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Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

# Senate Medicare Provider Package Taking Shape

As *Skyline News* went to press, Senators Max Baucus (D-MT) and Charles Grassley (R-IA), Chairman and Ranking Member, respectively, of the Senate Finance Committee, were putting the final touches on a Medicare provider package. As the package takes shape, the New York and New Jersey senators are working to achieve further improvements and GNYHA is assisting them in that effort, especially in the area of indirect medical education (IME), which has been a focal point for GNYHA since the outset. Some of the package's current provisions are described below.

**Hospital Inpatient Prospective Payment System (PPS):** The package specifies a hospital market basket of –0.25 percentage point in fiscal year (FY) 2003 instead of –0.55 percentage point (current law), which would increase the FY 2003 standardized amount by 0.30 percentage point. No update reduction is

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## Teaching Hospitals Launch "Stop the Cuts" Ad Campaign, Visit Capitol Hill to Urge Relief

Organizations representing America's teaching hospitals have launched a three-week advertising campaign in the Washington, D.C., area urging Congress to halt Federal budget cuts to these institutions. The campaign is being sponsored by a number of hospital associations and teaching hospitals across the country including the Association of American Medical Colleges (AAMC), American Hospital Association (AHA), GNYHA, Metropolitan Chicago Healthcare Council, Delaware Valley Healthcare Council, and Southeast Michigan Health and Hospital Council.

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## GNYHA Board Meets

*The GNYHA Board of Governors met on 9/23/02, and took the following actions:*

- Discussed the many economic challenges GNYHA members will face in the coming year, including indirect medical education (IME) cuts unless they are stopped, expiration of the Health Care Reform Act of 2000, a restriction on inpatient hospital outlier payments, and the potential loss of two specific Medicare add-ons for skilled nursing facilities;
- Reviewed the status of the Indigent Care Pool and MOE Reconciliation, Worker Recruitment and Retention adjustments, the CHCCDP, and the HRSA 9/11 grants;
- Reviewed new television and print ads to stop the cuts to teaching hospitals;
- Approved GNYHA's continued involvement in the Connectivity Project, which seeks to create a low-cost, collaborative approach to establishing electronic links to payers in order to transmit administrative transactions;
- Heard an Emergency Preparedness update;
- Heard a presentation on The Health Economics and Outcomes Research Institute's activities, including the development of Medicare's inpatient psychiatric prospective payment system;
- Heard about GNYHA's quality and patient safety agenda; NYS's and Empire Blue Cross and Blue Shield's filing of motions to dismiss challenges to the conversion legislation; the upcoming HIPAA compliance deadline extension; GNYHA's request for a partial waiver from ACGME's new resident duty hours requirements; and GNYHA's plans to establish a Lewis Rudin Memorial Prize in Medical Science;
- Approved a proposed bylaws change to create an opening for Assistant Secretary on the GNYHA Board of Governors; and
- Approved an application for Institutional Membership by Northern Westchester Hospital Center. ■

# CDC Releases Smallpox Vaccination Clinic Guide

On September 23, the U.S. Centers for Disease Control and Prevention (CDC) announced the release of its "Smallpox Vaccination Clinic Guide," which is designed to facilitate and strengthen the ability of state and local health officials to establish and operate voluntary, large-scale vaccination clinics in response to a smallpox outbreak. The plan provides for the eventual distribution of 280 million doses of smallpox vaccine from the National Pharmaceutical Stockpile to states' field sites within five to seven days of authorizing its release, includes a schemata of a model vaccination clinic, and provides examples of personnel who would be required and logistical considerations. The plan indicates that the goal of the example clinic model would be the administration of vaccine to one million persons over 10 days, and the model could be expanded or contracted as needed. Although the plan is intended for state and local health officials who would implement such clinics, it also contains useful information for providers including screening and consent forms for vaccination administration, question-and-answer documents regarding the vaccine, and planning considerations for mass care. Even before the distribution of the CDC's plan, state and local health officials had been developing plans for mass vaccination clinics should a case of smallpox be confirmed, and the release of the CDC's plan will help to enhance those preparations. The plan is part of the CDC's overall *Smallpox Response Plan and Guidelines* and can be accessed at **www.gnyha.org** or on the CDC's Web site at **www.bt.cdc.gov/documentsapp/SmallPox/RPG/index.asp.**

**Pre-event Vaccination:** As *Skyline News* went to press, the U.S. Department of Health and Human Services had not yet released its long-awaited policy on pre-event vaccination of health care workers and other first responders. In June, GNYHA testified before a CDC advisory committee and strongly recommended that all health care workers who will be considered essential to the orderly delivery of health care in the event of a smallpox attack should be offered voluntary, pre-event vaccination. This would include workers who might be called upon to care for smallpox patients as well as those who are essential for the continued delivery of care to all patients in order to ensure adequate staffing in hospitals until mass vaccination can be offered.

**Smallpox Management Guidelines:** In the meantime, the New York City Department of Health and Mental Hygiene (NYC-DOHMH) and the New York State Department of Health (DOH) are developing guidelines on the management of a suspected case of smallpox in acute care medical settings, which includes practical recommendations for preparing for an event; evaluating, triaging, and managing patients; and general recommendations for ensuring the effective operation of the hospital. NYC-DOHMH and DOH expect to release the guidelines shortly.

**GNYHA Activities:** For information about GNYHA's efforts related to regional planning for possible future emergencies, including smallpox events, please refer to the GNYHA Emergency Preparedness Resource Center, located at **www.gnyha.org.** ■

# GNYHA Participates in Indian Point Drill

On September 24, 2002, GNYHA participated in a drill involving a hypothetical incident at Indian Point 2 nuclear power plant in Buchanan, New York. Although the hypothetical incident primarily involved internal technical problems at the plant and only a brief filtered release of radiation, the drill provided an opportunity for officials to walk through plans for evacuating emergency response planning areas, holding press conferences, and transferring patients in special care facilities. GNYHA participated by coordinating with local authorities and informing those hospitals that would act as potential decontamination facilities of GNYHA's involvement and availability to provide updates and assistance. The drill was observed and evaluated by the Federal Emergency Management Agency and the Nuclear Regulatory Commission; drills are undertaken regularly to ensure preparedness and effective response capabilities should an actual event occur. ■

## Senate Medicare Provider Package Taking Shape *continued from page 1*

scheduled beyond FY 2003. The indirect medical education (IME) adjustment would be 6.5% in FY 2003, 6.5% in FY 2004, 6.0% in FY 2005, and 5.5% thereafter. Currently the IME adjustment is scheduled to fall from 6.5% to 5.5% on October 1, 2002. In addition, for hospitals with a wage index of less than 1.0, the current labor share—the portion of the payment rate that is wage-adjusted—would decrease from the current 71% to 68% in FY 2003, FY 2004, and FY 2005. For hospitals with a wage index above or equal to 1.0, the labor share would remain at 71%—that is, there would be no cut in payments. No provision is included for the outlier threshold.

**Hospital Outpatient PPS:** No outpatient PPS changes are included for urban hospitals. The package would provide a 5% increase to the clinic and emergency room ambulatory payment classification groups for small rural hospitals only.

**Skilled Nursing Facility PPS:** The nursing component add-on would decrease from its current level of 16.66% to 13% in FY 2003, 11% in FY 2004, and 9% in FY 2005. No provision is made for capital.

**Home Health PPS:** The package would eliminate the 15% reduction in payments for home health services.

**Federal Medical Assistance Percentage:** The package would include an increase, but there is no specific proposal yet.

GNYHA will keep its members apprised of further developments. For more information or a complete list of the current provisions, please call David Rich or Karen Heller at GNYHA. ■

## Congressman King Urges House to Protect States' Medicaid Programs

Congressmen Peter King (R-NY), Sherrod Brown (D-OH), and John Shimkus (R-IL) asked colleagues to sign a letter urging House Speaker Dennis Hastert (R-IL) to consider legislation this year to increase Medicaid funding available to states to help them deal with increased Medicaid costs and looming budget shortfalls due to the economic downturn. A temporary increase in the Federal Medical Assistance Percentage (FMAP) would provide fiscal relief to states such as New York that are experiencing increased numbers of uninsured and decreased tax revenues. Congressmen King, Brown, and Shimkus were joined by more than 150 House members on the letter, including 29 New York Delegation members. Congressman King introduced the State Budget Relief Act (HR.3414) last year, which would provide a 2% FMAP increase for all states and 4.5% for states with high unemployment rates. The bill quickly gained the support of 160 members. The Senate passed an 18-month increase in FMAP as part of its generic drug legislation in July 2002, totaling $9 billion to states. GNYHA will continue to support this issue and is grateful to Congressman King and the entire New York Congressional Delegation for their support. ■

## HHS Announces $140 Million for 9/11 Relief

On September 17, 2002, U.S. Department of Health and Human Services (HHS) Secretary Tommy G. Thompson announced the award of $140 million in grants to reimburse health care providers for losses they incurred in responding to the September 11, 2001, attacks. The announcement was made at NYU Downtown Hospital, which, along with other hospitals in lower Manhattan, played a central role in responding to the emergency and suffered severe financial losses as a result of its response to the attack. The awards were made pursuant to a Congressional appropriation earmarked for this purpose, which directed that priority be given to health care providers that were in closest proximity to the attack zones and that participated most directly in response efforts. Applicants submitted detailed applications and back-up information to HHS pursuant to these and other guidelines. The total amount was distributed to hospitals, community health centers, mental health providers, blood centers, and ambulance companies in New York, New Jersey, Virginia, and Washington, D.C. Sixty-five providers in New York received $131 million of the total, and 14 in New Jersey received $4.6 million. The awards were not made to fund ongoing and future hospital emergency preparedness efforts, including preparation for possible future terrorist acts, but instead were made to compensate qualifying health care providers for financial losses incurred through December 31, 2001, that were directly attributable to the September 11 attacks. GNYHA is extremely grateful to Secretary Thompson, as well as to Senator Charles E. Schumer, Senator Hillary Rodham Clinton, and the New York Congressional Delegation, who were instrumental in securing the Congressional appropriation for this purpose. ■

## "Stop the Cuts" *continued from page 1*

The "Stop the Cuts" television and print ads seek to prevent a scheduled 15% Medicare indirect medical education (IME) cut from taking effect on October 1, 2002—a cut that would cost teaching hospitals nationwide $800 million in fiscal year 2003 and $4.2 billion over the next five years. New York State teaching hospitals would lose $140 million per year and New Jersey teaching hospitals would lose $31 million annually.

The "Stop the Cuts" campaign also includes a Web site, **www.stopthecuts.org**, which provides important facts about teaching hospitals and the pressing need to halt the IME cuts.

**Teaching Hospital Day:** On September 26, representatives from teaching hospitals around the country spent the day on Capitol Hill visiting their Congressional representatives and urging them to stop the scheduled cuts and provide Medicare relief for teaching hospitals. ■

## Health Insurance Tax Credit Provision Included in Trade Bill Signed into Law

Legislation providing a 65% refundable tax credit to help displaced workers cover the cost of their health insurance premiums was included in a bill passed last month that extends broad authority to the President to negotiate trade agreements. While the health insurance measure is limited to those workers who can demonstrate that they were displaced by changing trade conditions—and only 140,000 individuals are expected to use the credit each year—passage of this provision was hailed by many as a precedent for a broader government program that could provide health insurance premium assistance to all unemployed workers or any other portion of the country's 40 million uninsured residents.

Under the new legislation, displaced workers could use the tax credit to offset the cost of their "COBRA" health insurance—employer-sponsored coverage that unemployed workers are allowed to purchase from their former employers if they pay the full cost of the premium. The proposal was a compromise between a Republican plan to provide a 60% tax credit that workers could use to buy their own insurance on the open market and a Democrat-favored initiative that would provide a 70% credit to subsidize the cost of employer-based health insurance or a government program like Medicaid. ■

# ACGME Soliciting Further Comments on Resident Duty Hour Standard

The Board of Directors of the Accreditation Council for Graduate Medical Education (ACGME) has accepted the report of the Committee on Program Requirements regarding new proposed standards for limiting resident duty hours. This past June, the ACGME had released an initial set of proposed limitations on the duty hours of residents training in ACGME-sponsored residency programs, and requested comments from interested parties. According to the ACGME, the final standard is scheduled for approval at its February 2003 meeting, following consideration of additional comments, which are being accepted until December 31, 2002. Following approval, the common duty hour standard will be inserted into all ACGME specialty and subspecialty program requirements, effective July 1, 2003.

Although similar to New York's resident working hour regulations, there are several differences between the ACGME proposed requirements and the State regulations. In response to the earlier request for comments, GNYHA sent a letter to the ACGME highlighting those differences and noting that New York continues to be the only state in the country that has State-mandated resident working hours limitations. GNYHA noted that its member teaching hospitals have some concerns about being subject to multiple sets of requirements, and that in some instances, the ACGME proposed requirements are more restrictive than the New York State regulations, and would seem to further complicate the strict scheduling arrangements that New York teaching hospitals have created to try to achieve compliance with the State regulations.

For that reason, GNYHA requested a waiver from those specific aspects of the ACGME's proposed requirements that are more restrictive than the State regulations. GNYHA has been told that the ACGME will not be considering the waiver request at this time while it further discusses and refines its proposed requirements in preparation for implementation in July 2003. GNYHA has communicated its expectation that the issue will be fully addressed when the ACGME finalizes its requirements. ■

# GNYHA Ventures and Health Care Compliance Strategies Form Strategic Alliance

Following an extensive evaluation of vendors that offer training products for complying with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), GNYHA Ventures, Inc. announced a strategic alliance last week with Health Care Compliance Strategies, Inc. (HCCS). HCCS is a provider of multimedia computer-based training courseware for educating health care employees on the HIPAA regulations and corporate and professional compliance. HCCS's HIPAA Compliance software combines video scenarios, audio, text, and interactive exercises to create an engaging and cost-effective method of educating health care employees on the requirements of HIPAA.

The HCCS HIPAA Compliance courseware is designed for all employees in all health care organizations that fall under the government mandate requiring HIPAA training. The program provides a comprehensive overview of the HIPAA regulations. From the introductory module—"HIPAA Awareness"—through the job-function-specific Privacy, Security and Electronic Transactions modules, the courseware offers general and detailed rules, procedures, safeguards, suggestions, and exercises; contains the latest proposed privacy regulations; and is automatically kept up-to-date. Each section of the courseware contains multimedia scenarios that demonstrate compliance risk areas and solutions, along with short quizzes that measure each employee's comprehension. Completion certificates and CME/CEU credits are available for users who complete the course. Furthermore, the software provides detailed monthly reporting for measuring completion and effectiveness of the training.

HCCS's other multimedia compliance training programs, which are designed to educate physicians and employees on professional and corporate compliance, are in use at over 200 health care organizations nationwide.

For more information on HCCS's products, contact Kim Rosenstock at GNYHA. ■

# GNYHA Presents Emergency Preparedness Drill Workshop

GNYHA has completed the first in a series of emergency preparedness drill workshops, with over 140 participants attending. Comprising a two-day session, with didactic and interactive training modules, the drill workshop was a collaborative effort on the part of GNYHA, the NYC Office of Emergency Management, and representatives from member hospitals, developed in response to standards established by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) in 2002. The standards require hospitals to have an emergency management plan that describes how they will establish and maintain a program to ensure effective responses to disasters or emergencies affecting the environment of care. This includes addressing the four phases of emergency management activities: mitigation, preparedness, response, and recovery. JCAHO also requires hospitals to develop a hazard vulnerability analysis, to coordinate with the community in emergency management planning, and to test the emergency management plan twice a year, either in response to an emergency or in planned drills.

The workshop provided the participants with the tools to evaluate emergency response plans, identify and activate drill scenarios, and examine roles and responsibilities of emergency management staff during an exercise. Using the four phases of emergency management as a guide, participants developed hazard vulnerability plans and brainstormed on the roles for various positions in the incident command system using a pre-scripted drill designed by the faculty for the program.

The PowerPoint presentation is available at GNYHA's Emergency Preparedness Resource Center, located at **www.gnyha.org.** ■