



JANUARY 27, 2003

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

NYC Hospitals Respond to Request to Participate in Smallpox Vaccination Program

Sixty-seven NYC hospitals have informed the NYC Department of Health and Mental Hygiene (DOHMH) that they intend to participate in Phase I of the Federal government's pre-event smallpox vaccination program as of DOHMH's deadline for notification of January 13, 2003. As anticipated, on January 24, 2003, U.S. Health and Human Services Secretary Tommy Thompson issued a declaration stating that a potential bioterrorist incident makes it advisable to proceed with the pre-event vaccination program. The declaration is needed in order to trigger the liability protections afforded by the Homeland Security Act discussed below, which are intended to ensure that vaccine is available to protect the public health.

DOHMH plans to begin train-the-trainer sessions for participating hospitals in early February. The NYS Department of Health (DOH) has asked hospitals outside of NYC to inform their local county health departments

by January 31, 2003, regarding the number of potential vaccinees for Phase I. Regional resource centers outside of NYC will facilitate the vaccination program for hospitals in their regions, assisting with vaccinations, monitoring vaccinees, and responding to any adverse events. Phase I of the pre-event program calls for approximately 450,000 health care and public health workers across the country to be vaccinated for the purpose of developing smallpox response teams, which will consist of 100–200 workers in each hospital. The teams are intended to ensure the availability of workers in each hospital to care for the first one to five smallpox patients who might present to the hospital, and to provide vaccination to the public should mass vaccination be needed in the future. Phase II is intended to vaccinate up to 10 million health care workers and first responders nationwide, and Phase III would involve vaccination of the general public.

GNYHA on Hospital Participation: The Executive Committee of GNYHA's Board of Governors passed a resolution strongly encouraging hospitals to participate in Phase I, given

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GNYHA Board Meets

The GNYHA Board of Governors met on January 23, 2003, and took the following actions:

- discussed expectations concerning the State budget, which Governor Pataki will announce on January 29, as well as the State advocacy agenda for GNYHA and the Healthcare Education Project, a joint initiative of GNYHA and 1199/SEIU;
- was briefed on GNYHA's multifaceted efforts to reverse Medicare cuts to teaching hospitals, and on the Medicare Payment Advisory Commission's desire to restructure indirect medical education;
- reviewed a recent GNYHA study on hospital report cards showing that different databases, data editing techniques, and risk-adjustment methodologies yield different conclusions about in-hospital mortality rates;
- heard a report from JoAnn Bradley, Ed.D., Senior Vice President for Institutional Advancement and Philanthropy, State University of New York Downstate Medical Center, about that institution's new 15-month accelerated nursing program; and
- was briefed on GNYHA's ongoing activities to assist members in implementing local, State, and Federal smallpox vaccination plans. ■

Senate Rejects Medicare Provider Relief Amendments

Last week, as the United States Senate worked to wrap up budget legislation for the current fiscal year, senators considered various proposals to relieve Medicare providers from Medicare reimbursement rate cuts that either went into effect on Octo-

ber 1, 2002, or are scheduled to go into effect later this year. Specifically, the Senate was debating House Joint Resolution 2 (HJR-2), the Omnibus Appropriations Resolution, which contains funding for many Federal departments, including the Department of

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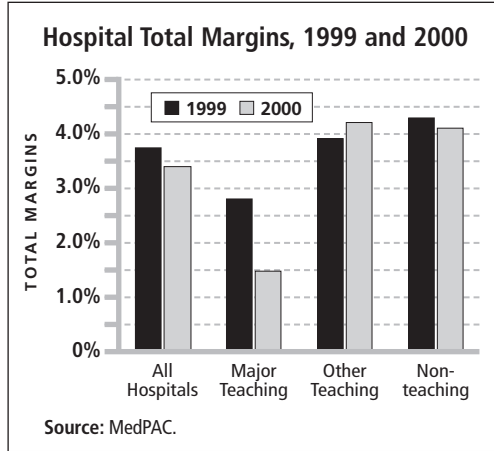
MedPAC Rejects Proposal to Cut IME

By a vote of 9–6, the Medicare Payment Advisory Commission (MedPAC) turned down a draft recommendation to cut Medicare indirect medical education (IME) payments to teaching hospitals by 51%, or \$2.5 billion a year. As a result, the recommendation will not be included in MedPAC's 2003 Report to Congress. GNYHA had argued strenuously against the draft recommendation because the total margin of major teaching hospitals, 1.5%, is the lowest of any group of hospitals, and the proposed cut would wipe out that meager margin and make it negative. IME payments cover the additional costs associated with teaching programs as well as losses that teaching hospitals incur from providing services that can be

characterized as social goods, such as charity care, clinical research, emergency and trauma care, and preparedness for nuclear, biological, and chemical terrorist events.

Those voting "aye" on the draft recommendation to cut IME were MedPAC Chairman Glenn Hackbarth, independent consul-

tant; MedPAC Vice Chairman Robert Reichauer, Ph.D., The Urban Institute; Autry (Pete) DeBusk, DeRoyal; David Durenberger, National Institute of Health Policy; Joseph Newhouse, Ph.D., Harvard University; and Alice Rosenblatt, WellPoint Health Networks. Those voting "nay" were Sheila Burke, Smithsonian Institution; Nancy-Ann DeParle, JPMorgan Partners; Allen Feezor, California Public Employees Retirement System; Ralph Muller, Stockap & Associates; Alan Nelson, M.D., American College of Physicians, American Society of Internal Medicine; Carol Raphael, Visiting Nurse Service of New York; John Rowe, M.D., Aetna, Inc.; David Smith, AFL-CIO; and Ray Stowers, D.O., Oklahoma State University, College of Osteopathic Medicine. Abstaining were Mary Wakefield, Center for Rural Health, University of North Dakota; and Nicholas Wolter, M.D., Deaconess Billings Clinic. ■



Hospital Workers Attend Meeting on Pre-Event Smallpox Vaccination Program

Right: On January 23, 2003, more than 1,500 members of 1199/SEIU, New York's Health and Human Service Union, participated in a meeting at the Crowne Plaza Hotel in NYC to obtain basic information about smallpox and to hear up-to-date information about NYS's and NYC's plans to implement the Federal government's smallpox pre-event vaccination program. The Healthcare Education Project, a joint initiative of GNYHA and 1199/SEIU, sponsored the meeting.



Left: 1199/SEIU delegates heard presentations from Guthrie Birkhead (second from right), M.D., M.P.H., Director of the NYS Department of Health's Center for Community Health, and Joel Ackelsberg (far right), M.D., M.P.H., Director of the Communicable Disease Program Emergency Response Unit at the NYC Department of Health and Mental Hygiene. GNYHA President Kenneth E. Raske (at podium) and George Gresham, Secretary-Treasurer of 1199/SEIU, moderated the discussion. Dozens of health care employees participated in a Q&A session with the expert panel, which included Stephen Baum, M.D., Chairman of the Department of Medicine at Beth Israel Medical Center; Audrey Adams, R.N., M.P.H., C.I.C., Infection Control Manager at Montefiore Medical Center; Tony Napoli, Sr. VP of Human Resources at Saint Vincent Catholic Medical Centers; Michela Catalano, M.D., Director of Occupational Health Services at Montefiore Medical Center; Ruth Smith, M.D., Director of the Personnel Health Service, Saint Vincent Catholic Medical Centers; Susan Waltman (third from right), Sr. VP and General Counsel at GNYHA; and Bruce McIver (fourth from right), President of the League of Voluntary Hospitals and Homes of New York.

President Calls for Medical Liability Reform

On January 16, President George W. Bush renewed his call for Congress to pass medical liability reform legislation. Speaking at the University of Scranton in Scranton, Pennsylvania, the President said that the high cost of medical liability insurance "is a national problem that needs a

national solution . . . We need a law coming out of the United States Congress." The President called upon Congress to enact a \$250,000 limit on awards for non-economic damages, provisions to allow providers to make payments over time, limits on punitive damages and on the time that can elapse before a law-

suit is brought, and other reforms. In recent years, the House of Representatives has passed legislation similar to the President's plan, but the Senate defeated the plan last year by a vote of 57–43. Given increasing awareness of a growing liability insurance crisis, it is hoped that enough senators may now reconsider their votes. GNYHA is grateful that the President has made this issue a top priority. ■

the importance of the program for protecting each hospital's patients, communities, and workforce as well as for national emergency preparedness and response efforts. To assist its members in their decision-making and implementation plans, GNYHA has also held numerous member briefings and training programs, and will continue to work with members, DOHMH, other county health departments, and DOH.

IOM Letter Report: In a letter report dated December 16, 2003, an expert committee empaneled by the Institute of Medicine (IOM) at the request of the Centers for Disease Control and Prevention (CDC) provided advice to the CDC on how best to implement the pre-event vaccination program. While the report does not call for a delay in the implementation of Phase I, it does recommend a number of considerations to be incorporated in Phase I to the extent practicable given the CDC's timetable. At the very least, the report calls for the CDC to consider the recommendations for the purpose of making mid-course adjustments if necessary during Phase I and particularly for the purpose of proceeding with Phase II. The CDC has already incorporated a number of the IOM recommendations in its Phase I plans and will continue to incorporate additional recommendations. The report also recommends that the CDC 1) highlight the unique nature of the program as a public health component of a national bioterrorism preparedness policy; 2) proceed cautiously; 3) use a wide range of methods for proactive communications, training, and education; and 4) designate one scientist as the key spokesperson for the campaign, and ensure sustained contact with the media throughout implementation.

Coverage of Adverse Events: The NYS Department of Health (DOH) has clarified that NYS workers' compensation insurance should cover adverse events associated with administration of the vaccine in accordance with the plan assuming the individual and the situation are otherwise covered by workers' compensation and pursuant to existing coverage limitations. With respect to adverse events that may not be covered by workers' compensation insurance, DOH has also clarified that the costs of medical treatment for

vaccine adverse events generally should be covered in accordance with regular policy provisions for those individuals who have comprehensive health insurance. In addition, the Homeland Security Act, which became effective on January 24, 2003, provides that the Federal government will assume liability for adverse events associated with administration of the vaccine, including secondary transmission of the vaccine, under the Federal Tort Claims Act. Because the Federal Tort Claims Act provides remedies for claimants only for negligent actions, some members of Congress and other interested parties have

called on the Bush Administration to support the creation of a no-fault smallpox vaccination compensation fund, much like the one that exists for childhood vaccinations. Thus, greater remedies would be available to those who might be injured as a result of receiving the vaccine. Given the potential for side effects, however, the Federal pre-event vaccination plan builds in extensive mechanisms for screening out individuals with possible contraindications and monitoring for adverse events, and encourages hospitals to identify volunteers who were vaccinated in the past to minimize side effects. ■

State Senate Assigns Committee Members

The NYS Senate has announced committee assignments for the 2003 session. The following senators will serve on the Health Committee: Kemp Hannon (Chair, R-Garden City), Hugh T. Farley (R-Schenectady), Thomas W. Libous (R-Binghamton), John A. DeFrancisco (R-Onondaga County), William J. Larkin, Jr. (R-Orange, Ulster Counties), George Maziarz (R-Orleans, Monroe, Niagara Counties), Charles J. Fuschillo (R-Merrick), Mary Lou Rath (R-Williamsville), Olga Mendez (R-NYC), Nicholas A. Spano (R-Yonkers), John L. Sampson (Ranking Minority Mem-

ber, D-Brooklyn), Velmanette Montgomery (D-Brooklyn), Suzi Oppenheimer (D-Mamaroneck), George Onorato (D-Long Island City), Thomas K. Duane (D-NYC), and Carl Andrews (D-Brooklyn). Several new committee chairs were appointed, including Finance Committee Chair Owen Johnson (R-West Babylon) and Aging Committee Chair Martin Golden (R-Brooklyn). Senator James Seward (R-Milford) remains Chair of the Insurance Committee, and Senator Thomas Libous (R-Binghamton) remains Chair of the Committee on Mental Health and Developmental Disabilities. ■

Upcoming GNYHA Briefings

Emergency Management Drills

Date: Tuesday, February 4, 2003

Time: 8:45 a.m.–4:30 p.m.

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

This workshop is intended to assist staff from GNYHA member institutions who are in charge of conducting emergency management drills. It will be a repeat of GNYHA's September 2002 workshop on drills with slight modifications. The morning will consist of presentations by representatives of GNYHA member institutions and the NYC Office of Emergency Management (OEM), and the afternoon will consist of small group sessions facilitated by GNYHA members and OEM representatives. This program has been approved for Category I CME credits. For more information contact Doris R. Varlese, and to register contact Barbara Marino, at GNYHA.

ACGME Outcome Project

Date: Wednesday, February 5, 2003

Time: 10:00 a.m.–12:30 p.m.

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

This briefing will focus on strategies for satisfying the requirements of the ACGME Outcome Project, which is intended to enhance residency education through the establishment of a core curriculum and incorporation of outcome measures into the accreditation process. The briefing will include presentations by Diane Hartmann, M.D., Associate Dean for Graduate Medical Education, and Donald Bordley, M.D., Residency Program Director, Internal Medicine, both of the University of Rochester School of Medicine. For more information contact Tim Johnson, and to register contact Jennefer Vicioso, at GNYHA. ■

EPA Planning Hospital Inspections in 2003

In a letter dated December 27, 2002, Region 2 of the U.S. Environmental Protection Agency (EPA) announced its plans to conduct compliance inspections of hospitals in 2003 and encouraged hospitals to consider remediation through the EPA's voluntary audit policy. This letter to hospital CEOs in Region 2 (New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands) noted that EPA inspections will assess hospital compliance with the Resource Conservation and Recovery Act, the Clean Air Act, and the Clean Water Act. Since 1999, the EPA has been conducting a similar inspection initiative with colleges and universities in EPA Regions 1, 2, and 3. The proposed fines and actual settlement amounts from these inspections were substantial and ranged from \$100,000 to \$800,000. Primary areas of focus during the college and university inspections were hazardous waste management in both clinical and research laboratories, storage tanks, and water and air emissions. More information about the university compliance initiative is available on the EPA Region 2 Web site at www.epa.gov/region02/p2/college.

The EPA encourages hospitals to consider voluntary self-audits and remediation

through participation in the EPA's audit policy. The primary benefit of the self-audit approach is possible elimination or substantial reduction of fines and a determination not to recommend criminal prosecution. A number of major universities in NYS and NJ are among the facilities that are participating in the self-audit program. Detailed information about the audit agreements for these institutions is posted on the EPA Web site at www.epa.gov/region02/capp/cip/agreeex.htm.

To assist hospitals with environmental compliance, EPA Region 2 is hosting a program at Beth Israel Medical Center on February 26, 2003. To register, contact Diane Buxbaum, EPA Region 2, at (212) 637-3919, or Janet Brown, Director of Hospital Waste Management, Beth Israel Medical Center, at (212) 420-2442. In addition, GNYHA is scheduling a briefing on the university experience with EPA compliance inspections, which will feature university environmental services staff, a law firm experienced in negotiating with the EPA, and an environmental consulting firm.

If you have questions about the EPA inspection initiative or the self-audit program, contact Susan Stuard at GNYHA. ■

Report Says Medicaid Cuts Would Harm State Economies

A new report issued by the health care consumer organization Families USA indicates that states cutting their Medicaid programs would cause large reductions in jobs, wages, and business activity. Entitled *Medicaid: Good Medicine for State Economies*, the report says states stand to lose an average of 37 jobs for every \$1 million cut from the Medicaid program in 2003 and that, on average, each \$1 million reduction in Medicaid spending would cause a loss of \$3.4 million in business activity.

"When states slash their Medicaid programs, they hurt everyone through losses in jobs, wages, and economic activity," said Ron Pollack, Executive Director of Families USA.

The Families USA report also focuses on how state money invested in the Medicaid program in 2001 translated into new jobs, additional business activity, and increased wages for all 50 states. According to the report, state Medicaid spending in 2001 generated over 2.9 million jobs—approximately 58,785 jobs on average per state—with 300,352 jobs created in New York State alone.

Families USA used the RIMS II input-output economic model created by the U.S. Department of Commerce, Bureau of Economic Analysis, to determine the impact of Medicaid spending on each state's economy. A copy of the report can be downloaded at www.familiesusa.org. ■

Medicare Cuts *continued from page 1*

Health and Human Services. HJR-2, as brought to the Senate floor, contained two Medicare provisions. One would eliminate, through September 30, 2003, the Medicare reimbursement rate cut for physician services that is scheduled to take effect on March 1, 2003. The other would eliminate the disparity in the Medicare inpatient standardized amount, bringing rural and small urban hospitals up to the large urban area hospital rate. The uniform standardized amount would be in effect from April 1, 2003, through September 30, 2003, only. Senator Hillary Rodham Clinton (D-NY) offered an amendment to provide relief for other providers as well. Specifically, the Clinton amendment would have eliminated other provider cuts that went into effect on October 1, 2002, from April 1, 2003, through September 30, 2003. These include the Medicare indirect medical education cut for teaching hospitals, the inpatient market basket update reduction of -0.55%, a variety of outpatient reductions, the elimination of the skilled nursing facility rate additions for nursing and other purposes, the 15% rate cut for home health care providers, and others. The Clinton amendment, although strongly supported by GNYHA, was defeated, like most amendments, largely along party lines. Nevertheless, GNYHA is grateful to Senator Clinton and her colleague, Senator Charles Schumer (D-NY) for their steadfast support for the New York health care community. HJR-2 passed the Senate on January 23, 2003.

In other news, GNYHA has been working to build support in the House of Representatives for action on provider relief legislation. Specifically, GNYHA has been urging New York members of Congress to sign on to a letter, authored by Congressmen Dave Camp (R-MI) and Ben Cardin (D-MD), calling upon House leaders to pass legislation to relieve providers of Medicare cuts as soon as possible. At this writing, 23 of the 29 New York members of Congress had signed on to the Camp-Cardin letter. In addition, GNYHA is grateful to New York Republican members, led by Congressmen John Sweeney and James Walsh, for a separate letter they have sent to House Republican leaders calling for action without delay. ■