



SEPTEMBER 18, 2000

# Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

## Lazio, Moynihan Defend New York's Medicaid Program

**O**n September 6, 2000, Senator Daniel Patrick Moynihan strongly defended New York's Medicaid program at a hearing of the U.S. Senate Finance Committee. The hearing was called by Finance Committee Chairman Bill Roth (R-DE) to investigate allegations that certain states are improperly drawing down Federal Medicaid funds for non-health care purposes. Testifying at the hearing were Timothy Westmoreland, Director of the Center for Medicaid and State Operations at the U.S. Health Care Financing Administration (HCFA); Kathryn G. Allen, Associate Director, U.S. General Accounting Office; and Michael F. Mangano, Principal Deputy Inspector General, U.S. Department of Health and Human Services. While all three witnesses provided examples of alleged abuses by certain states, none implied that New York State was engaging in any improper, much less illegal, activities. Senator Moynihan praised New York's long tradition of providing a health care safety net for low-income New Yorkers and warned against any attempts to hurt New York's ability to continue to do so. Senator Moynihan also referred to a letter, written by Congressman Rick Lazio and signed by 16 bipartisan New York members of Congress, defending New York's health care programs and calling on the Clinton Administration to ensure that any regulatory changes undertaken to curtail perceived abuses do not hurt states that are

spending Federal Medicaid monies on important health care programs for the poor. Congressman Lazio spearheaded another letter last month, signed by 12 GOP members of the New York delegation, reiterating their opposition to a regulatory change that might hurt New York. GNYHA has been working closely with Governor George Pataki and his staff, Senator Moynihan, Congressman Lazio, Senator Charles Schumer, Congressman Charles Rangel, and other members of the New York Congressional Delegation to ensure that New York's Medicaid program is protected. GNYHA has also been working with Clinton Administration officials and HCFA to help craft a solution that would curtail existing abuses while protecting New York from unwarranted and damaging Federal Medicaid cuts. At the hearing, Mr. Westmoreland stated that it is HCFA's "fondest wish" to issue a proposed rule, with a 30-day comment period, by the end of the month. ■

## BBA Relief Proposals Expected This Week

**T**his week, the Chairmen of the House Ways and Means Subcommittee on Health and the Senate Finance Committee are expected to reveal their proposals to provide relief for hospitals, skilled nursing facilities, home health care agencies, and Medicare HMOs from some of the Medicare cuts contained in the Balanced Budget Act of 1997 (BBA). Earlier this year, President Clinton proposed \$21 billion in relief over five years, including over \$9 billion in specific relief proposals designed to provide one year of relief from new cuts for hospitals, teaching hospitals, nursing homes, and home health providers as well as an \$11 billion pool for further, though unspecified, relief. While the details of the Congressional plans have not yet been disclosed, GNYHA has learned, through meetings with Senator Bill Roth, Chairman of the Senate Finance Committee;

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## GNYHA Supports Immigrant Health Bill

**O**n September 13, 2000, GNYHA sent a letter to U.S. Senator Daniel Patrick Moynihan (D-NY) to express its strong support for Senator Moynihan's bill, S.1227, the Immigrant Children's Health Improvement Act of 1999. This legislation would create

a State option to provide full Medicaid and States' Child Health Insurance Program (SCHIP) coverage for pregnant women and children who are currently denied such coverage because of Federal restrictions on the ability of legal U.S.

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## Comparison of Presidential Candidates' Medicare Plans

MEDICARE CHANGES	BUSH MEDICARE PLAN	GORE MEDICARE PLAN
<b>BBA RELIEF</b>	\$40 billion over 10 years	\$40 billion over 10 years
<b>MEDICARE REFORM</b>	Establishes Unified Trust Fund, combining Medicare Parts A and B, as a measure of Medicare solvency. Creates the White House Task Force on Bipartisan Medicare Modernization. Promotes competition between private insurers and traditional Medicare, but makes greater use of the private industry including insurers and HMOs.	Moves Medicare off budget, creating a Medicare Lock Box to prevent the use of Medicare savings for spending or tax cuts. Extends Medicare solvency by five years through 2030. Promotes competition between managed care and traditional Medicare. Reinstates 20% copay and Part B deductible for clinical lab services. Reforms Medigap.
<b>PRESCRIPTION DRUGS</b>		
<b>Cost</b>	\$158 billion over 10 years.	\$253 billion over 10 years.
<b>Implementation</b>	\$48 billion available to states in 2001; Congress to allocate remaining under modernization program.	Phased in beginning in 2002 with full implementation in 2008.
<b>Benefits for seniors up to 135% of poverty</b>	No premium, copays, or deductibles.	No premium, copays, or deductibles.
<b>Benefits for seniors above 135% of poverty</b>	Subsidizes premium for prescription drug coverage for seniors with incomes between 135% and 175% of poverty. Medicare covers at least 25% of premium costs for prescription drug coverage for all seniors. Copays and deductibles depend on the plan chosen.	Subsidizes premium for prescription drug coverage for seniors with incomes between 135% and 150% of poverty. For all seniors, voluntary drug coverage capped at 50% of expenses up to \$2,000 in 2002, phased up to \$5,000 in 2008.
<b>Beneficiary expense caps</b>	\$6,000 total out-of-pocket for all Medicare expenses.	\$4,000 out-of-pocket for prescription drugs only.
<b>Premiums</b>	Premiums vary depending on the health plan chosen.	In addition to Medicare premiums, beneficiaries initially pay \$25 per month, phasing up to \$50 per month with implementation.
<b>Insurance providers</b>	Private insurers compete with the Medicare program to provide prescription drug coverage.	Directs more money to the Medicare program to add a new fee-for-service prescription drug benefit and to subsidize prescription drug benefits under Medicare+ Choice plans.
<b>Enrollment</b>	Medicare beneficiaries can enroll at any time.	Medicare beneficiaries can enroll only at the time of initial Medicare enrollment.
<b>Choice of plans</b>	Beneficiaries can change plans similar to the way Federal workers do now, during an open enrollment period.	Everyone in a given region must be covered by the same plan run by a single pharmacy-benefits manager under contract with Medicare.

## Comparison of Presidential Candidates' Health Insurance Expansion Proposals

IMPACT ON	GORE PROPOSAL	BUSH PROPOSAL
<b>Children</b>	<ul style="list-style-type: none"> <li>▪ Expands the Federal Child Health Insurance Program (CHIP) to children up to 250% of poverty (\$42,600 for a family of four).</li> <li>▪ Allows uninsured children above 250% of poverty to buy full-priced CHIP or Medicaid coverage.<sup>a</sup></li> <li>▪ Guarantees all children have access to affordable health care by 2005.</li> <li>▪ Uses sanctions and rewards to encourage states to enroll more children in CHIP and Medicaid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Block-grants the CHIP program to give states more flexibility in how they use Federal CHIP dollars.</li> </ul>
<b>Adults</b>	<ul style="list-style-type: none"> <li>▪ Expands CHIP to parents of Medicaid and CHIP-eligible children at an enhanced Federal matching rate.</li> <li>▪ Allows people with disabilities to buy into Medicaid or Medicare when they return to work.</li> <li>▪ Allows adults ages 55–65 to buy into the Medicare program.</li> </ul>	(Mr. Bush's proposal for adults is encompassed in the categories below.)
<b>Tax Credit</b>	<ul style="list-style-type: none"> <li>▪ Provides a refundable 25% tax credit to individuals not eligible for employer-based health coverage to help them purchase insurance in the individual market or through a buy-in to Medicare, Medicaid, or CHIP.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Provides a tax credit of up to \$1,000 per individual and \$2,000 per family to cover up to 90% of the cost of privately purchased insurance depending on income. Tax credits phased out for individuals earning \$45,000/year and families over \$60,000.</li> <li>▪ Makes Medical Savings Accounts (MSAs) permanent and permits both employers and employees to contribute to these tax-free accounts. Lowers the minimum deductible to \$1,000 for individuals and \$2,000 for families.</li> </ul>
<b>Small Business</b>	<ul style="list-style-type: none"> <li>▪ Provides a 25% tax credit to small firms for each employee who joins a purchasing alliance and provides states with seed money to establish these alliances.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Encourages trade, industry, or professional associations to sponsor health plans that offer insurance to all the firms represented by the association.</li> </ul>
<b>Delivery System</b>	<ul style="list-style-type: none"> <li>▪ Strengthens and maintains community health centers, public hospitals, academic medical centers, and other safety net providers.</li> <li>▪ Improves mental health treatment for individuals eligible for Medicaid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Creates 1,200 new community and migrant health centers to serve in rural and inner-city areas.</li> <li>▪ Calls for grants of \$500 million over five years for local demonstration projects that target certain health problems.</li> </ul>

<sup>a</sup> NY's Child Health Plus (CHP) program already provides coverage up to 250% of poverty and allows a buy-in for children with family incomes above this level.

# Dr. Eisenberg to Speak at Health Services Research Symposium

**J**ohn M. Eisenberg, M.D., Director of the Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services, will deliver the keynote address at the Greater New York Hospital Foundation-United Hospital Fund Health Services Research Symposium on November 9, 2000. Dr. Eisenberg will speak on the evolving direction of health services research and the activ-

ities under way in the area of quality measurement and improvement. The symposium, which has been held annually since 1990, will take place at The Lighthouse, located at 111 East 59th Street in Manhattan. A description of the full program, along with registration materials, will be sent out shortly. Should you wish more information, please call Tim Johnson at GNYHA. ■

# DOH Releases Draft Newborn Hearing Screening Regulations

**T**he New York State Department of Health (DOH) has released draft regulations that would implement State legislation signed into law last year requiring DOH to establish a universal program to screen newborns for hearing impairments. The draft regulations include three models for providing the newborn screenings. The first model allows for hospitals to administer the hearing screening program directly and requires hospitals to provide the initial screenings before discharge. If a newborn did not pass the first screening, the hospital would also be responsible for performing a repeat screening prior to discharge when feasible. The second model permits hospitals to refer newborns to contracted licensed facilities that would provide the newborn hearing screenings. The contracted providers would be responsible for reporting the results of hearing screenings to the birth hospitals. Under the third model, a hospital with 300 births or fewer would be permitted to provide referrals for infants to receive hearing screenings from other licensed providers. The regulations would also include require-

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## BBA Relief Proposals Expected This Week continued from page 1

Congressman Bill Thomas, Chairman of the House Ways and Means Subcommittee on Health, and his staff; Senator Daniel Patrick Moynihan and his staff; and Congressman Charles Rangel and his staff, that Congressional leaders intend to adopt at least the President's specific proposals, but that relief for the out-years, beyond 2001, remains in question. GNYHA has been working hard all year, with the help of Senators Moynihan and Charles Schumer, Congressman Rangel, Congressman Rick Lazio, Congresswoman Nita Lowey, Congressman Vito Fossella, Congressman Eliot

Engel, Congressman Ed Towns, Congressman Jack Quinn, and other members of the New York delegation on BBA relief legislation. It is now time to try to ensure that Congress enacts not just one-year relief, but permanent relief from the worst Medicare cuts contained in the BBA. In particular, GNYHA supports a full market basket update for all providers, a halt to any further cuts in the indirect medical education adjustment for teaching hospitals, and a phase-in for capital costs of skilled nursing facilities under the new prospective payment system. ■

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## GNYHA Supports Immigrant Health Bill continued from page 1

immigrants to gain access to health insurance under these important Federal programs. Senator Moynihan and his staff are trying to gain support for this important legislation before the end of the Congressional session in October. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) placed restrictions on many immigrants' ability to gain access to Medicaid coverage. These restrictions were later applied to SCHIP, which was created by the Balanced Budget Act of 1997 (BBA). New York State has largely adopted these restrictions for its own Medicaid program, with a few exceptions. Last year, New York State applied these restrictions

to its new Family Health Plus program, for which the State is currently seeking a Federal waiver. Fortunately, New York has chosen to provide coverage to immigrant children through Child Health Plus with State funds only. While the New York State Assembly, led by Speaker Sheldon Silver and Assemblyman Richard Gottfried, with the support of GNYHA, has tried repeatedly to repeal the Medicaid restrictions in State law, the effort has been unsuccessful, largely because of Governor George Pataki's concern that the lack of Federal financial participation would place an undue burden on New York State's budget. Senator Moynihan's bill would go a long way toward helping those

immigrants who were adversely affected by PRWORA. In its letter to Senator Moynihan, GNYHA stated, "By providing Federal matching funds for coverage for pregnant women and children who are legal immigrants, you would be addressing the concern expressed by Governor Pataki, at least for a subset of the immigrant population that has been cut off from the Medicaid program. New York's hospitals, who serve an ever-increasing number of immigrants, a larger and larger proportion of whom are uninsured due to PRWORA, strongly support your bill and any effort to include it in . . . legislation this year." Congress is scheduled to adjourn on October 6, 2000. ■

# DOH Releases Draft Newborn Hearing Screening Regulations

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ments for a program manager, a medical director, staffing, equipment, and facility. It is expected that the implementation date for the regulations will be during late fall 2000. To obtain a copy of the draft regulations, call Olivia Segree, and for more information, call Doris R. Varlese, both at GNYHA. ■

**JOHN W. ROWE, M.D.**, has been named President and CEO of Aetna U.S. Healthcare. Dr. Rowe had previously been President and Chief Executive Officer of Mount Sinai-NYU Health. He came to Mount Sinai in 1988 as President of the Mount Sinai Hospital and the Mount Sinai School of Medicine, and in 1998 oversaw Mount Sinai's merger with NYU Medical Center. Prior to joining Mount Sinai, Dr. Rowe was the Founding Director of the Division of Aging at Harvard Medical School and Chief of Gerontology at Beth Israel Hospital in Boston. • The Board of Directors of the Foundation of Jewish Philanthropies (FOJP) Service Corporation has appointed **Lisa Kramer** as President and CEO of FOJP. For the past 10 years Ms. Kramer has been with the MIIX Group of Companies, which provides insurance for doctors and health care institutions nationwide. Ms. Kramer has also served as Vice President, Litigation, and Vice President, Government Relations, for Cigna Corporation. • **Michael Mimoso** has been appointed President and CEO of Northern Dutchess Hospital. He replaces **Michael C. Mazzarella, F.A.C.H.E.**, who retired in June 2000. Mr. Mimoso most recently served as Vice President of Operations at Kimball Medical Center in Lakewood, New Jersey. Prior to that, he held positions at Good Samaritan Medical Center in Johnstown, Pennsylvania, and Cardinal Cushing Medical Center in Brockton, Massachusetts. • The Board of Trustees of Long Beach Medical Center has announced the appointment of **Douglas L. Melzer** to the position of Chief Executive Officer. Mr. Melzer joined the institution in 1976 and has served as Chief Operating Officer since 1980. Prior to that, he worked at the NYC Department of Health. Mr. Melzer replaces **Martin F. Nester, Jr.**, who resigned after a 35-year tenure to become Executive Director of Long Beach Medical Center's Campaign for Excellence, a \$25 million capital campaign. ■

## Upcoming GNYHA Briefings

### Symposium on Capital Formation

**Date:** Thursday, September 21, 2000

**Time:** 9:00 a.m.–12:00 noon

**Location:** Sheraton New York Hotel, Seventh Avenue and 53rd Street, New York City

This symposium will address and identify possible solutions to the issues health care providers face in obtaining access to capital. Although access to capital has always posed a problem for New York State health care providers, recent budget cuts and managed care abuses have made capital even more difficult to obtain. The symposium is designed to help identify possible solutions, which will in turn direct GNYHA's advocacy and programmatic initiatives. The keynote speaker for the symposium will be The Honorable Andrew Cuomo, Secretary of the U.S. Department of Housing and Urban Development, whose Federal Housing Administration hospital and nursing home mortgage insurance programs have played a critical role in providing credit enhancement for many health care building projects. The symposium will also include discussions among representatives of investment and commercial banks, representatives of health care institutions, and others involved in capital formation and restructuring. To register, call Barbara Marino at GNYHA.

### Federal Oversight of Human Subjects Research

**Date:** Thursday, September 21, 2000

**Time:** 2:00 p.m.–4:00 p.m.

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

This member briefing will cover the changes under way in the Federal oversight of research involving human subjects. Nancy Dubler, Director of the Division of Bioethics at Montefiore Medical Center and Co-chairperson of the National Institutes of Health committee that proposed the reorganization of the Office for Protection from Research Risks, will speak at the briefing. To register, call Barbara Marino at GNYHA.

### Saving Costs/Reducing Waste in Health Care Facilities

**Date:** Wednesday, September 27, 2000

**Time:** 9:30 a.m.–12:30 p.m.

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

This meeting is designed to assist members in identifying waste reduction measures that both reduce costs and assist in meeting environmental protection goals. While GNYHA has worked with its members over the years on waste minimization efforts, the issue takes on greater importance as health care facilities look for more ways to reduce expenses and as environmental concerns grow. To address these concerns, the American Hospital Association has entered into a memorandum of understanding with the U.S.

Environmental Protection Agency (EPA) setting certain goals for reducing health care facility waste in general and for eliminating the use of products containing mercury in particular over the next five years. At the meeting, representatives of the EPA and the New York State Department of Health will discuss services and programs to assist providers in their waste reduction efforts. Representatives of GNYHA members will also discuss successful programs to minimize waste and eliminate the use of certain products containing mercury and other substances harmful to the environment. To register, call Barbara Marino at GNYHA.

### NYC's Proposed Zoning Amendments

**Date:** Monday, October 2, 2000

**Time:** 2:00 p.m.–4:00 p.m.

**Location:** GNYHA Board Room, 555 West 57th Street, 15th Floor

This meeting is designed to familiarize GNYHA members with New York City's zoning reform proposal, which is currently under consideration and which will have a disparate and negative impact on hospitals, related education and research facilities, and continuing care facilities because of their particular design requirements and financial constraints. The proposal—known as the Unified Bulk Program—would, if passed, be the first comprehensive reform of the City's zoning resolution in 40 years and would impose new height limits and setback controls and limit the transfer of development rights. GNYHA has testified before the New York City Planning Commission and met with the City Planning Department to raise concerns about the disparate impact on health care facilities, which often have greater floor-to-floor heights and smaller footprints than do other types of buildings. Representatives of the City Planning Department will provide the overview and representatives of GNYHA members that have begun to work through the proposal will discuss its implications for health care facilities. To register, call Barbara Marino at GNYHA.

### Part-time Clinic Regulations

**Date:** Friday, October 13, 2000

**Time:** 10:00 a.m.–12:30 p.m.

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

This briefing session will cover the New York State Department of Health (DOH) regulations relating to part-time clinics that became effective on August 15, 2000. Representatives from DOH will provide an overview of the regulations, as well as information concerning the part-time clinic application and part-time clinic billing, and will be prepared to answer questions. If you would like more information, please call Doris Varlese, and to register, contact Barbara Marino, both at GNYHA. ■