GREATER NEW YORK HOSPITAL ASSOCIATION
GNYHA

JANUARY 21, 2002

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

State Legislature Approves Landmark Health Care Workforce Legislation

On January 16, 2002, the New York State Legislature overwhelmingly approved legislation, crafted through bipartisan negotiations with Governor George E. Pataki, that will provide significant and critical new funding for hospitals, nursing homes, and other providers to help them recruit and retain health care professionals and other personnel. The agreement between the Governor, Assembly Speaker Sheldon Silver, and Senate Majority Leader Joseph Bruno also provides an extremely important measure of financial stability for New York's hospitals and nursing homes by guaranteeing no new Medicaid reimbursement rate cuts for the next three years and by implementing measures to decrease the ranks of the uninsured. This part of the agreement is particularly significant, given the projected State budget deficit. GNYHA is extremely grateful that, at this time of fiscal uncertainty, Governor Pataki, Speaker Silver, and Senator Bruno, along with the members of the New York State Legislature who supported this legislation, have acted to strengthen

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Left to right: Governor George Pataki, 1199/SEIU President Dennis Rivera, and GNYHA President Kenneth Raske on the steps of the capitol building in Albany following the passage of landmark health care workforce legislation on January 16, 2002.

Hospital League and 1199/SEIU Reach Tentative Agreement on New Labor Contracts

On January 11, 2002, Bruce McIver, President of the League of Voluntary Hospitals and Homes of New York, and Dennis Rivera, President of 1199/SEIU–New York's Health and Human Service Union, signed a Memorandum of Agreement (MOA) on a new collective bargaining contract for more than 50,000 health care workers in the New York City region. The agreement encompasses professional, service, maintenance, technical, and clerical workers (the Guild), whose average annual salary is approximately $32,000, in more than

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Homeland Security Director Meets with Area Health Care Leaders

On January 14, 2002, U.S. Office of Homeland Security Director Tom Ridge met with a number of representatives of the New York City health care system to discuss the status of the region's emergency preparedness. Appointed in October 2001 as the first director of the newly created office, Mr. Ridge is responsible for coordinating all Federal government terrorist prevention activities in the U.S. and is working with state and local governments on issues related to detection of possible events, preparedness, prevention, response and recovery, and incident management. Mr. Ridge is the former Governor of Pennsylvania, served six terms in the U.S. House of Representatives,

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New York's health care system so that it may continue to provide high-quality health care and be prepared for future emergencies. Investing in New York's health care workforce is particularly important in the wake of the September 11 terrorist attacks, as New York's providers work to become as well prepared as possible for bioterrorism and other potential emergencies. GNYHA is also grateful for the critical role played by 1199/SEIU–New York's Health and Human Services Union in gaining support for this important legislation. GNYHA worked closely with Governor Pataki, members of the Assembly and Senate, and 1199/SEIU throughout the negotiations and final passage of the bill, and will work closely with the State on implementation and the timely disbursement of new State funding.

Hospitals: The legislation provides $696 million in new funding over three years for public and not-for-profit hospitals to assist with the recruitment and retention of hospital personnel. Approximately $651 million of this money will be allocated based on each hospital's proportionate share of statewide salary and fringe benefit costs. Public hospitals will receive their funding in the form of grants, while other hospitals will receive funding through Medicaid inpatient rate increases as well as direct Medicaid payments on behalf of Medicaid managed care enrollees served by each hospital. In addition, $45 million will be made available as grants to help voluntary hospitals that incur extraordinary new labor costs. The New York State Department of Health will also fully distribute approximately $240 million in hospital bad debt and charity care pool reserves accumulated from 1983 through 1996. As part of the agreement, the Governor, Speaker Silver, and Senator Bruno have promised no new Medicaid cuts for hospitals for three years.

Nursing Homes: The bill provides $288 million in new funding over three years for public, not-for-profit, and proprietary nursing homes to assist with the recruitment and retention of the nursing home workforce. Funds will be allocated based on the proportion of each nursing home's proportionate share of statewide salary and fringe benefit costs. Public nursing homes will receive funding through grants, while other nursing homes will receive funding through Medicaid rate increases. In addition, the legislation provides for the distribution of $187 million to nursing homes over the next three years through a competitive grant process. Facilities eligible for the grants must demonstrate an increase in direct care staff and other recruitment and retention efforts. Priority will be given to facilities in financial need. The bill also creates a $30 million grant program for financially disadvantaged nursing homes. As part of the agreement, the Governor, Speaker Silver, and Senator Bruno have promised no new Medicaid cuts for nursing homes for three years, although the bill does contain a reimbursable assessment (*see "Funding Sources" below*).

GNYHA President Kenneth Raske speaking outside the capitol building in Albany on January 16, 2002.

Other Providers: The bill provides $597 million over three years to address recruitment and retention challenges faced by personal care providers and $39 million over three years to help freestanding diagnostic and treatment centers. The bill also provides stability for the physician excess medical malpractice insurance program by extending it through June 30, 2003, while increasing primary coverage requirements to $1.3 million. The bill also contains reimbursement changes for Federally Qualified Health Centers.

The Uninsured: The bill contains a number of provisions to make it easier to enroll and remain enrolled in the Medicaid, Family Health Plus, and Child Health Plus programs, including the elimination of the face-to-face interview requirement for Medicaid, simplification of the resource test requirements, and other provisions. In addition, the bill allows certain low-income, uninsured, disabled New Yorkers to "buy in" to the Medicaid program at affordable rates, and makes coverage for breast and cervical cancer screening and treatment available to New Yorkers with incomes up to 250% of the Federal poverty level. The bill also sets aside 5% of the proceeds from the sale of stock pursuant to the conversion of Empire Blue Cross Blue Shield to a for-profit corporation for a foundation dedicated to helping uninsured and underinsured New Yorkers obtain health insurance coverage.

Funding Sources: The bill contains a variety of funding sources for the new initiatives as well as sources to pay for current, critically important health care programs. These funding sources include a 6.0% fully Medicaid-reimbursable assessment on nursing homes; the transfer of 95% of the stock proceeds from the conversion of Empire Blue Cross Blue Shield to State health care accounts, including accounts that pay for programs for uninsured New Yorkers; Certificate of Need fee increases from $1,000 to $1,250 and from 0.4% of the value of the application to 0.45%; a $0.39 increase in the per pack cigarette tax; maximization of Federal Medicaid revenue through upper payment limit changes; a potential increase in the Federal Medicaid matching rate; and the elimination of a scheduled reduction in the covered lives assessment. ■

HOLD THE DATES!

- GNYHA Annual Meeting: **April 11, 2002** (morning)
- GNYHA Annual Reception and Awards Ceremony: **June 13, 2002** (evening)

DOH Announces Transition Plan for Disaster Relief Medicaid

The NYS Department of Health (DOH) and NYC Human Resources Administration (HRA) have announced their plan for the transition of all individuals who have been granted Disaster Relief Medicaid/Family Health Plus (DRM). Established in the wake of September 11, this temporary Medicaid program was instituted primarily to provide HRA with a method of enrolling qualified individuals in the Medicaid program while their electronic connectivity to the State's Welfare Management System (WMS) was being repaired. Since the inception of DRM, close to 300,000 people have been enrolled. The program provides four months of Medicaid coverage beginning with the month of enrollment. New applications for DRM will not be accepted after January 31, 2002.

The Transition Plan: The transition plan calls for DOH and HRA to send letters to all recipients of DRM informing them that their Medicaid coverage will be extended until HRA is able to schedule a face-to-face interview at one of three HRA locations. New Medicaid client identification numbers and cards will also be sent via regular mail. The letters will also contain an application for Medicaid/Family Health Plus (FHP) along with documentation guidelines for substantiating qualification for assistance. During this period of time, health care providers may continue to bill for services rendered to DRM patients and receive Medicaid payments by using the new Medicaid number. The interview at the HRA office will be the basis for determining whether the individual or family qualifies for full Medicaid or FHP. HRA anticipates completing the transition from the temporary program to full Medicaid/FHP by the end of August 2002. In order to focus on the transition, HRA has automatically extended coverage for existing Medicaid clients until September 2002.

Family Health Plus: DOH has announced separately that residents of NYC not already enrolled in DRM may begin applying for the FHP program on February 1, 2002, at HRA sites or through facilitated enrollment organizations. Currently, the FHP program may enroll adults aged 19 through 64 with incomes under 133% of the Federal poverty level for parents, or 100% of the Federal poverty level for non-parents. FHP enrollees select a managed care plan and receive all services through this plan. Services include most Medicaid benefits with a number of exceptions including long-term care services, non-prescription drugs, medical supplies, and non-emergency transportation. Outside NYC, the FHP program has enrolled 7,000 individuals since it began in September 2001. ■

Mental Health Grants Expand Treatment Capacity for GNYHA Hospitals

The NYS Office of Mental Health (OMH) has awarded a total of $900,000 to three GNYHA member hospitals to create Home-based Crisis Intervention (HBCI) programs. GNYHA, in concert with its members, was instrumental in identifying the need for these programs in NYC, where providers of child and adolescent psychiatric services experience overcrowded emergency rooms and difficulty discharging patients from high-occupancy inpatient units due to a lack of alternative services. HBCI programs have been shown to reduce the use of hospital emergency rooms and unnecessary inpatient stays for children between the ages of 5 and 17, and assist families and caregivers with managing crises in the home and community. Based on a request for proposals, Bellevue Hospital Center and Elmhurst Hospital Center, both part of the NYC Health and Hospitals Corporation, and the Columbia Presbyterian Center of New York Presbyterian Hospital, each received $300,000. The funds are part of OMH's New Initiatives Aid to the Localities Budget. If successful, it is anticipated that more funding for HBCI programs will be made available to providers. ■

Upcoming GNYHA Briefings

Prehospital Care Response to Nuclear, Biological, and Chemical Events
Date: *Tuesday, January 29, 2002*
Time: *10:00 a.m.–12:00 noon*
Location: *GNYHA Conference Center, 555 West 57th Street, 15th Floor*

Michael Guttenberg, D.O., Attending Physician, Office of Medical Affairs, NYC Fire Department, and Chief Carl Tramontana, Division 6, EMS Command, NYC Fire Department, will discuss the identification of patients who have been involved in nuclear, biological, and chemical events, and the pre-hospital care protocols for responding. For more information, call Doris R. Varlese, and to register call Barbara Marino, both at GNYHA.

GNYHA Blood Shortage Workgroup
Date: *Friday, February 1, 2002*
Time: *10:00 a.m.–12:00 noon*
Location: *GNYHA Board Room, 555 West 57th Street, 15th Floor*

GNYHA members and representatives from the NY Blood Center will discuss experiences from September 11 and disaster planning, including blood collections and communications during disasters. The workgroup consists of individuals in charge of blood supplies at GNYHA member hospitals. For more information, call Doris R. Varlese, and to register call Barbara Marino, both at GNYHA.

Nurse Aide Training Conference
Date: *Monday, February 4, 2002*
Time: *12:30 p.m.–5:30 p.m.*
Location: *GNYHA Conference Center, 555 West 57th Street, 15th Floor*

Hosted by GNYHA's Center for Continuing Care in tandem with co-sponsors including the Centers for Medicare and Medicaid Services and the Nursing Home Community Coalition of NYS, this conference will provide a forum on trends in nurse aide training. Three area nursing home administrators will also share innovative techniques used to educate nurse aides. For more information, contact Scott Amrhein at GNYHA, and to register, contact Danielle Grush at (212) 264-2792 or **DGrush@cms.hhs.gov.** When you register, please provide attendee name(s), facility, and contact information.

ACGME Outcome Project Workgroup
Date: *Thursday, February 7, 2002*
Time: *12:00 noon–2:00 p.m.*
Location: *GNYHA Conference Center, 555 West 57th Street, 15th Floor*

At this member briefing, representatives from Maimonides Medical Center and Winthrop-University Hospital will discuss their work toward addressing the new Outcome Project requirements of the Accreditation Council for Graduate Medical Education (ACGME). For more information, contact Tim Johnson at GNYHA, and to register, e-mail Cynthia Benchemmar at **benchemmar@gnyha.org.** ■

Hospital League and 1199/SEIU Reach Tentative Agreement *continued from page 1*

50 hospitals and nursing homes. A separate but parallel tentative agreement was also reached for some 4,200 registered nurses (RNs) represented by 1199/SEIU in 16 League hospitals. Both sides are expected to ratify the agreements in the next couple of weeks.

Major Guild Provisions: For the Guild, the new pact provides for an immediate lump sum ratification bonus of $750 and wage increases totaling 13% over a 42-month period (a 3% increase on May 1, 2002, a 2% increase on November 1, 2002, a 4% increase on June 1, 2003, and a 4% increase on June 1, 2004). The RN agreement provides for a $1,000 lump sum ratification bonus and the same wage increases as for the other 1199/SEIU members. An additional pool of money is created for adjustments to nurses' salaries to assist in recruitment and retention efforts.

Other Key Provisions: Other key provisions in both agreements include enhanced job security protections and improvements in the League-1199/SEIU pension, benefit, child care, and job security funds. In addition, the Guild's agreement provides for a pilot project to test an innovative approach to dealing with discipline resolution as well as procedures and rules of conduct with respect to organizing campaigns. Bargaining for the nurses' contract began last summer with joint efforts focusing on developing creative ways to address nurses' staffing, scheduling, work life, and recruitment/retention issues. A number of tentative agreements have been reached on these matters, and the parties are also expected to finalize them within the next week or so.

Timeframe: The new contracts cover the period November 1, 2001, through April 30, 2005. The Guild contract was originally set to expire on October 31, 2001, but was extended for five months to March 31, 2002, in the wake of the World Trade Center attack. The new agreement was successfully negotiated nearly two months early in recognition of the urgent need to assure stability within the health care system given the critical shortages of health care personnel, the ongoing effects of the World Trade Center disaster, uncertain economic conditions, and the fact that these critical workers have not had a wage increase in 18 months.

Support from Public Officials: Governor George Pataki, Assembly Speaker Sheldon Silver, and Senate Majority Leader Joseph Bruno all played key roles in enabling these collective bargaining agreements to be reached. The settlement was facilitated largely by their pledge to guarantee no hospital or nursing home Medicaid cuts and support for an initiative passed by the State Legislature earlier this week to establish a critically needed statewide health care worker recruitment and retention program (*see related story on page 1*). ■

Homeland Security Director Meets with Area Health Care Leaders *continued from page 1*

and reports directly to President Bush.

At the meeting, which was held at the NYU Hospitals Center and chaired by NYU Hospitals Center President and GNYHA Board of Governors Chair Theresa Bischoff, Mr. Ridge expressed interest in gaining a deeper understanding of the region's health care response to the World Trade Center disaster and the subsequent anthrax attacks, and how the health care system might be working to enhance its preparedness in light of that experience. Marcelle Layton, M.D., Assistant Commissioner of the New York City Department of Public Health, provided an overview of the New York City public health system's emergency response infrastructure, how it responded to both events, and recommendations for enhancing preparedness for future events. Martin Blaser, M.D., Chairman of NYU School of Medicine, reviewed the status of laboratory readiness for bioterrorism. Alan Rosenfield, M.D., Dean of Columbia University's School of Public Health, reviewed the state of the broader public health system. Irwin Redlener, M.D., President of the Children's Hospital at Montefiore, provided an overview of emergency preparedness, with special attention to issues affecting children. GNYHA's Senior Vice President and General Counsel Susan C. Waltman provided the group with a summary of the emergency preparedness activities of health care facilities prior to the events of September 11, the strong response of area hospitals to both the World Trade Center and the anthrax attacks, and how area facilities are currently working together through the efforts of GNYHA's emergency preparedness coordinating council to improve the level of preparedness moving forward.

Left to right: Irwin Redlener, M.D., President, Children's Hospital at Montefiore; Theresa Bischoff, President, NYU Hospitals Center; Tom Ridge, Director, Office of Homeland Security; Susan Waltman, Esq., Senior Vice President and General Counsel, GNYHA; and Gladys George, President and Chief Executive Officer, Lenox Hill Hospital.

Mr. Ridge also requested input on a variety of initiatives at the Federal level and expressed strong interest in working with various regions to facilitate readiness and ensure homeland security. U.S. Congresswoman Carolyn Maloney thanked Mr. Ridge for his interest in the New York City metropolitan region and commended the health care system for its response to the events of September 11. The meeting was also attended by representatives of Bellevue Hospital Center, Lenox Hill Hospital, Manhattan Eye, Ear, and Throat Hospital, New York Presbyterian Hospital, Saint Vincent Catholic Medical Centers of New York, the New York City Office of Emergency Management, and the Office of the Mayor of the City of New York. ■