



SEPTEMBER 18, 2006

Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

NYS Senate Holds Special Session

As *Skyline News* went to press, the NYS Senate had returned to Albany and was expected to pass Timothy's Law (A. 12080 / S. 8482), which creates parity in health care coverage for biologically based mental illness for both children and adults. Insurers would not be permitted to provide less coverage for mental illness than for other medical conditions. The Senate and the Assembly had reached a compromise on the bill's language on June 23, the last day of the regular 2006-07 legislative session.

Timothy's Law would require that every

insured person be covered for a minimum of 20 outpatient visits for mental illness and 30 inpatient visits per year. Employers would be required to provide an additional layer of coverage for adults over the age of 18, which would include treatment for schizophrenia and psychotic disorders, major depression, bipolar disorder, obsessive-compulsive disorder, delusional disorder, panic disorder, and bulimia and anorexia. Small employers (those with 50 or fewer employees) that offer coverage would be subsidized by the State. For children under the age of 18, employers would be

required to provide coverage for the above disorders in addition to attention deficit and hyperactivity disorders, disruptive behavior disorders, or pervasive developmental disorders that include serious suicidal symptoms or other life-threatening, self-destructive behavior; significant psychotic symptoms; and behavior caused by emotional disturbances that place the child at risk of inflicting personal injury or significant property damage or of being removed from the household.

If enacted, the law will take effect Jan. 1,

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Senate Finance Committee Examines Hospitals' Tax Status

The U.S. Senate Finance Committee held a much-anticipated hearing on September 13 on the charitable care and community benefits provided at non-profit hospitals. The hearing was the culmination of months of scrutiny of the sector by Senate Finance Committee Chairman Charles Grassley (R-IA), who spearheaded an investigation of the 10 largest hospital systems across the country and released the findings on the eve of the hearing.

In his opening remarks, Sen. Grassley raised concerns with the findings of his study and stated that with billions provided in tax breaks, the "public has a right to expect significant, measurable benefits in return." He praised the Catholic Health Association

(CHA) for its progress in documenting and measuring the benefits that its hospitals provide to their area communities. While recognizing the critical access non-profits provide to care, Ranking Member Max Baucus (D-MT) commented that the IRS provides loose standards in terms of the amount (and type) of community benefit hospitals should provide, and noted that universal health care coverage would render such a hearing unnecessary. Committee member Sen. Charles Schumer (D-NY) came to the defense of New York's non-profit hospitals by lauding the community benefits they provide and cautioned against moving forward with any burdensome new requirements.

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MedPAC Targets IME and DSH

At its Sept. 7 meeting, the Medicare Payment Advisory Commission (MedPAC) decided to undertake an in-depth review of the indirect medical education (IME) and disproportionate share hospital (DSH) adjustments in the Medicare inpatient prospective payment system (IPPS). In introducing the subject, MedPAC Chairman Glenn Hackbarth said he was inclined to recommend reduction of the IME and possibly the DSH subsidies and to use the savings to increase the IPPS Federal rate, now that the aggregate IPPS margin has turned negative, meaning that aggregate payments are less than aggregate costs.

As shown in the accompanying graph,

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GNYHA Launches Executive Development Program to Promote Diversity in Health Care Leadership

On Sept. 16, GNYHA launched the pilot class of a new executive development program designed to promote racial and ethnic diversity in health care leadership. The Health Care Leadership Institute was established in partnership with the City University of New York's Baruch College of Public Affairs. It is designed to offer hospital and continuing care chief executives the opportunity to choose a select number of outstanding middle managers who have made noteworthy contributions to participate in a 15-month program that can assist the participants in advancing their careers. Upon successful completion, it is expected that the participants will be ready to assume new levels of responsibility in the sponsoring facility or elsewhere. The program will assist in building a pipeline of talented professionals that will generate a steady stream of innovative leaders from diverse backgrounds.

The Health Care Leadership Institute was conceived by GNYHA's Advisory Task Force on Diversity in Health Care Leadership, which comprises civic and business leaders from diverse communities as well as hospital and continuing care chief executive officers, and was established to advise GNYHA's Board of Governors on ways to increase racial and ethnic diversity in the leadership of GNYHA's member institutions. The Institute's course of study will provide an overview of the best practices in management, strategic planning, financial analysis, communication, and dealing effectively with cultural diversity. Classes are held once or twice a month in the evening on the Baruch campus. The current class will graduate in June 2007. Baruch College has offered to discuss the possibility of assigning credits to the course of study for participants who do not have a graduate degree and wish to consider pursuing one at Baruch. More than 60 students are participating in this pilot class. The lessons learned from this pilot class

will assist in the design of future classes.

Other Diversity Initiatives: Since 1994, GNYHA has also sponsored the Summer Enrichment Program, which provides undergraduate and graduate students in health care management with summer internships in GNYHA member institutions (see *Skyline News*, Sept. 4, 2006). The program's goal is to expose the students to the real world of work in health care management, to expand their networks for possible employment upon graduation, and to encourage them to seek employment in New York. Two of the participants in the Health Care Leadership Institute are former participants of the program. In 2005, GNYHA also launched the Center for Trustee Initiatives and Recruitment to help recruit highly qualified, talented, and skilled candidates from diverse groups and professional backgrounds and connect them with available appointments on health care boards of trustees at GNYHA member hospitals and continuing care facilities. ■

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Rima Cohen, GNYHA's Vice President for Insurance Options Development, has taken a position in the Bloomberg Administration as Director of Health and Community Programs for the NYC Deputy Mayor for Health and Human Services, Linda Gibbs. During her eight years at GNYHA, Ms. Cohen worked to expand health insurance coverage and access in New York. Most notably, she crafted the original blueprint for Family Health Plus, which became the largest health coverage expansion in New York since the passage of Medicare and Medicaid in 1965. More recently, she conceived, developed, and implemented HITE—the Health Information Tool for Empowerment—a Web-based tool that enables health and social services workers to identify and access free and low-cost health care services for the uninsured. Prior to joining GNYHA in 1998, Ms. Cohen served for more than a decade as Senior Health Policy Adviser to Senator Tom Daschle, the Democratic Leader of the United States Senate. ■

NYS DOH Releases Final Hospital Language Assistance Regulations

The NYS Department of Health (DOH) has published the final version of regulations on the provision of language assistance to limited-English proficient (LEP) patients in hospital settings. The new regulations, which appeared in the Sept. 13 *New York State Register*, are designed to provide hospitals with additional guidance on the expected components of their language assistance programs. GNYHA—with the support of its Board of Governors—and immigrant rights advocacy groups participated in discussions with DOH that led to the revision of these regulations. The regulations outline program elements considered by many GNYHA members to be best practices and consistent with what is expected and required under Federal LEP guidance. While the regulations take effect immediately, DOH is committed to working with GNYHA and its members to assist with compliance efforts.

The new regulations require hospitals to develop a Language Assistance Program (LAP) designed to ensure meaningful access

to the hospital's services and reasonable accommodation for all patients who require language assistance. Among the major components of the LAP are hospital requirements to conduct an annual assessment of language assistance needs, to identify the language needs of each patient upon the initial visit to the hospital and documenting them in the medical record, to have signage in place to notify patients of free language assistance services, and to have procedures in place that will strictly regulate the use of family members, friends, and children as interpreters. For a copy of the regulations, go to the Health Disparities/Limited English Proficiency Resource Center on GNYHA's Web site at www.gnyha.org.

GNYHA will continue to assist members with their language assistance services and will work to advance policy and budget proposals that will support hospital efforts in this area. GNYHA appreciates the opportunity to work with DOH and the immigrant rights advocacy community in a cooperative way to improve language access for LEP patients. ■

Medicaid Managed Care Enrollment Slightly Down in NYS, Steady in NYC; Enrollment Grows in Child Health Plus, Declines in Family Health Plus

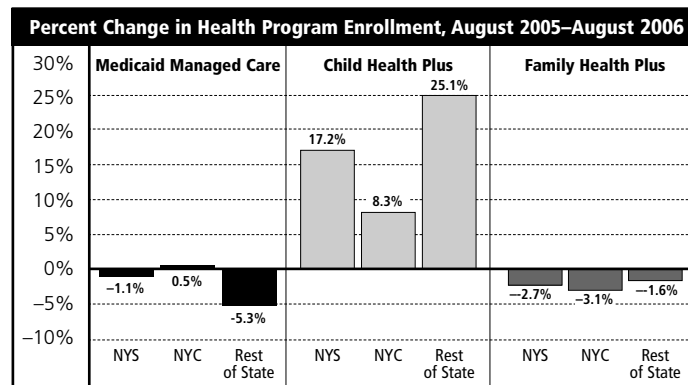
Enrollment in Medicaid Managed Care in New York State was reported at 2.01 million for August 2006, a decrease of more than 1% from one year prior. Enrollment in New York City remained fairly steady at 1.49 million, a 0.5% increase from one year ago. Among GNYHA member counties, the most significant change occurred in Suffolk County, where there was an 11% loss in enrollment, more than 7,000 enrollees. Erie, Onondaga, and Westchester counties also experienced somewhat significant losses in enrollment, with all three recording losses at or more than 6%.

Child Health Plus enrollment experienced consistent growth across the State, recording a total of nearly 385,000 enrollees

through August 2006, a 17% increase over August 2005. While NYC enrollment grew by 8% to nearly 166,000, and Long Island enrollment grew by 17% to 62,000, the majority of the growth throughout the State occurred outside NYC and Long Island. Enrollment in those northern counties grew by more than 28% to more than 157,000 total enrollees.

After consistent growth since its inception, Family Health Plus enrollment experienced four straight months of significant losses. Since April 2006, the second-highest level of enrollment ever recorded, enrollment has dropped every month through August by more than 22,000 enrollees in total, a 4% decline, bringing the total State enrollment down to just over 505,000.

Ninety-five percent of this loss occurred in NYC, which now totals 364,000 enrollees, following a 6% decline. Some recent changes to the program include the addition of an asset/resource level test on new applications and recertifications, effective August 2005, and the prohibition of government employees and their families from enrolling, effective September 2005. ■



MedPAC Targets IME and DSH *continued from page 1*

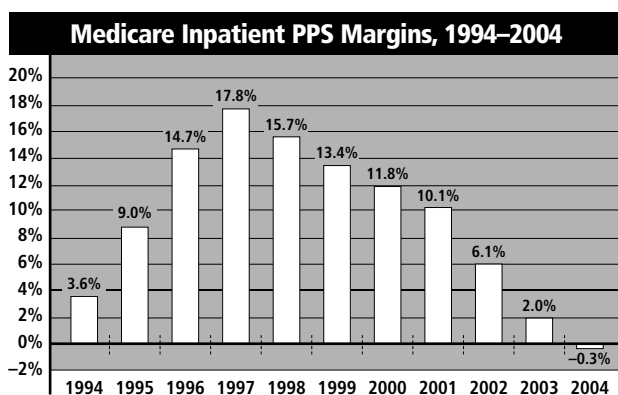
the IPPS margin was -0.3% in 2004, a reduction of more than 18 percentage points from its peak of 17.8% in 1997. The IPPS margin decreased because of deep cuts in the annual inflation update that were made in the Balanced Budget Act of 1997. Congress enacted those cuts to reduce Medicare spending and believed the cuts were justified because of the high IPPS margins at the time. In hindsight, however, the cuts were too deep, since the IPPS is now underfunded. GNYHA believes that the appropriate course would be for Congress to restore part

of the funding to achieve a reasonable IPPS margin, especially since the total Medicare margin—that is, for all provider sectors combined—is -3.0%.

Rather than recommending increased funding for the IPPS, Chairman Hackbarth said that redistributing the IME and DSH money was appropriate because recipients of those funds have significantly higher IPPS margins than non-recipients. This is a truism because part of the IME adjustment and all of the DSH adjustment represent Medicare's contribution to covering the cost

social goods. The only difference is that the HCRA assessments are contributed directly to the Indigent Care and Professional Education Pools rather than paid directly to hospitals. Public and private payers must contribute to the cost of uncompensated care because the United States does not provide universal health insurance coverage but mandates that hospitals provide emergency care under the Emergency Medical Treatment and Active Labor Act.

GNYHA believes that redistributing these subsidies to hospitals that do not provide a level of social goods comparable to the IME and DSH recipients would be catastrophic to providers, patients, and communities that rely on this funding. GNYHA and the National Association of Public Hospitals both voiced this concern at the meeting, and the American Hospital Association advised caution as well. Many other MedPAC commissioners agreed with this concern, but supported the idea of changing the IME and DSH formulas to better match payments with social goods costs. ■



of social goods that are not directly reimbursed, particularly bad debt and charity care. These add-ons to the rates are conceptually similar to the Health Care Reform Act (HCRA) assessments that Medicaid and the private payers in New York State include in their reimbursement rates to cover their share of hospital-provided

NIH Releases Grant Information for FY 2005

The National Institutes of Health (NIH) recently released information about its grants and contract awards to health care institutions and other health-related entities for fiscal year (FY) 2005. New York, for the fifth year in a row, ranked third among the top five states in award receipts. In order of aggregate award amounts received, the top five states are California, Massachusetts, New York, Maryland, and Pennsylvania.

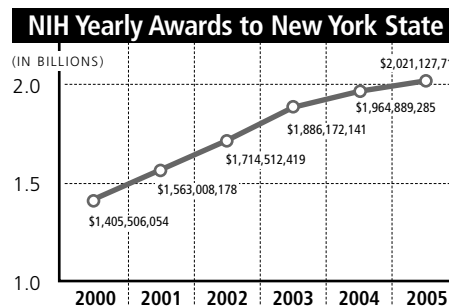
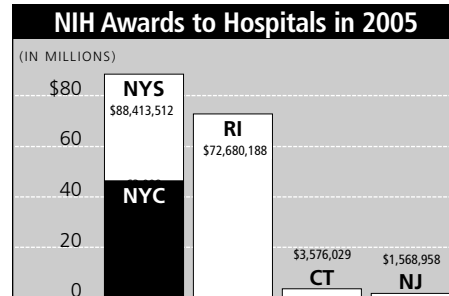
The awards given to New York have gone up steadily over the years, increasing 44%

State NIH Awards in 2005:

Total Awards and Medical School Awards

State	Total Awards	Medical School Awards
TOP FIVE STATES		
California	\$3,311,231,100	\$1,543,387,353
Massachusetts	\$2,272,675,609	\$417,473,896
New York	\$2,021,127,717	\$1,114,709,483
Maryland	\$1,764,278,447	\$613,778,041
Pennsylvania	\$1,448,431,995	\$831,186,788
OTHER STATES		
Connecticut	\$458,535,852	\$354,678,160
New Jersey	\$292,883,168	\$110,386,297
Rhode Island	\$132,013,130	\$45,777,830

since 2000. Of the total awards given, a significant amount went to medical schools in support of research and clinical studies. A significant amount of the awards also went to hospitals. ■



Senate Finance Committee

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Witnesses included representatives from the American Hospital Association (AHA), the CHA, Glendive Medical Center (Montana), Kansas Attorney General Phill Kline, the Legal Aid Society of Eastern Virginia, and the Harvard School of Public Health Department of Health Policy and Management. Most witnesses favored clearer definitions, but stopped short of a Federal reporting mandate. Kevin Lofton, AHA Chairman-Elect, testified that the current Federal standard for community benefit does not need to be altered as it provides hospitals with the flexibility to implement programs and services for their individual communities. Nancy Kane, M.D., from Harvard, however, articulated recommendations for a higher (Congressionally mandated) standard, stating that the current tax-exempt benefits hospitals enjoy are a “funded, non-mandate for charity care.”

Senators Grassley and Baucus asked the panel for their input on an appropriate level of oversight and guidelines, as well as an acceptable definition of “community benefit,” including whether it should be defined, in part, by losses from bad debt and from underpayments by government health programs. While the senators raised examples of the level of compensation provided to certain hospital executives, the issue did not gain much traction.

Both Senate leaders acknowledged that they don’t “anticipate” legislation in this area, and Sen. Grassley announced that his committee staff would work in a bipartisan way to develop a discussion paper on various proposals shared in the hearing. The CHA recommendations will be included, as will many of Dr. Kane’s suggestions, and the document will be open for public comment. ■

NYS Senate Holds Special Session *continued from page 1*

2007, and expire on Dec. 31, 2009. During that time, the Office of Mental Health and the State Insurance Department would be required to conduct a two-year study to determine the effectiveness and impact of the mental health parity legislation in New

York and other states.

The original bill (A. 2912-A) passed the Assembly several years in a row. However, the Assembly has not voted on the recent compromise language. The Assembly is expected to return to Albany before the 2007 legislative session begins in January, but if it does not, it will vote on the bill in the beginning of the year with an immediate effective date.

GNHYA strongly supports Timothy’s Law, which was named for Timothy O’Clair, a 12-year-old Schenectady boy who took his own life in 2001 when his health insurance for mental illness ran out. ■

Upcoming Briefings

American Express Corporate Services Cash Rebate and Expense Management Program

Date: Tuesday, September 26, 2006

Time: 10:30 a.m.–12:00 noon

Location: GNYHA Conference Room, 555 West 57th street, 15th Floor, and via Webcast

This briefing session will introduce GNYHA member institutions to American Express Corporate Services’ cash rebate and expense management program. Among a wide array of other benefits, this program allows institutions to earn cash rebates totaling up to 1% of the amount charged to an American Express purchasing card. For more information or to register, contact Barbara Green or Adam Daehnke at GNYHA. ■

GNHYA Participates in September 11 Commemoration Ceremony

On September 11, 2006, GNYHA staff served in the “honor guard” for the commemoration ceremony at the World Trade Center site memorializing the fifth anniversary of the September 11, 2001, terrorist attacks. GNYHA participated along with representatives from many other Federal, New York State, New York City, and other agencies and organizations. At the ceremony, which was coordinated by the City of New York, family members read the names of the victims of the tragedy, and elected officials, including NYS Governor George Pataki and NYC Mayor Michael Bloomberg, also made remarks. Throughout the day, family members and others visited the site to honor those who died on that day. GNYHA has participated in the ceremony every year on September 11. ■