



**Greater New York Hospital Association**

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Kenneth E. Raske, President

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**VIA FACSIMILE**  
**TWO PAGES**  
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TO: Chief Executive Officers (New York State)  
FROM: Kenneth E. Raske, President  
RE: State Legislature Approves Hospital, Nursing Home Grants

This week, both houses of the New York State Legislature approved identical legislation to create grant programs for hospitals and nursing homes. The hospital grant program, funded initially at \$82 million, would provide grants to help hospitals fund quality improvement activities. The nursing home program, funded at \$40 million, is designed to help nursing homes deal with the rising cost of energy. Both bills, which were strongly supported by GNYHA, CCLC, and 1199 SEIU, were passed by the Legislature due to the concern that hospital and nursing home finances are such that State subsidies for quality improvement and energy costs are warranted. The bills will now be sent to the Governor for his approval. The Governor has not yet publicly stated his position on the bills. GNYHA is extremely grateful to Senate Majority Leader Joseph Bruno and Assembly Speaker Sheldon Silver for their sponsorship of this important legislation.

**Hospital Quality Improvement Program**

A.11497-A/S. 8077, which passed the Assembly on June 5 and passed the Senate this morning, would create a State patient safety and quality improvement program with an initial appropriation of \$82 million. Under the program, grants would be provided to hospitals, diagnostic and treatment centers, and physicians to help support quality improvement activities. For hospitals, these activities could include implementation of systems and procedures that improve patient outcomes and/or reduce medical errors. Activities could include, but would not be limited to, improving performance on the quality measures reported to the Centers for Medicare and Medicaid Services under the Hospital Quality Initiative program, participating in the Institute for Healthcare Improvement's 100,000 Lives Campaign, adhering to and reporting on the 36 ambulatory care performance measures identified by the National Quality Forum, training direct care staff in quality initiatives, and other activities.

Initial grants would be made to hospitals within 28 days of enactment of the bill. Grants would be made to hospitals based on a formula as follows: (a) 30% of the appropriation would be distributed to general hospitals based on each facility's proportion of total inpatient days to Statewide total inpatient days; (b) 31.25% of the funding would be distributed to hospitals in

New York City based on each hospital's salary costs compared to total salary costs of all New York City hospitals; (c) 30% of the funds would be distributed to New York City hospitals based on each hospital's bad debt and charity care losses compared to such losses for all New York City hospitals; (d) 2.5% of the appropriation would be distributed to hospitals in Westchester based on each hospital's bad debt and charity care losses compared to such losses for all Westchester hospitals; and (e) 6.25% of the grant amounts would be distributed to major public hospitals based on each hospital's bad debt and charity care losses compared to such losses for all major public hospitals in the State.

Start up grants made under the program in 2006 would not require an application. To be eligible for grants in 2007 and thereafter, however, hospitals would need to gain certification from the Commissioner of the State Department of Health, under which the Commissioner would certify that the hospital has met or exceeded performance thresholds and is engaging in substantial quality improvement activities. Performance thresholds would be determined based on the recommendations of a workgroup comprising hospitals, consumers, labor, employers, and others.

### **Nursing Home Emergency Energy Assistance Program**

A.11496-A/S. 8076, which passed the Assembly on June 5 and passed the Senate this morning, would create a residential health care facility emergency energy assistance program with an initial appropriation of \$40 million. Grants to nursing homes would be based on each nursing home's total net patient revenue compared to the net patient revenue of all nursing homes in the State. Initial grants would be required to be made to nursing homes within 28 days of enactment of the bill. A work group on energy issues within the long term care industry would also be established to recommend altering current regulations related to the design or construction of nursing homes to enhance energy efficiency. The recommendations would be due by December 31, 2006.

If you have any questions on the hospital program, please call David Rich or Pat Wang at GNYHA. If you have any questions on the nursing home program, please call Scott Amrhein.

cc (via e-mail):           Government Affairs Representatives  
                                  Chief Financial Officers