



JULY 9, 2007

# Skyline news

REPORTING ON NEW YORK'S HEALTH CARE NEWS

## NYS Approves 14% Malpractice Insurance Premium Increase

### Insurance Superintendent Dinallo Vows to Address Underlying Problems

**O**n July 2, NYS Insurance Superintendent Eric R. Dinallo announced that the State Insurance Department (SID) had approved a 14% increase in medical malpractice insurance premium rates, effective July 1, 2007. The premium increase applies to all medical malpractice insurers regulated by the SID, including the two largest insurers for physicians, Medical Liability Mutual Insurance Company (MLMIC), which covers 60% of the physicians in NYS, and Physicians Reciprocal Insurers (PRI), which covers 20%. Superintendent Dinallo stated that the steep increase was necessary to avoid further financial deterioration of the companies and perhaps an irreversible crisis in an already severely distressed market.

“After years of failing to confront the fundamental problems that have led to this current environment, we have inherited the worst of both worlds—physicians who cannot

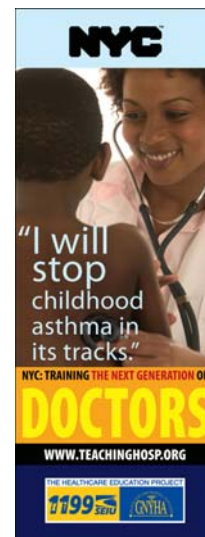
afford to practice medicine, and insurers whose financial condition is rapidly eroding. The cause is high medical liability costs, and this Administration is going to address it.”

Gov. Eliot Spitzer has charged Superintendent Dinallo with heading a new task force to confront the “fundamental drivers” of high medical malpractice costs. The task force will include NYS Department of Health Commissioner Richard F. Daines, M.D., and will comprise representatives from physician and hospital associations, the insurance industry, consumer groups, health plans, trial lawyers, and the Legislature. According to Superintendent Dinallo’s press release, “The new task force will recommend short- and long-term reform options for addressing the causes of high medical liability costs. The group will consider all potential solutions to controlling medical malpractice costs, including risk

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## GNYHA Welcomes Physician Residents, Celebrates New York’s Teaching Hospitals

**T**o celebrate New York’s world-class teaching hospitals and welcome the incoming class of more than 3,000 physician residents, GNYHA—through its Healthcare Education Project (HEP) partnership with 1199 SEIU United Healthcare Workers East—has placed hundreds of banners, posters, and billboards throughout New York City and around the State. The signage features young physicians-in-



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### GNYHA Board Meets

**T**he GNYHA Board met on June 28, 2007, and took the following actions:

- was briefed on GNYHA’s State legislative reform agenda;
- discussed medical malpractice reform with guests Joel Glass, Lisa Kramer, and Terrance Kelleher and agreed to support legislation that would create a medical indemnity fund to pay for the actual cost of care for medical malpractice settlements, among other reforms;
- heard about the Spitzer Administration’s efforts to identify fundamental health care reforms for inclusion in the 2008–09 Executive budget that would strengthen State agencies’ roles in policymaking and regulation development;
- explored areas for potential reform such as the bad debt and charity care pool, diagnosis-related group reweighting, high-cost populations, and reform of graduate medical education;
- was updated on the State Insurance Department’s payer reform initiatives;
- was briefed on the activities taken by the NYS Legislature, notably that legislators may return in July to address unfinished bills like nurse mandatory overtime; and
- heard a Federal update on issues to watch—the inpatient prospective payment system, the State Children’s Health Insurance Program, and the so-called 75% rule—when Congress reconvenes after the July 4 recess. ■

# Medicare Advantage Enrollment Growing at Fast Pace

**N**YS enrollment in Medicare Advantage plans increased by 8.3% from December 2006 to June 2007, reaching a record total of 676,000 enrollees. In NYC, enrollment grew by 4.5%, to a total of 308,000. Every county in NYS experienced a growth in enrollment, while 26% of the total growth occurred in NYC and another 10% occurred in Erie County. Within the total State enrollment, 27,000 enrolled in Medicare Advantage private fee-for-service plans, which are intended to provide the same freedom

## Malpractice Insurance

Premium Increase *continued from page 1*

Requested Versus Approved Premium Increases, 2002-07			
Year	% INCREASE		
	Approved	MLMIC Request	PRI Request
2002	0.0%	8.0%	2.0%
2003	8.5%	19.4%	18.5%
2004	7.0%	22.2%	25.7%
2005	7.0%	30.0%	26.7%
2006	9.0%	26.8%	20.8%
2007	14.0%	16.6%	30.6%

management, legal reform and regulatory changes to foster a stable, competitive environment with financially sound companies—including new entrants into the marketplace—that offer competitive rates to New York’s health care providers.” The task force will recommend options for the Governor’s consideration by the end of the year.

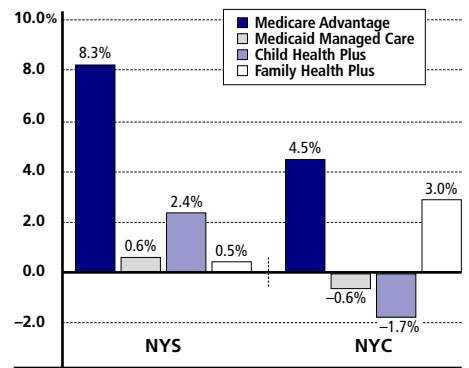
GNYHA looks forward to working with the Governor, Superintendent Dinallo, and the Legislature to solve the vexing problem of the high cost of medical malpractice insurance in NYS, and has already proposed and supported a variety of solutions, including quality improvement and tort reform initiatives, State funding pools to help spread the high cost of medical malpractice insurance, and specialty health courts. In addition, GNYHA has worked with its members on a variety of fronts to help reduce the incidence and the cost of medical malpractice, including intensive quality improvement collaboratives and communications skills training. ■

and choice of providers as traditional Medicare but with additional benefits and cost savings to enrollees. Nationally, Medicare payments to private fee-for-service plans have been criticized because they are, in the aggregate, 19% above equivalent traditional Medicare fee-for-service expenditure levels.

Medicaid managed care enrollment increased just 0.6% from June 2006 to June 2007, to a total of 2 million, or 70.1% of the eligible population. While State enrollment increased, enrollment in NYC declined in all boroughs except Queens, for an overall loss of 0.6%, down to a total of 1.48 million enrollees. Despite decreased enrollment in NYC and other areas, particularly Long Island, State enrollment increased in part because of the commencement of mandatory enrollment in several new counties.

Child Health Plus (CHP) enrollment increased by 2.4% for the year ending June 2007, to a total of 394,000. Enrollment in NYC dropped to 163,000, and dropped in all boroughs except the Bronx, where it increased more than 5%. Nassau County increased enrollment to 27,000 (7% growth) and Suffolk to 41,000 (12%). Erie and Orange counties also experienced strong growth over the year, increasing enrollment

**Percent Change in Managed Care Enrollment, New York State and New York City**



**Note:** Data for Medicare Advantage reflect enrollment from December 2006 through June 2007. Data for Medicaid, CHP, and FHP reflect enrollment from June 2006 through June 2007.

**Source:** Medicare Advantage data from the Centers for Medicare & Medicaid Services; Medicaid, CHP, and FHP data from the NYS Department of Health.

by 7% and 8%, respectively.

From June 2006 to June 2007, enrollment in Family Health Plus (FHP) in NYS increased 0.5%, to a total of 513,000 enrollees. NYC enrollment grew by 3%, to a total of 380,000. Along with Westchester County, where enrollment grew by 7.4%, NYC drove the increase in total State enrollment, while much of the rest of the State (43 counties) lost enrollment. Long Island experienced among the largest losses, with enrollment in Nassau County decreasing by 14%, to 17,000, and in Suffolk by 24%, to 10,700. ■

# GNYHA Foundation’s HITE Project Expands to Long Island

**T**he GNYHA Foundation, GNYHA’s not-for-profit affiliate, is adding information on Nassau and Suffolk counties to its database of resources in the Health Information Tool for Empowerment (HITE), an on-line tool that connects low-income and uninsured New Yorkers to available health care and social services. Users will now have access to nearly 4,000 searchable resources in those areas, in addition to HITE’s existing information for Manhattan, Brooklyn, the Bronx, and a seven-county region around Binghamton. HITE is also planning to expand further to Queens and Staten Island. The expansion of HITE to Long Island was supported by a generous grant from the Suffolk Health Improvement Partnership’s Health Community Access Program.

HITE provides a comprehensive, searchable database of information to organizations that work with the uninsured—such as hospitals, clinics, social service agencies, and community-based organizations—on easily accessible, free, and low-cost health and social services located mostly in the New York metropolitan area. HITE users can search for resources by zip code, services offered, and languages spoken. Within seconds, HITE identifies a variety of services that meet each user’s unique needs. HITE’s directory includes clinics with sliding-scale fees, homeless shelters, food pantries, support services for immigrants, assistance for victims of domestic violence, free legal services, and more.

For more information, contact Michele Yellowitz or Jenne Russo at the GNYHA Foundation, or visit [www.hitesite.org](http://www.hitesite.org). ■

# Nursing Home Labor-Management Partnership Promotes Superior Quality Outcomes

A recent analysis of quality data conducted by GNYHA's long term care affiliate, the Continuing Care Leadership Coalition (CCLC), demonstrated that facilities that have been participating in a joint initiative of CCLC and 1199 SEIU United Healthcare Workers East, designed to enhance the work environment in nursing homes and promote "person-centered" approaches to care, consistently achieves superior outcomes on measures of quality when compared with state and national averages.

Known as the Quality Care Committee (QCC), the joint CCLC-1199 SEIU initiative was formed in 2001 as part of the contract between the Association of Voluntary Nursing Homes and 1199 SEIU in NYC. It provides a framework for teams from 40 nursing homes—with equal representation from labor and management staff—to work together to improve the quality of care in some of the largest nursing facilities in the country.

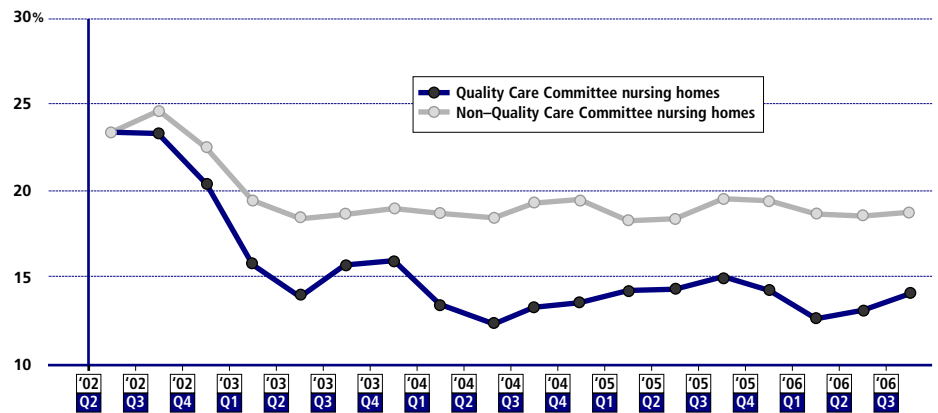
In four of the five measures that have remained constant since the inception of the Centers for Medicare & Medicaid Services' (CMS's) nursing home quality measurement initiative, QCC facilities perform at a sub-

stantially better level, on average, than facilities in NYS while demonstrating a consistent pattern of improvement over the course of the QCC initiative. Overall, QCC facilities outperform facilities statewide on 10 of the 15 CMS quality measures. Similarly, CCLC member facilities overall—the majority of which have participated in extensive multi-disciplinary quality training based on the QCC model—show substantially stronger outcomes on the majority of the CMS quality measures.

QCC delegates recently returned from Ireland, where they spent several days at the invi-

tation of officials from Dublin and Belfast to help the Irish Republic and Northern Ireland explore setting up similar labor-management projects. Officials in Dublin are seeking to set up a national nursing home training initiative and are specifically interested in establishing a formal link to the QCC steering committee to assist in achieving key project goals and assuring quality of care. Officials in Belfast are seeking to understand key "best practices" of QCC facilities, which they hope to use in setting up facility-based teams to promote "person-centered care" and to enhance the care environment for workers and residents. ■

Percentage of Short-Stay Residents Who Had Moderate to Severe Pain, 2000–06



Source: IPRO and Nursing Home Compare Database, Centers for Medicare & Medicaid Services.

## GNYHA Welcomes Physician Residents, Celebrates New York's Teaching Hospitals *continued from page 1*

training and the messages "New York's World Class Teaching Hospitals" and "Training the Next Generation of Doctors." HEP is simultaneously launching a Web site, [www.teachinghosp.org](http://www.teachinghosp.org), that contains more information about the impact of physician training on New York State, the importance of teaching hospitals to the future of health care, and why the public and policymakers should support medical education to prevent a future physician shortage.

New York is literally the physician training capital of the world—New York's teaching hospitals train 16,000 medical and surgical physician residents every year, or 17% of all physicians trained in the United States. In contrast, California—the state with the next largest number of physician residents—trains only half that amount. Despite the tremendous contribution New York makes to training future doctors, the Association of American Medical Colleges has reported that the nation will have a shortage of at least 55,000 physicians by the year 2020 if medical education programs are not expanded to respond to the health care demands of aging baby boomers. ■

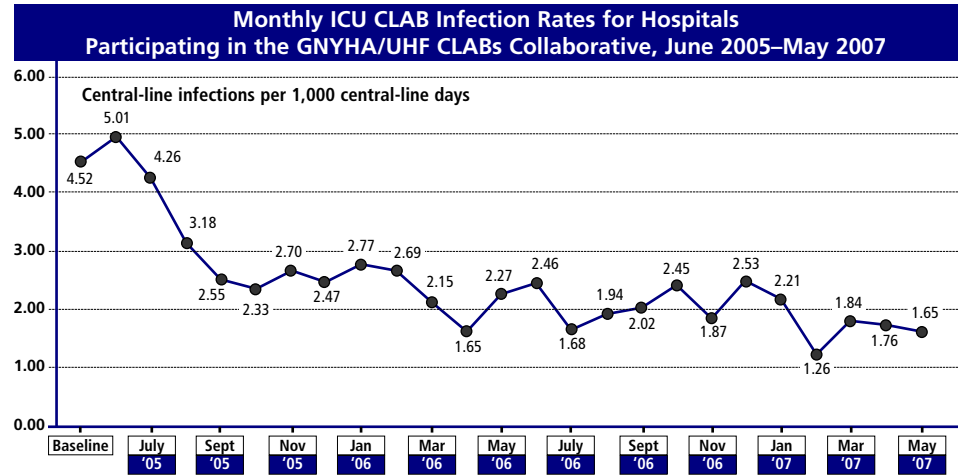


Posters from the GNYHA/1199 SEIU Healthcare Education Project campaign celebrating New York's teaching hospitals and physician residents.

# CLABs Collaborative Continues to Sustain Improvements in Reducing Infections

The most recent results from the GNYHA–United Hospital Fund (UHF) Central Line–Associated Bloodstream Infections (CLABs) Collaborative show that CLABs rates in participating hospitals have declined by more than 70%—and that the decline has been sustained over time—since the initiative began in 2005. The results of the CLABs Collaborative, which aims to improve the quality of care by eliminating CLAB infections in hospital ICUs, clearly demonstrate that infections can be eliminated through leadership support, teamwork, communication, systematic adoption of evidence-based practices, and basic hand hygiene. GNYHA and UHF applaud hospitals’ success in adopting evidence-based practices to eliminate or reduce CLAB infections and improve patient outcomes.

To help sustain the improvements, and in anticipation of the NYS Department of Health hospital-acquired infection (HAI) public reporting program, GNYHA and UHF will continue to provide technical assistance



to hospitals through monthly conference calls, sharing of data, and continually updating the Collaborative Web site (<http://jeny.ipro.org/clabs>). The HAI reporting program will provide hospitals with an opportunity to showcase their success in reducing CLABs and improving patient outcomes.

**New Quality Initiative:** Building on the momentum and success of the CLABs Collaborative, GNYHA and UHF will be launching a new infection-reduction initiative focus-

ing on *Clostridium difficile* (*C-diff*), a highly contagious infection with a high mortality rate. The *C-diff* Collaborative will begin with the development of a quality indicator bundle containing evidence-based practices. This summer, GNYHA members will receive detailed information on *C-diff* along with a Collaborative agreement registration form and an invitation to participate.

For more information, contact Terri Straub at GNYHA. ■

## GNYHA Comments on Medicaid GME Proposed Rule

On June 22, GNYHA submitted comments to the Centers for Medicare & Medicaid Services (CMS) recommending that CMS formally withdraw its recently issued proposed rule that seeks to eliminate Federal financial participation (FFP) for Medicaid graduate medical education (GME) funding. Adoption of this proposed rule would put \$600 million of Federal support for New York’s teaching hospitals at risk. Notwithstanding Congress’s inclusion of a one-year moratorium on implementing this regulation within the Iraq war supplemental funding bill, which the President signed into law last month, GNYHA formally opposed the proposed rule in order to go on record as to why it is contrary to the interests of patients served by the Medicaid program and the future of the health care delivery system.

GNYHA observed that, because the proposed rule does not make clear why GME costs should be ineligible for FFP, it is pre-

sumably being proposed purely as a cost-saving measure—which GNYHA believes is impermissible as a matter of law and a poor public policy decision. CMS estimates a savings from the proposed rule of just \$140 million in Federal fiscal year (FFY) 2008, growing to \$460 million in FFY 2012, but notes that it has no accurate way of identifying precisely how much states may be paying in Medicaid GME each year. GNYHA noted that this is a severe underestimate of the impact of CMS’s proposed rule. In New York alone, the value of hospital payments with a GME label is \$1.2 billion per year (gross), half of which would be placed at risk were the proposed rule to be adopted.

GNYHA also addressed CMS’s unwarranted distinction between GME costs and patient care costs; New York Medicaid’s support for GME and its long-standing recognition of the critical role that interns, residents, and supervising physicians play in delivering

care to Medicaid patients and its application of the GME label to such approved patient care costs in order to facilitate rate-setting; the interplay between training physicians and caring for the underserved; the costs of providing care to the indigent and the repeated demonstration that teaching hospitals’ reduction (or attempted reduction) in their number of physician residents has not decreased their overall costs; accountability for New York teaching hospitals’ Medicaid GME payments; the impending physician shortage and the increasing demand for medical services as the baby boomer generation ages and the elderly population continues to rise.

GNYHA will continue to work with the Congress to ensure that legislation is enacted to make it clear that State Medicaid programs can continue to claim FFP for GME costs, as they have for decades.

For more information, contact Pat Wang or Tim Johnson at GNYHA. ■