



APRIL 3, 2000

# Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

## GNYHA Meets With Legislators on HMO Reforms

**G**NYHA has identified securing HMO reforms as its top priority for the 2000 session of the State Legislature, and is working with a variety of partners to make HMO reform a reality this year. In recent weeks, GNYHA has continued its collaboration with the Healthcare Association of New York State (HANYS) to identify a core set of HMO reforms that, if enacted, would be of great use to hospitals, other health care providers, and the public in the ongoing effort to curb the abusive payment practices of HMOs and other third-party payers. The reforms included in the GNYHA/HANYS legislative package include creation of a dispute resolution system for payment denials, creation of a periodic interim payment system for payers that routinely flout the State's prompt payment and electronic claim acceptance statutes, creation of a guaranty fund to provide security for consumers and providers in case of an HMO or health insurer insolvency, and other important amendments to the State's prompt pay and utilization review laws. GNYHA and HANYS have shared these proposals with the leaders of the State Legislature as well as the Chairmen of the Assembly and Senate Health and Insurance Committees. The package of reforms can be found on GNYHA's Web site at [www.gnyha.org](http://www.gnyha.org). In addition, HMO reforms have been identified as the top legislative priority of the Healthcare Education Project, GNYHA's ongoing

collaborative effort with 1199/SEIU. In the coming weeks, the Project will be launching a highly visible campaign to help educate the public about needed reforms. The package of reforms supported by the Healthcare Education Project include the reforms mentioned above as well as a number of reforms identified as important to consumer advocates,

including holding payers accountable for medical decisions, guaranteeing continuity of care when a provider becomes disassociated from a health plan, and other important reforms. The Healthcare Education Project's reform package is being shared with State leaders and members of the State Legislature, and will soon be viewable on the Web at [www.healtheducationproject.com](http://www.healtheducationproject.com). GNYHA is also discussing HMO reforms with the Medical Society of the State of New York to ensure that the concerns of physicians are well represented in GNYHA's reform agenda. ■

## Medicare Declared Healthy Through 2023

**O**n March 30, 2000, the Trustees of the Medicare Hospital Insurance ("Part A") Trust Fund projected that the fund will remain solvent until 2023, eight years longer than projected last year and 15 years longer than projected after the enactment of the Balanced Budget Act (BBA) of 1997. President Clinton, Health and Human Services Secretary Donna Shalala, and the Medicare Trustees attributed the Trust Fund's

health to several factors, including Medicare payment reductions and other reforms contained in the BBA; more aggressive Federal efforts to wring fraud and abuse out of the Medicare program; and a low unemployment rate, which has increased payroll tax revenues. The Trustees' report confirms that the BBA reduced Medicare spending to providers far more than Congress and the President intend-

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### GNYHA Board Meets

The GNYHA Board of Governors met on March 23, 2000, and took the following actions:

- heard a report on GNYHA's proposed strategic plan to address various improper HMO practices, and authorized GNYHA to pursue legal remedies to challenge certain managed care organization abuses;
- was briefed on GNYHA's new initiative to secure additional relief from the Balanced Budget Act;
- heard a presentation on recent declines in hospital margins based on new data from the Medicare Payment Advisory Committee (MedPAC); and
- discussed the pros and cons of calling on the State for a moratorium on freestanding ambulatory surgery centers. ■

# GNYHA Testifies at EMS Hearing

On March 28, GNYHA testified at a joint hearing of the NYC Council Fire and Criminal Justice Services Committee and the Committee on Health on the NYC Fire Department (FDNY) Emergency Services (EMS) Command. GNYHA commented on the importance of the part-

nership between the hospitals and FDNY and the valuable role that hospitals—those that operate ambulances and those that do not—play in the EMS system. GNYHA commended FDNY for an excellent job, as evidenced by the decreased response times since the EMS service was transferred to FDNY in 1996. ■

## Medicare Declared Healthy Through 2023 continued from page 1

ed at the time. The Trustees' report is welcome. It argues forcefully for fixing the Medicare cuts in the BBA that went too far and are causing providers to cut back on critical services and personnel that are vital to the care of Medicare beneficiaries. GNYHA will continue to advocate forcefully to amend several of the BBA's provisions, including the proposal by the American Hospital Association to repeal further cuts in inflation updates for inpatient hospital services, GNYHA's proposal to repeal further cuts to teaching hospitals through reductions in the indirect medical education adjustment, and targeted improvements to the prospective payment system for skilled nursing facilities and home health agencies.

**President's Plan:** Despite the good news, President Clinton continues to call for Medicare reforms. On March 20, 2000, he formally submitted to Congress his Medicare Modernization Act of 2000, which contains the Medicare reform proposals announced last June, which the President now estimates would extend Trust Fund solvency "beyond 2030." In addition to the proposed Medicare prescription drug benefit and a significant transfer of surplus funds into the Part A Trust Fund, the Act contains provisions designed to reduce Medicare spending through price negotiation and competition. Included are

proposals to subject Medicare+Choice premiums to a competitive bidding process; to create a new "Preferred Participants" program, similar to a preferred provider option; to expand the Centers of Excellence program, under which health care providers would provide bundled items and services related to specified surgical procedures for an all-inclusive, negotiated rate; to create "provider and physician collaborations," under which health care providers would enter into agreements with the Medicare program to furnish all items and services related to an episode of care at an all-inclusive, negotiated rate; to allow for competitive acquisition of Part B items and services; to reform the contracting process with Medicare's fiscal intermediaries; to add care coordination and disease management as optional services for Medicare beneficiaries; and to eliminate cost-sharing requirements for some preventive health care benefits. Congress has shown little interest in the President's Medicare reform package; however, if Congress acts on Medicare legislation in this session, it is possible that some of the President's proposals could become part of Medicare negotiations later this year. The Senate budget resolution sets aside \$20 billion over five years for prescription drugs and other Medicare reforms; the House budget resolution sets aside \$40 billion. ■

# NYS Community of Churches Pledges to Work with GNYHA to Support Family Health Plus Outreach

On March 20, 2000, GNYHA participated in the New York State Community of Churches (NYCOC) Annual Interfaith Legislative Conference in Albany, New York. NYCOC is an interfaith organization with a membership of over 3,500 churches and religious associates statewide. Mary Lu Bowen, Executive Director of NYCOC, along with the Reverend Michael S. Kendall, Archdeacon of the Episcopal Diocese of New York City, and the Reverend Daniel B. Hahn, Director of Lutheran Statewide Advocacy, led the inter-religious forum. The conference was held at NYCOC's headquarters, the First Presbyterian Church, and focused on a number of human rights-oriented issues including expanded access to health care, that make up the group's 2000 legislative agenda.

**Supporting Health Care:** Members of NYCOC and other representatives from faith-based organizations around the State discussed how the church and its congregants could work with the New York State Legislature and local elected officials to build awareness of and support for their legislative agenda. On the issue of health care access, the group pledged to work with GNYHA and health care providers to promote the Family Health Plus program in their churches and communities. Reverend Hahn commented, "Passage of the Health Care Reform Act [HCRA 2000] and the creation of Family Health Plus is a victory all of us can savor. But it's only the beginning; now we must roll up our sleeves and spread the word about Family Health Plus so that every soul who is in need of affordable health insurance coverage will be served." GNYHA will continue to work with NYCOC and other faith-based organizations and community groups throughout New York to support outreach and education efforts on behalf of Family Health Plus. ■

AROUND

**Alvin I. Kahn, M.D., F.A.C.P.**, has been appointed President and CEO of The Brookdale University Hospital and Medical Center. Dr. Kahn, who previously served as Brookdale's Senior Vice President for Medical Affairs and as Director of Medical Education, succeeds **Frank J. Maddalena**, who served as President and CEO for the past seven years. • **Lee H. Perlman, F.A.C.H.E.**, Executive Vice President and COO, GNYHA Ventures, Inc., has been elected to serve on the Board of Governors of the American College of Healthcare Executives (ACHE), an international professional society with nearly 30,000 members. Mr. Perlman will serve a four-year term representing ACHE affiliates in nine northeastern states and eastern Canada. Mr. Perlman succeeds **Gary S. Horan, F.A.C.H.E.**, President and CEO of Our Lady of Mercy Healthcare System. ■

**1**999 Incentive Pool: The New York State Department of Health (DOH) has released the survey for the 1999 graduate medical education (GME) incentive pool program on the DOH Web site ([www.health.state.ny.us](http://www.health.state.ny.us)). Hospitals and GME consortia must complete the updated 1999 survey in order to receive funding from the \$54 million pool. The 1999 incentive pool, which was authorized as part of the Health Care Reform Act (HCRA) of 1996 and continued in a different format and at a lower funding level in HCRA 2000, rewards hospitals and GME consortia for progress toward certain State policy goals, including downsizing the number of residents. Hospitals and GME consortia are eligible for distribution from the 1999 incentive pool if they meet the following threshold criteria:

- reduced the total number of residents from the base period (the program years 1995–96 or 1996–97) to the rate year (1999–2000);
- reduced the number of residents in non-designated priority programs (non-DPPs) by at least 2% from the base period to the rate period;and
- have at least 95% of the total number of residents in accredited programs in the rate period.

If a hospital or GME consortium received funds from the 1997 and/or 1998 incentive pools, the reduction in non-DPP residents must total at least 4% (if funds were received in one prior year) or 6% (if funds were received in both years) in the aggregate from the base year in order to qualify for any reward from the 1999 incentive pool. Additional criteria that will be used to

reward institutions include increasing the proportion of primary care residents, underrepresented minorities in training programs, residents training in ambulatory care sites, residents training in underserved areas, and graduates of primary care programs who remain to practice in New York. DOH will hold a briefing on completing the survey at its New York City regional office at 5 Penn Plaza in Manhattan, on April 25, 2000, from 11:00 a.m. to 1:00 p.m. The survey is due to DOH by May 17, 2000. Anyone who would like information or wants to register for the DOH briefing should contact DOH by e-mail at [gme@health.state.ny.us](mailto:gme@health.state.ny.us) or at (518) 473-3513.

**Match Results:** The results of the National Resident Matching Program, announced on March 16, 2000 (“Match Day”), indicated that GNYHA member hospitals had filled 2,247 of the 2,411 residency positions (93.2%) offered through the match, the highest percentage filled in the last five years. In 1999, these hospitals had filled 90.1% of the positions offered through the match. Among the advanced programs (specialty programs requiring one or more years of preliminary residency training), anesthesiology filled 50 of 68 positions (73.5%), up from 69.1% in 1999 and 38.7% in 1998. Among the categorical programs (programs that accept applicants with no prior residency training, with the expectation that they will complete training in the program), the general surgery, orthopaedic surgery, and emergency medicine programs filled all positions placed in the match. Additional results for other categorical programs, with comparative results for 1998, are provided in the table below. ■

# GNYHA Urges Modifications to Adult Day Health Care Rule

**O**n March 23, 2000, GNYHA presented comments to a special joint meeting of the Codes and Regulations and Fiscal Policy committees of the State Hospital Review and Planning Council (SHRPC) concerning the emergency adult day health care (ADHC) regulations adopted by SHRPC on February 3, 2000. GNYHA's comments both acknowledged recent DOH efforts to address

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# Screening Program for Newborn Hearing Under Development

**A**lthough legislation signed into law last year requiring the New York State Department of Health (DOH) to establish a program to screen newborns for hearing impairments indicates an effective date of April 1, 2000, the program is currently being developed. Prior to the effective date of the program, DOH must determine the reimbursement mechanism for health care providers and must develop clinical guidelines and protocols for detecting hearing impairments. DOH expects full implementation of the program by the fall of 2000. GNYHA will be meeting with DOH to discuss the reimbursement mechanism and clinical guidelines and will keep members apprised of the status of the program. In order to develop the clinical guidelines and protocols neces-

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**National Resident Matching Program Results, 2000 and 1998**

Program	2000		1998	
	Number of Positions	% filled	Number of Positions	% filled
Internal Medicine	626	98.4%	556	93.2%
OB/GYN	119	94.1%	118	92.4%
Pediatrics	232	96.6%	197	100.0%
Psychiatry	128	99.2%	103	97.1%

# HIV Reporting and Partner Notification Regulations Effective June 1

New regulations requiring physicians and laboratories to report persons with HIV infection, HIV-related illness, and AIDS to the NYS Department of Health (DOH) will become effective on June 1, 2000. The regulations also require the reporting of certain contact information. The regulations implement the HIV reporting and partner notification legislation that was enacted into law in 1998. On March 17, 1999, DOH first published proposed regulations in the State Register for public comment. GNYHA provided comments during that public comment period. On December 15, 1999, DOH published in the State Register

revised proposed regulations. The final regulations do not differ from the December 15 publication of the proposed regulations.

**Satellite Broadcast:** On May 12, 2000, from 12 noon to 1:30 p.m., DOH will hold a satellite broadcast for physicians on the new requirements. Interested facilities should contact Maria Santostefano at (518) 262-6864.

**GNYHA Briefings:** GNYHA will hold three briefings (see below), for members only, at which DOH representatives will present information on implementing the regulations and will answer questions. For more information, contact Doris Varlese, and to register, contact Adele Danahy, both at GNYHA. ■

Briefing I	Briefing II	Briefing III
<b>Date:</b> Tuesday, April 11, 2000 <b>Time:</b> 1:30 p.m. – 3:30 p.m. <b>Location:</b> GNYHA Board Room, 555 West 57 Street, 15th Floor	<b>Date:</b> Monday, May 1, 2000 <b>Time:</b> 2:00 p.m. – 4:00 p.m. <b>Location:</b> GNYHA Conference Center, 555 West 57 Street, 15th Floor	<b>Date:</b> Monday, May 15, 2000 <b>Time:</b> 1:30 p.m. – 4:30 p.m. <b>Location:</b> GNYHA Conference Center, 555 West 57 Street, 15th Floor
Will focus on the responsibilities of GNYHA member laboratories that conduct HIV testing.	Will focus on the general requirements of the new regulations.	Will cover the general requirements and include a component on occupational exposures.

## Legislative Digest of State Health Bills

In recent weeks, the New York State Senate and Assembly have considered the following health care-related legislation:

**Cigarette Fire Safety Act:** A.1162, legislation introduced by Assemblyman Pete Grannis, is being considered by the full Assembly this week, and S.2257, introduced by Senator Frank Padavan, was referred to the Senate Finance Committee on January 5, 2000. The legislation would enact the Cigarette Fire Safety Act, which would establish fire safety standards for cigarettes, thereby protecting the health and safety of people in New York and greatly reducing the number of deaths and injuries resulting from cigarette-related fires. GNYHA strongly supports A.1162/S.2257 and urges its prompt enactment. •

**Hours of Labor for Nurses:** A.7405/S.7176, sponsored by Assemblyman Kevin Cahill and Senator Thomas Morahan, provides that no hospital shall permit a registered professional nurse or a licensed practical nurse to be on duty for more than 16 consecutive hours; that a nurse who has been continuously on duty for 16 hours shall not be permitted again to go on duty until he or she has had at least 10 consecutive hours off duty; that a nurse who has been on duty 16 hours in the aggregate in any 24-hour period cannot be permitted to continue or again go on duty without having had at least eight consecutive hours off duty; and that no nurse shall be permitted to be on duty for more than 60 hours in any seven-day period, except as a consequence of an emergency situation that could not have been reasonably predicted. A.7405 was approved by the Assembly Codes Committee on March 24, and S.7176 was referred to the Senate Labor Committee on March 27. GNYHA is currently reviewing the potential impact of this legislation. ■

## GNYHA Urges Modifications to Adult Day Health Care Rule continued from page 3

GNYHA members' concerns regarding the emergency program regulations and reiterated GNYHA's continuing concerns with proposals that would fundamentally change ADHC reimbursement policy. With respect to the program regulations, DOH presented the committees with several modifications that respond to GNYHA concerns, including proposals to 1) permit certain ADHC registrants to attend programs fewer than five hours, provided a majority of registrants attended for five hours or longer; 2) permit programs to admit registrants up to 10% above the approved capacity of the program on a given day, provided that the average annual occupancy does not exceed the annual approved capacity for the program; and 3) eliminate a requirement for programs to conduct registrant reviews that duplicate existing continued stay assessments of registrants. These modifications will be presented for adoption at the next full SHRPC meeting, scheduled for April 6, 2000. With respect to reimbursement, DOH pledged to establish a Transportation Workgroup to work on the development of a new transportation payment system for ADHC programs, reflecting a representative cross-section of program types and transportation arrangements. GNYHA commended the establishment of this workgroup, but urged that no further action be taken to pursue additional broad-based ADHC reimbursement changes. For further information, contact Scott Amrhein at GNYHA. ■

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sary to implement the legislation, DOH is in the process of collecting information on current efforts to screen for newborn hearing impairments. Thus, DOH recently sent a survey to hospital administrators and requested that providers complete it by April 10, 2000. ■