



JULY 28, 2003

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

Committee Begins Medicare Negotiations; GNYHA Meets with Vice President's Staff

Last week, House and Senate negotiators slowly began the arduous task of resolving the differences between Medicare prescription drug bills passed by each house of Congress last month. As a result of the August Congressional recess, however—which began for the House of Representatives on July 25, and will begin in the Senate on August 1—no real progress is expected until Congress returns to Washington in September. In the meantime, GNYHA is working with teaching hospitals across the country, as well as the Association of American Medical Colleges and the American Hospital Association, to convince the negotiators to include relief for teaching hospitals from the Medicare

indirect medical education (IME) cut that took effect on October 1, 2002, and will cost teaching hospitals nationwide \$800 million in 2003 alone. To that end, GNYHA has been urging members of Congress to co-sign a letter sponsored by Congressman Christopher Shays (R-CT) that calls upon the House negotiators to repeal the IME cut.

"We understand the Senate leadership has committed to improve IME payments in conference," the letter says. "We urge you to work with the Senate leadership to restore the IME adjustment to 6.5 percent for the next several years in the conference report." As *Skyline News* went to press, 27 Republican members of Congress had agreed to sign on to the Shays

letter, including New York Congressmen Sherwood Boehlert, Vito Fossella, Peter King, Jack Quinn, John Sweeney, and James Walsh. New Jersey Congressman Chris Smith has also agreed to sign the Shays letter. GNYHA is very grateful to those members of Congress for expressing such strong support for the well-

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New York, New Jersey Blood Supply Shrinking

The New York Blood Center (NYBC) reported on July 21 that its inventory of blood continues to shrink, with the fear of deeper and additional cutbacks in the distribution of blood to New York and New Jersey hospitals becoming a reality. NYBC first cut shipments of O negative blood by 25% in early June. The availability of O negative blood has been limited ever since, forcing an additional 10% in cutbacks later in June and ongoing day-to-day triaging, with release often only on the basis of medical emergency. With the supply dwindling quickly, NYBC may have to cut back further on O negative blood distribution and begin rationing the distribution of A negative and B negative blood as well.

"Our crisis is part of a nationwide crisis," said Robert Jones, M.D., NYBC President and CEO. "This most recent and urgent appeal

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Medicaid Task Force Meets

NYS Senators Kemp Hannon (R-Garden City) and Raymond Meier (R-Western) have called a meeting of the NYS Senate Medicaid Reform Task Force and its Advisory Panel for July 28, 2003, at 11:30 a.m. In a letter announcing the meeting, Senators Hannon and Meier stated, "The Task Force is a serious and ambitious effort to begin to reform the State's Medicaid program by undertaking a thorough analysis of the program and having an earnest debate on changes and improvements that can be made. We must find ways to control costs while preserving access to quality health care

for the State's poor and vulnerable populations." GNYHA President Kenneth E. Raske is a member of the Executive Board of the Advisory Panel, as are GNYHA member representatives Michael Dowling, President and CEO of North Shore-Long Island Jewish Health System, and Carol Raphael, President and CEO of Visiting Nurse Services of New York. Other GNYHA member representatives on the Advisory Panel include Benjamin Chu, M.D., President of NYC Health and Hospitals Corporation, and David Campbell, President and CEO of St. Vincent Catholic Medical Centers. ■

Governor Pataki Approves Bill to Allow Medicaid Reimbursement for New Stent

On July 23, NYS Governor George E. Pataki signed a bill that will allow the NYS Department of Health (DOH) to provide Medicaid reimbursement to recognize the higher costs associated with the use of the new drug-eluting cardiac stent. Knowing that the new stent is significantly more expensive than bare metal stents and that its benefits will create high consumer and physician demand, GNYHA asked the State Legislature to pass this bill giving DOH the authority to provide Medicaid reimburse-

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being of the nation's teaching hospitals.

Meeting with VP's Staff: On July 17, GNYHA staff met with key staff of Vice President Richard B. Cheney in the Old Executive Office Building to discuss the Medicare legislation. Attending the meeting were Assistant to the Vice President for Domestic Policy Cesar V. Conda and Deputy Assistant to the Vice President for Domestic Policy Ado Machida. The meeting provided an excellent opportunity for GNYHA to discuss repeal of the IME cut and to urge the Administration's support.

New CBO Estimates: In other news, the Congressional Budget Office (CBO) last week released new estimates of the cost of the House and Senate prescription drug bills, estimating that the House bill would cost \$408 billion over 10 years and the Senate bill would cost \$462 billion. In response, the leaders of the House Medicare bill negotiators, Ways and Means Chairman Bill Thomas (R-CA) and Energy and Commerce Chairman Billy Tauzin (R-LA), issued a joint statement that read, in part, "With leadership from President Bush, the House and Senate made a commitment of \$400 billion in its unified budget" for Medicare prescription drug legislation. "As co-chairs of the House delegation, we pledge to keep the cost of the Medicare conference report under the \$400 billion figure agreed upon in the Budget Resolution." Neither Chairman Thomas nor Chairman Tauzin explained how they would find savings during the conference process, creating another challenge in the fight to achieve IME relief. ■

ment for the stent through December 31, 2003. After that point, Medicaid will update its payment system to match Medicare changes. Over time, the Medicaid program will save millions of dollars because the new

stent is expected to greatly reduce the need for open-heart surgeries. GNYHA is grateful that Governor Pataki approved this important piece of legislation. GNYHA is also grateful to Assemblyman Richard Gottfried (D-Manhattan), Chairman of the Assembly Health Committee, and Senator John Bonacic (R-Hope) for sponsoring this legislation. GNYHA will now work with DOH to implement the bill. ■

CMS Announces Flexibility in Enforcement of HIPAA Transactions

The Centers for Medicare & Medicaid Services (CMS) issued guidance on July 24 on enforcement of the Health Insurance Portability and Accountability Act (HIPAA) transaction sets. GNYHA had advocated strongly to CMS and the U.S. Department of Health and Human Services for increased flexibility in HIPAA implementation, and is pleased that CMS recognized the importance of such flexibility in preventing possible cash flow disruption post-implementation.

HIPAA establishes a single, national standard for administrative and financial electronic transactions, including claims. Compliance with these new standards is difficult because of the complexity of the transactions and the magnitude of the required systems changes. The CMS guidance reiterates that payers and providers must be compliant with the HIPAA transactions and codes sets as of

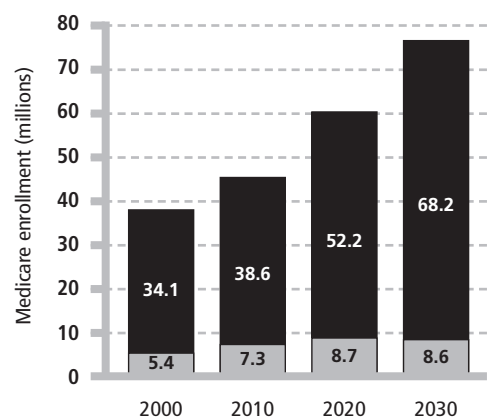
October 16, 2003, but acknowledges that immediately following the compliance date, providers and payers may continue to exchange claims in the current format if the health plan and provider can demonstrate good faith, reasonable efforts to become compliant. The guidance further encourages health plans to assess the readiness of the provider community and determine the need to implement contingency plans to maintain the flow of payments.

Although this guidance is a positive step, it does fall short. First, the health plan has the discretion to decide whether or not to accept claims in current formats during a transition period, and second, this guidance does not require payers to develop an interim payment policy for providers to protect against any unanticipated systems issues. GNYHA's HIPAA Transaction Sets Workgroup will follow up on these and other issues to help facilitate a smooth transition. ■

MedPAC Releases Data Book

The Medicare Payment Advisory Commission (MedPAC) recently released *A Data Book: Healthcare Spending and the Medicare Program*, which can be found at www.medpac.gov. The book contains much interesting information, including a graph showing projected trends in Medicare enrollment through 2030. The total number of Medicare beneficiaries is projected to almost double between the years 2000 and 2030. ■

Projected Trends in the Numbers of Medicare Beneficiaries



Source: Centers for Medicare & Medicaid Services, Office of Research, Development and Information, Chart series, 2002.

GNYHA Takes Part in AHRQ Program on Patient Safety

GNYHA's Lorraine Ryan, Esq., participated recently in the Agency for Healthcare Research and Quality's (AHRQ's) Users Liaison Program on improving patient safety in hospitals. The three-day program focused on the patient safety initiatives and achievements of the 25 states represented at the conference. The New York team comprised Fred Heigel, Director, Bureau of Hospital and Primary Care Services, NYS Department of Health; Robert J. Panzer, M.D., Chief Quality Officer, Division of Quality Improvement, Strong Memorial Hospital, and Chairman of the New York Patient Occurrence Reporting and Tracking System (NYPORTS) Statewide Council; and Ms.

Ryan, GNYHA Special Counsel for Regulatory and Professional Affairs and a member of the NYPORTS Statewide Council. The team presented the initiatives NYS has undertaken in the area of patient safety, with specific emphasis on NYPORTS, New York's mandatory incident reporting program. The presentation included an overview of the reporting system, implementation experience including challenges and barriers to reporting, and the need to balance accountability and learning through NYPORTS data analysis by providing feedback to providers to promote patient safety in hospitals.

Much of what has been reported publicly on NYPORTS to date has focused on account-

ability and reporting rates. The New York team emphasized that in the future NYPORTS will focus on developing effective ways to communicate and share the lessons learned from NYPORTS regarding systems and process improvements, in order to enhance patient safety.

AHRQ supports research designed to improve the outcomes and quality of health care, reduce costs, improve patient safety, and reduce medical errors. A number of AHRQ grants in the areas of patient safety and state reporting activities were presented and discussed. Information about AHRQ grant opportunities is available on the AHRQ Web site at www.ahrq.gov/fund/grantix.htm. ■

GNYHA Ventures Announces Partnership with CareerBuilder

GNYHA Ventures has announced a new partnership agreement with CareerBuilder, LLC, a national online recruitment network, bringing online career resources to GNYHA members at discounted pricing. **CareerBuilder.com** is a leading online source for maximizing recruitment dollars and optimizing job searches with advanced products, customer service, and technology. With a reach of 7 million unique visitors monthly, Career-

Builder offers one of the most functional and easy-to-use online job searches in the health care industry. With CareerBuilder, GNYHA members will have the ability to post job openings and to automate their search to obtain qualified candidates by selecting resumés by date posted, job type, industry, location, and experience.

Through the agreement with GNYHA Ventures, Inc., GNYHA's members are entitled to a 30% discount for CareerBuilder

products purchased through the GNYHA Web site. These products include job postings and resumé database access. GNYHA members will be provided with a coupon code, which must be entered at the time of purchase. This service is available by going to the Career Resources area of the GNYHA Web site at www.gnyha.org.

For more information about **CareerBuilder.com**, please contact Gayle White at GNYHA. ■

SHRPC Committee Reviews Regulations

On July 24, the State Hospital Review and Planning Council (SHRPC) Planning Committee reviewed the NYS Department of Health's (DOH's) draft regulations regarding physical medicine and rehabilitation (PM&R) beds. According to a DOH analysis, and based upon the draft need methodology, there is no remaining need for PM&R beds in the NYC area and little remaining need in the other regions of the State. The Committee voted to defer further action on the PM&R need methodology until the Centers for Medicare & Medicaid Services has made a final decision on its 75% rule (one of

the criteria used to designate an entity as an in-patient rehabilitation facility). The Committee also discussed the need methodology for long-term ventilator beds, which is based on the total number of ventilator discharges, increased by 10%, and a 125-day length of stay, with a 95% occupancy rate. The methodology provides that it will be reviewed within three years of its adoption. The Committee adopted a motion to send the need methodology to the SHRPC Codes Committee.

Construction Standards: The SHRPC Codes Committee discussed regulations regarding its construction standards for health care facilities. The draft revisions are based on the recommendations of an advisory group that DOH convened for that purpose, which includes representatives from GNYHA member facilities and architects. If you would like

a copy of the regulations, please contact Meg Figley at GNYHA.

Revised CON Application: At the request of GNYHA members and with their assistance, GNYHA has converted several of the schedules utilized in the new Certificate of Need (CON) application to Word and Excel formats so that members may download the schedules onto their computers and insert the information into computerized versions. GNYHA has distributed that version of the CON application to GNYHA Health Planning Committee members via e-mail. The converted application is also available to other GNYHA members via e-mail, and may be opened only with a password for the document. If you would like a copy of the CON application and the required password, please contact Meg Figley at GNYHA. ■

Chris Boesen Named as New Director of FHA's Office of Insured Health Care Facilities

Christopher Boesen has been named the new Director of the Federal Housing Administration's (FHA's) Office of Insured Health Care Facilities, which oversees the FHA's hospital mortgage insurance program. The program is critically important because it enables many hospitals to undertake needed capital projects. Mr. Boesen was initially appointed by President Bush in January 2001 to serve as Deputy Assistant Secretary for Legislation at the U.S. Department of Housing and Urban Development (HUD), in which the FHA program is located, and later

as policy advisor to HUD Secretary Mel Martinez, a position he continues to hold as he carries out his new responsibilities.

Before his appointment at HUD, Mr. Boesen was Executive Director of the National American Indian Housing Council, where he founded the Coalition for Indian Housing and Development. During the 104th Congress, Mr. Boesen served on the staff for the House Committee on Banking and Financial Services, where he worked on issues pertaining to housing, banking, and health care financing. Mr. Boesen has also worked as a

communications and political consultant throughout the country, has served on the steering committee for the Coalition for Housing and Community Development Funding, and has published articles on finance issues.

At a recent meeting held to discuss the Office of Insured Health Care Facilities programs, Mr. Boesen confirmed his office's commitment to facilitating the financing of hospitals across the country as well as to continuing its important role in NYS. Mr. Boesen also indicated that he is deeply committed to economic development and that he recognizes the key role that health care facilities often play as cornerstones of development in their communities. ■

Blood Supply *continued from page 1*

falls on the heels of a nationwide plea for blood issued jointly in early July by several national blood banking organizations. Therefore, we haven't been able to import blood from other parts of the country. We are pleading with local eligible people to roll up their sleeves to donate this summer."

July blood donations to NYBC are 25% below what is needed to meet patient demand at 200 New York and New Jersey hospitals, and this summer's decline in donations is more severe than in the past. New blood donor criteria have resulted in increased donor deferrals, while fears about new or emerging disease transmissions have also resulted in fewer presenting donors, according to NYBC. Without new donors replacing those who have been lost, NYBC cannot ensure that an adequate supply of blood will be available or that hospitals will have the blood they need on their shelves to provide quality patient care.

Volunteer donors must be at least age 17, weigh a minimum of 110 pounds and be in good general health. Donors receive a free mini-medical exam. For more information or to schedule a donation appointment in NYC, Long Island, northern and central New Jersey, or the Hudson Valley, call 1-800-933-2566 or go to www.nybloodcenter.org.

To help ease the blood shortage, GNYHA and health care workers union 1199 SEIU have joined with NYBC in a massive effort to

increase the blood supply in the New York metropolitan area. 1199 SEIU employees, including those at GNYHA member hospitals and nursing homes, have committed to

donating 50,000 pints of blood by March 2004. Management staff and other employees at hospitals and nursing homes are also being encouraged to donate blood. ■

GNYHF Awarded Grants for HITE Project

The Greater New York Hospital Foundation (GNYHF) has been awarded two grants—\$93,493 from the Merck Company Foundation and \$15,000 from the Max & Victoria Dreyfus Foundation—that will support the HITE project, an effort to provide health and social service professionals with an online tool for connecting low-income New Yorkers to available health care and health-related resources. The grants will supplement funding awarded earlier this year and last year from several other foundations.

HITE—the Health Information Tool for Empowerment—will provide frontline organizations that work with the uninsured, including social service agencies, hospitals, clinics, faith-based groups, homeless shelters, and community-based organizations, with an easily accessible, locally tailored portal to information for the uninsured, including a comprehensive, searchable database of health-related resources for uninsured New Yorkers and a software program that will pre-screen individuals' eligibility for public health insurance programs.

The grant from the Max & Victoria Dreyfus Foundation will support GNYHF's collaboration with the Northern Manhattan

Community Voices Collaborative, Greater Southern Brooklyn Health Coalition, and Mothers & Babies Perinatal Network of South Central New York on a six-month pilot test to begin later this year. Funding from the Merck Company Foundation will support an evaluation of the HITE pilot test by the New York Academy of Medicine. The evaluation will inform modifications and improvements to HITE before it is launched in additional communities in 2004.

"Countless health and social service organizations that deal with low-income, underserved populations in New York are feeling overwhelmed and under-equipped to deal with the rising number of uninsured individuals in need of essential health care services," said Rima Cohen, Director of GNYHF's Insurance Options for the Uninsured, and HITE Project Director. "HITE will ease the burden on these organizations and, ultimately, will result in better access to health care for those who need it most."

HITE is also supported by the Robert Wood Johnson Foundation, W. K. Kellogg Foundation, and Verizon Foundation. For more information, please contact Rima Cohen at GNYHF, (212) 506-5527. ■