

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

Election Results Will Have Major Impact on Health Care

Last Tuesday's elections will have a profound impact on the major health care issues facing Congress and the New York State Legislature. In Washington, the narrowing of the Republican majorities in both houses of Congress will make it difficult to pass major health care legislation, including Medicare and managed care legislation and proposals to address the problem of the uninsured, unless both Republicans and Democrats work with the new President on bipartisan, consensus legislation. In Albany, the make-up of the State Legislature changed very little, with Assembly Speaker Sheldon Silver, always a stalwart defender of New York's

health care community, increasing his majority in the Assembly by one, to 98-52, and Senate Majority Leader Joseph Bruno suffering a loss of, at most, one GOP member of the Senate. GNYHA is gearing up to work with the next Congress and State Legislature on important health care issues, including measures to help stabilize the increasingly dire financial situations of a number of GNYHA member institutions.

House of Representatives: As *Skyline News* went to press, it appeared that the partisan make-up of the U.S. House of Representatives changed very little, with the Democrats

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HCFA Authorizes Distribution of Additional CHCCDP Funds

The U.S. Health Care Financing Administration (HCFA) informed the New York State Department of Health (DOH) on November 9, 2000, that it had approved DOH's proposed formula for distributing funds for two more years under the Community Health Care Conversion Demonstration Project, known as CHCCDP. CHCCDP was authorized under New York's section 1115 Medicaid managed care waiver to assist hospitals serving low-income populations in making the

transition to managed care, including retraining their work forces. These two years represent \$500 million. The new formula will incorporate ambulatory care data. DOH has informed GNYHA that it is working on a plan that is intended to expedite the process by which the funds, which were supposed to have been paid in 1998 and 1999, are distributed. GNYHA has been working intensively with State and HCFA officials to ensure that needed steps are taken to release the funds. ■

GNYHA Board Meets

The GNYHA Board of Governors met on November 2, 2000, and took the following actions:

- approved an application for Associate Membership by the Primary Care Development Corporation;
- heard a report from special guest Senator Charles Schumer about the prospects for relief from the Balanced Budget Act of 1997 (BBA) and a solution to the Medicaid inter-governmental transfer regulation;
- discussed the November 7, 2000, elections and the potential impact on health care issues;
- was briefed on the status of GNYHA's various initiatives to secure substantial payer reform, including the development of a new Managed Care Task Force;
- heard a report about GNYHA's launch of a major initiative to assist its members in improving quality and reducing medical errors;
- had a discussion about GNYHA's proposed action plan to address the worsening nursing shortage being felt across the nation;
- was briefed on the latest developments regarding Medicare's new provider-based regulations, which go into effect on January 10, 2001; and
- heard a report on GNYHA's collaboration with the American Psychiatric Association to develop guidelines for a valid approach to the 2003 implementation of an inpatient psychiatric prospective payment system. ■

GNYHA Continues BBA Relief Drive

Congress will return on November 14, 2000, to vote on another continuing resolution to keep the government running in the absence of an agreement on the FY 2001 budget. When Congress returns, GNYHA will continue its intensive efforts to secure legislation to relieve GNYHA members from some of the deepest Medicare cuts contained in the Balanced Budget Act of 1997 (BBA). On November 15, 2000, GNYHA will participate in a BBA relief advocacy day sponsored by the Association of American Medical Colleges, the American

Hospital Association, and the Healthcare Association of New York State. GNYHA encourages members to attend the advocacy day, to thank the members of the New York Congressional Delegation for the leadership role they have played to date on BBA relief legislation, and to offer to work with them to ensure that BBA relief legislation is enacted before the end of the 106th Congress. The advocacy day will be held at the Washington Court Hotel in Washington, D.C. and will begin at 10:00 a.m. For more information, call Danica Patterson at GNYHA. ■

GNYHA Focuses on Cultural Competency

On November 7, 2000, GNYHA conducted two seminars on the provision of “culturally competent” health services—that is, services that take into account the patient’s cultural background. GNYHA’s Center for Continuing Care organized the morning session, “Perspectives on Quality: End-of-Life Care in a Cultural Context,” to underscore the importance of providing culturally competent care at the end of life. The program is the fourth seminar in the successful Perspectives on Quality series developed by the Center in an ongoing effort to publicize and promote timely quality issues and initiatives. At the seminar an expert panel of researchers, clinicians, and a health care administrator presented recent findings and provided insights from model programs. The experts addressed the general barriers to providing end-of-life care and discussed how a health care provider’s cultural competence plays an important role in achieving quality end-of-life care in our diverse metropolitan area. Although presenters emphasized the significance of cultural understanding, they encouraged providers to take into account the individual patient’s choices, rather than making general assumptions. The studies presented included the cultural barriers to end-of-life care and the role of advanced directives (New York University’s Division of Nurs-

ing), focus group findings and a model curriculum for training health care staff (New York Academy of Medicine), and communication between families, staff, and residents in a multicultural environment (New York Task Force on Life and the Law). In addition, the audience heard about successful examples of working with specific communities to dispel myths about hospice care, organ donation, and other end-of-life topics.

The afternoon session focused on cultural and linguistic competence, providing an overview of evolving national standards as well as the model program implemented by NYU Downtown Hospital to serve its predominantly Chinese patient population. Julia Puebla Fortier, Director of the Center for Cross-Cultural Health Care and the primary author of the National Standards for Culturally and Linguistically Appropriate Services, discussed key areas of the standards: evaluation of needs, data collection, languages access, and community outreach. Leonard Aubrey, Chief Executive Officer and President of NYU Downtown Hospital, spoke about his hospital’s comprehensive program to build trust in the community, and identify and respond to the cultural needs of the large Chinese population served, with initiatives ranging from staff recruitment to 24-hour interpreter service. ■

NYS DOI Issues Revised Risk Transfer Regulations

On November 8, 2000, the NYS Department of Insurance (DOI) published revised proposed regulations that would govern transfers of financial risk from insurers to providers and other intermediary entities. Regulations on the subject were first proposed earlier in the year. The regulations would establish a number of financial, reporting, and contracting requirements to be met by HMOs and other insurance companies and entities with which they wish to share financial risk through the use of monthly capitation payments. The capitated entity could include physicians, hospitals, other health care providers, independent practice associations, and other entities meeting the regulatory requirements. The rules would not apply to risk-sharing arrangements in which the insurer retained control of all payments against which, for example, a risk-bearing entity and others billed for services rendered. In cases where capitation payments were actually paid to other entities, the regulations would require the insurer to maintain an escrow account representing the portion of capitation to be paid for out-of-network services, or services delivered by providers not under contract with the capitated entity, and would require the capitated entity to make a security deposit of 12.5% of the portion of annual capitation representing in-network services. Insurers would be required to account for anticipated claims in their financial statements but would be able to offset these liabilities with amounts in the escrow account and in-network amounts paid to the entity. Capitated entities could reduce the security deposit if they met certain requirements. DOI’s goal is to protect insurers’ financial well-being in the event of a capitated entity’s financial insolvency or other problems.

At a meeting held on November 9, and attended by GNYHA, DOI indicated its willingness to consider further comments on the regulations. GNYHA has made numerous recommendations to ensure that they meet the needs of the provider community as it delivers services to capitated entities, and as it might accept capitation payments itself. ■

GNYHF-UHF Health Services Research Symposium Held on November 9

On November 9, 2000, the Greater New York Hospital Foundation (GNYHF) and the United Hospital Fund (UHF), in collaboration with other major health services research centers in the New York metropolitan region, held the Eleventh Annual Symposium on Health Services Research in New York. The symposium was attended by 175 researchers, clinicians, policymakers, and others. The day began with a keynote address by John M. Eisenberg, M.D., Director of the Agency for Healthcare

Research and Quality (AHRQ), U.S. Department of Health and Human Services. Dr. Eisenberg discussed quality of care as a research priority, focusing on the challenge of translating research into practice. He talked about the importance of developing practical and relevant research agendas that provide information for the users of such research—health care providers, consumers, administrators, and other decision-makers. Dr. Eisenberg also stressed the importance of evaluating and measuring outcomes of

research on quality improvement.

The symposium featured an afternoon presentation by Lauren LeRoy, Ph.D., President and Chief Executive Officer of Grantmakers in Health, an organization that provides education and information to health foundations and corporate giving programs. Dr. LeRoy provided information about different types of grantmaking foundations and identified particular research topics that have grown in prominence as funding priorities over the last several years, such as racial and ethnic disparities, medical errors and patient safety, tobacco use prevention, and end-of-life care. The presentation also included a summary of strategies that grantseekers may use to increase their chances of success when approaching foundations for funding.

Also featured were individual sessions on access to health care for people with HIV, health services research tools, home care and other continuing care issues, preventive and ambulatory care issues, clinical guidelines and practice, and immigrant health issues. ■

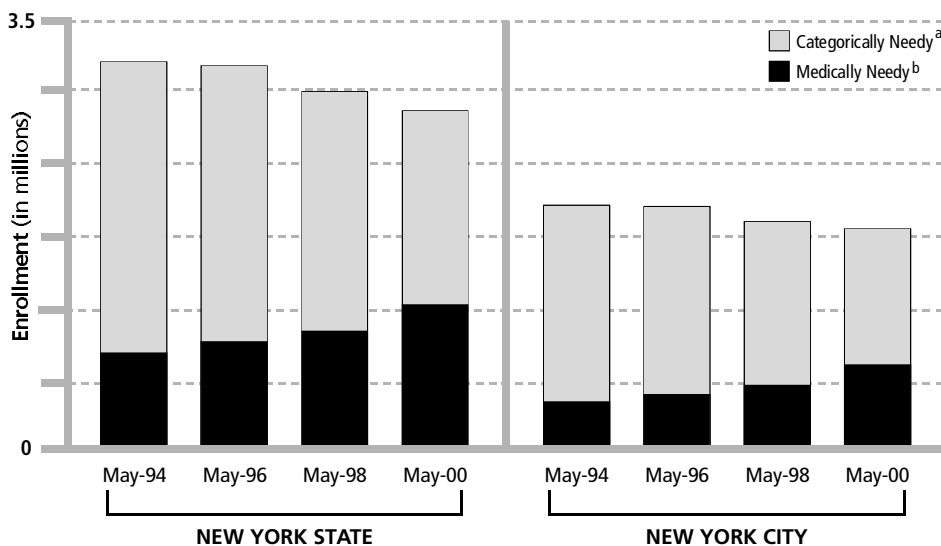
Medicaid Eligibility Decreasing and Eligibility Categories Shifting

Between May 1994 and May 2000, the total number of individuals eligible for Medicaid decreased from 3,127,353 to 2,743,958 in New York State and from 1,984,027 to 1,789,723 in New York City. During this period, eligibility declined among those individuals who are also receiving cash assistance (Categorically Needy), from 2,331,717 to 1,560,311 in New York State and from 1,572,714 to 1,084,956 in New York City, and increased among those receiving medical assistance only (Medically Needy), from 795,636 to 1,183,647 in New York State and from 411,313 to 704,767 in New York City. According to the New York State Department of Health, this trend can be attributed to welfare reform and an enhanced economy, both of which have allowed many Medicaid beneficiaries to support themselves without Cash Assistance while remaining eligible for Medicaid through Medical Assistance. ■

Medicaid and ADAP to Pay for HIV Drug Resistance Testing

The NYS Department of Health (DOH) has announced that, effective November 1, 2000, the NYS Medicaid program and the NYS AIDS Drug Assistance Program (ADAP) will reimburse for HIV genotypic and phenotypic drug resistance testing. GNYHA had strongly advocated for such reimbursement, since these tests are integral components of state-of-the-art HIV/AIDS therapy that can detect drug resistance in patients on HIV combination therapy. In patients for whom combination therapy is failing, these tests help clinicians tailor the therapy. Medicaid and ADAP will reimburse laboratories that have been certified by DOH to perform the tests ordered for outpatients and patients in residential health care facilities. Medicaid and ADAP will reimburse up to \$350 per genotypic test and up to \$750 per phenotypic test. For more information, call Doris R. Varlese at GNYHA. ■

Medicaid Enrollment in NYS and NYC, by Eligibility Category, May 1994–May 2000



Source: OMM Official Longitudinal Eligibility File, New York State Department of Health, Office of Medicaid Management.

^a Temporary Assistance to Needy Families (TANF), Safety Net, and Supplemental Security Income (SSI) individuals.

^b Medical Assistance-only and Medicaid-spend-down individuals.

Sharps Legislation

Signed Into Law

Governor Pataki recently signed into law legislation that requires the Commissioner of the NYS Department of Health to develop regulations governing the use of sharps in health care in order to prevent injuries, reduce exposure incidents, and promote the use of safer technologies, which include engineered sharps protections. The legislation requires the regulations to prohibit the use of sharps that do not utilize engineered sharps injury protections, but provides exceptions in the following circumstances: when the appropriate engineered sharps are not available on the market; when the use of sharps without engineered injury protections is crucial to the performance of a specific medical procedure; or, when based on objective product evaluation, engineered sharps protections are not more effective in preventing exposure to bloodborne pathogens than are sharps without engineered protections. The regulations are required to be developed by November 2001 and, once developed, must become effective within six months. The legislation also requires the Commissioner to consult a technical advisory committee in developing the regulations.

In the arena of Federal legislation, President Clinton recently signed the Needlestick Safety and Prevention Act, which strengthens Federal standards on bloodborne pathogens to also require the use of newer, safer devices in health care facilities. The legislation will become effective by August 2001. ■

Medicare Proposes Inpatient Rehab PPS

On November 3, the U.S. Health Care Financing Administration (HCFA) published its proposed rule on the Medicare Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) in the *Federal Register*. Comments on the proposed rule are due to HCFA on January 2, 2001. The IRF PPS, mandated by the Balanced Budget Act of 1997, replaces the cost-based system under which inpatient rehab services in exempt hospitals and units are currently reimbursed. The IRF PPS will be

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increasing their ranks by, at most, two seats. The 107th Congress, which will begin in January, will probably comprise 221 Republicans, 212 Democrats, and 2 Independents, one of the closest divisions in history. Despite this scenario, some very important changes will occur in committee chairmanships. The House Ways and Means Committee Chairman Bill Archer (R-TX) is retiring at the end of the 106th Congress. The Ways and Means Committee has jurisdiction over Medicare Part A issues, as well as all tax issues. An intense battle to succeed Congressman Archer is shaping up between Health Subcommittee Chairman Bill Thomas (R-CA) and the most senior member of the Committee after Chairman Archer, Trade Subcommittee Chairman Philip Crane (R-IL). Congresswoman Nancy Johnson (R-CT) will likely be the new Chairperson of the Subcommittee on Health. Congressman Charles Rangel (D-NY) and Congressman Pete Stark (D-CA) will continue to be the ranking Democrats on the full committee and the Health Subcommittee, respectively. The Commerce Committee, which has jurisdiction over Medicare Part B, Medicaid, and a variety of other health care issues, is also losing its Chairman, Congressman Tom Bliley (R-VA), to retirement. Mentioned among possible successors is Congressman

Billy Tauzin (R-LA). A possible successor to the Chairman of the Health and Environment Subcommittee, Michael Bilirakis (R-FL), is Congressman Jim Greenwood (R-PA). Congressman John Dingell (D-MI) and Congressman Sherrod Brown (D-OH) will be the ranking Democrats on the full Commerce Committee and the Health and Environment Subcommittee, respectively.

Senate: As *Skyline News* went to press, it appeared that the partisan make-up of the United States Senate changed from a GOP majority of 54 Senators to a 50-50 split between Republicans and Democrats. Of most significance to the health care community, the leadership of the Senate Finance Committee will pass from Chairman William Roth (R-DE), who lost his Senate seat in the election, and Ranking Member Daniel Patrick Moynihan (D-NY), who retired, to Senators Charles Grassley (R-IA) and Max Baucus (D-MT). The Committee will have two GOP vacancies, and at least four Democratic vacancies, which may provide an opportunity for Senator Charles Schumer (D-NY) to gain a seat on this important Committee, which has jurisdiction over the entire Medicare and Medicaid programs. Senator Schumer has expressed a strong interest in a seat on the Finance Committee. ■

AROUND

Theresa Bischoff, President of NYU Hospitals Center and Executive Vice President of Mount Sinai NYU Health, as well as Acting Chief Operating Officer of Mount Sinai NYU Health, has been appointed Chair of the Council of Teaching Hospitals and Health Systems (COTH). Formally established in 1965 by the Association of American Medical Colleges, COTH provides representation and services related to the special needs, concerns, and opportunities facing major teaching hospitals in the United States and Canada. Ms. Bischoff is a Vice Chair of GNYHA's Board of Governors. ■

implemented for cost-reporting periods beginning on or after April 1, 2001, with a two-year transition to the new payment system. Major provisions are as follows:

- Payment for inpatient rehabilitation services will be based on a standardized per-discharge rate using a new patient classification system called "case-mix groups" (CMGs). The CMGs predict a patient's clinical resource utilization using patient variables found to be significant. The variables include the rehabilitation impairment category, functional status,

age, and the presence of comorbidities.

- Patients will be assigned to one of 97 CMGs based on data from a new patient assessment tool, the Minimum Data Set for Post Acute Care (MDS-PAC).

- Facility-specific adjustments to the CMG rate will be made for the wage index and disproportionate share. There is no proposed adjustment for teaching intensity.

- Case-level adjustments for transfer, short-stay, interrupted-stay, and outlier cases are also proposed. ■