some continuing funding support for selected educational initiatives from the Alliance’s sister corporation (the Institute for Advancing Nonprofit Health Care), the Alliance was able once again to significantly increase both its visibility—as well as the visibility and importance of nonprofit health care—on multiple fronts.

A list of Alliance members is appended.

Public Education and Advocacy

- Held a Washington Briefing Session for Congressional staff, the media and Alliance Board members showcasing two accountable care organization (ACO) risk-sharing arrangements involving two nonprofit health care hospitals/systems (Dignity Health and the Mountain States Health Alliance), health plans and physician groups. This Briefing, the fourth of its kind co-sponsored by the Alliance and Premier, Inc. over the past two years, was well received with attendance exceeding capacity.

- Reported to the media and Congressional staff that most top-rated health plans are nonprofit for the eighth straight year, according to the 2012-2013 rankings released in September by the National Committee for Quality Assurance. The opportunity was taken to iterate the Alliance’s position that these findings, as well as others, including the annual rankings of health plan member satisfaction issued by J.D. Power and Associates, confirmed that state health insurance exchanges should make readily transparent to consumers whether the various coverage options being made available to them are being provided by not-for-profit or for-profit health plans

- Prepared and posted on the web site, as well as mailed to several hundred organization and individuals, a discussion of the history of hospital tax exemption

- Conducted, and published the proceedings of, in co-sponsorship with the health care journal Inquiry, a roundtable discussion on the future of hospital tax exemption. The panelists were: John Koster, M.D., President and CEO of
Providence Health & Services, based in Seattle, WA; Myles P. Lash, President Emeritus (and founder) of Provenance Health Partners, L.L.C.; and Wayne M. Lerner, DPH, FACHE, President and CEO of Holy Cross Hospital in Chicago, IL.

- In coordination with selected national health care groups with nonprofit members, developed a communications campaign (with implementation targeted for 2013) to promote the value of nonprofit health care, anticipating an escalation of attacks on federal, state and local tax exemptions.

- Prepared a draft joint statement, and began to promote its sign-on by selected national stakeholder groups, urging collaboration at the state, regional or local level on community health needs assessments.

**Assistance to Members and the Broader Nonprofit Health Care Sector**

- During the Alliance’s Board meetings, held four Discussion Forums led by experts on major nonprofit health care policy or strategic issues:
  - “The Federal Health Policy and Political Outlook,” Eleanor Clift, Regular Panelist on the syndicated talk show, *The McLaughlin Group*
  - “What Really Happened in the 2012 Elections?” Steve Hayes, Regular Contributor to *Fox News* and Senior Writer for the *Weekly Standard*
  - “Unleashing the Passion and Compassion of People in Nonprofit Health Care Organizations” Tom Voccola, Co-Founder and CEO of CEO², and Anthony Cirillo, President of Fast Forward Consulting and the Healthcare Channel Partner of CEO²
  - “Community Benefit Isn’t Just About Nonprofit Health Care Providers”
    Keith Volkmar, Senior Vice President, Corporate Administration, Lifetime Healthcare Companies, Inc. (which includes two nonprofit health plans), Rochester, NY

- Published the proceedings of the roundtable discussion “Compensation of Nonprofit Health Care Board Members: The Right Path or a Minefield?” in co-sponsorship with *Inquiry*. The panel included: Ken Ackerman, Chairman, Integrated Healthcare Strategies, Minneapolis, MN; Doug Clark, Alliance Board member and retired President and CEO, Excela Health (PA); Mike Cascone, Alliance Board member and retired President and CEO, Blue Cross Blue Shield of Florida; and Bill Kreykes, former Board Chair, Trinity Health System (MI) and retired President and CEO, Lifespan Health System (RI).

- In collaboration with *Inquiry* and CCE Publications, published and disseminated to all nonprofit health system CEOs and major nonprofit health plan CEOs an anthology containing the proceedings of twelve Alliance/*Inquiry* roundtable discussions on nonprofit health care issues.

- Submitted a letter to New York State regulatory officials urging that they withdraw proposed regulations that would limit executive compensation in nonprofit health care organizations. The letter stressed that, aside from their
questionable legality, such limits would be unnecessary, unfair, costly, and counterproductive.

- Participated in an Amicus Curiae Brief in support of the nonprofit ProMedica health system in an antitrust lawsuit filed by the Federal Trade Commission in opposition to the system’s acquisition of a small, financially vulnerable, nonprofit hospital in the Toledo, OH area. The Brief requests that the judge in the case, if he/she find in favor of the FTC, consider a regulatory remedy in lieu of divestiture.

- Provided significant assistance to: (1) the Intermountain Health System in its study of tax exemption issues; and (2) Blue Cross Blue Shield of North Dakota regarding the value of nonprofit health plans, nonprofit hospitals, and collaboration between the two.

- Updated resources on the web site.

- Continued to keep members and other friends of the Alliance appraised of important news about or affecting nonprofit health care through the monthly Alliance Bulletin, including opinions from the Alliance President and featuring examples of actions taken by nonprofit health care providers and/or nonprofit health plans to maximize their value to communities and reduce cost increases.

All in all, it was a productive year, in a very tough environment. Looking ahead it is clear that nonprofit health care will be facing growing pressures. To fulfill its community mission, its voice must be as strong as possible.

Special Note from Howard Berman, Alliance Board Chair: On behalf of the Board I extend special thanks to Bruce McPherson for his continued support of the Alliance. While having relocated with his wife to Arizona, he has agreed to continue as President and CEO on a pro bono basis, traveling to Washington, DC as necessary for advocacy and networking purposes.
Appendix

ALLIANCE MEMBERS

Alabama Blue Cross Blue Shield
Alliance of Catholic Health Care
Allegiance Health
Association for Healthcare Philanthropy
Conemaugh Health System
Continuing Care Leadership Coalition
Florida Blue
Health Care Service Corporation¹
Henry Ford Health System
Hospital Alliance of Tennessee
Inova Health System
Jewish healthcare Guild
Jewish Senior Life
JFK Medical Center
Leading Age
Lifetime Healthcare Companies²
Metropolitan Jewish Health System
Michigan Blue Cross Blue Shield
Michigan Health and Hospital Association
National Association of Community Health Centers
UMass Memorial Health Care, Inc.

¹ Includes Blue Cross Blue Shield Plans in Illinois, New Mexico, Oklahoma and Texas
² Includes Excellus BlueCross BlueShield Plans in Upstate New York and Univera Healthcare HMO in Buffalo