



April 14, 2008

# Skyline news

Reporting on New York's Health Care News

## New York State Budget Finalized

Last week, the NYS Legislature completed the budget process for fiscal year 2008–09, which began on April 1, 2008. Most of the health care portions of the budget passed on March 31 and April 1, with some technical amendments passing on April 9. GNYHA was pleased with the collaborative nature of the budget discussions

with the Paterson Administration, Assembly Speaker Sheldon Silver, and Senate Majority Leader Joseph Bruno, and thanks them all for their efforts to work with the health care community during difficult economic times. While some of the cuts originally proposed by former Gov. Eliot Spitzer in January

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## Key House Panel Approves Medicaid Moratorium Bill

On April 9, the U.S. House Energy and Commerce Subcommittee on Health, chaired by Congressman Frank Pallone (D-NJ), approved the Protecting the Medicaid Safety Net Act of 2008 (H.R. 5613), a bill that GNYHA strongly supports. The bill would prohibit the Centers for Medicare & Medicaid Services (CMS) from implementing seven

proposed or final Medicaid regulations until Apr. 1, 2009, including regulations to eliminate Federal Medicaid funding for graduate medical education (GME), to curtail funding for public providers, to cut back on Federal funding for hospital outpatient services, and to restrict the ability of states to raise revenue for their Medicaid programs through taxes on health care providers. The bill's sponsors include the powerful Chairman of the Energy and Commerce Committee, John Dingell (D-MI), and many members of the New York and New Jersey Congressional delegations, including, from the metropolitan area, Representatives Eliot Engel (whose sponsorship of an earlier moratorium bill helped lay the groundwork and build support for the Dingell bill); Charles Rangel, Chairman of the Ways and

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An advertisement sponsored by the Healthcare Education Project urging members of Congress to support two bills that would protect Federal Medicaid funding for GME, public hospitals, and hospital outpatient services.

## Governor Paterson to Speak at GNYHA Annual Meeting



On April 24, Gov. David A. Paterson will give the keynote address at GNYHA's 2008 Annual Meeting. During his 23 years of public service, Gov. Paterson

has reached across party lines to bring people together, winning him the deep respect of his colleagues and a reputation for uniting disparate forces toward consensus that benefits all New Yorkers. He has also been a longtime friend to New York's health care community.

**Program:** The annual business meeting and remarks by GNYHA Board Chair Gary Horan, GNYHA President Kenneth Raske, and Gov. Paterson will be followed by a panel discussion, *Subtle Influences: Conflicts of Interest in Health Care*. Four leading experts from health care, the pharmaceutical industry, and academia will discuss the nature of the provider-vendor relationship, how medical institutions manage potential conflicts of interest related to purchasing, and the impact on health care. A special presentation, *Creating a Patient-Centric Culture of Caring*, will follow, by Ann Rhoades, former JetBlue Executive VP and Co-founder of CareLeaders Corporation, which helps hospitals attain new levels of performance. Elaine R. Berg, F.A.C.H.E., President and CEO of the New York Organ Donor Network, will make special remarks.

**Where and When:** The GNYHA Annual Meeting will be held on April 24 at the Roosevelt Hotel in Manhattan, from 7:30 a.m. to 12:00 noon. Registration brochures were mailed to all members in mid-March. If you have not received a brochure, contact Tina Lee ([tlee@gnyha.org](mailto:tlee@gnyha.org)) or Adriana Ramos ([aramos@gnyha.org](mailto:aramos@gnyha.org)) by April 17. ■

**Protect Our Healthcare Safety Net**

Congressmembers John Dingell and Tim Murphy have introduced critically important legislation to protect patients and healthcare providers from drastic cuts proposed by the Bush Administration. H.R. 5613 will stop massive cuts in Medicaid funding for public hospitals, graduate medical education, hospital outpatient services and school-based transportation & rehabilitation costs. The 1199 SEIU & GNYHA Healthcare Education Project calls on Congress to support this legislation in order to protect vital healthcare services for our patients and communities.

Support the "Protecting the Medicaid Safety Net Act of 2008" (H.R. 5613)

1199 SEIU GNYHA

# Rapid Response System Collaborative Gains Ground

The Rapid Response System (RRS) Collaborative being conducted by GNYHA and the United Hospital Fund (UHF) demonstrated significant achievements at its latest learning session on April 11. The RRS Collaborative is an initiative that promotes the implementation of rapid response systems in hospitals, which deploy teams of clinicians who identify high-risk patients, respond to early signs of acute deterioration, and bring critical care expertise to the bedside before patients decline into a critical state.

More than 150 participants from more than 30 hospitals attended the learning session, including rapid response team members, hospital leadership, frontline staff, residents, and physicians who activate the rapid response system in their facilities. Highlights and advances in the RRS Collaborative activities include promoting a family-activated RRS, integrating RRS initiatives into residency programs, encouraging end-of-life discussions with family members and patients, and improving the management of sepsis.

The session was led by Mark Rosen, M.D., Chief of the Divisions of Pulmonary, Critical Care, and Sleep Medicine at North Shore University Hospital and Long Island Jewish Medical Center, and the “Expert on Call” (who serves as a consulting physician expert) for the RRS Collaborative. Dr. Rosen intro-

duced the discussion of family-activated RRS teams following a video of an actual case in which a patient’s life might have been saved if the family had been able to activate the rapid response team. In addition, Dr. Rosen provided a comprehensive overview of the data collected through the Collaborative to assess the effectiveness of RRS activities in hospitals, observing that, to date, participating hospitals have demonstrated an increase in the number of RRS calls, which should ultimately lead to a decreased number of “codes”—or patients who develop a serious, life-threatening complication. More important, staff have given very positive feedback and indicated that having an RRS team in place has done much to nurture a “culture of safety” in their hospitals, ultimately improving patient outcomes.

The session also featured a panel of hospital representatives discussing their experiences implementing the RRS and initiating a family-activated RRS team in a community hospital setting. Other speakers included Jeanne Carey, M.D., Senior Associate Program Director in the Department of Medicine from Beth Israel Medical Center, who described how Beth Israel has incorporated RRS as part of the residency training curriculum. Scott Lorin, M.D., Director of the Critical Care Education Center at The Mount Sinai Hospital, provided an overview of his hospital’s work with RRS, specifically emphasizing a unique com-

munication skills training program and how end-of-life discussions have been initiated as a result of RRS interventions.

Moving forward, teams will take the best practices and topics discussed during the learning session back to their institutions and will continue their work with the RRS intervention. GNYHA and UHF will be encouraging participating hospitals to introduce family-activated rapid response to their programs and further sustain the positive results they have achieved.

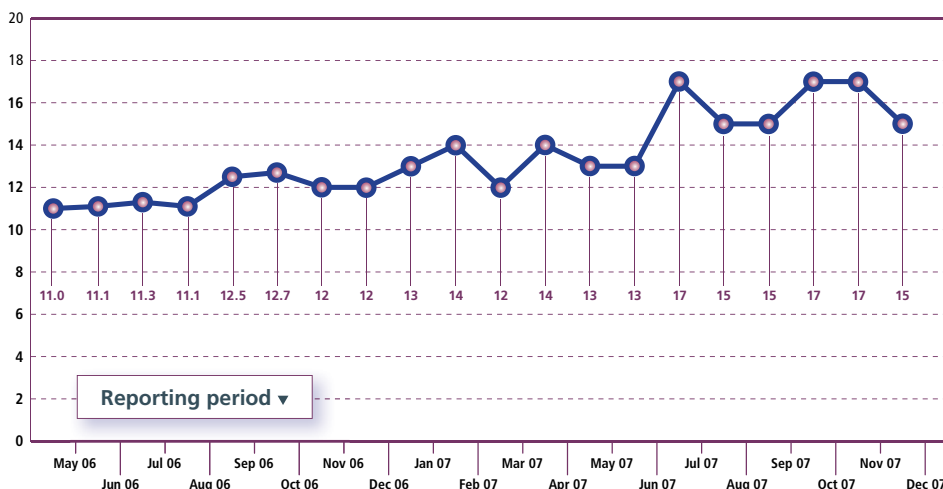
For more information about the RRS Collaborative, contact Terri Straub at GNYHA. ■

## Partnership for Quality Care Rolls Out New Web Site

On April 8, the Partnership for Quality Care (PQC) launched its new interactive Web site at [www.pqc-usa.org](http://www.pqc-usa.org). The new site boasts not only an improved design and a more intuitive interface, but will enable the PQC to better leverage the Internet, building its supporter base and more effectively mobilizing grassroots support for advocacy. Part of the new roll-out is the ability to preferentially reach individuals who have expressed an interest in PQC’s issues and other individuals connected to them. This improved Web site also includes multimedia streaming capabilities, enabling media and opinion-makers to watch videos and download transcripts and presentations from PQC events, such as the recent summit, *Cost and Quality: Confronting the Chronic Care Challenge*. Its “Featured Partner” section provides an additional media outlet for PQC members to highlight their individual achievements in creating better access to health care, improving health care quality, and maximizing the value of health care dollars.

Public relations staff interested in highlighting their institution’s achievements as a featured PQC partner should contact PQC Executive Director Kate Navarro-McKay at GNYHA. ■

**Average Number of RRS Calls per 1,000 Discharges in Participating RRS Collaborative Hospitals**



In the past year, the RRS Collaborative participants have been working to establish RRS teams and standard communication protocols with the ultimate goal of increasing the number of rapid response team calls and decreasing the number of cardiac codes.

# Linxus Releases Constructive Measures to Reduce Health Care Administrative Costs

On April 5, health plan and provider members of Linxus—a unique and influential consortium of hospitals, physician groups, and commercial and governmental health plans—released an initial set of implementation priorities to stimulate electronic information exchange between health care providers and payers. In the document, which contains detailed recommendations to reduce costs and administrative complexity in health care, Linxus has identified common situations where better information exchanged electronically could eliminate or significantly reduce unnecessary manual payment processing steps, developed uniform data requirements across health plans to respond to electronic provider inquiries, and documented general provider

best practices for handling health plans' electronic responses.

It is conservatively estimated that \$18 billion of health plans' current annual health care costs is attributed to interactions with providers such as claims payment appeals, complaints, and contract disputes related to denials, utilization reviews, and so forth. Not included in the \$18 billion, and at least double that amount, are providers' billing operations investments such as denial management, collections, and "front end" benefits determination, which require systems that can interact with multiple health plans, each with different payment rules and policies.

Linxus works collaboratively to identify, prioritize, and implement specific technology solutions that directly reduce costs

through efficiencies in payment processing and administration. Linxus plans to release a series of recommendations, the first of which is now available on its public Web site ([www.linxus.net](http://www.linxus.net)). The recommendations, which Linxus members developed collaboratively, are meant to stimulate the quantity, and improve the overall quality, of information exchanged electronically between providers and health plans.

Linxus is a not-for-profit corporation equally owned and directed by its member organizations, which include eight major hospital systems and their faculty practice groups, as well as seven health plans operating both regionally in New York and nationally. Following a successful three-year pilot managed by GNYHA, the Linxus Board voted in March 2008 to establish itself as a separate corporate entity in order to prioritize the objectives of its existing membership and to open membership to other interested health plan and provider organizations. ■

## Medicaid Moratorium Bill

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Means Committee; Peter King, who has sponsored many Medicaid bills in the past; and Chairman Pallone.

As *Skyline News* went to press, H.R. 5613 boasted 150 bipartisan cosponsors, including nearly all the members of the New York and New Jersey delegations. At the Subcommittee meeting, which GNYHA attended, Congressman Dingell offered a compromise amendment to which the ranking Republican on the Energy and Commerce Committee, Congressman Joe Barton (R-TX), had agreed. The amendment requires reports to be generated on all the regulations in question by next year, provides \$25 million in funding for anti-fraud activities, and offsets the cost of delaying the regulations—estimated by the Congressional Budget Office at \$1.7 billion over five years—by expanding a pilot program for electronically verifying Medicaid recipients' assets and borrowing money in 2013 from the Physician Assistance and Quality Improvement Fund. Congressman Barton said at the Subcommittee meeting that he hoped the changes to the bill would deter President Bush from vetoing the bill.

The next step for the bill is a "mark-up" by the full Energy and Commerce Committee, which is scheduled for April 16. The current moratoria on the GME and public provider regulations expire on May 25.

**Senate Developments:** A group of bipartisan senators, including Jay Rockefeller (D-WV), Olympia Snowe (R-ME), and Edward M. Kennedy (D-MA), have introduced the Economic Recovery in Health Care Act of 2008 (S. 2819), which, like the Dingell bill, places moratoria on seven Medicaid regulations until April 1, 2009. In addition to the moratoria, the bill would provide an increase in the Federal Medicaid matching rate for five calendar quarters for states hard hit by the economic slowdown.

**GNYHA Activities:** GNYHA and its part-

ners, 1199 SEIU United Healthcare Workers East, the American Hospital Association, and the Healthcare Association of New York State, strongly support the Dingell and Rockefeller bills—so much so that GNYHA sent a letter to Chairman Dingell in support of it (which GNYHA has shared with the New York Congressional Delegation), and, along with 1199 SEIU, placed a print ad in key Capitol Hill publications, including *Roll Call*, *The Hill*, and *Congressional Quarterly*, calling upon members of Congress to support both bills. GNYHA's letter to Chairman Dingell and an ad sponsored by the GNYHA/1199 SEIU Healthcare Education Project (see front page), as well as other information on this important issue, are available at [www.gnyha.org](http://www.gnyha.org). ■

### Upcoming GNYHA Member Briefing

#### National Incident Management System

**Date:** Thursday, May 15, 2008 • **Time:** Registration, 1:30 p.m.; Meeting, 2:00 p.m.–5:00 p.m.

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

At this meeting, GNYHA members will discuss best practices regarding National Incident Management System (NIMS) compliance, and representatives of the NYC Department of Health and Mental Hygiene will provide information about NIMS compliance activities. For more information, contact Doris R. Varlese, and to register, e-mail Laurie Sangirardi ([sangirardi@gnyha.org](mailto:sangirardi@gnyha.org)), at GNYHA. ■

## NYS Budget Finalized

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were eliminated from the final budget—including the elimination of mental health specialty rates, nursing home rebasing cuts, and all non-trend factor home health cuts—the final budget does contain some cuts for hospitals, nursing homes, and home health agencies, including a 35% Medicaid trend factor cut for all providers. In addition, some hospital and nursing home programs, including the private payer graduate medical education (GME) pool and public hospital and nursing home grants for workforce recruitment and retention, are subject to 2% across-the-board cuts proposed by Gov. Paterson shortly after he was sworn in as Governor on March 17.

In addition, hospitals will suffer a further \$15.6 million cut in private payer GME funding, which will be used to create the new program, “Doctors Across New York.” Hospitals that provide inpatient detox services will also see cuts, though Gov. Spitzer’s proposed cut will not begin until December 1, instead of April 1 as originally proposed, and will be phased in over four years (compared with the original proposal to impose the entire cut on Apr. 1, 2008). On the positive side, nursing homes will see a mitigation of the scheduled cut in workforce recruitment and retention funding; \$30 million has been allocated for this purpose.

**Inpatient Rebasing Agreement:** After many discussions among the Paterson Administration, the Legislature, GNYHA, the Healthcare Association of New York State, and 1199 SEIU United Healthcare Workers East, it was agreed that inpatient Medicaid rates, which the Spitzer budget would have “rebased” from 1981 to 2005, would not be rebased this year. Instead, the budget calls for rebasing in the future, subject to further legislation and the recommendations of a technical advisory group comprising industry and consumer representatives. It is expected that the Administration will include a rebasing proposal in the 2009–10 budget, which will be released in January. This agreement, critically, keeps intact hospital workforce recruitment and retention funding, so-called GME transfer funding, and leaves certain

services, such as HIV, burn, and epilepsy services, out of the prospective payment system, as under the current system. By staying for one more year with the current rates, “exempt services” such as psychiatry and rehabilitation will also not be subject to new regional caps.

To begin on the path toward reform, however, the budget does contain a provision to shift funding from Medicaid inpatient services to Medicaid outpatient services. This shift will be accomplished through a \$51 million across-the-board cut to Medicaid inpatient rates (excluding detox) on December 1, 2008, and a \$56 million increase in funding for outpatient services through implementation of the ambulatory payment group (APG) methodology (also on December 1, 2008). The inpatient reduction and outpatient investment will carry forward into the next fiscal

year at annualized amounts of \$153 million and \$168 million, respectively.

**Healthcare Education Project:** On April 1, the GNYHA/1199 SEIU Healthcare Education Project released a statement observing that, “Under the most challenging of circumstances . . . Governor David Paterson, Senate Majority Leader Joseph Bruno, and Assembly Speaker Sheldon Silver have crafted a sound, responsible budget that mitigates some of the most damaging cuts originally proposed and enables hospitals, nursing homes, and home care workers to continue to provide high-quality care that New Yorkers need and deserve.” The statement also noted that the budget “lays the foundation for genuine health care reforms and cost constraints . . . that will benefit all New Yorkers” and observed that this year’s budget debate “was marked at all times by respectful dialogue.” ■

### Legislative Digest

*In recent weeks, the NYS Legislature has taken action on the following health care-related bills.*

**Employee Blood Donation.** Governor Paterson recently approved S.6490/A.9429, which permits employers the option of allowing employees to donate blood twice a year during work hours, without the use of accumulated leave time, at a “convenient time and place set by the employer including allowing an employee to participate in a blood drive at the employee’s place of employment.” GNYHA supports this new law.

- **Authorized Absence From Work for Emergency Service Volunteers.** The NYS Senate passed A.7344-A/S.106-A and referred the bill to the Assembly for consideration. The bill would prohibit employers from terminating employees who are late or absent because they responded to an emergency as a volunteer firefighter or volunteer ambulance service provider. While GNYHA supports the intent of the bill, Article 28 facilities face significant staffing challenges yet must maintain essential operations 24 hours a day, 365 days a year. GNYHA supports an amendment to the bill that would exempt employers certified under Article 28 of the Public Health Law.
- **Substance Abuse Facilities in NYC.** The NYS Senate and Assembly referred A.4699-A/S.2487-A to the Alcoholism and Drug Abuse Committees for review. The bill amends the Mental Hygiene Law to provide community boards with a 60-day period to review applications and make recommendations to the Office of Alcohol and Substance Abuse Services related to applications for substance abuse facilities in NYC. GNYHA opposes the bill because it believes that the current review process conducted by the NYS Department of Health and other agencies comprehensively and efficiently evaluates the need for substance abuse services throughout NYC.
- **Medicaid Presumptive Eligibility for the Mentally Ill.** The NYS Assembly referred A.4520-B to the Ways and Means Committee. The bill provides 90 days of presumptive eligibility for seriously and persistently mentally ill uninsured individuals when they are discharged from State psychiatric centers or released from prison. GNYHA supports this bill, considering it critical to any effort to improve the care management of this population and to contain Medicaid costs.
- **Children’s Mental Health Caregiver Education and Training.** The NYS Senate referred S.6767 to the Finance Committee. The bill establishes a children’s Mental Health Caregiver Education and Training Program that provides funding for continuing education and training for “direct care, supervisory and clinical workers in children’s mental health programs.” GNYHA supports enactment of this bill into law.
- **Improving Birthing Procedures.** The NYS Assembly has passed S.5018-B/A.7674-B and the Senate has referred the bill to the Health Committee for consideration. The bill expands the list of topics for which DOH will conduct education and outreach programs for consumers, patients and providers on the importance of preconception care, early prenatal care, health risks during pregnancy, and the benefits and risks of various labor and delivery options. GNYHA supports enactment of this bill into law. ■