



JULY 24, 2000

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

GNYHA Is a Co-founder of National BBA Relief Campaign

At a press conference on July 24, 2000, in Washington, D.C., a group of hospitals and health systems, hospital associations, health care businesses, and other members of the national health care community will announce the formation of a new national coalition—of which GNYHA is a founding member—that will fight for relief from the deep Medicare cuts enacted within the Balanced Budget Act of 1997 (BBA). At the press conference, The Coalition to Protect America's Healthcare will officially launch a \$30 million national multimedia advertising and advocacy campaign that informs the American public—as well as policymakers in Washington—that the BBA cutbacks went too far and that America's hospitals are suffering. The Coalition will strongly advocate for BBA relief legislation this year. Later phases of the cam-

paign will focus on other issues that are central to protecting access to health care services for communities across America. At the press conference, the Coalition will reveal its first television advertisement, in which a nurse describes the BBA's harmful effects on her hospital and the need to reverse the damage of the BBA in order to protect patient care. A number of GNYHA members are also founding members of the Coalition, including Montefiore Medical Center, Mount Sinai-NYU Medical Center and Health System, New York-Presbyterian Hospital, and North Shore-Long Island Jewish Health System. The American Hospital Association, the Healthcare Association of New York State, and a number of other hospital associations across the country are also founding members. GNYHA will keep its members informed of all future developments as the Coalition's campaign develops. ■

Statewide Interfaith Tour Conducted to Promote Family Health Plus Program

GNYHA and the leadership of the New York State Community of Churches (NYSCOC) met with clergy and religious leaders in Albany, Rochester, and Syracuse on July 11 and 12, 2000, to help build awareness of the Family Health Plus (FHP) program in faith-based communities across the State. NYSCOC's interfaith FHP tour is one of the many health care initiatives in which GNYHA is involved this year. GNYHA has also been working with other religious groups and health care advocates across the State to promote greater access to health care services through the Universal Health Care 2000 Campaign (U2K). NYSCOC, a statewide interfaith organization with a membership of over 3,500 churches and religious associations, played a vital role in supporting GNYHA's HCRA 2000 legislative campaign last fall. In March, at the group's annual conference, the membership pledged to work with GNYHA and other health care providers to promote FHP in their churches and communities statewide.

Mary Lu Bowen, Executive Director of NYSCOC, and the Reverend Dan Hahn, Executive Director of Interfaith Impact, arranged the meetings. In Albany, representatives from the Capitol Area Council of Churches, the Capitol Region Ecumenical Organization,

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Towns Defends New York's Hospitals

The U.S. House of Representatives Commerce Subcommittee on Health and the Environment held a hearing on the need for relief from the Medicare cuts contained in the Balanced Budget Act of 1997 (BBA) on July 19, 2000. At the hearing, entitled "BBA '97: A Look at the Current Impact on Providers and Patients," represen-

tatives of hospitals, skilled nursing facilities, home health agencies, physicians, and others expressed the need to roll back various cuts. A number of panel members expressed concern about the impact of the BBA's Medicare cuts on teaching hospitals. Strongest among them was Congressman Edolphus Towns (D-

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SHRPC Committees Meet

Part-time Clinic Regulations: At its July 20, 2000, meeting, the State Hospital Review and Planning Council (SHRPC) Codes and Regulations Committee voted to recommend adoption of, on an emergency basis, certificate of need (CON) regulations pertaining to part-time clinics. The amendments would revise the sites at which part-time clinics would be permitted to operate and would establish new procedures for the process by which clinics are approved to provide services. Under current CON regulations, the initial authority for a hospital or a diagnostic and treatment center to operate part-time clinics requires administrative approval. The subsequent opening of additional individual clinic sites requires only a letter of notification to the area office of the NYS Department of Health (DOH).

The proposed amendments, which would require prior limited review of all proposed part-time clinic sites and clinic relocations, include a detailed description of the types of services that would be permitted in part-time clinics, and would exclude specific types of locations as acceptable sites. The proposed regulations would also require that part-time clinics be located in proximity to the primary delivery site, and would include requirements of written policies and procedures for quality assurance and credentialing of the staff.

The proposed regulations would apply to all existing part-time clinics and all future sites. If the regulations are adopted, current operators of part time clinics would be permitted to continue operating such clinics while their applications are under review by DOH. Current operators would have 90 days from the effective date of the regulations to submit applications. The amendments would become effective if SHRPC votes to adopt them at its August 3, 2000, meeting and would expire after 90 days unless SHRPC readopts them. GNYHA provided preliminary comments to the Codes Committee, including the concern that 90 days is not enough time for submitting applications to DOH. GNYHA is seeking additional comments from members on the proposed amendments so that it may provide additional comments to SHRPC.

Network Regulations: The Codes Commit-

tee also voted to recommend adoption of CON regulations pertaining to the transfer of beds and major medical equipment within established Article 28 networks. The proposed regulation would permit, subject only to prior limited review by DOH, the reallocation, relocation, or redistribution of acute care beds and major medical equipment from one hospital to another within an "established Article 28 network," defined as an "established Article 28 network" as an arrangement in which operating authority "is legally delegated to a corporation or other entity by hospitals participating in such arrangement and in which the corporation or other entity has received establishment approval" by the Public Health Council as operator or co-operator of the participating hospitals. SHRPC will vote on the regulation at its August meeting.

Patient Review Instrument: At SHRPC's Joint Fiscal Policy Committee and Codes and Regulations Committee meeting, DOH's Office of Continuing Care (OCC) presented recommendations regarding changes to the

patient review instrument (PRI), the assessment tool used in nursing homes for Medicaid eligible residents. These changes reflect input from a workgroup consisting of providers, GNYHA, other associations, and OCC staff members that was created by DOH in response to provider concerns related to the auditing process for the PRI. The recommendations related to the process issues include 1) developing a quicker and more detailed process to report audit decisions, 2) standardizing entrance and exit conferences, and 3) establishing a quality assurance process for auditors. The recommendations related to the clinical issues include 1) implementing a new qualifier for short-stay residents, 2) including speech and language therapy on the PRI, and 3) providing a detailed guide for proper documentation of therapy. The OCC and DOH's Division of Health Care Financing are working together to implement the above recommendations. Additionally, the OCC opened a discussion about the potential

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Robert Peebles, Esq., has been appointed Chief Administrative Officer of Saint Vincents Catholic Medical Centers of New York, for which he previously had been Executive Consultant. Mr. Peebles has also served as Senior Vice President, Human Resources, Detroit Medical Center, and Vice President, Physician and Employee Relations, Crittenton Hospital (in Rochester, Michigan). • **Janet McNemar** has been named Administrator of Rutland Nursing Home, an affiliate of Kingsbrook Jewish Medical Center. Ms. McNemar has years of experience in nursing home administration, and was most recently employed by a management company that provides operational and financial support to nursing homes. ■

Statewide Interfaith Tour Promotes Family Health Plus

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and the Schenectady Interfaith Ministry discussed how the religious communities in the Capitol District will network with health care communities in the area to promote FHP and Child Health Plus (CHP). In Rochester, the leadership of the Greater Rochester Community of Churches and several members of the clergy expressed their support of FHP and said they plan to work with the local CHP facilitated enrollers to develop an information outreach campaign in the churches. In Syracuse, the InterReligious Council, local ministers, and health care providers met and

exchanged ideas on outreach activities to boost awareness of this new program throughout the city. GNYHA will continue to build on its interfaith outreach infrastructure with NYSCOC and other faith-based organizations to promote FHP and expand access to affordable, quality health care. GNYHA and NYSCOC plan additional FHP information meetings in Binghamton and Buffalo. FHP meetings with other interfaith groups and associations are scheduled for Long Island, Westchester County, and New York City in the fall. ■

Mrs. Clinton Unveils New Health Insurance Initiative

On July 18, Hillary Clinton announced the details of a new health insurance initiative designed to extend affordable coverage to millions of uninsured Americans. In contrast to the sweeping health reform plan she backed in 1994, the proposal Clinton unveiled last week provides a step-by-step approach that builds on existing health care programs. Mrs. Clinton estimates her plan will provide access to affordable coverage to at least 1.1 million New Yorkers, including nearly all of the State's 700,000 uninsured children. Currently, 3.1 million residents of New York have no health insurance.

Health Insurance for Families: The centerpiece of Mrs. Clinton's plan is an expansion of the Children's Health Insurance Program (CHIP), which provides Federal funding for

state-based programs that subsidize health coverage for children in low-income, working families. New York uses Federal CHIP funds to augment its Child Health Plus (CHP) program, which provides free or low-cost insurance to children in families with incomes up to 250% of the Federal poverty level (\$42,600 for a family of four). Mrs. Clinton proposes extending the Federal CHIP program to entire families—including parents, a group that is currently not covered under this program—with incomes up to 300% of the poverty level (\$51,000 for a family of four). Mrs. Clinton also proposes allowing families above 300% of the poverty level to pay the full premium for CHP or Medicaid coverage for their children. This proposal would allow New York to extend CHP to most of the State's uninsured children, and to expand Family Health Plus—a

program New York enacted in December 1999 that provides fully subsidized coverage to parents up to 150% of poverty—to many more parents, with the Federal government financing 65% of the cost of the program.

Tax Credit: Mrs. Clinton's plan calls for a 25% refundable tax credit to help individuals purchase private insurance outside of their workplaces. Her plan also calls for financial bonuses to states that meet targets for enrolling children in subsidized health insurance programs and for reduced Federal funding to States that fail to meet enrollment targets. ■

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NY), who expressed deep concern about the impact of the cuts on New York's teaching hospitals, and urged support for repealing the BBA's scheduled reductions in the indirect medical education (IME) adjustment. Legislation to halt the IME cuts has been introduced by Senator Daniel Patrick Moynihan (D-NY) and Congressman Charles Rangel (D-NY). At the hearing, Congressman Towns asked the Chair of the Medicare Payment Advisory Council (MedPAC), Gail Wilensky, M.D., whether she supported targeted relief for teaching hospitals. While Dr. Wilensky declined to endorse the Moynihan/Rangel bill (S.2394/H.R.4239), she did indicate that MedPAC's principal recommendation—to provide an inpatient hospital update of 0.6–1.1% greater than the hospital market basket update—would aid teaching hospitals and all other hospitals in the country. GNYHA is grateful to Congressman Towns for his strong support. It is expected that the Commerce Committee, in conjunction with the Ways and Means Committee, will approve BBA relief legislation in September. The Ways and Means Subcommittee on Health is scheduled to hold a BBA relief hearing on July 25, 2000.

Surplus Estimates: In other news, the effort to secure BBA relief this year got a boost when,

on July 18, 2000, the Congressional Budget Office (CBO) released new estimates showing that the estimated non-Social Security budget surplus for the next Federal fiscal year alone has increased from \$26 billion, as projected by the CBO three months ago, to over \$84 billion. This surplus estimate dwarfs the amount that President Clinton has proposed for BBA relief: \$40 billion over 10 years to help mitigate the impact of Medicare cuts on hospitals, nursing homes, home health care providers, and Medicare+Choice plans. Clearly, there are enough resources to provide meaningful BBA relief this year.

Support from Quinn: As Skyline News went to press, Senator Moynihan and Congressman Rangel continued to gain support for S.2394/H.R.4239, which would protect teaching hospitals from further reductions in the Medicare IME adjustment. S.2394 now has 35 bipartisan cosponsors, and H.R.4239 has 66, including Congressman Jack Quinn, Republican of Western New York, who joined as a cosponsor last week. GNYHA is grateful to Congressman Quinn and the other members of the New York Congressional Delegation who have cosponsored this legislation, and urges all members to sign on without further delay. ■

Upcoming Briefings

Restraint Regulations and Reduction

Date: Thursday, August 3, 2000

Time: 9:30 a.m.–12 noon

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

This briefing, for GNYHA members only, will cover the U.S. Health Care Financing Administration's (HCFA's) regulations on the use of restraint and seclusion that are part of the Medicare Condition of Participation for Hospitals on Patients' Rights. The regulations became effective August 2, 1999, but HCFA recently issued interim interpretive guidelines for the condition. At the briefing, Lorraine Mion, M.D., Director of Outcomes Research, Departments of Geriatric Medicine and Nursing, at Mount Sinai Hospital, will assist members in identifying strategies that are effective alternatives to the use of restraint. GNYHA has applied for approval to offer 3.2 contact hours to nurses who attend this educational offering. For more information, call Patricia O'Brien, and to register, call Barbara Marino, both at GNYHA.

DOH Perinatal Survey

Date: Monday, August 7, 2000

Time: 2:00 p.m.–4:00 p.m.

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

This meeting, for GNYHA members only, will include a discussion of the New York State Department of Health's (DOH's) perinatal survey, which DOH expects to send to GNYHA members around August 1, 2000. Representatives from the DOH Bureau of Women's Health will provide information and answer members' questions regarding completion of the survey. For more information, call Doris R. Varlese, and to register, contact Barbara Marino, both at GNYHA. ■

House Commerce Committee Passes Ryan White CARE Act Reauthorization Bill

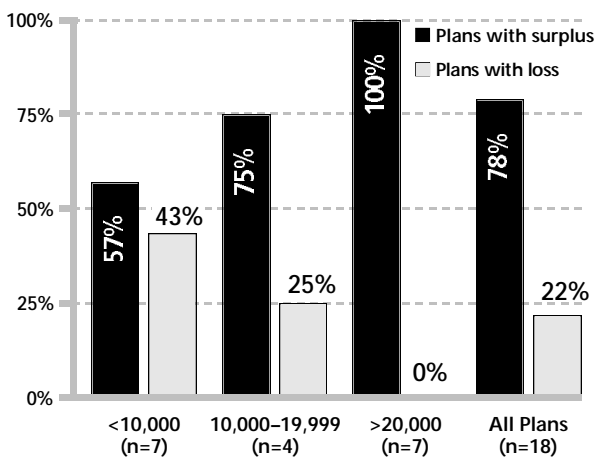
On July 13, 2000, the House Commerce Committee approved H.R.4807, legislation that would continue funding for the Ryan White Comprehensive AIDS Relief Emergency (CARE) Act through 2005. The legislation contains many of the same provisions as the Senate's reauthorization bill, S.2311, which was approved unanimously by the Senate Committee on Health, Education, Labor and Pensions (HELP) on April 12, 2000. However, while S.2311 makes no changes to the current funding formula for eligible metropolitan areas (EMAs), such as New York City, H.R. 4807 further revises the 1996 grant formulas that reflect the number of people living with HIV and not only the cumulative number of people with AIDS. Therefore, while the Senate version contains a "hold harmless" provision that guarantees that no EMA would receive less in a fiscal year than 98% of the funding it received in the previous fiscal year, H.R.4807 would allow an EMA to lose as much as 2% in the first year, 4.3% in the second, 8.9% in the third, 15.8% in the fourth, and 25% in the fifth year. During the committee mark-up, Representative Anna Eshoo (D-CA), concerned about the effect of the legislation on San Francisco, offered but later withdrew an amendment to H.R. 4807 to replace the hold harmless provision with the provision contained in the Senate version. Representative Eshoo stated that she was prepared to raise objections to the inclusion of the House provision in the final bill as well. Differences in the bills, such as the hold harmless provisions, are expected to be worked out in a conference committee, and Congress is expected to pass a final version of a reauthorization bill before the CARE Act expires at the end of September this year. GNYHA has already weighed in on behalf of the Senate hold harmless provision with Senator James Jeffords (R-VT), Chairman of the HELP Committee. ■

Medicaid Managed Care Plans Show Financial Improvement in 1999

According to an analysis performed by the New York State Department of Health (DOH) of annual Medicaid managed care cost reports, Medicaid managed care plans experienced improved financial results in 1999 compared with 1998. In 1998, plans overall earned a \$0.02 per member per month surplus, compared with \$8.88 in 1999. Average surpluses for all plans rose from \$4,791 in 1998 to \$2,079,460 in 1999. Health maintenance organizations

made more money than prepaid health services plans, which are generally not-for-profit, provider-sponsored Medicaid plans, particularly in New York City. The analysis also showed that larger plans enjoyed better financial results. All of the plans in New York City with more than 20,000 members had a surplus in 1999, compared with 75% of plans enrolling between 10,000 and 19,999 members and 57% of plans enrolling fewer than 10,000 members. Overall, 14 of

1999 Net Surplus and Loss Comparison by Number of Members in Plan (New York City)



Source: New York State Department of Health

the 18 (about 78%) Medicaid managed care plans in New York City had a surplus in 1999. These results were comparable with plan performance statewide.

Medicaid payment rates to plans in 1999 were negotiated based upon plans' actual expenses, as well as the State's experience in the Medicaid program. According to DOH, medical expenses remained fairly constant from one year to the next, which accounts, at least in part, for the 1999 reported surpluses. ■

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use of the minimum data set (MDS) to substitute for the PRI as an assessment tool. Currently, nursing homes use the MDS to assess residents who are eligible for Medicare, while they use the PRI for residents who are eligible for Medicaid. The Committee concluded that the bifurcated process is confusing and inefficient, and warrants examining the feasibility of moving to one assessment tool.

Ambulatory Surgery Policy: In response to concerns that have been expressed by GNYHA and others regarding the proliferation of free-standing ambulatory surgery centers, the SHRPC Project Review Committee discussed a policy that DOH will be implementing concerning ambulatory surgery center applications. The policy states that while DOH does not support a moratorium on ambulatory surgery center applications, it does recognize

that such proposed centers could negatively affect a nearby hospital's ability to provide needed community services. To assess the potential impact on existing hospitals, DOH will review each application on a case-by-case basis and will ask each applicant for detailed information concerning expected volume and where potential patients are currently receiving surgical services or if there is an unmet need for such services. DOH will also solicit information from nearby hospitals on the potential impact of the proposed center. DOH will assess the data in the preparation of the staff report for the SHRPC Project Review Committee and will include data in the agenda material for the Committee. Applicants and potentially affected hospitals will maintain their ability to comment on projects to the SHRPC Project Review Committee. ■