



Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

President Clinton Proposes BBA Relief

On June 20, 2000, President Clinton proposed a five-year, \$21 billion legislative package of relief for health care providers from some of the Medicare and Medicaid cuts contained in the Balanced Budget Act of 1997 (BBA). "When we passed the Balanced Budget Act of '97," the President declared, "we did not provide adequate funding for the medical providers of the country." His package includes \$9.2 billion in specific, short-term relief measures for hospitals, including teaching and disproportionate share hospitals (DSH), skilled nursing facilities (SNFs), home health care providers, and Medicare+Choice plans. The remaining \$11.8 billion in the President's plan, includ-

ing any permanent relief, would be negotiated with Congress over the next few months. In addition, the President endorsed Vice President Al Gore's proposal to protect Medicare surpluses by placing them in a so-called lock-box. Under this proposal, Medicare surpluses could only be used for Medicare expenses or, if unused, would automatically help pay down the Federal debt. Currently, Medicare surpluses are used to help finance the general operations of the Federal government. That same day, the House of Representatives passed a similar "lock-box" proposal.

Specifics: The President's plan would relieve hospitals and continuing care providers from BBA cuts in 2001 by repealing Medicare mar-

ket basket update cuts for hospitals, nursing homes, and home health care providers in 2001; repealing the further cut in the indirect medical education (IME) adjustment for teaching hospitals scheduled for October 1, 2001; repealing the 2001 3% cut in Medicare DSH payments; delaying the imposition of therapy caps under the SNF prospective payment plan by one year; and delaying the 15% cut in home health care payment rates for one more year. These payment changes will also help Medicare+Choice plans because fee-for-service payment increases for providers translate into higher Medicare managed care premiums. As mentioned, the Pres-

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GNYHA and Aetna Agree to Collaborative Process to Address Payment Issues

GNYHA and Aetna U.S. Healthcare have agreed to embark upon a collaborative process to resolve GNYHA members' myriad issues with respect to the payment and processing of claims by Aetna. The process was developed as the result of a recent meeting between GNYHA President Kenneth E. Raske and Aetna's Chairman and Chief Executive Officer, William Donaldson. GNYHA is hopeful that this commitment at the highest levels of Aetna will provide meaningful relief to GNYHA members. GNYHA and many of its hospital members were poised to bring class

action litigation against Aetna to challenge Aetna's claims payment and processing practices. Cumulatively, Aetna's practices have resulted in significant inappropriate denials and delays in payments to GNYHA members and have caused GNYHA members to incur unnecessary administrative costs in order to gain payment for medically necessary services rendered. The tentative agreement anticipates that GNYHA will refrain from litigation while GNYHA and Aetna work in good faith to address past and present payment disputes and develop proce-

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GNYHA Continues BBA Relief Efforts

Last week, GNYHA continued its effort to convince members of Congress to enact legislation that will provide relief for the health care community from the Medicare cuts contained in the Balanced Budget Act of 1997 (BBA). On June 22, 2000, GNYHA participated in an educational forum hosted by U.S. Senators Daniel Patrick Moynihan (D-NY), Arlen Specter (R-PA), Edward M. Kennedy (D-MA), and Bill Frist (R-TN), and attended by key Clinton Administration officials, that was designed to build Senate support for teaching hospital relief. Senator

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State Senate Makes No Progress on HMO Reform

The State Senate left Albany last week without acting on meaningful HMO reform legislation, despite the fact that the State Assembly passed landmark HMO reform legislation by an overwhelming and bipartisan vote of 146 to 2 (A.11235), and that HMO reform is favored by the voters of New York State in poll after poll and has been strongly endorsed by GNYHA, 1199/SEIU, the Healthcare Association of New York State, and the Medical Society of the State of New York. The Senate's inaction was precipitated largely by the HMO and

insurance industry's insistence that any HMO reform legislation must contain provisions to significantly weaken the State's prompt payment statute, under which payers are required to pay health care providers within 45 days of receiving a clean claim. The Senate has passed legislation to weaken the prompt pay statute, but has not passed legislation to create a health insurance guaranty fund, which would protect consumers and providers in the case of an HMO insolvency; to create an independent dispute resolution system to help solve payment disputes without the need for costly

litigation; to require periodic interim payments to providers from payers who consistently violate State laws and regulations; and other important reforms. Rather than accept a weakened prompt pay law, GNYHA withdrew its support for HMO reform legislation this year, and intensified its efforts to deal with individual payers. GNYHA also plans to use every mechanism available, including litigation, to ensure that the current prompt pay law, which the HMO industry strongly opposes, is fully enforced, and that maximum penalties under the law are imposed. ■

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ident has identified an additional pool of funds for further, unspecified BBA relief. GNYHA's estimate of the fiscal impact of the President's market basket, IME, and DSH proposals is shown in the table at right.

GNYHA's Reaction: GNYHA President Kenneth E. Raske praised the President and Vice President for their Medicare proposals. "I am extremely grateful to President Clinton for proposing an important first step to strengthen our nation's health care system and to improve the long-term financial outlook of the Medicare program," Mr. Raske stated. Citing a June 17, 2000, article in the New York Times that chronicled the increasingly difficult decisions hospitals must make due to financial stress, including the elimination of thousands of positions, Mr. Raske said, "These proposals, along with proposals to provide outpatient prescription drug coverage for seniors, will go a long way toward ensuring that the health care system Americans rely upon will be strengthened and improved for seniors today and tomorrow."

Next Steps: Congress now has to be convinced to approve BBA relief legislation that contains the President's proposals and provides permanent relief for GNYHA member hospitals and continuing care members. Specifically, GNYHA supports using the President's \$11.8 billion pool, and other funds that may be identified by Congress and the President during negotiations, to enact S.2395/H.R.4239 (sponsored by Senator Daniel Patrick Moynihan, Senator

GNYHA Estimate of the Fiscal Impact of the Administration's FY 2001 BBA Relief Proposal (\$ in millions)

	Full Market Basket Increase for FY 2001	IME Adjustment at 6.5% for FY 2001	DSH at 100% for FY 2001	Total
FY 2001 Fiscal Impact				
New York City	\$34	\$21	\$16	\$71
GNYHA Members	\$44	\$25	\$17	\$86
New York State	\$68	\$30	\$20	\$118
United States	\$795	\$166	\$144	\$1,105
5-Year Fiscal Impact				
New York City	\$177	\$21	\$16	\$214
GNYHA Members	\$229	\$25	\$17	\$271
New York State	\$356	\$30	\$20	\$405
United States	\$4,155	\$166	\$144	\$4,465

Source: HCFA's FY 2000 Impact File.

Charles Schumer, and Congressman Charles Rangel), which would permanently protect teaching hospitals from further cuts in the IME adjustment; to enact H.R. 3580, sponsored by Congresswoman Nita Lowey and Congressman Jack Quinn, which would provide full market basket updates for hospitals in 2001 and 2002; and proposals to improve

the SNF and home health prospective payment systems. Last week, the House Ways and Means Committee approved legislation to provide coverage for outpatient prescription drugs for senior citizens that provided limited relief for Medicare+Choice plans, but that contained no further BBA relief for health care providers. ■

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dures to minimize the administrative burdens of processing and obtaining payment of claims. The agreement is dependent, however, on the development of a system designed to speed payments to providers so that they will not be prejudiced while Aetna works to address the problems that have been identified. GNYHA has begun to meet with Aetna to discuss member issues, both past

and present, and will keep members apprised of developments. GNYHA's planned litigation against Aetna is part of its larger initiative to end abusive practices by managed care plans. This initiative includes pursuing legislative remedies, an advertising campaign to heighten public awareness of the abuses, and further litigation against other plans and payers. ■

Upcoming GNYHA Briefing

Abuse Prevention Training for LTC Staff

Date: Wednesday, July 19, 2000

Time: 8:30 a.m.–4:00 p.m.

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

As part of GNYHA's ongoing efforts to support the delivery of quality care at its member facilities, GNYHA's Center for Continuing Care is hosting a program, Competence with Compassion, for long term care (LTC) nurse educators and other relevant staff. The program curriculum was developed by the Center for Advocacy for the Rights and Interests of the Elderly. This interactive "train the trainer" program is designed to assist members with preventing abuse and fostering innovative conflict management techniques. The program has been extensively field-tested, and 98% reported that they recommend the training program. GNYHA has applied for continuing education credits from the National Association of Boards of Examiners of Long Term Care Administrators and the New York State Nurses Association. For more information, call Roxanne Tena-Nelson, and to register, call Jenifer Fergusson, both at GNYHA. Registration is limited. ■

Senators Moynihan and Schumer Oppose HCFA Regulation That Would Reduce Medicaid Funds

Senators Daniel Patrick Moynihan and Charles Schumer joined GNYHA in writing a letter to the U.S. Health Care Financing Administration (HCFA) in response to HCFA's apparent consideration of new regulations that would result in drastic reductions to Federal Medicaid funding for New York. As previously reported, HCFA is considering changing the way it calculates the Medicaid "upper payment limit," which would threaten New York's continued receipt of hundreds of millions of dollars in Federal Medicaid funds. To address these concerns, GNYHA has taken a number of steps, including asking Senators Moynihan and Schumer for their help in convincing HCFA to ensure that any new regulations will not reduce Medicaid funding for New York. GNYHA greatly appreciates Senator Moynihan's and Senator Schumer's efforts to help prevent these potentially harmful changes from taking effect. ■

GNYHA Ventures Receives Planning Grants to Develop Medical Interpretation Service

GNYHA Ventures, Inc., in collaboration with the New York Task Force on Immigrant Health, of NYU School of Medicine, has been awarded three planning grants to develop a sophisticated interpretation service for the medical community and its diverse patient population. Generous support for the development of this initiative has been granted by the United Hospital Fund, The New York Community Trust, and the Altman Foundation.

The proposed new venture will make cost-effective, high-quality interpretation services available to health care professionals and patients through one centralized source. Advanced communications technology will enable the delivery of a specialized type of interpretation known as remote simultaneous medical interpretation (RSMI). The service will be based on a pilot program developed by Gouverneur Diagnostic and Treatment Center (with assistance from the Task Force), which has been successfully providing RSMI services to patients and providers at Gouverneur for about 18 months.

The new venture's RSMI services, which

will be made available in hospitals and various other health care settings, will enable patients and providers who speak different languages to communicate face-to-face. The patient and provider will be able to access the service directly from their individual facility by wearing wireless headsets, which will connect them to highly specialized medical interpreters—professionals with both clinical knowledge and multi-lingual skills—located at a remote site. Each participant will speak and hear only in his or her own language, with interpretation occurring simultaneously. The benefits of an RSMI system include reduced total interpretation time compared with the time needed for consecutive interpretation; maintenance of natural communication flow, eye contact, and body language; higher-quality interpretation of complex medical information; and improved patient confidentiality. In pilot programs, the use of such services has improved patient-provider communication, the ability of providers to diagnose illness in people who don't speak English, and patient and physician satisfaction with the health care encounter. ■

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Charles E. Schumer (D-NY); John Podesta, White House Chief of Staff; Nancy-Ann Min DeParle, Administrator of the U.S. Health Care Financing Administration; and Jack Lew, Director of the President's Office of Management and Budget, were among those who attended the forum. The meeting was also attended by a number of administrators of academic medical centers, including Theresa Bischoff of Mount Sinai-NYU Health and

Herbert Pardes, M.D., of the New York Presbyterian Hospital. The hospital executives urged support for Senator Moynihan's legislation to prevent further cuts in the Medicare indirect medical education (IME) adjustment to inpatient hospital rates, which is currently scheduled to be reduced from 6.5% for every 10% increase in the ratio of interns and residents to beds, to 6.25% on October 1, 2000,

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Phyllis R. F. Lantos has been appointed Chief Financial Officer of New York-Presbyterian Health System. Ms. Lantos previously held the position of Deputy Chief Operating Officer at the Yale University School of Medicine, and spent more than 20 years at Montefiore Medical Center, serving as Vice President for Financial Services for a decade. • **Gary Zuar** has been named Chief Financial Officer of Saint Vincents Catholic Medical Centers of New York. Mr. Zuar held the same position at Saint Vincents Hospital and Medical Center of New York since 1991, and served as Assistant Vice President of Finance from 1988 to 1990. • **Michael Bruno** has been appointed Senior Vice President/Chief Financial Officer of St. Barnabas Hospital. Previously, he was Vice President of Finance at Saint Vincents Hospital and Medical Center. ■

State Announces New Organ and Tissue Donor Registry

Antonia C. Novello, M.D., Commissioner of the NYS Department of Health (DOH), and Richard E. Jackson, State Commissioner of the Department of Motor Vehicles (DMV), held a press conference in Albany on June 21 to announce the formation of a statewide computerized registry to allow New Yorkers to confirm their interest in being organ and tissue donors when they die. The Registry was created through the joint efforts of DOH, DMV, and the NYS Task Force to Increase Organ and Tissue Donation, to which GNYHA belongs.

Dr. Novello credited Governor George E. Pataki with helping to make the registry a reality.

The NYS Organ and Tissue Donor Registry will list all New York State residents who check the "donor" box on their DMV applications for a new or renewed driver's license, or non-driver identification card. There are plans to make registry donor enrollment cards available and to make entry to the registry possible through the DOH Web site.

Information in the registry is confidential and access will only be given to donation professionals at hospitals, organ and tissue pro-

curement organizations, and other agencies authorized by DOH to assist in seeking consent from potential donor families. Persons who register are encouraged to discuss their plans with relatives, since family members will still be required to authorize organ and tissue donations.

Nearly 70,000 people are on organ donor lists nationwide, and 7,000 of them are in New York State. The Registry is expected to increase public awareness of the need for organ and tissue donors and assist families in making decisions when a relative dies. ■

State Legislative Wrap-Up

Throughout the 2000 State Legislative session, GNYHA has provided bi-weekly updates on a number of health care-related pieces of legislation. As the 2000 session comes to a close, GNYHA reports the status of the following:

Profiling and Incident Reporting: Senator Kemp Hannon and Assemblyman Richard Gottfried have spent much time working on several pieces of legislation on hospital as well as physician incident reporting. S.8127, introduced by Senator Hannon this past week, passed the full Senate and was delivered to the Assembly on June 22. It would enact the Patient Health Information and Quality Improvement Act of 2000, directing the NYS Department of Health (DOH) to increase information available to patients about both health care practitioners and hospitals, including the publication of hospital report cards. S.8127 requires that before DOH releases information on any one hospital that a hospital be given the opportunity to correct the information and to submit comments that would then be disseminated with the report. When Skyline News went to press, the Assembly was expected to pass identical legislation on June 23, before adjourning for the year. • **Hours of Duty for Nurses:** A.7405 and S.7176, sponsored by Assemblyman Kevin Cahill and Senator Thomas Morahan, contain provisions that would limit the hours nurses are permitted to be on duty. GNYHA has serious concerns about this legislation's potentially negative impact on hospital staffing and patient care, and has expressed its concern to the entire Legislature. A.7405 passed the full Assembly and was referred to the Senate on June 14. S.7176, however, has not moved since its introduction and referral to the Senate Labor Committee on March 27. • **Sharps Safety Act:** A.7144-C, which would enact the New York State Sharps Safety Act, passed both the Assembly and the Senate late in the session. The legislation requires the use of safer sharps and needles by health care facilities and in all health care settings and establishes an advisory committee to report to the Governor and Legislature on the development of safer medical sharps and needles. A.7144-C is awaiting the Governor's signature. • **Sexual Assault Reform Act:** GNYHA reported in April that the Assembly was planning to release legislation similar to Senate bill S.1592-B, which passed the Senate on May 2, entitled the Sexual Assault Reform Act (SARA). On June 12, Assemblyman Joseph Lentol, Chair of the Assembly Codes Committee, introduced A.11427, which would toughen penalties for sexual assaults and provide more relief for survivors of sexual assaults. A.11427, as well as S.1592-B, contains a provision that would permit the reimbursement by the New York State Crime Victims Board for counseling, medical treatment, or other services for sexual assault survivors who do not report the assault to criminal justice agencies but who do incur out-of-pocket costs for their medical treatment, a provision that GNYHA strongly supports. The Assembly version contains additional measures, including specialized training for nurses who examine survivors and guaranteed financing every year for rape crisis centers. When Skyline News went to press, the Assembly was expected to pass A.11427.

If you have any questions about the status of any legislation, please call Melissa Jones at GNYHA. ■

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and to 5.5% on October 1, 2001. Mr. Podesta and Mr. Lew made it clear that the President's BBA relief proposal repeals the first of these two cuts, and that the Administration is open to working with Congress to determine whether further teaching hospital relief may be possible. On June 23, GNYHA also participated in an educational BBA forum sponsored by the Health Industry Distributors Association in Washington, D.C. The forum featured New York Congresswoman Carolyn Maloney, who expressed her strong support for BBA relief for teaching hospitals. GNYHA staff also spoke at the forum—which was attended by health care suppliers and distributors from across the country—and urged the distributors to partner with GNYHA and other associations in the BBA relief effort. ■

GNYHA Board Meets

The GNYHA Board of Governors met on June 22, 2000, and took the following actions:

- approved an application for Institutional Membership by United Odd Fellow & Rebekah Home;
- heard a report on GNYHA's efforts to secure HMO reform and an agreement to develop a "collaborative process" with Aetna U.S. Healthcare to help ensure that GNYHA members are paid what they are owed in a timely manner;
- was updated on the Association's latest efforts to persuade President Clinton and Congress to provide Balanced Budget Act relief to GNYHA member hospitals and continuing care providers; and
- was briefed on GNYHA's continuing concerns about the implementation of the Medicare Outpatient Prospective Payment System (OPPS), as well as the Association's efforts to help members prepare for OPPS. ■

STAFF

Lillian Forgacs, R.N., M.B.A., has joined the staff of GNYHA as Director, Utilization Management and Managed Care. Before joining GNYHA, Ms. Forgacs was Senior Consultant, Health Care Consulting Practice, at KPMG Consulting, Inc., where she had worked since 1997. She has also served as Manager, Care Coordination, at General Hospital Center in Passaic, NJ, and Utilization Manager, New York Medical Group (an affiliate of HIP). ■