

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

Senators Unveil BBA Relief Plan

On July 27, 2000, Senate Democrats, under the leadership of Senator Daniel Patrick Moynihan (D-NY) and Senate Minority Leader Tom Daschle (D-SD), unveiled an \$80 billion Balanced Budget Act (BBA) relief package. Senator Charles E. Schumer is also a sponsor of the plan. Included in this package is Senator Moynihan's bill entitled the Teaching Hospital Preservation Act (S.2394), which would protect teaching hospitals from further cuts in the Medicare indirect medical education (IME) adjustment. Under the BBA, teaching hospitals nationwide are scheduled to suffer another \$2 billion in Medicare cuts over the next five years through further reductions in the IME adjustment. Since 1998, the IME adjustment has been reduced from 7.7% to 6.5% for every 10% increase in the ratio of interns and resi-

dents to beds. Under the BBA, as amended by the Balanced Budget Refinement Act of 1999, the adjustment would be reduced to 6.25% on October 1, 2000, and to 5.5% on October 1, 2001, for a 30% reduction overall. S.2394 and its companion, H.R. 4239, sponsored by Congressman Charles Rangel (D-NY), would save New York's teaching hospitals from over \$500 million in new Medicare cuts over the next five years. GNYHA is extremely pleased that this proposal is included in the Senate Democrats' plan.

The Daschle/Moynihan/Schumer proposal would also provide a full market basket update for hospitals, provide relief for disproportionate share hospitals (DSH) from further Medicare cuts in DSH payments, provide funding for graduate medical education in children's hospitals, provide a full market

basket update for skilled nursing facilities (SNFs), delay the imposition of therapy caps under the SNF prospective payment system (PPS), and eliminate the 15% reimbursement rate cut for home health agencies. The Senate Democrats would also create an option for
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GNYHA, 1199/SEIU, and WNBC Launch "Cover Every Child"

On July 27, 2000, the Healthcare Education Project—a joint initiative of GNYHA and 1199/SEIU, New York's health and human service employees union—and WNBC launched a public awareness campaign called Cover Every Child. The goal of the campaign is to raise awareness about New York State's Child Health Plus (CHP) insurance program for children and to increase enrollment in the CHP and Medicaid programs. Mayor Rudolph Giuliani attended the press conference announcing the campaign and praised the initiative.

"More than 500,000 uninsured kids in New York State are eligible for health insurance programs like Child Health Plus and Medicaid but are not enrolled," said GNYHA President Kenneth E. Raske. "We hope that Cover Every Child will greatly reduce that number by encouraging par-

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HCFA Moves Forward on Initiative to Cut Medicaid Funding

The U.S. Health Care Financing Administration (HCFA) took another step last week in its effort to make regulatory changes that could result in the loss of \$400 million in Medicaid funding in New York State. In a letter dated July 26, 2000, HCFA notified State Medicaid directors that it intended to issue a proposal by late August that would change the way HCFA calculates the maximum Medicaid rates that states can

pay to providers. HCFA noted in its letter that it believed some states were paying overly generous reimbursement rates to some local government-owned health care providers, causing high levels of matching Federal Medicaid funds to be claimed. HCFA believes that some states use the resulting high Federal matching payments for purposes entirely unrelated to health care, including tax cuts,

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GOP Endorses Medicare Improvements

The Republican Party platform endorsed last week has an extensive section entitled "Preserving and Improving Medicare." It proposes 1) modernizing the benefit package "to match current medical science," including providing access to affordable prescription drugs, preventive services such as cholesterol screening, and medical savings accounts; and 2) providing choices of health plans, including "the same health insurance plan the Congress has created for itself." The platform expresses concern about Medicare cuts suffered by health care providers and Medicare's bureaucratic complexity. "Medicare . . . is suffocating under more than 130,000 pages of federal rules, three times the size of the entire IRS code," the platform states, and goes on:

For Medicare to survive—and more important, to succeed—it must become a common enterprise of health professionals and hospitals alike. Rather than continue the practice of recurrent government and unpredictable cuts in provider payments, a reformed Medicare program will allow health care providers . . . to adapt to changing conditions in health care by providing reimbursement at levels that will permit health care providers to continue to care for these patients. Republican leadership will . . . [fulfill] the promise of medical research and innovation, by offering choice and protecting consumer rights, and by modernizing antiquated systems to deliver affordable care for all its beneficiaries.

The GOP platform also expresses support for academic medical centers:

Adequate government reimbursement for medical services is critical to our nation's com-

prehensive academic medical centers, which serve as the primary health care resource for our poorest citizens, provide cutting-edge medical discovery, and teach and train our next generation of physicians.

The platform supports increased funding for community health centers and establishing "stronger public-private partnerships for safety net providers and hospitals in rural and underserved communities," and it reiterates the Congressional commitment to double funding for the National Institutes of Health and to find a cure for HIV and AIDS.

Other Health Care Planks: The 2000 GOP platform also proposes providing tax credits to enable uninsured Americans to afford health insurance premiums; allowing small businesses to band together to provide health insurance; making health insurance premiums fully deductible; enhancing access to medical savings accounts; allowing states to use funds from the States' Child Health Insurance Program (S-CHIP) to expand family coverage and allowing states to streamline the S-CHIP enrollment process; providing HMO enrollees access to clinical trials, emergency and specialty care, and an independent appeal and review process; ensuring a patient's right "to adjudicate claims in court to receive necessary care" while protecting employers from liability; enacting malpractice reforms; supporting scientific research "about why [medical] errors occur and what can be done to prevent them"; and ensuring the safety of patients enrolled in clinical trials.

Skyline Newswill next report on the Democratic platform, to be adopted in Los Angeles later this month. ■

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states to provide Medicaid coverage for immigrants who reside legally in the United States but who have been denied coverage since August 22, 1996, because of restrictions on Medicaid coverage in the 1996 welfare reform legislation. The proposal would also speed up relief for Medicare beneficiaries from copayments for outpatient services that exceed 20% of the Medicare allowable amount.

The Senate Democrats plan to put the finishing touches on their proposal in early Sep-

tember, so that the proposal can become a part of the BBA relief debate expected to take place after Congress returns from its August recess. GNYHA is extremely pleased that Senator Moynihan is pushing ahead with a strong BBA relief proposal, and is grateful to Senator Schumer for his support. GNYHA will continue to work with the New York senators and the rest of the New York Congressional Delegation to ensure enactment of real BBA relief this year. ■

HCFA Moves to Cut Medicaid Funding continued from page 1

education, and closing state budget gaps. At the same time, HCFA stated that the Clinton Administration is committed to supporting health care providers that serve the uninsured and chronically ill. It is feared that New York's Medicaid program, which has been fully approved by HCFA year after year, would be adversely affected by the proposed changes. In New York, Medicaid funds are used to increase health care access and coverage to low-income and indigent New Yorkers, including health insurance for low-income children and Family Health Plus, the largest insurance expansion in the State's history, which is scheduled to be implemented in 2001. Because HCFA's contemplated new rules would jeopardize these important programs, GNYHA and 1199/SEIU have called upon the entire New York Congressional Delegation, including Delegation member and Senate candidate Congressman Rick Lazio, and Senate candidate Hillary Clinton, to intervene immediately. The letter did not question HCFA's right to curtail abuses, but urged immediate action to prevent the unintended consequence of hurting New York's health care programs for the poor and uninsured. ■

Upcoming Briefing

Medicare OPPS and Emergency Services

Date: Thursday, August 10, 2000
Time: 9:00 a.m.–12:00 noon
Location: GNYHA Board Room,
555 West 57th Street, 15th Floor

This workgroup will cover the impact of the Medicare Outpatient Prospective Payment System (OPPS) on documentation for billing for emergency services and application of the Emergency Medical Treatment and Active Labor Act (EMTALA) to outpatient areas. To register, call Barbara Marino at GNYHA.

Medical Record Coding Under OPPS

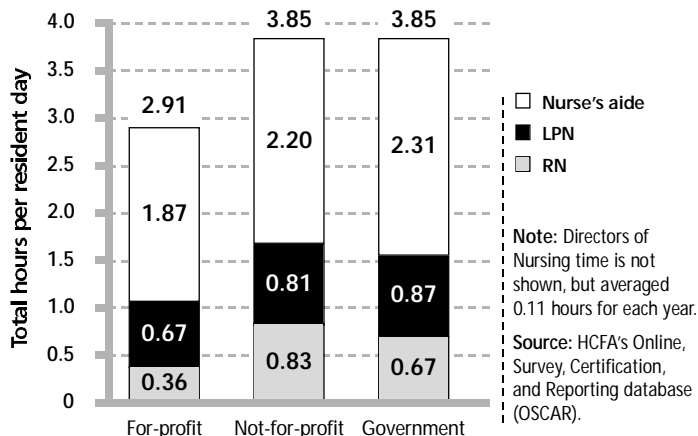
Dates: September 5–8, 2000
Times: 8:30 a.m. (registration)—4:00 p.m.
Location: GNYHA Conference Center,
555 West 57th Street, 15th Floor

GNYHA will present four medical record coding workshops covering coding for Ambulatory Surgery under OPPS (September 5 and 7) and coding for Emergency Room and general clinics (September 6 and 8). Each workshop will be an all-day, stand-alone session. For registration materials, contact Stewart Presser at GNYHA. ■

Study Finds Staffing Highest at Not-for-Profit Nursing Homes

The first phase of a study of nursing home staffing levels, which is nearing completion by the U.S. Health Care Financing Administration (HCFA), has found that average staffing levels in not-for-profit nursing homes are “consistently higher” than in for-profit facilities. According to the study, staffing levels were higher in not-for-profit facilities for all three staffing categories studied—Registered Nurse (RN), Licensed Practical Nurse (LPN), and Nurse’s Aide. The differences in RN staffing levels were particularly large, with mean RN hours per resident day in 1998 and 1999 more than twice as high at not-for-profit facilities as at for-profits. The study also found that nurse’s aide hours were 20% higher at not-for-profit and government facilities than at for-profit facilities. The findings were part of a study commissioned by Congress to examine the association between staffing levels in nursing homes and quality of care. Although the study’s first phase found a statistical relationship between staffing and quality, its authors were clear that they did not recommend the adoption of any regulatory staffing requirements until further research is conducted to 1) assess the relative costs and benefits of

Staffing Levels in U.S. Nursing Homes: For-Profit, Not-for-Profit, and Government Facilities, 1999



such regulations, 2) explore methods of case-mix adjustment, and 3) assess the feasibility of implementing such regulations. ■

Fossella Supports BBA Relief

Members of the New York Congressional Delegation have continued to lead the effort to secure relief for hospitals and continuing care providers from the most damaging Medicare cuts contained in the Balanced Budget Act of 1997 (BBA). On July 20, 2000, Congressman Vito Fossella (R-NY) stepped forward to support BBA relief in a letter to House Commerce Committee Chairman Thomas Bliley (R-VA). The letter came in response to Chairman Bliley’s request that members of the Committee identify Medicare providers that are in need of increased reimbursements in order to better serve Medicare beneficiaries. Chairman Bliley’s request reveals his interest in crafting BBA relief legislation that can be passed after Congress returns from its August recess in September. In his letter, Congressman Fossella supports assistance to hospitals, and, in particular, speaks of the hospitals in his district, including Staten Island University Hospital and Saint Vincents Catholic Medical Centers of New York. Congressman Fossella also expresses an interest in providing assistance to Medicare+Choice plans, which have been having difficulty providing some of the extra benefits they provided formerly, including prescription drug coverage. Staten

Island has one of the highest concentrations of Medicare+Choice enrollees in the metropolitan area. GNYHA is extremely grateful for Congressman Fossella’s support, and looks forward to working with him and other members of the delegation in the coming weeks.

Senator Daniel Patrick Moynihan (D-NY) also continued his leadership role in the BBA relief effort by announcing, along with Senate Minority Leader Tom Daschle (D-SD), an \$80 billion BBA relief package on July 27, 2000 (see story on page 1).

GNYHA Efforts: On July 27, GNYHA met with Linda Fishman and Theresa Houser, key health care staffers for the House Ways and Means Subcommittee on Health and the Senate Finance Committee, respectively; and Tom Giles and Amy Droskoski, key staff members for the House Commerce Committee, which has jurisdiction over Medicare Part B and the Medicaid program. During these meetings, it became clear that the Congress intends to pass BBA relief legislation some time in September; however, the specifics of the legislation remain to be decided. GNYHA will continue its BBA relief efforts to ensure passage of real relief before the end of the year. ■

“Cover Every Child”

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ents to call a toll-free number—1-877-KIDS-NOW—to find out if their kids are eligible and to enroll them in health insurance programs.”

Campaign Activities: On the day of the press conference announcing the initiative, the Healthcare Education Project distributed fact sheets in six languages about CHP and Medicaid, as well as Cover Every Child baby blankets and children’s tee shirts, to all metropolitan-area hospitals.

WNBC Involvement: WNBC is partnering with the Healthcare Education Project to promote the Cover Every Child campaign. The station produced a public service announcement in English and in Spanish encouraging parents to call the toll-free number to learn whether their children are eligible for health insurance and how they can enroll their children in the State’s program.

Future Campaigns: The Cover Every Child campaign will serve as a blueprint for a future Healthcare Education Project initiative in 2001 to enroll New Yorkers in Family Health Plus, a new State program that will offer comprehensive health insurance at no cost to low-income, uninsured adults who do not qualify for Medicaid or Medicare and cannot currently afford private health insurance. ■

GNYHA Advocates Measures to Ease New York's Nursing Shortage

In response to the growing shortage of qualified nurses, GNYHA is urging the NY Congressional Delegation to support legislation to increase funding for nurse education and expand the number of H1-B visas available to nonimmigrant aliens. The American Association of Colleges of Nursing reports that enrollments in bachelor's degree nursing programs nationwide have declined consistently over the past five years, dropping 4.6% in 1999 alone. Enrollment has dropped more precipitously in the Northeast. A GNYHA survey shows increasing nurse vacancy rates, particularly in critical care areas, emergency departments, and operating rooms. Moreover, 83% of hospi-

tals reported that more than a third of direct care nurses are between ages 40 and 49, and in 50% of hospitals more than 20% of the direct care nurses are between ages 50 and 59, raising concerns about large numbers of retirees in the near future. The National Advisory Council on Nursing Education and Practice has predicted a shortage of registered nurses beginning around 2010, with the shortfall reaching over 10% by 2020.

To help alleviate the shortage, GNYHA is urging Congress to support a 10% increase in funding under Title VIII of the Public Health Service Act, or the Nurse Education Act. The House recently passed a 10% increase as part of the FY 2001 Appropriations

bill for the Department of Health and Human Services. The increase will strengthen the capacity for basic nurse education, enhance advanced education opportunities, and create advanced nursing education traineeships. Of concern is the Senate's proposal, which would reduce nurse education funding. In a July 24 letter to the NY Congressional Delegation, GNYHA urged support for the House version and opposition to the reduction in the Senate bill. GNYHA is also urging Congress to support S.2045, sponsored by Senator Orrin Hatch (R-Utah), to increase the number of H1-B visas. The measure would help academic medical centers to recruit high-quality nurses from other countries. ■

SHRPC Adopts Emergency Part-time Clinic Regulations

At its August 3 meeting, the State Hospital Review and Planning Council (SHRPC) voted to adopt, on an emergency basis, NYS Department of Health (DOH) regulations pertaining to part-time clinics. The regulations limit the sites at which part-time clinics are permitted to operate and establish a new process by which clinics are approved to provide services. The regulations, which apply to all existing part-time clinics and to all future sites, will become effective upon publication of a Notice of Adoption in the State Register, which is expected to be in the next few weeks, and will expire after 90 days unless SHRPC readopts them. The regulations will be on the full meeting agendas of the Codes and Regulations Committee and SHRPC. Current operators will have 90 days from the effective date to submit applications to DOH and will be permitted to continue operating their clinics while their applications are under review. In the next few weeks, DOH will send a "Dear Administrator" letter that describes the application process.

Prior to the meeting, GNYHA wrote extensive comments to SHRPC objecting to the adoption of the regulations on an emergency basis and to several of the provisions. GNYHA will continue to comment throughout the regulatory process and will meet with DOH to discuss member concerns.

SHRPC also voted to adopt certificate of need (CON) regulations permitting, 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." The regulation will become effective upon the publication of a Notice of Adoption in the State Register.

Member Projects: SHRPC also gave contingent approval to the following GNYHA member projects—**Yonkers General Hospital** and **St. John's Riverside Hospital**, to establish Riverside Health Care System as the active parent corporation; **NYC Health and Hospitals Corporation (HHC) – Kings County Hospital Center**, to proceed with its major development project, including replacing the hospital's emergency, ambulatory, and diag-

nostic treatment services; **HHC – Jacobi Medical Center**, to modernize existing facilities, including construction of an inpatient pavilion; and **HHC – Bellevue Hospital Center**, major construction program including new ambulatory care building; **Senior Health Partners, Inc.**, to establish and construct a free-standing diagnostic and treatment center with **The Mount Sinai-NYU Medical Center and Health System** and **The Jewish Home and Hospital** as members; and **Empire State Home Care Services, Inc.**, establishment as the operator of **Brookdale University Hospital and Medical Center Certified Home Health Agency**. ■

HCFA Delays SNF PPS RUG Refinements

On July 31, in the Federal Register, the U.S. Health Care Financing Administration (HCFA) published the final rule for the skilled nursing facility prospective payment system (SNF PPS) update for Federal fiscal year 2001. The final rule delays the resource utilization group (RUG) case-mix refinements detailed in the proposed rule by at least one year, while continuing the provision of a 20% add-on for 15 rehabilitation and medically complex RUG categories until a more appropriate case-mix refinement system is developed. The delay reflects concerns expressed by GNYHA and other providers about the limitations of the research database used to develop the RUG refinements and about the inappropriate reimbursement for

the highest intensity cases in many RUG categories compared with cases that have relatively lower resource utilization. The continuation of the 20% add-on, which was scheduled to end on October 1, 2000, affects the following RUG categories: SE3, SE2, SE1, SSC, SSB, SSA, CC2, CC1, CB2, CB1, CA2, CA1, RHC, RMC, and RMB. Based on a panel of 38 member nursing facilities, GNYHA estimates that the expected benefit is an average of \$455,000 per facility from October 1, 2000, through September 31, 2001. A one-year delay in implementing the refinements will provide GNYHA with the opportunity to work closely with HCFA to ensure that the final system appropriately matches payment with resident resource needs in a less complex manner. ■