

**BAKER HEALTHCARE CONSULTING, INC.**

SUITE 2000, BOX 82058  
ONE AMERICAN SQUARE  
INDIANAPOLIS, INDIANA  
46282

SECRETARY OF  
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DALE E. BAKER  
PRESIDENT

March 5, 2003

Secretary of the Senate  
Office of Public Records  
232 Hart Building  
Washington, DC 20510

Re: Untimely Filing of LD-2 for Year End 2002 Reports

Dear Secretary:

Baker Healthcare Consulting, Inc. is a very small firm with one full-time employee, Dale E. Baker, and one full-time leased employee, Karen K. Siders. Ms. Siders' father had surgery in January 2003 and died on Tuesday, February 25, 2003. Ms. Siders used the Family Medical Leave Act to be with her father and her family throughout this most difficult period.

As a result, normal secretarial activities were delayed and the reports were not filed to an oversight by Dale E. Baker.

We hope that we have not inconvenienced your office with this oversight. Our intent has always been, is, and will continue to be, to fully comply with the Lobbying Disclosure Act of 1995 and its interpretation.

Sincerely,

BAKER HEALTHCARE CONSULTING, INC.



Dale E. Baker

Enclosures

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Clerk of the House of Representatives Legislative Resource Center B-106 Cannon Building Washington, DC 20515	Secretary of the Senate Office of Public Records 232 Hart Building Washington, DC 20510
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SECRET  
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## LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required To Complete This Page

1. Registrant Name <u>BAKER Healthcare Consulting, Inc.</u>			
2. Address <input type="checkbox"/> Check if different than previously reported <u>One American Square, Suite 2000, Box 82058</u>			
3. Principal Place of Business (if different from line 2) City: <u>INDIANAPOLIS</u> State/Zip (or Country) <u>IN 46282</u>			
4. Contact Name <u>Dale E. BAKER</u>	Telephone <u>317-631-3613</u>	E-mail (optional) <u>BAKER Healthcare@YAHOO.COM</u>	5. Senate ID # <u>5764</u>
7. Client Name <input type="checkbox"/> Self <u>St Catherine Hospital, East Chicago, IN</u>			6. House ID # <u>3356</u>

TYPE OF REPORT 8. Year 2002 Midyear (January 1-June 30)  OR Year End (July 1-Dec)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report  ⇒ Termination Date \_\_\_\_\_ 11. No Lobbyin

### INCOME OR EXPENSES - Complete Either Line 12 OR Line 13

<p align="center"><b>12. Lobbying Firms</b></p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input checked="" type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇒ \$ _____ Income (nearest \$20,000)</p> <p>Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p align="center"><b>13. Organizations</b></p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇒ \$ _____ Expenses (nearest</p> <p><b>14. REPORTING METHOD.</b> Check box to indicate accounting method. See instructions for description of:</p> <p><input type="checkbox"/> Method A. Reporting amounts using LDA defini</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 603 Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 162 Internal Revenue Code</p>
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Signature Dale E. Baker

Printed Name and Title Dale E. Baker, President

LD-2 (REV. 6/98)

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Registrant Name Baker Healthcare Consulting Client Name St Catherine Hospital

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which th engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each co information as requested. Attach additional page(s) as needed.

15. General issue area code MMM (one per page)

16. Specific lobbying issues

See Attached

17. House(s) of Congress and Federal agencies contacted

Check if None

Senate

House of Representatives

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)
<u>DALE E. BAKER</u>	.....
<u>John C. Reader</u>	.....
<u>Robert Grand</u>	.....
<u>William Moreau</u>	.....
<u>Michael Grubbs</u>	.....
.....	.....
.....	.....
.....	.....

19. Interest of each foreign entity in the specific issues listed on line 16 above

Check if None

Signature D. E. Baker

Date March 6, 2003

Signature \_\_\_\_\_

Printed Name and Title Dale E. BAKER

Registrant Name Baker Healthcare Consulting Client Name St Catherine Hospital

**Information Update Page - Complete ONLY where registration information has changed.**

20. Client new address

21. Client new principal place of business (if different from line 20)

City

State/Zip (or Country)

22. New general description of client's business or activities

**LOBBYIST UPDATE**

23. Name of each previously reported individual who is no longer expected to act as a lobbyist for the client

**ISSUE UPDATE**

24. General lobbying issues previously reported that no longer pertain

**AFFILIATED ORGANIZATIONS**

25. Add the following affiliated organization(s)

Name	Address	Principal Place of Bu (city and state or co

26. Name of each previously reported organization that is no longer affiliated with the registrant or client

**FOREIGN ENTITIES**

27. Add the following foreign entities

Name	Address	Principal place of business (city and state or country)	Amount of contribution for lobbying activities

28. Name of each previously reported foreign entity that no longer owns, or controls, or is affiliated with the registra affiliated organization

Signature Dale E. Baker Date March 6, 201

Printed Name and Title Dale E. Baker, President

Form LD-2 (Rev. 6/98)

Page

## COUNTYWIDE RECLASSIFICATION EXECUTIVE SUMMARY

In 1989 Congress established the Medicare Geographic Classification Review Board specifically instructed the Department of Health and Human Services, Centers for Medicare Medicaid Services (CMS) to provide for countywide reclassifications. CMS promulgated regulations limiting counties eligible for these reclassifications to a county included in a PM that is a part of a CMSA (a short list of counties adjacent to large urban areas such as Chicago, New York City and Los Angeles). Accordingly, CMS established criteria to demonstrate that countywide costs are "comparable" to the area to which the county seeks redesignation. CMS chose to develop formulas comparing countywide costs per discharge to the Prospective Payment System (PPS) rates that hospitals were paid in both the home geographic area and secondly, the rate they would be paid if the hospitals were reclassified. If the countywide cost per case exceeded the base rate plus 75% of the difference between the base rate and the reclassified rate - then the county hospitals met this criteria for reclassification. CMS used *rates as a proxy* for costs.

In FFY 1995 twenty-three counties were granted countywide reclassifications. Starting in 1996, the number of countywide reclassifications began to plummet because the relationship of costs to rates has changed over time. The site of care has shifted to outpatient for many services and hospitals have greatly expanded the outpatient units. Also, many hospitals have opened post acute care units (SNF, psych, rehab, home health) and now allocate fixed overhead costs to these newer units instead of the fixed costs being fully absorbed by the inpatient PPS unit. The result of this is that counties are denied reclassification simply because of the change in how medicine is practiced in the twenty-first century compared to earlier years.

In 1999, Congress granted two-year reclassifications in Section 152 of the BBRA to four counties (Lake County, Indiana; Butler County, Ohio; Brazoria County, Texas; and Orange County, New York) that could no longer meet the countywide criteria. Through administrative action CMS extended these reclassifications through September 30, 2003.

These "Section 152 hospitals" are seeking either a permanent reclassification or a renewal of the earlier reclassifications. Some believe that such an extension is likely before Congress adjourns in October 2002.

We seek inclusion on the list of "Section 152 hospitals" if there is legislation to renew Section 152 reclassifications through Congress. Legislation needs to be approved for this hospital effective for discharges occurring October 1, 2002 and thereafter. The Section 152 hospitals need renewal as of October 1, 2003.

**In the alternative**, we request that Congress or the Administration change the criteria to equal the individual hospital reclassification and allow countywide wage index reclassification if the countywide group meets the 85% of average hourly wage criteria without requiring the restrictive cost per case criteria to be met.

