



Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

GNYHA Urges New Administration to Support Funding for Teaching Hospitals

On January 24, 2001, GNYHA sent letters to key Bush Administration officials urging them to include critical funding for the nation's teaching hospitals in President George W. Bush's first proposed budget, which is expected to be released in late February. Specifically, GNYHA is urging the Administration to eliminate the scheduled 18% cut in Medicare payments to teaching hospitals for the indirect costs of medical education (IME). Under the Balanced Budget Act of 1997 (BBA), as amended by the Balanced Budget Refinement Act of 1999 and the Benefits Improvement and Protection Act of 2000, this further IME cut will take place on October 1, 2002.

In the letter, GNYHA President Kenneth E. Raske thanked Bush Administration officials for President Bush's support of BBA relief during the campaign and pledged that GNYHA will work with the new Administration to improve the nation's health care system for all Americans. Reflecting the fact, however, that recent BBA relief measures postponed new cuts for teaching hospitals rather than eliminating them altogether, Mr. Raske went on to say that GNYHA "would like to respectfully request that President Bush include in his budget proposal the elimination of further Medicare cuts to teaching hospitals . . . Eliminating this cut—keeping the IME adjustment at 6.5% permanently—would save New York State's teaching hospi-

tals from approximately \$130 million in additional Medicare cuts each year."

While the IME cut is not scheduled to take place until the first day of Federal fiscal year

(FY) 2003—October 1, 2002—and the first Bush budget will deal mainly with FY 2002, Mr. Raske made the following case for the

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GNYHA Submits Comments to HCFA on Rehab PPS

On January 31, 2001, GNYHA submitted comments to the U.S. Health Care Financing Administration (HCFA) on the proposed rule for an inpatient rehabilitation facility prospective payment system (IRF PPS), which pertains to rehabilitation hospitals and rehabilitation units within general hospitals that have been

exempt from the hospital acute care PPS. Development of the IRF PPS was mandated as part of the Balanced Budget Act of 1997 (BBA). HCFA's original implementation date for the new payment system was cost-reporting periods beginning after April 1, 2001; however, HCFA has postponed this date and

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Senator Moynihan to Become Honorary GNYHA Board Member

The Honorable Daniel Patrick Moynihan will become an honorary member of the GNYHA Board of Governors. The highly regarded former senior senator will join the GNYHA Board on a quarterly basis and will chair valuable educational forums for GNYHA on graduate medical education issues. Senator Moynihan will not act in a lobbying

capacity, but will be a goodwill ambassador and advisor to GNYHA. Senator Moynihan is the first non-hospital executive to be named as an honorary GNYHA Board member. GNYHA is extremely honored and pleased that Senator Moynihan will be joining its Board, and looks forward to a highly productive continued relationship with him. ■

GNYHA Board Meets

The GNYHA Board of Governors met on February 1, 2001, and took the following actions:

- reviewed and approved recommendations by the GNYHA Nominating Committee for filling Executive Committee and Board vacancies: Michael Dowling, Executive Vice President and Chief Operating Officer of North Shore-Long Island Jewish Health System, who is currently serving on the GNYHA Board, will join the Executive Committee as Assistant Treasurer, and Peter Kelly, President and Chief Executive Officer of Continuum Health Partners, will become a Board member and was nominated to be Assistant Treasurer-elect; upon approval by the membership at the GNYHA 2001 Annual Meeting, Mr. Kelly will become Assistant Treasurer in June 2001;
- approved applications for Institutional Membership by **1)** Good Samaritan Hospital in Suffern, NY, **2)** St. Anthony Community Hospital in Warwick, NY, and **3)** Bon Secours Community Hospital in Port Jervis, NY (all three hospitals are part of Bon Secours Charity Health System);
- heard an overview of GNYHA's proposed Federal legislative agenda for 2001 as well as the Association's plans for working with Congress and various members of the new Administration;
- had a discussion about State priorities including opposing the proposed Medicaid cuts to nursing homes and addressing the workforce shortage issue on a number of fronts;
- discussed a number of legal, regulatory, and professional affairs issues, including a GNYHA medical error reduction initiative and GNYHA's program to conduct individualized root cause analysis training; and
- was briefed about a GNYHA comment letter to the U.S. Health Care Financing Administration on the proposed rule for an inpatient rehabilitation facility prospective payment system (see related story on page 1). ■

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will announce a new date in the final rule.

Under the proposed rule, the IRF PPS would reimburse hospitals on a per-case basis, starting with a basic payment and making the following adjustments: wage index, disproportionate share hospital (DSH) adjustment, rural adjustment, case-mix group adjustment, and comorbidity adjustment. The case-mix classification would be based on a new patient assessment instrument called the *Minimum Data Set for Post-Acute Care* (MDS-PAC).

GNYHA Comments: Following are some of GNYHA's key comments.

• *Teaching hospitals*—HCFA did not propose an indirect medical education (IME) adjust-

President Bush Sends Prescription Drug Plan to Congress

During his second week in office, President Bush sent his prescription drug proposal to Congress. His "Immediate Helping Hand" proposal provides \$48 billion over four years to states to subsidize prescription drugs for low-income seniors. One-third of senior citizens currently do not have drug coverage. President Bush's proposed legislation would provide full drug coverage for Medicare beneficiaries with incomes below 135% of the Federal poverty level—\$11,600 for individuals and \$15,700 for couples. A 50% subsidy of drug costs would be provided for seniors who earn up to 175% of poverty—\$15,000 for individuals and \$20,300 for couples. The proposal would also cover "catastrophic events," covering all out-of-pocket drug costs that

exceed \$6,000 a year for all beneficiaries.

The President's proposal would build on programs that already exist in 26 states. It would be funded in total by Federal funds, and states would have some freedom with the funds such as hiring a private company to manage the program, creating incentives for using generic drugs, and establishing formularies. Some members of Congress have indicated their desire for a more comprehensive approach, including a broader Medicare reform package that would include prescription drug coverage. In releasing the plan, White House Press Secretary Ari Fleischer expressed the President's willingness to work with Congress if the plan were to become part of broader Medicare reform legislation. ■

Legislative Digest

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

Whistleblower Legislation: On January 29, 2001, Governor Pataki failed to sign a "whistleblower protection" bill, effectively vetoing the legislation. S.8133, sponsored by Senator Nicholas A. Spano, would have prohibited retaliatory personnel actions by health care employers against employees who perform health care services and provide information to a public body concerning alleged violations of law, rule, or regulation.

• **Women's Health Care Initiatives:** On January 29, 2001, the Senate and Assembly passed similar legislation expanding access to women's health care services. The legislation requires insurance companies to cover prevention services for breast and cervical cancer, such as baseline mammograms for those aged 35 to 39 and annual mammograms for women aged 40 and older. The bills remove copayments for cervical cancer screenings and mammograms, and require insurers to pay for bone density tests to screen for osteoporosis. The legislation also requires insurers to cover the cost of contraceptives. The Senate and Assembly versions differ, however, and the two Houses have formed a joint committee to seek a mutual agreement. ■

ment because it did not find teaching to be a meaningful predictor of cost variation. GNYHA recommended that HCFA include IME in the future if its updated models support an adjustment. HCFA also noted that major teaching hospitals have the lowest payments in relation to cost under the proposed rule, indicating a problem in the payment model. GNYHA recommended that, pending resolution of the problem, HCFA provide "hold harmless" payments that limit any hospital's loss to 5% of its TEFRA (Tax Equity and Fiscal Responsibility Act of 1982) payments.

• *Capital*—In light of the fact that a shortage

of capital funding has been a severe problem for hospitals, GNYHA recommended that HCFA increase outlier payments associated with capital-related costs.

• *MDS-PAC*—GNYHA recommended that HCFA substitute the *Functional Independence Measure* (FIM) definitions and scoring for MDS-PAC questions where possible because 70% of rehabilitation providers are already familiar with the FIM. GNYHA also recommended that HCFA streamline the instrument as much as possible, reduce the number of required assessments, and eliminate all penalties associated with late submission. ■

State Announces GME Incentive Pool and Primary Care Initiative Recipients

New York State Governor George E. Pataki recently announced the recipients of funds from two State programs, both of which were part of the Health Care Reform Act (HCRA) of 1996.

HCRA GME Incentive Pool: Sixty-six hospitals in New York State, including 20 hospitals in three graduate medical education (GME) consortia, received \$54 million in funding from the 1999 GME incentive pool. The incentive pool rewards hospitals and GME consortia for meeting State policy goals in the areas of downsizing residency programs, increasing primary care training, maintaining and promoting quality, and increasing the number of underrepresented minorities in GME training.

This funding represents the final distribution of GME incentive pool funds authorized under HCRA 1996; however, the pool was continued in HCRA 2000 with a lower funding level of \$31 million and several modifica-

tions to the general requirements. The specific program requirements for receiving funds from the HCRA 2000 GME incentive pool are being finalized by the New York State Department of Health (DOH). GNYHA sent detailed recommendations regarding new incentive pool requirements to the Commissioner of Health in September 2000. Among the recommendations GNYHA made was that DOH institute an interim payment mechanism for distributing a portion of incentive pool funds following submission of required survey data. DOH has indicated to GNYHA that it is investigating the feasibility of an interim payment mechanism.

Primary Care Initiative Grants: Sixty-eight

hospitals, clinics, public health agencies, and other organizations received \$28 million in funding under the State's Primary Care Initiative (PCI). The PCI was authorized as part of HCRA 1996, and was designed to reward projects that enhance primary care services for medically underserved New Yorkers. These PCI grants were targeted to reward projects that emphasized enhancing primary health care services for uninsured adults.

Although HCRA 1996 authorized up to \$60 million for the PCI, this recent distribution is the only round of funding that will be made under the PCI, because of a shortfall in the pool collection. The PCI program was not renewed in HCRA 2000. ■

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need to deal with this issue in 2001, rather than waiting until next year: "Although the cut doesn't take place until the first day of FY 2003, hospital fiscal years, by and large, coincide with the calendar year. Therefore, if the cut is not eliminated this year, hospitals will have to budget for 2002 assuming a large IME cut in the last quarter of their fiscal year, which is the first

quarter of Federal fiscal year 2003. Budgeting with such uncertainty should not be expected of any business, least of all hospitals, which provide such critical services for their communities." Mr. Raske also pointed out that further IME cuts, on top of the 15% IME cut already phased in under the BBA, will damage the very biomedical research infrastructure on which Congress and the President are counting to transform increased National Institutes of Health funding into new treatments, procedures, and cures.

The letter, which has been shared with all the members of the New York Congressional Delegation, was sent to Secretary of Health and Human Services Tommy Thompson, Deputy White House Chief of Staff Joshua Bolten, Office of Management and Budget Director Mitchell Daniels, and Assistant to the President for Domestic Policy Margaret La Montagne. ■

GNYHA Distributes Brochure on GME Quality

GNYHA recently distributed a brochure on quality in graduate medical education (GME) programs to its members and other interested parties. The brochure, "Assessment of Residency Training Programs," was prepared by Kurt Salmon Associates, a national consulting firm with a large health care practice, in consultation with GNYHA.

Kurt Salmon Associates has worked extensively with GNYHA over the last several years to bring information on performance measurement in residency programs to teaching institutions in New York. GNYHA has held briefings for institutional administrators, physician leaders, and individual residency program directors on this topic. The information contained in the brochure is based on consulting work that Kurt Salmon has done with residency programs and teaching

institutions around the country.

GNYHA's work with Kurt Salmon Associates and other consultants in the area of GME program quality was supported by a grant from the Robert Wood Johnson Foundation to the Greater New York Hospital Foundation. The brochure can be downloaded from the GNYHA Web site, at www.gnyha.org. ■

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Lloyd C. Bishop has joined the staff of GNYHA as Associate Vice President for Government and Community Affairs. He will work with Congress and the New York State Legislature on issues of concern to GNYHA members, as well as assist members on a variety of community affairs issues. Before joining GNYHA, Mr. Bishop was Director of Intergovernmental Affairs for the U.S. Health Care Financing Administration's Center for Medicaid and State Operations. He has also served as former Senator Daniel Patrick Moynihan's Legislative Assistant for Human Services, Education and Labor, and as Deputy Administrator for Legislative Relations, New York City Human Resources Administration. ■

Recent HHS Publications Regarding Continuing Care Released

In January, several recent publications relevant to the continuing care community became available from the U.S. Department of Health and Human Services (HHS). **Cultural Competency Guidebook:** HHS's Administration on Aging acknowledged the rapidly growing diversity of the aging population and released a guidebook entitled *Achieving Cultural Competence: A Guidebook for Providers of Services to Older Americans and Their Families*. Designed for use by providers of services to ethnically diverse older populations, the guidebook and auxiliary handouts include an introductory "cultural competence" curriculum, including the demographic and legal background, and examples of how to achieve cultural competence within organizations. In an accompanying letter, the Administration on Aging stresses that cultural competence is an ongoing process based on warmth, empathy, and genuineness coupled with a respect for and appreciation of different cultures. The guidebook and handouts are available on the

Administration on Aging Web site (www.aoa.dhhs.gov). Concurrently, the Administration on Aging unveiled a new area on its Web site, "The Many Faces of Aging," which provides resources, including a section on promising practices and programs, to assist providers serving diverse populations.

OIG Reports on SNFs: HHS's Office of the Inspector General (OIG) also released several new reports relevant to skilled nursing facilities (SNFs). Two reports detail the OIG's findings and recommendations regarding resident assessment of Medicare beneficiaries with the Minimum Data Set (MDS) used under the SNF prospective payment system (PPS). Three additional reports issued in January 2001 documented findings regarding the provision of services to nursing home residents receiving mental health services under Medicaid. In the report on nursing home resident assessment and quality of

care, the OIG found that SNFs generally follow a systematic process to complete the MDS, but differences exist between the MDS (particularly section G) and the rest of the medical records, some of which may affect care planning. In the report on nursing home resident resource utilization groups, the OIG found that 93% of MDS coordinators and 98% of nursing home administrators reported that the introduction of the PPS has given additional responsibilities to existing staff, but only 40% of respondents reported that new staff have been hired to handle the PPS. In both reports, the OIG recommended that the U.S. Health Care Financing Administration define MDS elements more clearly and work with nursing home providers to offer enhanced and coordinated training to ensure that similar and accurate information about the MDS is being disseminated. The reports are available on the OIG Web site, www.oig.dhhs.gov. ■

Upcoming GNYHA Briefings

JCAHO Environment of Care Standards

Date: Monday, February 26, 2001

Time: 1:00 p.m. – 4:30 p.m.

Location: GNYHA Conference Center,
555 West 57 Street, 15th Floor

At this GNYHA member briefing, Kristi L. Koenig, M.D., Chief Consultant, Department of Veterans Affairs, Veterans Affairs Medical Center, and Thomas Salamone, a consultant from Healthcare & Life Safety Concepts and Life Safety Solutions, will discuss the new Joint Commission on Accreditation of Healthcare Organizations (JCAHO) Environment of Care standards regarding emergency management plans and utility systems management. Zachary Goldfarb, Deputy Chief of the Emergency Medical Service Command of the New York City Fire Department, will speak on the importance of incident command, which is a framework for organizing and controlling responses to a disaster. Representatives from Mount Sinai School of Medicine/Elmhurst Hospital Center (which has implemented an incident command system), the New York City Mayor's Office of Emergency Management, and emergency management offices in counties in which GNYHA members are located will discuss their emergency management plans. For more information, call Doris R. Varlese at GNYHA. To register, call Barbara Marino at GNYHA. ■

SHRPC Approves Member Projects

At its February 1, 2001, meeting, the State Hospital Review and Planning Council (SHRPC) gave contingent approval to the following GNYHA member projects: **Memorial Hospital for Cancer and Allied Diseases**, for the construction of a new five-story roof addition over a portion of the main campus facility and requisite renovations; **Interfaith Medical Center–Jewish Hospital Medical Center of Brooklyn Division**, for an addition to MRI services and an amendment to a previously approved Certificate of Need application to adjust the certified bed capacity to 287 beds; and **Metropolitan Jewish Health System**, for the acquisition of OLOM Home Care, Inc.

Ambulatory Surgery: The SHRPC and Pub-

lic Health Council (PHC) Workgroup on Ambulatory Surgery continued to discuss guidelines for assessing the impact of ambulatory surgery centers on hospitals. In addition to sending notice of pending ambulatory surgery applications to nearby hospitals, the New York State Department of Health will be reviewing the possibility of posting notices of applications on its Web site so that interested hospitals may comment. In addition, the workgroup decided that when existing single specialty ambulatory surgery centers are seeking to convert to multi-specialty centers, those applications will undergo full review. SHRPC and the PHC will continue to discuss the issue of how to adequately assess the impact of ambulatory surgery centers on hospitals. ■

HOLD THE
DATES!

- GNYHA Annual Meeting:
April 18, 2001
- GNYHA Annual Dinner and Awards Ceremony:
June 7, 2001