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Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

HHS Releases Application Guidelines for \$140 Million in Disaster Relief Funds

On March 29, 2002, the U.S. Department of Health and Human Services (HHS) published application guidelines in the *Federal Register* for a \$140 million competitive grant program to provide emergency funding for health care providers affected by the terrorist attacks on September 11, 2001. GNYHA had requested this additional funding from Congress, which approved the \$140 million

in additional funds last December.

Applications are due May 13, 2002. Interested applicants must compose a narrative response and complete four spreadsheets. Application materials can be accessed via a link on the GNYHA Web site at www.gnyha.org.

Health care providers eligible for this grant program include—but are not limited to—hospitals, clinics, faculty practices, men-

tal health providers, blood centers, home health agencies, and ambulance companies. The highest priority for funding will be given to applicants that treated the greatest number of patients injured at the attack site and health care entities located closest to the attack site. There will be no cap on the amount of funding for an applicant.

GNYHA has scheduled a briefing for interested applicants; see details on page 4. ■

Clinton Wins Amendment on Medicare Funding

On March 20, 2002, Senator Hillary Rodham Clinton (D-NY) offered an amendment to the Federal fiscal year 2003 budget resolution expressing the “sense of the Senate” that Congress should provide “sufficient resources to ensure [Medicare] beneficiary access to high-quality health services provided by home health agencies, skilled nursing facilities, physicians and hospitals, including rural, teaching, community, and safety net hospitals that serve communities across the Nation.” The amendment, which was offered during the Senate Budget Committee’s consideration of the budget resolution, was cosponsored by Senator Jon Corzine (D-NJ). Senator Clinton’s action grew out of discussions with GNYHA in which Senator Clinton agreed that it would

be important to make sure that Congress go on record early in the year against further Medicare reimbursement rate cuts for providers, including cuts for teaching hospitals and skilled nursing facilities that are

scheduled to take effect on October 1, 2002 (see *Skyline News*, March 4, 2002). In another part of the amendment, teaching hospitals are specifically mentioned as providers “who

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Senator Torricelli Vows to Fight Medicare Cuts

On March 18, 2002, members of the GNYHA Executive Committee met with Senator Robert Torricelli (D-NJ), an influential member of the U.S. Senate Finance Committee, which has jurisdiction over the Medicare program. At

the meeting, Senator Torricelli expressed his strong support for teaching hospital funding and promised to work hard as a member of the Finance Committee to stop the Medicare indirect medical education (IME) cut scheduled to take effect on October 1, 2002. That cut, mandated by the Bal-

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Clinton Wins Amendment

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continue to provide services to the sickest and the poorest, despite inadequate reimbursements." GNYHA is grateful for the hard work of Senators Clinton and Corzine on this important matter, and looks forward to working with them throughout the year to ensure that GNYHA members are protected from further Medicare reimbursement rate cuts. For a copy of GNYHA's Federal legislative agenda, visit the GNYHA Web site at www.gnyha.org. ■

Senator Torricelli

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anced Budget Act of 1997, will cost teaching hospitals in New York State over \$140 million a year, and teaching hospitals in New Jersey over \$30 million a year. Senator Torricelli also expressed concern about skilled nursing facility reimbursement, which will drop substantially later this year as a series of rate adjustments expire. Members of the Executive Committee who attended the meeting included the Committee Chair, Theresa Bischoff, President, NYU Hospitals Center; Stanley Brezenoff, President and CEO, Maimonides Medical Center; Peter Kelly, President and CEO, Continuum Health Partners, Inc.; Herbert Pardes, M.D., President and CEO, New York-Presbyterian Hospital; David Rosen, President and CEO, MediSys Health System; and Arthur Webb, President and CEO, Village Center for Care. Executive Committee members were joined by New Jersey colleagues Harvey A. Holzberg, President and CEO, Robert Wood Johnson University Hospital, and Rick Goldstein, M.D., President, New Jersey Council of Teaching Hospitals, as well as Kenneth E. Raske, President, GNYHA. GNYHA is extremely grateful for Senator Torricelli's strong support, and looks forward to working closely with him and other members of Congress to ensure that GNYHA members are protected from further Medicare cuts. A copy of GNYHA's Federal legislative agenda is available at www.gnyha.org, the GNYHA Web site. ■

California Students Contribute to GNYHF's EMS Fund

On March 21, 2002, 11 students from Newhart Middle School in Mission Viejo, California, visited GNYHA's offices and delivered a \$962 check to Greater New York Hospital Foundation's (GNYHF's) EMS Fund. GNYHA established the EMS Fund through its foundation, GNYHF, to provide assistance to the families of emergency medical services (EMS) workers lost in the line of duty on September 11 or afterward.

The students, aged 14 to 16, raised the money by organizing an all-day car wash outside their school a month after the events of September 11. They raised \$962 by washing more than 200 cars.

"The kids felt that they had to do something, anything, to help," said Sheri Camp-



GNYHA President Kenneth E. Raske accepts a check for the GNYHF EMS Fund, contributed by students from Mission Viejo, California. Joining the group are two of their teachers and two New York City EMS workers.

bell, a teacher at Newhart Middle School who accompanied the students to New York. "When they found out about the EMS Fund, they knew that's where they wanted the money to go."

Before they visited GNYHA's offices, GNYHA had arranged for two EMS workers to escort the students on a tour of Ground Zero to pay tribute to the eight EMS workers killed at the World Trade Center. ■

AROUND **Michael S. Fassler** has been named President and Chief Executive Officer of Beth Abraham Family of Health Services, a new affiliation between Beth Abraham Health Services and CNR Health Care Network, Inc. Mr. Fassler had previously been Executive Vice President of CNR Health Care Network, Inc. ■

SHRPC Planning Committee Discusses Nursing Home Need Methodology

At its meeting on March 21, the State Hospital Review and Planning Council (SHRPC) Planning Committee discussed planned revisions to the nursing home bed need methodology. NYS Department of Health (DOH) staff indicated that the methodology was last updated in 1988 (based on 1986 data). DOH staff is not planning any substantive revisions to the methodology but is instead planning to identify the bed need in the year 2000. In order to update the need estimates, DOH will collect information including Federal census data for 2000, number of individuals cared for in institutional and non-institutional settings, bed need estimates, and adjustments for special populations. DOH anticipates completing a draft of the updated public

need estimates within the next few months, which will become the basis of a draft regulatory revision, to be presented to the SHRPC Planning Committee for public discussion. DOH will also identify the number of existing and approved beds for each county.

New SHRPC Subcommittee: A newly formed SHRPC Subcommittee on Emerging Policy Issues Affecting CON [Certificate of Need] Projects met for the first time on March 21 and discussed the need to review new medical technologies, patient safety issues, the impact of ambulatory surgery centers on existing facilities, and other issues. The subcommittee will be a forum for discussing policy issues in general rather than in the context of a specific project's application. ■

HHS Issues Proposed Changes to HIPAA Privacy Rule

On March 21, 2002, the U.S. Department of Health and Human Services (HHS) issued a Notice of Proposed Rule Making (NPRM) to correct some of the unintended consequences of the Privacy Rule of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

On the same day, during a briefing at GNYHA, Louis Altarescu, an attorney in the Office of the General Counsel, Division of Civil Rights for HHS, presented information to GNYHA members about the proposed changes to the HIPAA Privacy Rule. GNYHA plans to submit comments on the NPRM to support changes that are favorable to its members and, where appropriate, make the case for additional modifications.

The NPRM proposes modifications in the areas described below.

Consent and Notice of Privacy Practices: The NPRM proposes to remove the requirement that providers obtain specific consent to the providers' notice of privacy practices and instead would require them to make a good faith effort to distribute the notice and secure written acknowledgment that the patient has received this notice. This change would minimize unnecessary administrative burdens without undermining patient privacy.

Business Associates: The NPRM promulgates model business associate contract language to make it easier to comply with this provision and creates a one-year grace period, after April 14, 2003, when covered entities can continue to work with business associates to change existing contracts.

Disclosures of PHI to Other Covered Entities: The NPRM proposes to allow a covered entity to share protected health information (PHI) with another covered entity for the purpose of the second covered entity's treatment or payment. It would also allow disclosure of PHI from one covered entity to another for a limited set of health care operations activities.

Oral Communications: The NPRM proposes to add a provision noting that incidental disclosure of PHI might occur in

certain situations where information must be communicated orally. Providers are still required to take reasonable steps to safeguard PHI but are protected from incidental disclosures that cannot be reasonably prevented.

Minimum Necessary: The NPRM proposes to remove the term "reasonably ensure" from the implementation requirement of the minimum necessary standard to increase a provider's confidence that HHS intends this standard to be implemented in a flexible and reasonable manner.

Marketing: The NPRM proposes to tighten the marketing standards by requiring that marketing communications be conducted only when the patient has affirmatively authorized that he or she wished to be included in such communications. The NPRM would also expand the scope of marketing exceptions to permit the following communications—for treatment of an individual; for the individual's case management or care coordination; to recommend treatment, therapies, or providers; and about plan or provider networks.

Parents and Minors: The NPRM proposes to add a statement to clarify that state law governs disclosure of PHI to parents.

Research: The NPRM proposes the three

following changes in the area of research—allow providers to use one form for both informed consent and authorization to use and disclose PHI; align research requirements with those already in use under the Common Rule; and allow providers to use an existing non-HIPAA authorization to continue research after the compliance date.

De-identification: The NPRM solicits comments on how the privacy standards can continue to protect patient privacy while permitting use of certain identifiers for the purposes of research, public health, or health care operations.

Authorizations: The NPRM proposes to simplify authorization by permitting one type of authorization form to be used for all purposes. In addition, any disclosure of PHI done under a patient's authorization would also be eliminated from the accounting of disclosures requirement.

A copy of the NPRM is available on the GNYHA Web Site at www.gnyha.org and, after publication in the *Federal Register*, a copy of the NPRM will also be posted on the Office for Civil Rights Web Site at www.hhs.gov/ocr/hipaa. Please contact Susan Stuard at GNYHA with questions regarding these proposed changes. ■

Legislative Digest

In recent weeks, the New York State Assembly and the New York State Senate have taken action on the following health-related pieces of legislation:

Parity: The New York State Assembly passed A.4506, the Fair Insurance Treatment Act, requiring health insurers to provide coverage for the treatment and diagnosis of mental illnesses or chemical dependence. GNYHA supports parity in health care coverage for physical, mental, and substance abuse disorders. • **Electroconvulsive Therapy:** The Assembly Mental Health Committee passed A.9084, requiring electroconvulsive therapy administrators to have access to resources for the treatment of medical emergencies. GNYHA supports the notion for this type of access but is unaware of licensed facilities that do not already meet this requirement. • **Hearing-Impaired:** The NYS Assembly passed A.7688-A, pertaining to interpreter services for hard-of-hearing hospital patients. GNYHA supports the general intent of the bill, but believes the requirement to furnish a qualified interpreter when necessary duplicates existing state regulations. • **Organ Donor Recognition:** The NYS Senate passed S.2820, establishing a public recognition program for organ, tissue, and bone marrow donors. GNYHA believes this bill will generate public awareness regarding the need for donations and to recognize the generosity of donors' life-saving contributions. • **Nursing Shortage:** The NYS Assembly Higher Education Committee approved A.3248-A, creating loans for students who obtain a baccalaureate or associate's degree in nursing. GNYHA supports legislation to alleviate New York's worsening nursing shortage. ■

Governor Pataki Urges New Yorkers to Enroll in Family Health Plus

On March 28, 2002, Governor George E. Pataki held a press conference at St. Vincent's Manhattan hospital to launch a statewide drive to encourage New Yorkers to enroll in Family Health Plus (FHP), the State program that offers comprehensive health insurance at no cost to low-income, uninsured adults who do not qualify for Medicaid or Medicare.

"This landmark health insurance program for working adults with lower incomes will help ensure that hundreds of thousands of families get the high-quality health care they need to build a happy and healthy future," Governor Pataki said. "We are making it easier than ever to sign up for this program so working families can get the help they need."

Governor Pataki also praised New York's hospital executives and health care workers for helping to make FHP a reality.

The press conference also included David J. Campbell, President and CEO, Saint Vincent Catholic Medical Centers of New York;



Governor George Pataki speaking at the press conference on Family Health Plus. David J. Campbell, President and CEO of Saint Vincent Catholic Medical Centers of New York, stands to the Governor's right.

Dennis Rivera, President, 1199/SEIU-New York's Health and Human Service Union; and Anthony Perez and Carina Salvi, young parents who were recently enrolled in FHP and whose 10-month-old son Matteo is enrolled in Child Health Plus, the program on which FHP was modeled.

FHP began enrolling people living outside of NYC on October 1, 2001, and in NYC on February 1, 2002. The Healthcare Education Project, a joint initiative of GNYHA and 1199/SEIU, advocated strongly for the passage of FHP in 1999. ■

Medicare Proposes New Long Term Care Hospital PPS

On March 22, 2002, the Centers for Medicare & Medicaid Services (CMS) published its proposed rule on the Long Term Care Hospital Prospective Payment System (LTCH PPS) in the *Federal Register*. The PPS, mandated by the Balanced Budget Act of 1997 (BBA), replaces the cost-based system under which long term care hospital services in exempt hospitals are currently reimbursed. The LTCH PPS will be implemented for cost-reporting periods beginning on or after October 1, 2002, and there will be a five-year transition to the new payment system. Major provisions of the proposed rule follow.

- Payment for LTCH services will be per discharge and based on long term care hospital diagnosis related groups (LTC-DRGs). The LTC-DRGs are comparable with the

inpatient PPS DRGs but have different relative weights to reflect the differential resource use of LTCH patients.

- Case-level adjustments for very-short-stay (length of stay of seven days or less), short-stay outlier (length of stay between seven days and two-thirds of the average length of stay for the applicable LTC-DRG), interrupted stay, and outlier cases are proposed.

- No facility-specific adjustments to the LTC-DRG rates are proposed. Facility-specific adjustments in other Medicare payment systems include those for geographic location, disproportionate share, and indirect medical education.

- Facilities may forgo the transition period and receive 100% of the PPS rate at any time during the five-year transition period.

GNYHA Activities: GNYHA is currently analyzing the methodology used to develop the payment system and the impact of the proposed rule on member facilities, and will form a workgroup to develop its comments on the proposed rule. Comments are due to CMS by May 21, 2002. ■

Upcoming GNYHA Briefings

GNYHA Blood Shortage Workgroup

Date: Friday, April 5, 2002

Time: 10:00 a.m.–12:00 noon

Location: GNYHA Board Room, 555 West 57th Street, 15th Floor

At this meeting, GNYHA members and a representative from the New York Blood Center will discuss recruiting new blood donors. For more information contact Doris R. Varlese, and to register contact Barbara Marino, at GNYHA.

Federal Disaster Relief

Date: Tuesday, April 9, 2002

Time: 1:00 p.m.–4:00 p.m.

Location: GNYHA Board Room, 555 West 57th Street, 15th Floor

This member briefing will provide information on applying for Federal disaster relief funds to help defray costs related to the events of September 11 (see story on page 1). For more information contact Pat Wang, Ellen Lukens, or Tim Johnson, and to register contact Theresa Simon, at GNYHA.

"HAZMAT for Health Care" Training

Dates: Wednesday, April 24; Friday, April 26; Wednesday, May 8; Tuesday, May 21; Tuesday, May 28; Thursday, May 30, 2002

Time: 9:00 a.m.–4:00 p.m.

Location: GNYHA Board Room, 555 West 57th Street, 15th Floor

North Shore-Long Island Jewish Health System has received grants from the Federal government to conduct these "train-the-trainer" sessions covering hospital response to hazardous materials (HAZMAT) incidents. The course is appropriate for all levels of hospital staff, both clinical and non-clinical. The subject matter at each session will be identical, so staff need attend only once. Space is limited. For more information contact Doris R. Varlese, and to register contact Barbara Marino, at GNYHA. ■



Left to right: Theresa A. Bischoff, President of NYU Hospitals Center and GNYHA Chair; Benjamin K. Chu, M.D., M.P.H., President, NYC Health and Hospitals Corporation; GNYHA President Kenneth E. Raske; and Thomas R. Frieden, M.D., M.P.H., Commissioner, NYC Health Department, at a GNYHA reception welcoming Drs. Chu and Frieden to their new positions.