



MARCH 20, 2006

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

State Legislature Opposes Most Medicaid Cuts

Last week, both houses of the NYS Legislature passed budget bills that eliminated the vast majority of Medicaid and other health care cuts proposed by Governor George Pataki in his 2006–07 budget. Specifically, the Assembly and the Senate eliminated Medicaid inflation factor, graduate medical education, and volume adjustment cuts for hospitals, and inflation factor, large nursing home, hospital-based nursing home, Medicaid-only case mix, and other

reimbursement rate cuts for nursing homes. The Assembly also eliminated the Governor's proposed Medicaid reimbursement rate cut for hospitals that provide inpatient detox services and his proposed cuts in certain mental health specialty rates, although the Senate accepted a revised version of the Governor's detox proposal as well as the mental health cuts. Similarly, the Assembly proposed eliminating the adult day health care cut for nursing homes, while the Senate accepted it. Also,

the Assembly rejected the vast majority of eligibility changes that would have made it more difficult for New Yorkers to obtain and retain Medicaid and Family Health Plus (FHP) coverage and rejected new copayments, including FHP copayments for non-emergency care in the emergency department. The Senate accepted most of the eligibility changes and the emergency department (ED) copayment. Significantly, both the Assembly and Senate

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GNYHA Supports Fair Share for Health Care Act

GNYHA's Board of Governors recently endorsed a legislative proposal sponsored by New York State Senator Nicholas Spano (R–Westchester) and Assemblyman Richard Gottfried (D–Manhattan) that would require New York businesses with 100 or more employees to contribute at least \$3 per hour to their workers' health benefits.

(Manufacturing and agricultural companies would be exempt from the requirement.) The Fair Share for Health Care Act, announced in Albany on March 7, would extend coverage to as many as 450,000 workers statewide and save New York State up to \$2 billion in taxes that currently support public health insurance programs such as Medicaid, in which

some low-income, uninsured workers and their family members enroll when they are not offered employer-sponsored coverage. The proposal is supported by the New York Working Families Party.

“Hospitals in the New York metropolitan area would welcome this important proposal

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GNYHA Board Meets

The GNYHA Board met on March 9, 2006, and took the following actions:

- welcomed as new Board members new Assistant Secretary Pam Brier, Maimonides Medical Center; Class of 2006 member Dominick M. Stanzione, Bon Secours Charity Health System; Class of 2007 member Paul Kronenberg, M.D., Crouse Hospital; and Class of 2008 member Scott Cooper, M.D., St. Barnabas Hospital;
- heard the latest developments regarding GNYHA's Substance Abuse Planning Workgroup's alternative proposal for Gov. George Pataki's detox provision; the GNYHA proposal would generate savings through reducing use of inpatient detox services and improving clinical outcomes through diagnosis-related group refinement and increased cooperation with outpatient providers;
- was briefed on payer issues and considered a variety of legislative and

- regulatory approaches that could be introduced to help ensure that providers are paid appropriately and on time;
- discussed the latest work of the Commission on Health Care Facilities in the 21st Century (see story on page 3);
- agreed to support a new health coverage initiative sponsored by Senator Nick Spano and Assemblyman Richard Gottfried that would require businesses with more than 100 employees that do not provide health insurance to pay a State tax (see story on this page); and
- approved the recommendations of the GNYHA Nominating Committee for the slate of officers and members for the 2006–07 Association term to be officially inducted at the GNYHA Annual Meeting on April 18, 2006. ■

Lawmakers Support Price Transparency for Health Care

On March 15, the U.S. House Energy and Commerce Subcommittee on Health held a hearing on transparency in prices for health care services. Republicans on the committee likened price transparency in health care to that of other goods and services in the marketplace and most referenced how the lack of transparency hinders “free-market forces” and results in artificially high prices. While the hearing was held to explore whether transparency would drive health care costs down, an indirect reason for the hearing was to lay the foundation for facilitating the use of health savings accounts (HSAs). HSAs were created by the Medicare Modernization Act and have dominated the 2006 Republican health agenda. Paired with high-deductible health plans, HSAs allow employers and individuals to set aside money in a tax-deferred account, which consumers can then use to purchase health care goods and services up to a set amount, at which point a catastrophic plan takes effect.

Most Democrats expressed concern over HSAs or directly opposed them, but favored making price information available, especially for prescription drugs. The general idea of creating a more informed consumer appealed to most members at the hearing, although Democrats including Rep. Frank Pallone (D-NJ) expressed concern over shifting health care costs to low-income and/or less healthy individuals. Democrats also repeatedly raised the issue of the ever-increasing uninsured population and the need to expand insurance coverage to that group. Ranking member of the full committee, Rep. John Dingell (D-MI), observed that patients rely on their physicians to tell them what health services they need, and while transparency for health care goods and services (including pharmaceuticals) would be an improvement in general, it is unlikely to drive down prices, nor is it particularly helpful to consumers.

Witnesses Paul Ginsburg of the Center for Studying Health System Change and Gerard

Anderson of the Johns Hopkins School of Public Health said that disclosing prices would not drive down costs. They noted that price information is meaningless in the absence of quality data and descriptive information, adding that health care treatment decisions are complex by nature. John Goodman of the National Center for Policy Analysis and David MacDonald, founder of Liberty Health Group, strongly supported transparency.

Rep. Lipinski (D-IL) also testified and noted that Illinois, Florida, Georgia, Ohio, and South Dakota already have disclosure laws on their books. Rep. Lipinski introduced disclosure legislation last summer, the “Hospital Price Reporting and Disclosure Act of 2005” (H.R. 3139), which would provide for the public disclosure of charges for certain hospital and ambulatory surgical center services and drugs. The companion bill in the Senate, S. 1287, was introduced by Senator Jim DeMint (R-SC) this past October.

In related news, the Bush administration announced recently that it will make pricing information available on what several Federal health care programs pay providers. ■

Medicaid Cuts *continued from page 1*

proposed increasing the reimbursement rate cap for ED visits, with the Assembly proposing an increase from \$95 to \$150 per visit, and the Senate proposing a \$150 cap, rising to \$190 in 2007. This increase is a major priority for GNYHA and the State’s other hospital associations, and GNYHA is very pleased that Senate Majority Leader Joseph Bruno and Assembly Speaker Sheldon Silver included an increase in their one-house budget bills. In other news, the Assembly and Senate would both update the base year for computing nursing home reimbursement rates, although their proposals to do so vary considerably. Both houses would also provide new funding for nursing home quality initiatives.

Next Steps: Assembly and Senate members are now working through conference committees to iron out the differences between the Assembly and Senate bills, and the leaders of both houses are negotiating simultaneously with Governor Pataki in an attempt to pass a budget by Apr. 1, 2006, and avoid gubernatorial vetoes. At this point, it is unclear to what extent the Governor will insist on his Medicaid savings proposals during those negotia-

tions, given strong opposition from the Legislature. It is also unclear whether the Governor will support any increased spending, including the increase in the Medicaid emergency department cap and the nursing home rebasing proposals in the one-house budgets.

Detox Undecided: GNYHA is working very hard with all of the decision-makers in Albany to protect its members from any and all funding cuts in the coming fiscal year, including the detox cut. GNYHA has been working with its members, State officials, and the Legislature to try to fashion a compromise that protects members from cuts in 2006–07 and provides meaningful reforms thereafter that help detox providers improve care for their patients while ensuring that they have the tools they need to provide quality services at all levels of substance abuse care. GNYHA has asked all inpatient detox members to work with their members of the State Legislature to ensure that no cuts are suffered in 2006–07 and that this extremely vulnerable patient population is protected and services for them are enhanced and rationalized. In addition, GNYHA is fighting for new resources, including the increase in the emergency department reimbursement rate cap. ■

Legislative Digest

In recent weeks, the New York State Legislature took action on the following health care–related proposed legislation:

Both the Senate and the Assembly passed their one-house Budget bills on March 13 and 14, respectively. The two houses then began negotiations through conference committees on a final budget proposal to submit to Governor George Pataki, who will then either approve or veto their appropriation bills or portions thereof. Negotiations are proceeding simultaneously between the Governor and the legislative leaders.

The Assembly recently passed **A.2912, Timothy’s Law**, sponsored by Assemblyman Paul D. Tonko (D–Schenectady and Montgomery Counties), prohibiting discrimination against mental health and substance abuse conditions by requiring private insurance coverage on terms comparable with other health care and medical services. The Assembly bill is consistent with GNYHA’s position supporting parity in health care coverage. This bill is currently pending in the Senate Insurance Committee. ■

Commission on Health Care Facilities and NYS DOH Issue Rightsizing Discussion Procedure

On March 9, the Commission on Health Care Facilities in the 21st Century and the New York State Department of Health (DOH) issued a memorandum to all hospitals and nursing homes in New York State outlining a voluntary rightsizing oversight procedure. The procedure is intended to facilitate voluntary rightsizing discussions in a way that is consistent with State and Federal antitrust laws and with the policy objectives of the Commission and DOH.

Providers that wish to use the voluntary rightsizing process would be required to express their intention in writing to David Sandman, the Commission's Executive Director. The relevant parties would meet with Commission and DOH staff, and if it were agreed that the provider's direction was consistent with State goals, State staff would develop a plan for the future supervision of such conversations. Such supervision would end if, at any point, the discussions became inconsistent with State goals. The process would be confidential to the extent permitted by current law and discussions could not be contingent upon restructuring of a non-participating provider. In addition, State staff would not approve the particular plan under development but, instead, would actively supervise the discussions associated with it, and staff would not share confidential information about possible restructuring options under consideration by the Commission. Upon agreeing to the general parameters of a rightsizing plan, the provider would prepare its plan in writing and Commission members would consider it for inclusion in their recommendations to the Governor, which are due later this year. If the recommendations became effective, DOH could continue to work with the parties.

A copy of the March 9 memorandum outlining the voluntary rightsizing procedure is available at www.nyhealthcarecommission.org. If you have any questions about the procedure, please contact Pat

Wang or Susan Waltman at GNYHA.

Upcoming Commission Meetings and Other News: On March 30, from 3:00 p.m. to 7:00 p.m., the Commission will hold a hearing for Manhattan at the New York Academy of Medicine. At its meeting in Rochester on April 5, the Commission will go into its first closed session to discuss

specific regional consolidations and restructurings with relevant hospitals.

In addition, the Assembly has appointed Linda Landesman, Assistant Vice President, Office of Professional Services and Affiliations, NYC Health and Hospitals Corporation, to the Hudson Valley Regional Advisory Commission. ■

One Third of NYC Physicians Identify Hospital as Principal Practice Setting

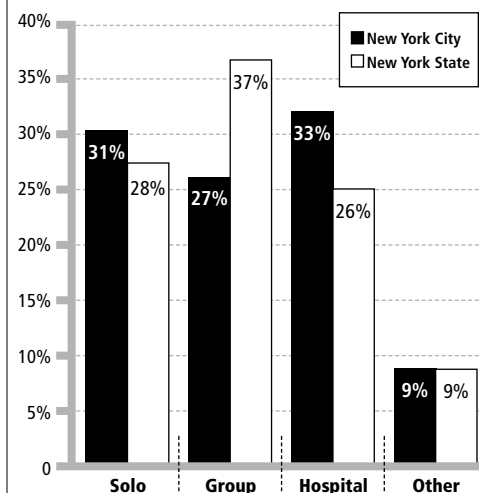
A study issued recently by the Center for Health Workforce Studies (CHWS), University at Albany, reported some variation in the principal practice settings of physicians throughout New York. According to the report, active patient care physicians in New York City are much more likely than physicians in other parts of the State to identify "a hospital" as their principal practice setting. As noted in the chart at right, across New York State as a whole, 26% of active patient care physicians identify a hospital as their principal practice setting, while in New York City, 33% identify a hospital as their principal practice setting. In New York State as a whole, 37% of active patient care physicians identify "group practice" as their principal practice, while in New York City, only 27% do.

The study also included information about changes in the supply of physicians between 2000 and 2004. Among the findings, the study reported a decline in the overall number of general surgery physicians in New York. Between 2000 and 2004, the number of active patient care physicians who identified general surgery as their specialty declined by more than 200 (on a full-time-equivalent basis), which is a 13% decline over the four-year period.

The entire report, *The Supply and Distribution of Physicians in New York, 2004*, which includes statewide and regional profiles, is

available at <http://chws.albany.edu>. The report is based on an analysis of responses to a re-registration survey of licensed physicians, which CHWS has conducted for the last nine years. The survey results exclude physicians in training programs, including only those who already have a license. ■

Principal Practice Setting of Active Patient Care Physicians, New York State and New York City, 2004



Source: Center for Health Workforce Studies, *The Supply and Distribution of Physicians in New York, 2004* (Albany: University at Albany, State University of New York, January 2006), R-18.

Upcoming GNYHA Member Briefings

Multiple Casualty Incident Response

Date: Tuesday, March 21, 2006

Time: 9:30 a.m.–12:30 p.m.

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

At this briefing, the London Ambulance Service will review its operations as they relate to a multiple casualty incident (MCI), and TSG Associates Ltd., a firm specializing in research and design of scene management and triage systems, will review MCI scene management, triage, technology, and casualty distribution. In addition, the NYS Department of Health's Bureau of Emergency Medical Services will describe how the TSG Associates Ltd. triage system has been implemented in certain areas of NYS. *The briefing is for members in all states.* For more information, contact Alison Burke; to register, send an e-mail to Laurie Sangirardi at sangirardi@gnyha.org.

Medical Orders for Life-Sustaining Treatment

Date: Wednesday, March 22, 2006

Time: 10:00 a.m.–12:00 noon

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

The NYS Department of Health (DOH) recently approved the use of the Medical Orders for Life-Sustaining Treatment (MOLST) form in NYS hospitals and nursing homes. It may be used in health care settings to indicate a patient's end-of-life treatment preferences, and providers across the State can use it as the legal equivalent of an *inpatient* "Do Not Resuscitate" order. While not required to initiate completion of the MOLST form, hospitals and nursing homes may accept appropriately completed forms. Representatives from the office of DOH's Counsel and one of the physicians involved in initiating MOLST will address members' questions about the MOLST initiative and form. For more information, contact Lorraine Ryan; to register contact Rosanne Casey at casey@gnyha.org.

State Information Security Breach and Notification Laws

Date: Thursday, March 23, 2006

Time: 1:00 p.m.–2:30 p.m.

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

This meeting will focus on recently enacted State information security breach and notification laws requiring that individuals be notified if their private information may have been compromised by a breach in an institution's information system. The laws are now in effect in NYS, and will be in effect in NJ as of July 2, 2006. Mara Ginsberg, Counsel for the NYS Office of Cybersecurity and Critical Infrastructure Coordination, will review NYS's laws; GNYHA will provide an overview of the NJ law and relevant Federal legislation. For more information, contact Susan Stuard; to register, send an e-mail to Cynthia Araujo at arajuo@gnyha.org.

Pandemic Influenza Planning

MEETING 1: WORKFORCE AND VOLUNTEER ISSUES

Date: Wednesday, March 29, 2006

Time: 2:30 p.m.–4:30 p.m.

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

MEETING 2: CLINICAL GUIDELINES

Date: Monday, April 10, 2006

Time: 2:00 p.m.–4:00 p.m.

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

At the Mar. 29 meeting of GNYHA's Emergency Preparedness Coordinating Council, Bob Burhans, Director, Office of Public Health Preparedness, NYS Department of Health (DOH), and Kristine Hoffman and Mary Ann Buckley, Senior Attorneys, DOH House Counsel, will discuss governmental systems for deploying volunteers and related volunteer issues. Members will also share strategies for enhancing the willingness of their workforces to report to work during a flu pandemic. The Apr. 10 meeting will focus on clinical guidelines for managing patients during a pandemic. Marilyn Kacica, M.D., M.P.H., Medical Director, Regional Epidemiology and Infection Control Program, DOH, and John Morley, M.D., Medical Director, DOH Office of Health Systems Management, will discuss the clinical guidelines in the U.S. Department of Health and Human Services' *Pandemic Influenza Plan* (Nov. 2005) and the DOH plan. For more information, contact Doris R. Varlese; to register, send an e-mail to Laurie Sangirardi at sangirardi@gnyha.org.

Extended Care Information Network, Inc.: Web-based Case Management Solutions

Date: Thursday, April 6, 2006

Time: 2:00 p.m.–3:30 p.m.

Location: Web Demonstration

This briefing will demonstrate the Extended Care Information Network, Inc. (ECIN) Integrated Care Management solution, consisting of two seamlessly integrated applications—Discharge Planning and Utilization Management. The ECIN Discharge Planning application helps health care organizations manage their discharge planning and patient referral process, which, combined with the Utilization Management application, allows for a fully integrated tool kit for easing capacity constraints and improving patient throughput. Combined, these applications help Case Management staff work more efficiently, minimize avoidable days, and reduce length of stay. GNYHA Services, Inc. has a group purchasing agreement with ECIN that gives GNYHA members access to the ECIN applications at favorable pricing. To register and obtain log-in information, contact Barbara Green at GNYHA. ■

Fair Share for Health Care Act

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to expand health insurance coverage to hard-working New Yorkers," said GNYHA President Kenneth E. Raske. "The Fair Share for Health Care Act will level the playing field and create a more equitable system that will ensure more working New Yorkers have the health care coverage they need and deserve."

GNYHA, in conjunction with 1199 SEIU United Healthcare Workers East, is sponsoring its own health insurance expansion proposal—Cover New York—containing a similar requirement that large employers contribute to their workers' coverage or pay an assessment that would fund expansions in affordable health coverage options in New York State. Cover New York also calls for a significant expansion of affordable public and private health insurance programs, including Family Health Plus, Child Health Plus, and Healthy NY; tax credits for small businesses with low-wage workers to help them purchase coverage for their employees; and, once health insurance options are affordable for all, a requirement that all New Yorkers have health insurance, similar to the requirement that all drivers have car insurance. ■

SAVE THE DATES!

GNYHA Annual Meeting

Tuesday, April 18, 2006;
7:30 a.m. (registration)—11:30 a.m.;
The Roosevelt Hotel New York City,
Madison Avenue at 45th Street

Registration brochures are being mailed to all GNYHA members and interested nonmembers. If you have not received a brochure by March 24 and would like to attend this year's Annual Meeting, please contact John Wedeles at wedeles@gnyha.org.

GNYHA Annual Dinner & Awards Ceremony

Thursday, June 1, 2006
(details to be announced)