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Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

Senate Medicaid Reform Task Force Releases Recommendations

On December 22, 2003, NYS Senate Majority Leader Joseph L. Bruno released the recommendations of the Senate Medicaid Reform Task Force. This past June, Senator Bruno had been charged with developing Medicaid cost-saving proposals. Below is a summary of the Task Force recommendations.

Disease Management: The Task Force recommends that the State develop pilot programs to test different disease management models for chronically ill Medicaid enrollees who are currently not required to be enrolled in Medicaid managed care plans.

Utilization Review: The Task Force recommends that the State strengthen current utilization review programs, including medical necessity reviews, the Medicaid Utilization Thresholds program, the Recipient and Provider Restriction Programs, and Drug Utilization Review. In addition, the Task Force recommends utilization review for nursing home residents (see the section on "Long Term Care" on page 3).

Efficiency Through IT: The Task Force recommends that the State try to achieve efficiencies through the use of information technology (IT), including piloting the use of computerized physician order entry systems at provider sites with high Medicaid patient loads, changing the State's Medicaid management system from primarily a claims payment system to one that manages care and conducts utiliza-

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GNYHA Forms Task Force, Supports Governor's Plan to Strengthen Patient Protection and Employee Background Checks

GNYHA has declared its support of NYS Governor George Pataki's plan, announced on December 18, 2003, to propose legislation that will strengthen protections for patients and ensure that health care institutions thoroughly review the background of all health professionals they employ.

Independently, the GNYHA Board of Governors formed a task force to ensure proper monitoring and reporting of health care employees' professional conduct and to strengthen information sharing among hospitals, and between hospitals and appropriate disciplinary bodies.

GNYHA Task Force: The GNYHA Board created the task force after discussing the case of the nurse, Charles Cullen, who has confessed to killing 30–40 patients over more than a decade. Mr. Cullen was fired from a number of hospitals, yet was able to repeatedly gain

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GNYHA Board Meets

The GNYHA Board of Governors met on December 18, 2003, and took the following actions:

- reviewed and approved the 2004 Budget for GNYHA and its subsidiaries and affiliates;
- was apprised that the NYS Senate Medicaid Task Force would announce its recommendations on Dec. 22, 2003;
- discussed proposals to increase insurance coverage for the uninsured and provide better access to capital for quality improvement projects;
- was updated on the status of proposed changes to the 75% rule for inpatient rehabilitation facilities;
- heard a presentation on CMS's survey to collect data for the purpose of removing the effect of occupational mix from the hospital wage index, which will redistribute money from large urban areas with a high concentration of teaching hospitals to other areas;
- was briefed on the major provisions of the new proposed rule for inpatient psychiatric services, and on GNYHA's research agenda and work plan for developing comments on the rule for CMS;
- heard about the new Medicare bill's subsidy to help employers providing prescription drug coverage for their retirees to continue providing it;
- heard a report on the latest developments concerning Phases 4 and 5 of the Community Health Care Conversion Demonstration Project;
- was updated on developments in hospital billing and payment policies for the uninsured, including GNYHA's technical assistance to its members;
- was briefed on the status of NYS payments to nursing facilities that were awarded Quality Improvement Demonstration grants as part of the GNYHA Quality Improvement Consortium, and on a collaborative program on culture change and quality in nursing homes developed jointly by CCLC and 1199 SEIU;
- heard about the surveillance activities and penalties to ensure compliance with resident work requirements by NYS and the ACGME;
- heard about the impact of SARS on Toronto hospitals and the need for GNYHA member hospitals to be adequately prepared to immediately identify and isolate SARS cases;
- discussed Federal and State developments related to requirements to provide interpretation and translation services to persons with Limited English Proficiency; and
- approved an application for Institutional Membership by The Burke Rehabilitation Hospital. ■

GNYHA Discusses Hospital Needs With Key White House Staff, Briefs Congressional Staff on Emergency Preparedness

On December 17, 2003, GNYHA President Kenneth E. Raske and GNYHA staff met in the West Wing of the White House with key members of President George W. Bush's domestic policy team to discuss the dire financial situation of hospitals in the New York metropolitan area and to discuss the need for more Federal funding for emergency preparedness activities. Attending the meeting were Kristen Lee Silverberg, Deputy Assistant to the President for Domestic Policy, and Doug Badger, Special Assistant to the President for Economic Policy. During the meeting, Mr. Raske and GNYHA staff discussed the strong commitment of GNYHA member institutions to be prepared for emergencies and disasters, including potential nuclear, biological, or chemical terrorist events. GNYHA discussed the results of a member survey that found that hospitals in its membership have committed a huge amount of time and resources to preparedness over the years, spending, on average, $2.5 million from September 11, 2001, through December 31, 2002, and another $2.9 million, on average, in 2003. Those figures reflect spending above what would otherwise have been spent but for the World Trade Center disaster. The survey also found that hospitals believed they needed to spend an additional $12 million in 2003, on average, in order to be adequately prepared in the event of a major attack. Since September 11, 2001, however, hospitals in New York City have received only $75,000 each from the Federal government for emergency preparedness activities. Because a significant portion of the potential terrorist targets in the United States identified by the Department of Homeland Security are in New York State, and because hospitals in the New York metropolitan area, in the aggregate, are suffering from four straight years of bottom-line losses, Mr. Raske strongly urged the President's staff to consider providing more emergency preparedness funding for hospitals in the tri-state area. GNYHA looks forward to continuing to work with the Administration and members of Congress on this important issue.

Briefing of Congressional Staff: On December 12, 2003, GNYHA participated in a day-long briefing of staff from a number of U.S. Congressional committees and offices on the issue of emergency preparedness in New York City. The briefing, organized by the Office of Mayor Michael Bloomberg, was held in New York City and was designed to familiarize staff on key Congressional committees with the public health and health system preparedness activities that have been undertaken in New York City, the additional projects that have been proposed, and the costs associated with those activities. Representatives of a number of City agencies, including, in particular, the New York City Department of Health and Mental Hygiene, reviewed the systems and protocols they have implemented to enhance preparedness. In addition, Van Dunn, M.D., Senior Vice President for Medical and Professional Affairs for the New York City Health and Hospitals Corporation (HHC), provided an overview of the extensive preparedness activities that HHC has undertaken, and GNYHA provided an overview of its role in assisting members in preparing for and responding to emergencies across the region. GNYHA also drew attention to its members' significant expenditures on preparedness activities, particularly as juxtaposed against the small amount of funding they have received for that purpose to date, as described above. GNYHA therefore requested that more funding be made available to hospitals and that funding formulas be based on the degree of threat that a particular locality may face. ■

HMO Profits Up Substantially in 2002

According to Weiss Ratings, Inc., an independent rater of health insurers around the country, the nation's health maintenance organizations (HMOs) reported an 81% increase in profits last year, from about $3 billion in 2001 to about $5.5 billion in 2002. Included in the five plans with the largest year-over-year increases was Empire Healthchoice Assurance, Inc., which ended 2002 with $249 million in net profits compared with $98 million in 2001. Empire Healthchoice Assurance was the principal subsidiary of Empire Blue Cross and Blue Shield prior to its conversion in 2002 from not-for-profit to publicly traded status. The report noted that profits nationwide from Medicare+Choice (M+C) business increased 118%, to $1 billion, in 2002. Among the health plans with the largest M+C increase was Health Insurance Plan of Greater New York (HIP), which made $102 million in 2002 compared with $31 million in 2001. HIP was also listed as one of Weiss Ratings' most notable upgrades, from C+ to B+. Two New York health plans also made the list of the five weakest HMOs in the country, Elderplan Inc. and Atlantis Health Plan. Aggregate HMO profits in New York were the highest among the 50 states, at $1.2 billion. Within New York, the HMOs given the highest ratings by Weiss are shown in the table below. ■

Strongest NYS HMOs, 2002 ($ in 000s)

HMO	Total Assets	Total Capital	2002 Net Income
Empire Healthchoice	$1,687,487	$819,756	$248,552
Excellus Healthplan	$1,425,340	$473,192	$85,760
HIP Greater NY	$1,053,946	$364,641	$175,352
Oxford NY	$1,006,924	$456,039	$236,288
GHI	$610,908	$173,887	$14,008

Source: Weiss Ratings, Inc. (2003).

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tion review, and creating "smart cards" for Medicaid recipients to cut down on fraud and abuse.

FHP, CHP, Medicaid Managed Care: The Task Force recommends reducing benefits under the Family Health Plus (FHP) program (no details provided), and imposing an asset test and copayments for FHP enrollees. The Task Force recommends enforcing "crowd out" provisions to discourage employers from dropping health insurance coverage for their employees and encouraging them to sign up for FHP as well as allowing individuals who are over the FHP eligibility guidelines to purchase FHP insurance at full cost. In addition, the Task Force recommends transferring certain children from Medicaid to Child Health Plus (CHP) to take advantage of the higher Federal matching rate available under CHP; allowing rural counties to require Medicaid recipients to enroll in managed care plans; standardizing Medicaid, CHP, and FHP plan requirements as well as administrative requirements imposed by plans on providers (a key recommendation of GNYHA); and creating medical savings accounts for Medicaid recipients to encourage more financial responsibility.

Transitional Care Units: The Task Force recommends a pilot program to allow hospitals to establish transitional care units for patients who cannot yet be discharged but no longer need acute care services. Transitional care units would enable hospitals to gain access to Medicare reimbursement for those services.

Tracking Provider Finances: The Task Force recommends creating an independent entity to monitor the financial stability of providers and to recommend ways for financially challenged institutions to restructure or reorganize before the State needs to step in with emergency financing.

Fiscal Relief to Local Governments: In order to relieve local governments of some of the economic responsibility for providing the local share of Medicaid, the Task Force recommends that the State assume the local share of FHP over two years, reallocate to the counties a portion of existing funding for facilitated enrollment of Medicaid clients into managed care, and authorize demonstration programs to facilitate local government innovation and approaches to managing Medicaid services. The Task Force also supports implementation of greater financial incentives for counties to perform asset recoveries, provision of better local access to State administrative data bases, and continued work on a Federal level to sustain more equity in the level of Federal Medicaid matching funds for New York.

EMS Dispatch Triage Fees and Field Treatment Programs: The Task Force recommends using demonstration programs to develop triage and treatment options that would discourage the use of ambulances for nonemergent care, particularly outside NYC, either by directing nonemergent patients to less costly forms of transport or by treating patients who do not need emergency services at the scene or in more appropriate settings.

Long Term Care: The Task Force recommends providing incentives for counties to more aggressively pursue asset recovery from individuals and couples who have inappropriately transferred assets in order to become eligible for Medicaid financed long term care services. The Task Force also recommends extending the "look-back period" (no details provided) within which assets cannot be legally transferred without penalty and applying look-back periods to non-institutional long term care services; restricting the ability of spouses to refuse to contribute financially to the cost of their spouses' long term care benefits; and examining the income and asset limits of community spouses.

The Task Force also recommends expanding access to private long term care insurance plans by enhancing tax incentives and expanding benefits packages to include more services along the long term care continuum. The Task Force recommends further the acceleration of life insurance benefits and the use of reverse mortgages to create more opportunities for private long term care financing. In addition, the Task Force recommends increasing recoveries from payers other than Medicaid and requiring Medicare appeals before Medicaid begins covering the costs of long term care for eligible individuals.

The Task Force recommends creating alternatives to nursing home care by filling in perceived "holes" in the spectrum of long term care services, including increasing the current 4,200 statewide cap on assisted living program slots, increasing access to the long term home health care program, creating a "cash and counseling" program to enable Medicaid recipients to choose a variety of long term care services, increasing use of adult day care, providing support for caregivers through respite care programs, expanding hospice care, expanding managed long term care and PACE programs, and enabling the creation of Continuing Care Retirement Communities.

Finally, the Task Force recommends intensive utilization review to determine whether nursing home residents could be more appropriately served in alternate settings. In addition, the Task Force proposes allowing nursing homes to "right size" by converting nursing home beds to other uses. The Task Force also proposes single, uniform licensure so that a long term care provider could provide long term care services across the continuum with one license, and proposes a "single point of entry" for all long term care services.

Regulatory Reform: The Task Force recommends that the State examine regulatory reforms to reduce paperwork for providers and local governments. The Task Force also urges a comprehensive look at the State's certificate-of-need system to determine how it might operate more efficiently.

Tort Reform: The Task Force recommends an examination of the State's tort system to determine whether tort reforms may help improve the efficiency of the State's health care system.

Pharmacy: The Task Force recommends that a preferred drug list and prior authorization be established to ensure effective use of drugs and maximize supplemental manufacturer rebates; that the use of generic drugs be expanded through physician and consumer education and amendment of the mandatory generic drug list; that the development of varied drug reimbursement rates reflecting differences in pharmacies' acquisition costs be explored; that a 14-day supply for first-time users of a long-term pharmaceutical be implemented; and that ways to avoid unnecessary waste of prescription drugs be explored.

The State Senate Web site contains the full report at **www.senate.state.ny.us**, under "Senate Reports." If you have any questions, please call David Rich, Patricia Wang, or Scott Amrhein at GNYHA. ■

NYS, NYC Issue Alerts on Influenza; DOH Surveys Hospitals on Vaccine Supply

The NYS Department of Health (DOH) and the NYC Department of Health and Mental Hygiene have released alerts about this year's influenza activity, which has begun early and is viewed as more severe than in the past three years. Influenza activity in NYS is now considered "widespread." The alerts underscore the Centers for Disease Control and Prevention's (CDC's) recommendations on the remaining supply of inactivated influenza vaccine, which call for high-risk individuals, such as the elderly and the very young, as well as those who work with high-risk individuals, such as health care workers, to have priority over healthier individuals. Healthy persons aged 5–49 should be encouraged to be vaccinated with the live-attenuated nasal mist vaccine. The alerts also ask all providers to report laboratory-confirmed severe or fatal influenza in hospitalized pediatric patients under age 18 to their local health departments. DOH has also asked providers to report cases weekly via its Hospital Emergency Response Data System (HERDS). Finally, the alerts recommend that hospitals establish respiratory hygiene or etiquette programs in order to avoid the spread of influenza in the hospital. To assist the public and providers, the CDC has established Web pages located at **www.cdc.gov/flu.**

DOH Survey: Earlier this month, DOH conducted a survey of hospitals' influenza vaccine supply. DOH had been conferring with local health departments and the CDC about influenza vaccine supply and was asked by CDC to assess hospital supply levels. GNYHA alerted its member hospitals to this data request on Dec. 11 and encouraged them to respond. The survey was conducted via DOH's HERDS Web site, allowing DOH to gather data quickly. DOH has thanked GNYHA for the reporting hospitals' quick response and cooperation in entering their supply data into HERDS.

The survey asked about the number of influenza vaccine doses in the following categories: Aventis 0.25 ml, Aventis 0.5 ml, and Evans 0.5 ml. Between Dec. 10 and 12, 2003, 192 hospitals in NYS reported a total supply of nearly 63,000 influenza vaccine doses.

DOH will continue to monitor the influenza outbreak and has asked hospitals to monitor and report any pediatric lab–confirmed influenza admissions via HERDS and to the local health department. ■

GNYHA Forms Task Force

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employment at other hospitals.

The goal of the GNYHA Task Force is to develop "best practices" for hiring the most competent and professional staff to ensure the highest quality of patient care. The Task Force will include hospital and nursing home staff members from a variety of departments within the institutions, including clinicians, administrators, and human resources, quality, and legal professionals.

Proposed Legislation: The proposed legislation would expand current law to require the credentialing of all licensed medical professionals providing direct patient care in New York's health care facilities, including hospitals, nursing homes, and health care clinics—which are currently required by State law to credential their physicians, physician's assistants, dentists, and podiatrists. The Governor's proposal would additionally require credentialing of nurses, pharmacists, respiratory therapists, and others to be specified by the State Health Commissioner. The proposal will also bolster and expand the ability of the NYS Department of Health and the State Education Department to share information with each other and with health care providers. It will also increase penalties for violations of the law and provide for criminal sanctions for those who intentionally file false information or willfully ignore the credentialing process. By extending the credentialing requirement to direct care providers, the Governor's proposal would provide health care facilities with clear statutory authority to disclose relevant information regarding former employees, and it would provide those facilities and their employees with immunity from civil litigation for information disclosed in good faith. ■

AROUND TOWN

Edward Stolzenberg, Westchester Medical Center's current President and CEO, retires on January 15, 2004. Mr. Stolzenberg was a longtime, dedicated member of GNYHA's Board of Governors, including a term as Chairman from 2002 to 2003. • **John Spicer** has been appointed Interim President of Westchester Medical Center. Mr. Spicer, a GNYHA Board of Governors member and current President and CEO of Sound Shore Medical Center of Westchester, will assume his new position after Mr. Stolzenberg retires. • **David Campbell** announced that he will step down as President and CEO of Saint Vincent Catholic Medical Centers (SVCMC). Mr. Campbell has also been a valued member of GNYHA's Board of Governors since joining in 2002. The SVCMC Board will announce an interim management team shortly. ■

Threat Alert Levels Raised

On Dec. 21, 2003, the Federal government, NYS, NJ, and Conn. elevated the threat alert level from Yellow (elevated) to Orange (high). NYC's threat alert level remains at Orange (high). GNYHA has redistributed to members guidelines issued earlier this year by the NYS Department of Health, which were developed in coordination with GNYHA's Emergency Preparedness Coordinating Council, outlining measures that health care providers should consider as threat alert levels change or terrorist threats increase. GNYHA also sent to members an advisory from the NYS Office of Public Security outlining security measures recommended for health-related facilities, and reminded members of ways to reach GNYHA staff during an emergency including reaching GNYHA staff at its desk at the NYC Office of Emergency Management. Anyone who has registered for DOH's Health Alert Network and Health Provider Network should check for updates at **http://commerce.health.state.ny.us/hpn/**. GNYHA's Emergency Preparedness Resource Center, at **www.gnyha.org/eprc,** also has preparedness and response information. ■