



August 23, 2010

Skyline news

Reporting on New York's Health Care News

GNYHA Urges Contingency Law Repeal

GNYHA and 1199 SEIU United Healthcare Workers East have called upon the New York State Legislature to repeal the recently enacted FMAP contingency law. The law requires across-the-board cuts to many State programs, including Medicaid and school aid, if Congress approves less than \$1.085 billion in Federal FMAP funds.

Earlier this month, however, Congress approved—and President Obama signed into law—\$1.4 billion in Federal health care and education aid for New York State in the current State fiscal year ending March 31,

2011. This includes \$800 million in Medicaid or “FMAP” relief, and more than \$600 million in school aid—funding the State did not anticipate and therefore did not include in its budget plan. So despite the fact that Congress has now provided much more Federal funding for New York State than anticipated—\$315 million more than assumed in this year’s State budget—the FMAP contingency law will require damaging cuts to health care, education, and other programs because \$1.085 billion was not provided in FMAP funding alone.

“Congress clearly intended that states use

the new Medicaid and education funds to avoid further funding cuts to vital programs,” GNYHA President Kenneth E. Raske said. “Not only would further cuts under the new State law violate Congressional intent, they would do irrevocable harm to financially strapped hospitals, nursing homes, and home health providers already reeling from eight rounds of Albany cuts and tax increases.”

The GNYHA/1199 SEIU Healthcare Education Project recently sent the State Legislature a paper detailing why Congress’s recent action to provide New York State with \$1.4 billion in additional fiscal relief negates the need and rationale for the FMAP contingency law. The paper argued that a repeal “is dictated by the spirit, intent, and design of

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Trustees: Medicare’s Future Improves with Health Reform

The annual report by the Medicare Trustees was released earlier this month. It projects a much better picture for Medicare’s Trust Fund and credits the improved outlook to the Patient Protection and Affordable Care Act (ACA).

Specifically, the Hospital Insurance (HI) trust fund assets are projected to be exhausted in 2029. Before the ACA was signed into law, the HI funds were projected to run out in 2018. The trust fund’s 75-year deficit is estimated to be .66% of taxable payroll with the new assumptions based on the ACA, versus

the 3.88% of payroll projected last year, before health reform was enacted.

According to the report, “That change is largely attributable to the ACA, which mandates a reduction in the growth in Medicare payment rates for most health service providers, reduces payments to Medicare Advantage plans, and imposes higher HI payroll taxes for high earners. Those factors slow the depletion of HI Trust Fund assets and delay the anticipated fund exhaustion date to 2029, 12 years later than reported last year.”

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BRIEFING ON NYS CON REFORM

Date: Wednesday, September 15, 2010

Time: 2:00 p.m.–4:30 p.m.

Location: GNYHA Conference Center
NYS Department of Health (DOH) representatives will present on the State’s recent amendments to its CON program, implementation of its NYSE-CON application system, merger of the responsibilities of the State Hospital Review and Planning Council and Public Health Council, and proposed changes to health care facility construction standards. DOH will also discuss recommendations and plans for further streamlining and improving its CON program. To register, please contact Linda Tam, ltam@gnyha.org. ■

Plan Profits Rise in First Half of 2010

The nation's five largest health plans reported a combined year-to-date net income of \$6.1 billion, which

is 22% greater than their combined net income during the first half of 2009 (\$5 billion). The plans' combined total margin for the first two quarters of the year also increased, from 4.3% in 2009 to 5.1% in 2010. Table 1 details individual plan results.

Insurers and providers observed lower utilization and decreased medical costs in the first two quarters of 2010, attributable to a light flu season and reduced utilization of non-emergency care. All five plans saw a reduction in their medical loss ratios (MLRs). The plans combined for an overall year-to-date MLR of 82.1%, down from 83.3% in the first half of 2009. Aetna, which had maintained one of the highest

MLRs in 2009 (85% during the first half of the year), saw the greatest change, with a 3% MLR reduction to 82.2% for the first

two quarters of 2010. MLR changes are noted in Table 2.

The Patient Protection and Affordable Care Act (ACA) requires health insurers to maintain an MLR of 85% for large-group plans, and 80% for small-group and individual plans. There are no specifications yet for determining MLRs under the ACA. The MLR figures reported above are national and inclusive of all business lines, so they do not necessarily indicate that these plans would be out of compliance.

At its summer meeting, which began August 14, the National Association of Insurance Commissioners planned to develop recommendations for the U.S. Department of Health and Human Services on exactly what constitutes medical costs, as opposed to administrative and quality costs. ■

Insurer	2010 YTD Income	% Increase over 1st Half 2009	1st Half 2010 Margin	1st Half 2009 Margin
United-Healthcare	\$2.31 billion	26%	5.0%	4.2%
WellPoint	\$1.60 billion	26%	5.5%	4.2%
Aetna	\$1.05 billion	34%	6.1%	4.5%
Cigna	\$579 million	-10%	5.5%	7.0%
Humana	\$599 million	23%	3.5%	3.1%

Insurer	2010 1st half MLR	2009 1st half MLR	% Change
United-Healthcare	81.4%	83.0%	-2%
WellPoint	82.3%	83.2%	-1%
Aetna	82.2%	84.9%	-3%
Cigna	83.2%	81.9%	2%
Humana	82.6%	83.6%	-1%

GNYHA Comments on Resident Work Hours

GNYHA recently submitted comments on resident work hours standards changes proposed by the Accreditation Council on Graduate Medical Education (ACGME). The standards, which have not been modified since 2003, were drafted in response to recommendations on work hours and supervision made by the Institute of Medicine in December 2008. After reviewing data and receiving testimony from a variety of stakeholders, the ACGME's Duty Hours Task Force published the new proposed standards in June and asked for public comments by August. The standards are scheduled to go into effect in July 2011.

The major changes to the ACGME standards concern the work environment of

first-year residents. The ACGME has proposed increasing levels of supervision and limiting the continuous work periods for first-year residents to no more than 16 hours. In response to concerns raised by the patient safety community, the ACGME has proposed additional requirements that focus on increased education on sleep deprivation and fatigue mitigation for both residents and faculty, and encouraging napping during longer shifts. In addition, the ACGME has developed a Patient Safety and Quality Assurance review process and plans to survey every sponsoring institution on an annual basis.

After obtaining member feedback on the expected impact of the new requirements, GNYHA submitted comments to

the ACGME. With respect to the 16-hour limit, member hospitals said the new requirement will necessitate increases in staffing, particularly for mid-level practitioners, and will increase hospital expenses. Hospitals also expressed concern that they would be forced to implement more 12-hour shifts for first-year residents, which may limit the ability to deliver didactic experiences while increasing the number of patient handovers. GNYHA members also indicated the difficulties associated with mandating napping, which some hospitals have made efforts to implement with limited success. If you have any questions about the proposed standards changes or GNYHA's comments, please contact Anu Ashok, aashok@gnyha.org. ■

Trustees *continued*

The report adds, though, that the HI trust fund is projected to drop to 94% of annual expenditures in 2012. The Trustees' entire report is available at: <https://www.cms.gov/ReportsTrustFunds/downloads/tr2010.pdf>.

The Trustees also caution that the improved outlook for Medicare depends "in part on the long-range feasibility of the lower increases in Medicare payment rates. Moreover, in the context of today's health care system, these adjustments would probably not be viable indefinitely into the future." Therefore, the report concludes, "the actual future costs for Medicare are likely to exceed those shown by the current-law projections in this year's report."

Richard Foster, CMS' Chief Actuary, added stronger caveats to the Trustees' report in his Statement of Actuarial Opinion. Not all of the changes outlined in the ACA, he wrote, will be viable in the long term.

"Specifically, the annual price updates for most categories of non-physician health services will be adjusted downward each year by the growth in economy-wide productivity," his statement said. "The best available evidence indicates that most health care providers cannot improve their productivity to this degree—or even approach such a level—as a result of the labor-intensive nature of these services."

Prices that Medicare pays for health services, Foster's statement said, are "very likely to fall increasingly short of the costs of providing these services." Congress would have to step in well before the end of the long-term projection period because of likely problems with providers leaving Medicare.

"Overriding productivity adjustments, as Congress has repeatedly done in the case of physician payment rates, would lead to far higher costs for Medicare in the long range than those projected under current law," Foster wrote.

The statement went on to say the report's projections did not "represent a reasonable expectation for actual program operations" over the short or long term. He offered alternative projections, which are available at: <http://www.cms.gov/ActuarialStudies/Downloads/2010TRAAlternativeScenario.pdf>. ■

AROUND

Salvatore J. Russo, J.D., was appointed General Counsel of the New York City Health and Hospitals Corporation (HHC) July 29, 2010. Mr. Russo has worked for HHC and the Office of Legal Affairs for more than 25 years. For the past seven years, he served as the deputy counsel for Medical and Mental Health Affairs, and he was appointed Acting General Counsel in March 2010. In addition to his various positions within HHC, Mr. Russo previously served as in-house Counsel for Maimonides Medical Center, Director of Legal Affairs for the Greater New York Hospital Association and (pro bono) Counsel to the Metropolitan Health Administrators' Association. Mr. Russo is a Phi Beta Kappa graduate of New York University College of Arts and Science. He was awarded the degree of Juris Doctor from Hofstra University School of Law. He is also an adjunct associate professor of law at Brooklyn Law School.

Mr. Edward Salsberg, formerly the Director of the Association of American Medical Colleges' Center (AAMC) for Workforce Studies, has been appointed Director for HRSA's National Center for Workforce Analysis. The National Center for Health Workforce Analysis was created by the Patient Protection and Affordable Care Act (ACA) and is intended to work closely with the new National Health Care Workforce Commission, also established by the ACA, to be a source of data and information on the nation's health workforce. Members of the new Commission are expected to be announced by September 30. Mr. Salsberg earned his M.S. degree in Public Administration from New York University's Wagner School of Public Service and his B.S. degree from the Department of Political Science, State University of New York at Stony Brook. He is also familiar to New York as the former Director of the Center for Health Workforce Studies at the University at Albany, and was previously the Director of Health Resources Development at the New York State Department of Health. ■

TOWN

Repeal *continued*

the Federal Medicaid Act and related Federal funding for such purposes; the spirit and intent of the Federal government's increased Medicaid funding to states during this time of financial hardship; and the reasoning behind the State's contingency fund law." The paper also states that a repeal is "the only equitable and proper action for the State to take

in light of the numerous Medicaid cuts and hardships that...have fallen disproportionately on the shoulders of the State's health care system."

GNHYA continues to weigh in with State legislators. Additionally, GNYHA and 1199 SEIU are collecting signatures from health, education, and welfare organizations across the State on a joint statement calling for repeal. ■

STRATEGIES FOR EARLY RESOLUTION OF MEDICAL MALPRACTICE CLAIMS

Date: Wednesday, September 22, 2010

Time: 1:30 p.m.–4:30 p.m.

Location: GNYHA Conference Center

Richard C. Boothman, Chief Risk Officer of the University of Michigan Health System, will provide an overview of the system's claims management model and its impact on patient safety and the claims experience. GNYHA members who have adopted this approach will discuss their experiences. Contact Rosanne Casey, rcasey@gnyha.org, to register; the registration deadline is September 17. ■

NYS MEDICAID IG TO ADDRESS GNYHA

Date: Thursday, September 30, 2010

Time: 2:30 p.m.–4:30 p.m.

Location: GNYHA Conference Center

New York State's Medicaid Inspector General James Sheehan will once again address GNYHA members on the Office of Medicaid Inspector General's (OMIG's) priorities for the coming months. Mr. Sheehan will be joined by Matthew Babcock, the OMIG's new Assistant Medicaid Inspector General for Compliance. The meeting is an opportunity for GNYHA members to learn about the OMIG's ongoing and anticipated projects and to share their views and concerns with Mr. Sheehan and his team. To register, contact Laurie Sangirardi, sangirardi@gnyha.org. ■

Summer Enrichment Program Graduates 16

This summer, GNYHA continued its sponsorship of the Summer Enrichment Program (SEP), which seeks to promote diversity in health care management through internships for undergraduate and graduate students pursuing degrees in the field. In the program, participating students are matched with management staff “mentors” at GNYHA member facilities, who offer the students firsthand experience with operations and management issues facing health care organizations. Since SEP launched in 1998, more than 250 students have taken part in this challenging program. This summer, 16 students completed the program.

In addition to the internship placements, the students attended the Institute for Diversity in Health Management’s June National Leadership and Education Conference on Diversity in Chicago. Entitled “Changing the Culture of Health Care,” the conference addressed topics such as diversity in health care, quality, and the impact of health care reform. The student participants were also able to network with health care leaders from across the country.

In July, the SEP interns attended a two-day seminar at GNYHA that showcased various health care management careers.

Health care leaders working in a variety of sectors spoke about their own careers, their current roles and responsibilities, and the paths they took to get to where they are today. Finally, on August 12, GNYHA



2010 SEP Graduates

hosted a graduation for the students and invited their sponsors and preceptors to attend. Students gave presentations on the work they did during

their internships, such as examining the patient flow and efficiency of a clinic, or measuring patient and visitor satisfaction regarding a hospital’s discharge process.

SEP began as a collaboration between GNYHA and the American Hospital

Association’s Institute for Diversity in Health Management (IFD), the National Association of Health Services Executives (NAHSE), and the Association of Hispanic Healthcare Executives (AHHE). GNYHA operates the program for the New York metropolitan area, while IFD oversees the program nationally.

GNYHA thanks NAHSE for providing mentors for each of the participating students. This type of internship helps position students for postgraduate fellowships or employment, and GNYHA looks forward to expanding the program in the future. For more information about SEP, please contact Mary Medina at GNYHA at medina@gnyha.org. ■

VIDEO



To view interviews with SEP alumni **Bushra Farooq** and **Leslie Holmes**, view this week’s e-Skyline at www.gnyha.org/Skyline.

ASK THE SEP ALUM

Tannasia Robinson Gonzalez participated in the Summer Enrichment Program Class of 2002. Now Director of Data Management, CQI & Regulatory Affairs at St. Luke’s Roosevelt Hospital’s Center for Comprehensive Care, she shared her experience with Skyline News.

What did you think of the SEP Program as a student?

I loved participating in the SEP. Every day was exciting and challenging. I had an opportunity to meet and work with a number of seasoned health care executives and thus built a strong network of colleagues I could tap into for advice and guidance where needed. I was also exposed to key entities such as DOH, TJC, IPRO, etc., and the impact of their oversight on the hospital, as well as general concerns, such as chart documentation, DRGs and reimbursement, continuity of care, HIPAA, union relations and the everlasting dichotomy between shortening length of stay and maintaining quality patient care.

How has the experience impacted your career?

The SEP gave my career a jump start. I was able to gain experience at an executive level early on in my career. In addition, I was introduced to organizations such as the American College of Healthcare Executives and the National Association of Health Services Executives, which provide opportunities for health care executives to stay abreast of industry happenings and to expand networks. Networking and experience at executive levels early on helped build a stronger foundation for me as a health care executive.

Why did you want to return as an SEP mentor?

Being a mentor is rewarding beyond words. I am so grateful for my experiences throughout my career that I am at a level where I can be a mentor. As a mentor, I get to share my experiences with those just starting and give advice to help them move toward a path best suited for them, and in the process build relationships which last a lifetime.

What would you say to anyone who is interested in being an SEP mentor?

I would definitely recommend becoming an SEP mentor. It’s important to give back and help build and support the leaders of tomorrow. ■

GNYHA thanks the following facilities and organizations for participating in 2010 SEP:

- Bellevue Hospital Center
- Beth Israel Medical Center—Milton and Carroll Petrie Division
- Beth Israel Medical Center—Kings Highway Division
- Continuum Health Partners
- Interfaith Medical Center
- Jacobi Medical Center
- Lincoln Medical and Mental Health Center
- Long Island College Hospital
- New York City Health and Hospitals Corporation
- North Central Bronx Hospital
- St. Luke’s—Roosevelt Hospital Center
- Trinitas Regional Medical Center
- Visiting Nurse Service of New York