



March 31, 2008

# Skyline news

Reporting on New York's Health Care News

## Medicare Program Solvent for Next Decade, Report Says

**O**n March 25, the Trustees of the Medicare Trust Funds issued their annual report to Congress. The Trustees project that the Medicare Hospital Insurance, or "Part A," Trust Fund, which covers inpatient hospital, nursing home, hospice, and many home care benefits, will be solvent until 2019, the same as last year's projection. The Part A Trust Fund is financed mainly through payroll taxes—employees and employers each pay 1.45% of wages into the Trust Fund, and self-employed individuals pay 2.9%. Although the Trust Fund's solvency has remained steady since last year's report was issued, the Trust-

ees—all members of President Bush's Cabinet—sounded the alarm.

"These projections demonstrate the need for timely and effective action to address Medicare's financial challenges," the report reads. "Consideration of such reforms should occur in the relatively near future. The sooner the solutions are enacted the more flexible and gradual they can be."

In a separate statement, one of the Trustees, Health and Human Services Secretary Michael O. Leavitt, pressed Congress to enact the Medicare spending reductions and reforms in

*continued on page 3*

## Key Chairman Introduces Medicaid Regulation Moratorium Bill

**O**n March 13, Congressman John Dingell (D-MI), Chairman of the House Energy and Commerce Committee, which has jurisdiction over the Medicaid program, joined with Congressman Tim Murphy (R-PA) in introducing the "Protecting the Medicaid Safety Net Act of 2008" (H.R. 5613). The bill would extend current moratoria and enact new moratoria on seven Medicaid regulations proposed or finalized by the Centers for Medicare & Medicaid Services in the past year. The moratoria on implementing those regulations would last through March 31, 2009, at which point there will be a new Administration in place.

The bill covers regulations to curtail payments to public providers and to eliminate Federal Medicaid payments for graduate medical education (GME) costs, whose current moratoria expire on May 25, 2008; a proposed regulation that would restrict payments to states for hospital outpatient services (there is currently no moratorium on implementation of this regulation); a final regulation on permissible taxes states may levy on providers to raise revenue for Medicaid and other health care programs (there is currently no moratorium on implementation of this regulation); regula-

*continued on page 2*

## Governor Paterson Appoints Senior Advisor

**G**overnor David A. Paterson announced on March 27 that he will appoint Jon R. Cohen, M.D., as Senior Advisor. Dr. Cohen is currently Managing Director of PricewaterhouseCoopers LLP for Health Industries Advisory Services.

"Dr. Cohen's extensive background in the medical field makes him an excellent choice for this important role," said Governor Paterson. "He thoroughly understands the state's hospital network, its specific challenges and the investments that must be made to support the future of quality health care."

Before joining PricewaterhouseCoopers LLP in 2007, Dr. Cohen served for six years as Chief Medical Officer (CMO) and Senior Vice President of the North Shore-Long Island Jewish Health System, where he managed clinical, educational, research, and administrative matters related to all medi-

*continued on page 4*

### Budget Talks Heat Up

As *Skyline News* went to press on Friday, State leaders had agreed to reduce spending from Governor Spitzer's original budget by \$500 million, \$300 million less than proposed by Governor Paterson last week. Leaders appeared to be looking at health care spending restorations in the \$200–250 million range, as they vowed to work over the weekend to try to have the budget finalized before April 1. GNYHA continues to work to protect members from cuts and from potentially harmful and uncertain reimbursement changes. ■

# Perinatal Safety Collaborative Focuses on Teamwork and Communication to Improve Maternal and Fetal Outcomes

On March 17, 18, and 19, GNYHA and the United Hospital Fund (UHF) held the first three of five Perinatal Safety Collaborative team training sessions at Winthrop-University Hospital and at GNYHA. The unique training integrates two skill sets that are typically taught separately—fetal monitoring strip (FMS) interpretation and crew resource management. More than 300 physicians, nurses, midwives, and physician assistants from 23 hospitals across NYS attended the day-long sessions, which featured interactive presentations and case studies by experts in perinatal care.

Training and education are one component of the larger GNYHA/UHF Perinatal Safety Collaborative, which focuses on teamwork and communication to bring about a significant impact on the culture of the labor and delivery units in GNYHA member hospitals in order to improve maternal and fetal outcomes. Once training sessions are completed in April, GNYHA and UHF will assist participating hospitals in adopting standardized documentation, certification, and credentialing criteria, as well as collecting standardized outcomes measures.

**Skill Sets:** Michael Fox, R.N., Director of the Perinatal Resource Group, discussed key

principles and best practices used to create consensus in FMS interpretation and for responding to variant fetal heart patterns, as well as the need for emergent response strategies, especially during time-sensitive situations.

Michael Leonard, M.D., Physician Leader of Patient Safety at Kaiser Permanente, discussed the principles of Crew Resource Management, a means to reduce adverse outcomes and improve patient safety through teamwork and communication. Dr. Leonard also discussed some key areas of collaborative practice that may be used in FMS monitoring, including common goals and adoption of common language for written and oral communication. Attendees were asked to identify some of the collaborative practices that currently exist in their respective facilities and were urged to activate change by communicating and implementing collaborative agreements.

For information about future training sessions, contact Gina Shin at GNYHA. ■

## SHRPC UPDATE

**AT ITS MEETING ON MARCH 27,** the State Hospital Review and Planning Council (SHRPC) approved (in some cases with conditions or contingencies), the following GNYHA member projects: **University Hospital at Stony Brook**, amend a previously approved project to undertake major facility modernization; **Westchester Medical Center**, construct eight additional pediatric beds for a revised total of 60 pediatric beds; Catholic Resources, Inc., establish and construct a multi-purpose diagnostic and treatment center to serve the **Catholic Health Care System's** proposed Program of All-Inclusive Care of the Elderly. •

**SHRPC PLANNING COMMITTEE:** At the March 13 SHRPC Planning Committee meeting, the Committee discussed possible changes regarding Certificate of Need review. Under the proposal, the NYS Department of Health and SHRPC would no longer review applications on the current "first in/first out" basis, but would instead review them on a regional basis, possibly through a competitive process. The SHRPC Planning Committee plans to continue to discuss this issue at future meetings and plans to solicit stakeholder comments, including which categories of applications should be subject to this new process. • **AMBULATORY SURGERY CENTER PROJECT:** At the NYS Public Health Council (PHC) meeting on March 14, the PHC approved a freestanding (non-hospital-sponsored) ambulatory surgery center (ASC) project, South Shore SC, LLC d/b/a Island Surgery Center. GNYHA and Good Samaritan Hospital opposed this application because of concerns about its impact on the hospital. The PHC voted on the project twice in 2007 but the project failed to receive enough votes for approval at those meetings. As a result, South Shore filed a lawsuit challenging the PHC's voting procedures as well as the authority of the PHC to consider the impact that a new freestanding ASC might have on surrounding hospitals and the essential health care services they provide to their communities. In that lawsuit, GNYHA filed an *amicus curiae* brief, taking the position that the PHC has not only the authority but the responsibility to take into account the impact that a new freestanding ASC might have in this regard. Now that the project has been approved, the lawsuit will not go forward. The PHC and SHRPC will discuss how to consider surrounding hospitals' concerns when reviewing future applications. • GNYHA has consistently called for a moratorium on new freestanding ASCs when a hospital takes the position that such a facility will have an adverse financial or operational impact on it. GNYHA believes that approving future applications for freestanding ASCs would contradict and undercut the goals of the recommendations issued by the Commission on Health Care Facilities in the 21st Century (the "Berger Commission"). • **LONG TERM CARE:** At the meeting, SHRPC voted to adopt regulations related to reporting requirements for Licensed Home Care Service Agencies and Certified Home Health Agencies. The regulations would include specific reporting requirements for various finances, administrative and general costs, and State and Federal governmental reimbursements, and will become effective after publication of a "Notice of Adoption" in the *State Register*. ■

## Medicaid Regulation

### Moratorium Bill *continued from page 1*

tions on school-based transportation and rehabilitation costs, whose current moratoria expire on June 30, 2008; and a regulation on targeted case management services.

H.R. 5613 builds on the work of Congressman Eliot Engel (D-NY), who last year introduced H.R. 3533 to extend the moratoria on the two regulations—to eliminate GME payments and curtail payments to public providers—that had already been proposed.

GNYHA, the American Hospital Association, and other associations are actively seeking cosponsors for this important bill. It is anticipated that Chairman Dingell will hold a hearing and mark-up of this legislation shortly after Congress returns from recess on March 31, with the goal of attaching the legislation to a bill that President Bush is expected to sign, such as an emergency bill to fund the wars in Iraq and Afghanistan. GNYHA urges all members to contact their members of Congress to urge support for the bill. ■

# State Council on GME Issues Policy Recommendations

The NYS Council on Graduate Medical Education (COGME) has issued a report to NYS Health Commissioner Richard Daines, M.D., outlining recommendations for improving NYS's medical education system. The report responds to a speech that Commissioner Daines delivered to COGME in June 2007 in which he expressed a series of concerns, for which he requested policy recommendations.

Certain recommendations made to the Commissioner formed the basis for specific provisions included in this year's Executive budget proposal, including recommend-

ing that teaching hospitals develop institutional GME budgets and review those budgets with individuals responsible for medical education; that the State dedicate enhanced funding for a GME innovations pool and use it to support special programmatic initiatives in educational loan repayment and other areas; and that the State establish funding mechanisms to support ambulatory care training for residents.

GNHYA is pleased that COGME noted that funding for new initiatives should come from new funding sources rather than by diverting existing GME funding.

GNHYA worked closely with COGME to respond to the Commissioner's concerns, and looks forward to collaborating with COGME and the State to further refine and implement specific recommendations. The COGME report noted the varied roles that New York's medical education system plays in ensuring quality of care, and the importance of ensuring that the State continue to produce a physician workforce that can meet the needs of New Yorkers. ■

## GNHYA/UHF Conference Focuses on End-of-Life Care Communications

On March 12, GNYHA and the United Hospital Fund (UHF) hosted a conference on clinician and patient/family communication at the end of life. The program, which attracted more than 100 participants, provided information regarding end-of-life decision-making to physicians working in the intensive care unit (ICU) and providing palliative care, with a focus on the current landscape in NYS for surrogate decision-making and strategies for communicating effectively with patients and their families. A large portion of the day was spent on building skills and discussing strategies for improving the quality of such communications, specifically with regard to the patient's

transition to palliative care and clarifying appropriate goals for care.

Speakers included experts from GNYHA member hospitals, who related case studies and discussed the conceptual, ethical, and operational aspects of providing end-of-life care. In addition, the attendees took part in simulated communications training using typical scenarios that occur in the ICU among patients receiving end-of-life care, their families, and the clinical teams who care for them.

On April 15, GNYHA and UHF will host another full-day critical care program, on the care of cardiac surgical patients in the ICU (see "Upcoming GNYHA Member Briefings" on page 4 in this issue). ■

## In Memoriam

### ALFRED GELLHORN, M.D.

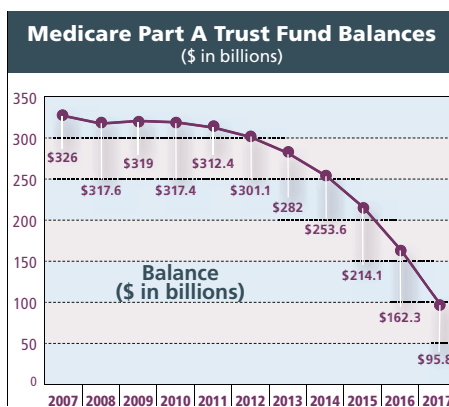
Alfred Gellhorn, M.D., a Director of Medical Affairs for the NYS Department of Health from 1983 to 1991 and a distinguished leader in medical education, died March 24. He was 94.

A key policy advisor to Commissioner David Axelrod, Dr. Gellhorn helped shape several important policy initiatives. As Chair of the NYS Council on Graduate Medical Education from 1986 to 1989, he led efforts to limit working hours for medical residents. He also served as Director of the Institute of Cancer Research at Columbia University, President of the American Association of Cancer Research, and Dean of the School of Medicine and Director of the Medical Center, University of Pennsylvania.

At the City College of New York, Dr. Gellhorn helped create the Sophie Davis School of Biomedical Education, to help disadvantaged high school students pursue medical careers. He also worked to advance research in AIDS and substance use. ■



## Medicare *continued from page 1*



the President's proposed FY 2009 budget.

"We need to act quickly and effectively to address Medicare's fiscal health, including enacting the steps proposed in the President's budget, which would postpone the insolvency date of the Part A trust fund for ten years," Secretary Leavitt said.

Congressional leaders, however, reacted far differently. Rep. Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee, said, "Reports of Medicare's death have been greatly exaggerated. Though the trigger has been pulled by Republican ideologues, this year's Trustees report shows that Medicare

remains solvent and sustainable . . . Through the years, Congress has regularly modified and modernized Medicare to accommodate advances in medicine and meet the demands of a growing population. I look forward to working with colleagues on both sides of the aisle to ensure Medicare's viability for future generations."

Rep. Stark called on the Administration and Congressional colleagues to support reforms, including reductions in payments to Medicare Advantage plans, passed by the House of Representatives last year, as a way to ensure longer-term solvency of the Medicare program. ■

# PQC Summit Highlights Health System Reform

**O**n Mar. 19, a nationally renowned group of health care providers joined frontline health care workers, CEOs, labor leaders, policymakers, and opinion leaders in Washington, D.C., to share nearly a dozen pioneering programs that contain costs while improving the quality of chronic care at a summit hosted by the Partnership for Quality Care (PQC).



Summit participants (GNYHA President Kenneth Raske at front right).

The summit, *Confronting the Chronic Care Challenge*, was the first in a year-long series of events designed to bring quality—including access, affordability, efficiency, and cost containment—to the center of the health care debate, by presenting practical solutions to some of the most difficult problems in health care today.

Panelists included nurses, caregivers, and management from several PQC member organizations, including founding members GNYHA and 1199 SEIU, as well as Catholic Healthcare West, Daughters of Charity

Health System, Group Health Cooperative, HealthPartners, Jackson Health System, Massachusetts General Hospital, and SEIU Healthcare. Attendees included representatives from AARP, America's Health Insurance Plans (AHIP), National Committee for Quality Assurance, The Commonwealth Fund, American Hospital Association, National Association of Public Hospitals, and Alliance for Health Reform; the offices of Senators Ron Wyden (D-OR), Hillary Clinton (D-NY), and Ted Kennedy (D-MA); staff from the Ways and Means Committee; and top staff to the Speaker of the House. The event was covered in *Congressional Quarterly*, *Modern Healthcare*, and *BNA*. ■

## Governor Paterson Appoints Senior Advisor *continued from page 1*

cal affairs for the health system. Prior to his CMO and Senior VP positions, he served as the Executive Vice President, Chairman of Surgery, and Chief of Vascular Surgery at the Long Island Jewish Medical Center.

Dr. Cohen is a Professor at the Albert Einstein Medical College of Medicine and Senior Lecturer at Columbia University's Mailman School of Public Health. He was briefly a candidate for Lieutenant Governor in the 2006 election.

Dr. Cohen received his M.D. degree from the University of Miami School of Medicine and completed his residency in surgery at the New York Hospital–Cornell Medical Center, followed by training in vascular surgery at the Brigham and Women's Hospital, Harvard Medical School.

This appointment does not require Senate confirmation. ■

## FHA Program Helps Protect New York Hospitals From Bond Insurance Market Turmoil

**T**urmoil in the bond insurance markets has reinforced the importance of the Federal Housing Assistance (FHA) mortgage insurance program in NYS. Many tax-exempt hospitals across the country, including a limited number in NYS, that sell their long-term debt in frequent auctions—known as “auction rate securities”—have experienced either dramatically increased interest rates or failed auctions in the past month. Private bond insurance backs many of those securities, and the recent exposure of bond insurance companies to sub-prime mortgages has left many buyers unwilling to purchase securities insured by those companies unless they are sold at very high interest rates. Hospitals with FHA insurance have limits on additional debt that have prevented them from participating in auction rate securities and, thus, have been

protected from the recent turmoil.

The FHA, an agency in the U.S. Department of Housing and Urban Development, provides essential mortgage insurance to help hospitals and nursing homes with their capital development projects, especially in underserved communities. NYS hospitals in particular have relied on the FHA program because the NYS Public Authority Control Board requires any health care project being issued through a NYS authority to obtain credit enhancement whenever the facility has a credit rating below “A” according to Moody's Investor Service and Standard and Poor's Corporation rating systems. While many facility issuers are investment-grade credits, they must obtain some form of credit enhancement, resulting in lower interest rates and, thus, lower capital costs to participating institutions.

For decades, the FHA's health care portfolio largely comprised NYS institutions, although the agency has expanded its business considerably to hospitals in other areas in recent years. In fact, the FHA has insured more than 320 hospital mortgages in 42 states and Puerto Rico since its inception, with close to \$1 billion in deals nationally in FY 2006 alone. Notably, FHA officials have repeated reassurances to GNYHA that they continue to be interested in receiving new loan applications from New York–based institutions. ■

### Upcoming GNYHA Member Briefings

#### **CCLN Educational Program: Post-Surgical Care of the Cardiac Patient**

**Date:** Tuesday, April 15, 2008 • **Time:** 8:30 a.m.–4:00 p.m.

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

This Critical Care Leadership Network (CCLN) program, hosted by GNYHA and the United Hospital Fund, will include a review of the current literature in the practice of medical cardiac intensive care, as well as perioperative management of patients undergoing cardiac surgery, including physiology, pharmacology, and cardiac support technologies. There is a nominal registration fee of \$25. Critical care physicians, and fellows and residents in particular, from all GNYHA member hospitals are urged to attend. For registration and more information, contact Eden Rollins ([erollins@gnyha.org](mailto:erollins@gnyha.org)) at GNYHA or visit [www.gnyha.org/cardiaccare](http://www.gnyha.org/cardiaccare). ■