



September 27, 2010

Skyline news

Reporting on New York's Health Care News

NYS Asks Permission to Cut Medicaid

The New York State Department of Health (DOH) has asked the Obama Administration to approve Medicaid cuts under the State's FMAP Contingency Law passed last month. Specifically, DOH has submitted three proposed Medicaid State Plan Amendments (SPAs) to the Centers for Medicare & Medicaid Services (CMS) requesting permission to reduce Medicaid payments to hospitals, nursing homes, and most non-institutional providers by 1.1% beginning September 16, 2010, and ending March 31, 2011. State officials believe that this will

provide the State with Medicaid's share of savings necessary to reduce State spending by \$281 million, which represents the difference between what the State Division of the Budget (DOB) assumed the State would receive in Federal Medicaid relief when the State budget passed earlier this year and what Congress actually provided in legislation passed on August 10, 2010.

Impact In the proposed SPAs, the State estimates that, if approved, the Federal government alone would save more than \$106 million. Obviously, the provider impact would be far greater, due to the loss of

State funds as well. Despite this, the State describes the cuts as "diminutive," "modest," and "temporary." GNYHA believes, however, that the cut must be looked at in the context of the eight rounds of Medicaid cuts and tax increases suffered by hospitals, nursing homes, and home
continued on page 2

Sherry Glied to Speak at Symposium

On November 3, 2010, GNYHA and the United Hospital Fund (UHF) will co-sponsor the *21st Annual Symposium on Health Care Services* in collaboration with major health services and research organizations. The Symposium

LINK



To register for the *21st Annual Symposium on Health Care Services*, please go to www.uhfnyc.org.

will be held from 8:45 a.m. to 12:30 p.m. at the City University of New York (CUNY) Graduate Center in Manhattan. Registration begins at 8:15 a.m. The Symposium's focus will be what the New York community can learn from the

experience in Massachusetts as New York embarks on implementing provisions of Federal health reform. The plenary session will include presentations by Sherry Glied, Ph.D., the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services (HHS), and Sharon Long, Ph.D.,

Professor of Health Policy and Management at the University of Minnesota. The Symposium will also include roundtable sessions on different aspects of the Massachusetts experience and the lessons learned. ■

Lieutenant Governor Calls for Medicaid Reform

New York State Lieutenant Governor Richard Ravitch issued a report September 20 recommending reforms designed to control the increasing cost of Medicaid. A number of the recommendations are geared toward significantly increasing the authority of the State Medicaid Director by shifting responsibilities that currently rest with the Legislature, the counties, or with other State agencies. The recommendations include removing the State Legislature from the rate-setting pro-

continued on page 4

Governor's Health Reform Group Meets

The first meeting of New York Governor David Paterson's Health Reform Advisory Committee was held September 16. Thirty-seven organizations, including GNYHA, were invited to participate on the committee. The organizations represent consumer groups, insurers, business, labor, as well as other provider organizations. The Committee

is chaired by Wendy Saunders, Deputy Secretary to the Governor for Health. Also participating for the State are representatives of the Departments of Health (DOH) and Insurance (DOI), in addition to the Division of Budget (DOB).

During the meeting, State representatives provided overviews of the Affordable Care Act (ACA), discussed the organiza-

tional structure for health reform activity within DOH and DOI, outlined the expected timeline for reform implementation, and announced the formation of five workgroups to assist the State in implementation. The preliminary workgroups are organized around: public insurance programs, commercial market reform, the insurance exchange, public health, and long term care. Committee members were also invited to suggest additional workgroups for consideration. Workgroups will not be restricted to committee members, but are expected to include participation by a larger number of organizations. ■

UPCOMING MEMBER BRIEFING

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. ■

DOH Moves Ahead With Nursing Home Rate-Setting

The extended process of finalizing nursing home Medicaid payment rates for 2009 moved a step forward on September 8, when the New York State Department of Health (DOH) released a "Dear Administrator" letter addressing the rate-setting process while simultaneously posting provisional "draft" rates on the Health Provider Network for individual nursing facilities to view. The Continuing Care Leadership Coalition (CCLC), GNYHA's long term care affiliate, had encouraged DOH to make the latest rate information available to help facilities in planning and budgeting. The rates posted on September 8, 2010, supersede the rates released on January 13, 2010.

Organizations viewing their rates on the Health Provider Network (HPN) should note that the posted rates do not include certain key adjustments. Those adjustments include the July 1, 2009, and January 1, 2010, case mix updates; adjustments related to rate appeals that have been finalized since the initial rates were issued; the impact of the 2009 banking adjustment; and any 2009 "financially disadvantaged" program payments. After DOH receives all necessary approvals from the Centers for Medicare & Medicaid Services (CMS) and the New York State Division of Budget (DOB), it will release "published rates," which will be considered the final update to the rates. ■

Permission to Cut Medicaid *continued*

care providers since April 2007, which have resulted in annually recurring losses of \$2.6 billion.

GNYHA Response GNYHA believes that the SPAs should not be approved due to a variety of defects, including the fact that the SPAs violate Federal requirements regarding proper and efficient operation of state plans; the failure of the State to follow Federal procedural requirements for public notice; and the failure to pay adequately to ensure access to care for Medicaid beneficiaries. GNYHA believes that access to care has been compromised by the eight rounds of Medicaid cuts and tax increases. The fact that hospitals and nursing homes have closed disproportionately in geographic areas with a high concentration of Medicaid beneficiaries starkly illustrates this point.

Next Steps GNYHA continues to work to gather support for State legislation (S.8479) to repeal the FMAP Contingency Law. GNYHA is seeking support in both the State Senate and Assembly to pass the bill when the Legislature returns to Albany in the coming weeks. ■

GNYHA, Members Lobby for HIT Equity

On September 21, GNYHA participated in the “Treat Every Hospital Fairly” lobby day sponsored by the Health Management Academy to raise awareness about hospital eligibility for health information technology incentive funds. The incentives were created as part of the stimulus package that was enacted in February 2009. GNYHA planned a full day of meetings on Capitol Hill for member institutions (including NewYork–Presbyterian, Montefiore Medical Center, Mount Sinai Hospital, and Continuum Health Partners) affected by the eligibility criteria finalized in the implementing regulation issued by the Centers for Medicare & Medicaid Services (CMS) in late July.

Specifically, the CMS rule prohibits hospital systems with multiple campuses that share a single Medicare provider number from each being eligible to receive HIT incentive funds. Although CMS heard from hundreds of members of Congress as to their legislative intent (to extend eligibility to these very institutions), CMS still chose to define eligibility by provider number, thereby significantly disadvantaging 283 institutions nationwide (26 of which are located in New

York; 19 of which are in Pennsylvania; 8 of which are in New Jersey; and one is in Rhode Island).

As part of the lobby day, GNYHA and member institutions met with House Ways & Means and Senate Finance Committee staff, along with House Speaker Pelosi’s chief health counsel, Senator Charles Schumer (D-NY), and a variety of New York delegation staff. The purpose of the day was to renew support for legislation

introduced in the House (H.R. 6072) and Senate (S. 3708) by Rep. Zack Space (D-OH) and Senator Schumer, respectively, that would at least recognize the additional costs of implementing electronic medical records at each campus of a health system. The goal is to attach this bill to one of the few pieces of legislation that will be moving through Congress in the “lame-duck” session scheduled to commence November 15. ■



Health Reform Passes Six-month Mark

Last week, health care advocates across the country marked six months since the enactment of the Affordable Care Act (ACA). The law mandated that a host of important new restrictions for health insurers and new rights for consumers would go into effect as of September 23, 2010, including the following:

- Prohibition on lifetime dollar limits on essential benefits;
- Restriction on annual limits for essential benefits (cannot be less than \$750,000 until 2014, at which point such limits are prohibited);
- Prohibition on coverage rescissions;
- Expanded dependent coverage for adult children up to age 26;
- Prohibition on pre-existing conditions exclusions for children under the age of 19; and
- Enhanced disclosure and transparency requirements.

State Discusses CON Reforms

GNYHA hosted a briefing earlier this month by NYS Department of Health (DOH) representatives on its initial phase of reforms to the State's Certificate of Need (CON) program. The reforms reflect the State's efforts to incorporate extensive input by stakeholders, including GNYHA and its members, with the aim of streamlining the CON process, making it more user-friendly, and permitting the State to focus on more complex projects. At the briefing, DOH reviewed the State's new CON regulations that became effective August 6 and that increase project thresholds that establish the level of review, reduce the level of review for the acquisition of certain medical equipment, and combine limited architectural review and prior review into a single category called simply "limited review."

Among the more notable changes are that all non-clinical projects, as well as all health information technology projects, no longer require review by the State Hospital Review and Planning Council (SHRPC), regardless of cost. Such projects under \$15

million need to undergo only the new limited review process, and those projects that cost \$15 million or more must go through only the administrative review process.

NYSE-CON System Overview DOH also discussed the State's new electronic CON application process, called NYSE-CON,

which the agency plans to implement before the end of the year. The system will permit providers to submit applications electronically, allow DOH reviewers to access applications at their workstations, permit providers to track their applications through the system, and allow for communications among providers and reviewers. The system will also permit the public to access certain information regarding projects filed. The system has been developed in response to requests by GNYHA, its members, and

other stakeholders to allow providers to file applications electronically to improve efficiency and reduce costs. DOH will offer training for providers to use the system.

Construction Standards Update DOH expects that regulations to update the State's construction standards for health care fa-

ilities to conform to national consensus standards such as the *NFPA 101 Life Safety Code* and the *Guidelines for Design and Construction of Health Care Facilities* will be published for comment on September 29. After that the regulations will be presented to SHRPC for adoption on November 18, and become effective in December.

Public Health & Health Planning Council DOH also reported on the planned consolidation of the responsibilities of SHRPC and the Public Health Council under a new Public Health and Health Planning Council, which will become effective December 1. DOH stated that the design of the council is to integrate public health and service planning perspectives and missions; further streamline the CON process; reduce administrative costs; and improve the productivity and efficiency of staff involved in the CON process. ■

LINK

HEALTH CARE NEWS In-Depth

NYS Implements First Phase of CON Reform

GNYHA MEMBER BRIEFING

GNYHA describes the State's reforms in detail in its August 9 Health Care News In-Depth, which can be accessed at <http://gnyha.org/indepth>.

Medicaid Reform *continued*

cess, shifting administrative responsibilities from local social service districts to the State Department of Health under the Medicaid Director, and transferring certain functions currently performed by the Office of Mental Health and the Office of Alcohol and Substance Abuse to the Medicaid Director. The report also recommends that the Medicaid Director be appointed by and report directly to the Governor. With total Medicaid expenditures accounting for close to one-third of the State budget, GNYHA has expressed

concern about delegating this much authority to a single appointed individual.

The report also includes many recommendations that GNYHA strongly supports, such as implementing care management strategies for high-cost populations, including the dual eligibles and those with behavioral health conditions. Reforming medical malpractice through specialized health courts and a neurologically impaired newborn fund are also strategies that GNYHA strongly supports. ■

UPCOMING MEMBER BRIEFING

GNYHA Briefing on Hospital Accreditation Options

Date: Wednesday, October 6, 2010
Time: 9:00 a.m.–12:00 noon
Location: GNYHA Conference Center

This briefing will provide members with an overview of three available accreditation options for the purpose of their being deemed in compliance with the Centers for Medicare & Medicaid Services' Conditions of Participation. Det Norske Veritas Healthcare, Inc. (DNV), the American Osteopathic Association's Healthcare Facilities Accreditation Program (HFAP), and The Joint Commission (TJC) will describe their respective accreditation standards and survey processes for hospitals. In addition, TJC will present new or planned changes in its process, challenging standards, and plans for the coming year. For more information, please contact Lorraine Ryan, ryan@gnyha.org; to confirm your participation please contact Laurie Sangirardi, sangirardi@gnyha.org. ■

NYC Holds Hospital Quality Hearing

The New York City Council's Health Committee held a hearing on hospital quality assurance on September 13. At the outset of the hearing, Committee Chair Maria del Carmen Arroyo stated that the hearing's purpose was for the City Council to gain a better understanding of how hospitals meet the legal and regulatory requirements for quality assurance and incident reporting. Lorraine Ryan, GNYHA's Senior Vice President for Legal, Regulatory, and Professional Affairs, provided testimony on the importance of leadership, commitment to creating and sustaining a culture of safety, transparency, and teamwork in an effective quality improvement

program. Ms. Ryan also provided an overview of GNYHA's efforts to assist member hospitals with improving quality, safety, and outcomes through voluntary initiatives focused on innovation, education, and collaboration. In particular, Ms. Ryan focused on GNYHA's successful and sustainable patient safety initiatives, undertaken in coordination with the United Hospital Fund, in the areas of infection prevention, critical care, and workforce development.

Dr. Ross Wilson, Senior Vice President and Chief Medical Officer at the New York City Health and Hospitals Corporation (HHC), testified about the important role the quality assurance process plays in

monitoring quality and safety, identifying opportunities for improvement, and ensuring that improvement is achieved. Dr. Wilson discussed specifics of HHC's quality assurance process.

continued on reverse

NYS Supports Perinatal Safety Collaborative

Members of the GNYHA/UHF Perinatal Safety Collaborative Advisory Panel (PAP) met September 15 and continued advocating for a comprehensive approach to perinatal safety throughout New York State. Several key stakeholders reported on the status of their initiatives at this meeting.

The Perinatal Safety Collaborative was formed in 2007 to improve the quality of obstetrical and perinatal care processes, standardize the implementation of evidence-based practices, and reduce the incidence of perinatal and maternal injuries. The Collaborative is guided by the clinical expertise of the obstetricians and perinatal safety experts that make up the PAP. John Morley, M.D., Medical Director at the New York State Department of Health (DOH), expressed the agency's full commitment and support of GNYHA's efforts in the area of perinatal safety, and agreed that the Collaborative approach should be embraced by hospitals throughout the State. Marilyn A. Kacica, M.D.,

continued on reverse

GNYHA Hosts Ultrasound Training



First-year critical care and pulmonary fellows examine a model during a workshop on critical care ultrasonography September 23 at the Albert Einstein College of Medicine in the Bronx. GNYHA and the United Hospital Fund sponsored the three-day workshop for 80 fellows representing institutions that have critical care training programs throughout New York State, New Jersey, and Connecticut.

continued on reverse

Hospital Quality Hearing *continued*

ity assurance program at the system and facility level, and the rigorous oversight that the HHC Board of Directors provides at the corporate level. He also stressed the important role that quality and performance measurement and analysis play within the HHC system.

Mark A. Crafton, The Joint Commission's (TJC's) Executive Director for State and External Relations, provided an overview of TJC's accreditation process, including the unannounced surveys conducted. Mr. Crafton described the functional chapters and elements of performance TJC uses to measure organizational compliance with the accreditation standards, and the process that an organization must follow for failing to meet the standards.

Joseph T. Cooke, M.D., Associate Professor of Clinical Medicine and Public Health, and Chief Quality and Patient Safety Officer of NewYork-Presbyterian Hospital Weill Cornell Medical Center, spoke of the extraordinary advances in health care and

the science of quality and patient safety over the last 40 years. He noted that health care organizations have responded to these advances by devoting resources to quality improvement and patient safety and by adopting and adapting improvement methodologies from other industries to minimize error and improve outcomes. Dr. Cooke also spoke of Weill Cornell Medical College's leadership in medical education, as demonstrated by the inclusion of the principles of quality, patient safety, teamwork, and communication in medical school curricula.

The New York State Nurses Association provided testimony on the recently enacted Nursing Quality Protection Act and the importance of adequate staffing levels.

At the end of the hearing, the Chair invited the health care industry to call upon the City Council as necessary to help advance the principles and activities promoting hospital quality assurance in New York City's hospitals. ■

Perinatal Safety Collaborative *continued*

M.P.H., Director of DOH's Division of Family Health, discussed the agency's involvement in the Centers for Medicare & Medicaid Services (CMS) Neonatal Outcomes Improvement Project, and the development of a maternal mortality reporting and review process. DOH is currently working with IPRO on pilot testing a maternal mortality abstraction tool and plans to share trended data with the new DOH Maternal Mortality Expert Review Committee convened to review these cases.

Donna Montalto, Executive Director of the American Congress of Obstetricians and Gynecologists District II/New York (ACOG), gave an update on ACOG's patient safety activities, including their work on an electronic fetal monitoring toolkit, as well as the perinatal safety checklist that is under development. The March of Dimes–New York Chapter State Director Nelson Andino presented on the development and publication of a toolkit focused on eliminating elective deliveries before 39 weeks gestational age that is currently being piloted in two hospitals in New York State and four other states (Florida, Illinois, Texas, and California). The toolkit includes best practices for reducing elective inductions through consumer education and standardizing clinical practices.

PAP members also heard an update on recent Collaborative activities, including a report on the aggregate results from the Collaborative's Web-based self-assessment survey. Overall results for hospitals participating in the Collaborative demonstrate progress in implementing standardized clinical practices, creating a culture of safety, implementing requirements for certification in fetal monitoring interpretation, and communicating as a team. Future areas of clinical focus that present specific challenges and opportunities for the Perinatal Safety Collaborative were discussed and will be explored by a clinical workgroup. For more information about the Collaborative, contact Lorraine Ryan (ryan@gnyha.org) at GNYHA. ■

Ultrasound Training *continued*



VIDEO



To view video of the lessons and interviews with faculty and fellows, visit <http://gnyha.org/skyline092710/ultrasound>.

