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Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

Medicaid Expenditures per Enrollee Decrease

New York State Department of Health (DOH) reports containing the most recently available information on New York State Medicaid spending and program enrollment show that total expenditures per Medicaid beneficiary decreased by 1.5% from the 12-month period ending June 30, 2003, to the 12-month period ending June 30, 2004. This decline occurred because the growth rate in beneficiary enrollment of 9% exceeded the growth rate in spending of 7%, demonstrating that overall spending growth in the Medicaid program resulted from economic factors that qualified more New Yorkers for Medicaid coverage rather than from excessive Medicaid provider payments.

Table 1 (page 3) shows the growth rate in spending by service category and the growth

rate in enrollment over this time period.

The 1.5% decrease in Medicaid spending per beneficiary is the sum of a 5.7% decrease in spending for some services and a 4.2% increase in spending for other services, as shown in Table 2 (page 3). The services that contributed the most to the spending decrease per beneficiary were hospitals, at -2.3%, and nursing homes, at -1.2%. The services for which spending per beneficiary increased were managed care, case management, pharmaceuticals, and institutional and community-based services for the mentally retarded and developmentally disabled.

These spending trends bear no relationship to the Executive's proposed State fiscal year 2005-06 budget, which targets 31% of

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NYS Leaders Reach Consensus on Available State Revenues

On Mar. 1, 2005, New York Governor George E. Pataki, Senate Majority Leader Joseph L. Bruno, Assembly Speaker Sheldon Silver, Senate Minority Leader David A. Paterson, and Assembly Minority Leader Charles H. Nesbitt reached agreement on available revenues for the 2004-05 and 2005-06 State fiscal years (SFYs). SFY 2005-06 begins on Apr. 1, 2005. Specifically, the leaders announced that they have agreed, based on their own fiscal analyses and

an improving economy, that the State will have \$595 million more in revenues than the Governor projected in his amended budget. In his amended budget, the Governor had already projected that revenues would be \$572 million higher than the estimate that was given when he released his Executive Budget proposal in January. Later last week, the leaders agreed that welfare spending would also not grow as fast as the original Executive Bud-

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GNYHA Board Meets

The GNYHA Board of Governors met on March 2, 2005, and took the following actions:

- Ratified recommendations from the GNYHA Nominating Committee concerning individuals to serve as officers and/or Board members of GNYHA and its subsidiaries and affiliates for 2005-06;
- Was briefed on the status of the State Budget debate, heard a summary of the comprehensive reform plan released by the GNYHA/1199 SEIU Healthcare Education Project (HEP), and discussed the HEP's advocacy campaign to oppose the Executive Budget;
- Heard a review of President Bush's proposals on Medicare and Medicaid, and of GNYHA's activities within the New York Congressional Delegation aimed at defeating Medicaid savings proposals;
- Endorsed the public reporting of hospital infection rates as long as this initiative is undertaken by the NYS Department of Health, using the most sophisticated risk-adjustment methodologies available so that the data are useful, not misleading, to the public;
- Heard a summary of the U.S. District Court for the Southern District of New York's March 1 split decision in the lawsuit brought by 76 GNYHA member hospitals to challenge the Medicare Program's new methodology for computing the NYC-area wage index;
- Approved a motion to advocate for changing the Certificate of Need (CON) requirements for hospitals in order to decrease processing time for CON applications; and
- Heard a review of advocacy actions and potential litigation on the part of the Continuing Care Leadership Coalition (CCLC) in response to recent State changes in the calculation of nursing home capital payments under Medicaid that could substantially reduce reimbursement to CCLC members. ■

get had assumed, which further brightened the budget outlook. Essentially, these re-estimates mean that the State will have nearly \$1.3 billion more in revenue than the Governor projected when he proposed major Medicaid cuts, new taxes on hospitals and nursing homes, and cuts to public insurance programs in order to close what he said in January was a \$4.2 billion State deficit for SFY 2005–06. The new revenue is more than enough to completely restore all the health care budget cuts the Governor proposed.

The agreement on revenues sets the stage for substantive negotiations on the Governor’s budget. GNYHA is hopeful that the improved revenue picture will enable the Governor and the State Legislature to agree to eliminate all the new Medicaid cuts, provider taxes, and public insurance program cuts in the Governor’s January budget proposal. To that end, GNYHA has been holding borough-wide and countywide meetings with GNYHA members and State legislators. Also, through its joint initiative with 1199 SEIU—the Healthcare Education Project—GNYHA has run television, radio, and print ads throughout the State, sent out 2 million pieces of direct mail to voters in key legislative districts, put up posters with postcards in all GNYHA member facilities, conducted phone-banking and door-to-door canvassing campaigns, and undertaken other activities. The legislative leaders have expressed the hope that they can deliver an on-time budget this year, which means that all GNYHA member advocacy activities must take place immediately. ■

Grassroots Campaign Blankets State

A critical component of the GNYHA/1199 SEIU Healthcare Education Project (HEP) advocacy campaign to urge Albany lawmakers to reject the nearly \$3 billion in Medicaid cuts, provider taxes, and other health care cuts in Governor Pataki’s proposed budget has been the massive grassroots initiative to mobilize the millions of supportive voters across the State. HEP has blanketed the entire State with, among other activities, television and radio ads, a direct mail campaign to millions of households, a massive telephone calling initiative, and a door-to-door canvassing initiative. These efforts have energized tens of thousands of New Yorkers to voice their support for the health care community.

CAMPAIGN STRATEGY	OUTCOME
<p>Direct Mail Encompassing millions of households, this initiative has inspired individuals to send postcards to their elected officials to express their opposition to the Governor’s proposed health care cuts and taxes.</p>	73,788 postcards sent to elected officials
<p>Door-to-Door Canvassing HEP canvassers have knocked on doors throughout the State to educate New Yorkers and urge them to write to their legislators and call their elected officials.</p>	60,000 homes visited 14,769 postcards sent to elected officials 24,647 conversations with voters 3,133 on-the-spot calls to elected officials
<p>Phone Banking HEP called tens of thousands of New Yorkers to educate them about the threat to our health care and offered to “patch” them through to their elected officials to express their concern over the Governor’s proposals.</p>	12,284 “patch-through” calls to elected officials
<p>1-866-END-CUTS HEP set up a toll-free hotline that New Yorkers can call to voice their support for New York’s health care community.</p>	3,324 calls to HEP’s toll-free hotline

The challenge ahead of us is still tremendous, so we urge you to KEEP CALLING and KEEP WRITING your elected officials to voice your opposition to Governor Pataki’s proposed health care cuts and taxes.

Survey Results Show New York Hospitals Are Compliant with 80-Hour Work Week for Residents

New York teaching hospitals have shown dramatic improvement in limiting the average work week of residents to no more than 80 hours, according to data from the NYS Department of Health (DOH). During the recently ended third year of DOH’s contract with IPRO to conduct unannounced visits and complaint investigations, the hospitals showed a rate of substantial compliance of 100%. The results

are a tremendous achievement for New York’s teaching hospitals and for the DOH staff who have worked with hospitals to assist them in achieving compliance. In July 2003, the Accreditation Council for Graduate Medical Education (ACGME), which accredits nearly 8,000 residency programs across the country, adopted resident work hours standards modeled on the New York regulations. Hospitals and residency programs across the country

are currently working toward compliance with the ACGME standards. While GNYHA is proud of New York’s teaching hospitals for achieving this outstanding compliance, GNYHA remains very concerned that draconian budget cuts proposed by Governor George Pataki will force severe cutbacks and undermine the efforts of these institutions to both care for the patients they serve and remain compliant with these regulations. ■

Empire Clinical Research Investigator Program Application Released

Last week, the NYS Department of Health (DOH) announced the availability of the application for the Empire Clinical Research Investigator Program (ECRIP). The application must be completed and submitted to DOH by 4:00 p.m. on April 28, 2005. The ECRIP is a component of the graduate medical education (GME) incentive pool program that is designed to promote the development of clinical researchers in New York. The \$31 million GME incentive pool program rewards teaching hospitals and GME consortia for achievement of, and progress toward, State policy goals. GNYHA has

understood from its member teaching hospitals that recruitment of qualified candidates has been hampered as a result of the timing of the ECRIP award announcements, and has communicated those concerns to DOH. GNYHA is very pleased and grateful that the ECRIP application is being released at this time so that the award announcement process will be accelerated and hospitals can be assured of being able to recruit qualified candidates. An informational briefing session with DOH staff has been scheduled at GNYHA's offices on April 1 from 10:30 a.m. to 12:30 p.m. Contact gme@health.state.ny.us or (518) 473-3513 to register. ■

HOLD THE DATES!

Friday, April 22, 2005 (morning):
GNYHA Annual Meeting

Monday, June 13, 2005 (evening):
GNYHA Annual Reception and Award Ceremony

Details will be sent to all GNYHA members at a later date.

Medicaid Expenditures per Enrollee Decrease *continued from page 1*

the impact of its cuts, or \$1 billion, at hospital fee-for-service payments and 18% of the cuts, or more than \$500 million, at nursing homes. The spending data show that total hospital fee-for-service spending is declining. While part of this phenomenon is likely the result of increasing enrollment in Medicaid managed care, fee-for-service spending will continue to be an important part of the program because

the most costly Medicaid populations—the disabled and the elderly—are not required to enroll in managed care plans. Cutting \$1 billion from hospital payments for services to such populations would decimate the hospital system and imperil access and quality for all patients.

In a similar vein, total spending growth for nursing home services was modest during

the study period and, again, decreased on a per enrollee basis. The Governor's cuts would severely impair the ability of nursing homes to deliver the same care that is enjoyed by New Yorkers today. ■

Table 1. Growth Rate in Expenditures and Enrollees, 7/1/02–6/30/03 to 7/1/03–6/30/04

	12 Months Ending		Change	
	6/30/03	6/30/04	Amount	%
Expenditures:				
Hospital	\$7,463,344,678	\$ 7,360,220,847	(\$103,123,831)	-1%
Skilled Nurs Facility	6,197,204,503	6,357,303,905	160,099,402	3%
Rehab	1,118,911,620	1,002,499,697	(116,411,923)	-10%
Physicians	720,576,402	611,706,126	(108,870,276)	-15%
Personal Care	2,135,168,241	2,187,869,525	52,701,284	2%
Clinic	1,477,855,593	1,495,914,337	18,058,744	1%
Home Care	936,783,176	956,216,056	19,432,880	2%
Other	879,480,341	899,006,326	19,525,985	2%
Foster Care	147,108,779	143,141,301	(3,967,478)	-3%
MR/DD ^a	2,085,081,823	2,315,024,907	229,943,084	11%
Drugs	4,138,523,667	4,577,233,664	438,709,997	11%
Case Mgmt	132,936,985	285,318,566	152,381,581	115%
Managed Care	4,091,156,571	5,674,331,812	1,583,175,240	39%
Total	\$31,524,132,379	\$33,865,787,069	\$2,341,654,689	7%
Beneficiaries	3,587,771	3,911,582	323,811	9%

^aMentally retarded/developmentally disabled. Source: Medicaid expenditure and eligibility reports, NYS Department of Health Web site, <http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm>.

Table 2. Components of Change in Spending Per Beneficiary, 7/1/02–6/30/03 to 7/1/03–6/30/04

	Spending Per Beneficiary	
	\$	% of Change
7/1/02–6/30/03	\$ 8,787	0.0%
Hospital	(199)	-2.3%
Skilled Nursing Facility	(102)	-1.2%
Rehab	(56)	-.06%
Physicians	(44)	-0.5%
Personal Care	(36)	-0.4%
Clinic	(29)	-0.3%
Home Care	(17)	-0.2%
Other	(15)	-0.2%
Foster Care	(4)	-0.1%
Mentally Retarded/Developmentally Disabled	11	0.1%
Drugs	17	0.2%
Case Mgmt	36	0.4%
Managed Care	310	3.5%
7/1/03–6/30/04	\$ 8,658	-1.5%

Note: Percents may not sum to totals noted in text due to rounding.

Source: Medicaid expenditure and eligibility reports, NYS Department of Health Web site, <http://www.health.state.ny.us/nysdoh/medstat/medicaid.htm>.

Report Calls for Restoration of Excluded Medications Under Medicare Part D

A recently released report from the University of Sciences in Philadelphia has called attention to “gaps” in prescription drug coverage that will occur for certain individuals when a new prescription drug benefit—known as Medicare Part D—goes into effect. The Medicare Modernization Act of 2003 (MMA) will require all individuals who are dually eligible for Medicare and Medicaid to transfer to Medicare Part D when it becomes effective on January 1, 2006. The report, *The Cost of Being Excluded: Impact of Excluded Medications Under Medicare Part D on Dually Eligible Nursing Home Residents*, recommends that the MMA be amended to restore coverage of certain

medications that will no longer be covered for dually eligible individuals when their pharmaceutical insurance is transferred from Medicaid to Medicare Part D. State Medicaid programs have the option of covering excluded drugs for affected individuals, but New York State has not made a determination as to whether it plans to do so.

The study found that the “gaps in coverage are especially critical for dual eligible individuals who reside in long term care (LTC) facilities.” Under the MMA, the Part D benefit excludes various classes of drugs, including benzodiazepines, which are commonly used in nursing facilities for managing various conditions including anxiety and

muscle spasms. Other drugs that are often used in the care of the elderly and disabled include medications to treat weight loss, barbiturates for the treatment of seizures, and over-the-counter medications including agents for pain, constipation, dyspepsia, and other common conditions. Researchers determined that the burden will be significant for providers because residents will not be able to afford the out-of-pocket expenses of excluded drugs and because “costs associated with the exclusion of these medications could be significant in human as well as financial terms.” The study found that more than half of dually eligible nursing facility residents will be affected by this provision because they require at least one medication that will be excluded.

To download a copy of the report, go to www.ascp.com/medicarerx/docs/ascppaperexcludedmeds.pdf. ■

Upcoming GNYHA Member Briefings

Managing Pre-analytical Variables in Specimen Collection

Date: Tuesday, March 15, 2005

Time: 9:00 a.m.–1:00 p.m.

Location: GNYHA Conference Center, 555 West 57 Street, 15th Floor

This third session in GNYHA's “Clinical Updates” series is intended for phlebotomists, laboratory personnel, nurses, and other health care professionals who are responsible for collecting, han-

dling, and processing diagnostic testing of specimens in the clinical laboratory. The objective of the program is to provide an understanding of the factors that influence pre-analytical variables in specimen collection and the role of the staff in optimizing the accuracy and quality of all specimen results that have an impact on patient care, treatment, and, ultimately, outcomes. The speaker for this program is Lorraine Tyndall, who

has presented seminars on an array of clinical topics throughout the United States and has co-authored various publications. Ms. Tyndall worked at Pascack Valley Hospital and Hackensack University Medical Center before joining Becton Dickinson and Company in 1997. For more information contact Terri Straub or Tim Glennon, and to register contact Rosanne Denaro, at GNYHA. ■

CMS to Launch “Hospital Compare” Web Site

On Mar. 31, 2005, as part of the Hospital Quality Alliance initiative, the Centers for Medicare & Medicaid Services (CMS) will launch its Hospital Compare Web site. The site will display consumer-oriented, hospital-specific data for the first time. CMS and the Hospital Quality Alliance anticipate that the Web site will attract attention, and possibly questions, from the public and the media. The data that will be posted will focus on treatment protocols for three clinical conditions—acute myocardial infarction, pneumonia, and heart failure. Hospitals submitted the data voluntarily as part of CMS's initial data collection phase and pertain to the first and second quarters of 2004.

The data will be updated over time to include all hospitals' data as part of CMS's requirement to report in order to obtain the full market basket update.

In preparation for the launch, CMS, in collaboration with the Hospital Quality Alliance partners, will host a Web cast that will give hospitals an opportunity to preview the Hospital Compare Web site and the rollout initiatives. GNYHA strongly encourages hospitals to participate in the Web cast and to educate their staff about this public reporting initiative. GNYHA also suggests that hospitals preview the data prior to the public launch to ensure their accuracy and to be prepared to respond to any questions from patients, the

public, and the media about the data. As the launch of the Web site approaches, GNYHA will be providing member hospitals with ongoing updates and talking points.

The Web cast is scheduled for March 10, 2005, from 1:00 p.m. to 2:30 p.m. For registration and viewing instructions, go to <http://cms.internetstreaming.com>. Once at the site, look for “Live and Upcoming Broadcasts,” find Hospital Compare in the list, and click on “register.” The program will be a live Web cast and available to view for up to six months.

If you have questions about the Web cast or the Hospital Compare data, contact Terri Straub at GNYHA. For media-related questions, contact Mary Johnson at GNYHA. ■