



December 8, 2008

# Skyline news

Reporting on New York's Health Care News

## GNYHA Proposes Plan to Reduce State Deficit, Reduce Cuts

Last week, GNYHA, in conversations with State and Federal officials, including officials of the incoming Obama Administration, discussed ways to reduce the New York State deficit to take pressure off of important safety net programs for poor New Yorkers, including Medicaid. Dubbed the “5-5-5” plan, GNYHA is urging that New York State’s deficit, currently projected to be an unprecedented \$15 billion through the next State fiscal year, be

cut by two-thirds through a combination of \$5 billion in Federal relief and \$5 billion in new State revenues. The Federal relief would come in the form of an increase in the Federal Medicaid matching rate, or “FMAP,” which Congressional leaders have stated they would like to include in a new economic stimulus plan. While earlier Congressional proposals would bring a maximum of \$4 billion in relief for New York, much larger economic stimulus proposals are in the works

such that GNYHA has begun to advocate for a plan that brings New York at least \$5 billion in Medicaid relief. The new State revenues would come from a combination of new taxes, including an increase in the personal income tax rate on the wealthiest New Yorkers. Polls—including a recent poll conducted by the Working Families Party—

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## GNYHA Helps Brief Union Delegates on State Budget

On December 2, GNYHA President Kenneth E. Raske participated in a State budget briefing of more than 700 delegates of 1199 SEIU United Healthcare Workers East at the Hilton Hotel in Manhattan. The meeting served to educate the hospital, nursing home, and home health care delegates on the financial downturn, its impact on New York State’s budget, the potential impact on the State Medicaid budget and, in turn, the impacts on hospital, nursing home, and home health agency revenues. At the briefing, 1199 SEIU President George Gresham called upon all delegates to educate themselves and their colleagues on the need to work together to

ensure that programs for the poor, such as Medicaid, are not cut without first making sure that the wealthiest New Yorkers are asked to share in the sacrifice through increases in New York’s personal income tax.

**State Deficit:** Mr. Raske informed the del-

*continued on page 2*



GNYHA President  
Kenneth E. Raske

## Obama Pledges Support to NGA

On December 2, President-elect Barack Obama and Vice President-elect Joseph Biden addressed many of the nation’s governors at a meeting of the National Governors Association (NGA) in Philadelphia. New York Governor David Paterson and New Jersey Governor Jon Corzine were among those in attendance. At the meeting, President-elect Obama made clear that he understands the fiscal problems plaguing the governors, 41 of whom are facing budget shortfalls in the coming year. “Every one of you is struggling to come up with a budget at a time when you’re facing great and growing needs,” the President-elect said. “More and more people are turning to you for help with health care or affordable housing—even as tighten-

*continued on page 3*

# New AAMC Report Confirms Dire Physician Shortage

The Association for American Medical Colleges (AAMC) recently issued an update to their 2006 report on the growing physician shortage in the United States. The new report confirms that while the number of physicians is expected to increase modestly, demand will outstrip supply through 2025 with a projected shortage of 124,000 full time physicians. In response to its 2006 report, the AAMC already has recommended that U.S. medical schools increase enrollment by 30% and that medical residency positions should similarly be expanded to accommodate this growth. The new report concludes, though, that even with a robust expansion of graduate medical education (GME) capacity, the projected shortage would only decrease by 43%.

The AAMC Center for Workforce Studies has identified that the expected shortage is likely caused by the following factors: population growth, the aging population, and aging physician workforce, as well as the in-

creased utilization of physician services. The report urges that future workforce initiatives should promote efforts to make better use of existing physicians and non-physician clinicians and other professionals to improve productivity. The AAMC recommended that these efforts should recognize and respond to physician lifestyle concerns, such as flexible scheduling. The AAMC also urges that changes to medical school capacity and the

availability of GME positions should continue to be carefully considered.

Given the length of time required to complete undergraduate study, medical school, and multiple years of residency and fellowships, the AAMC report emphasizes the critical need to address the physician shortage must begin as soon as possible. To download the full report, go to the publications section of [www.aamc.org](http://www.aamc.org). ■

## Delegates *continued*

Delegates that the Governor has projected a \$15 billion deficit through the next fiscal year, which is the highest deficit in dollar terms that any Governor has ever faced. Mr. Raske urged the delegates to help the Healthcare Education Project, a joint effort of GNYHA and 1199 SEIU, to lobby Congress for \$5 billion in new Federal Medicaid (FMAP) funding for New York, and to lobby Governor Paterson and the State Legislature for an increase in the personal

income tax on higher income New Yorkers to raise another \$5 billion—reducing the overall State budget deficit amount to \$5 billion. Even this deficit figure, Mr. Raske cautioned, would be hard to address without painful cuts in health care spending, which could lead to layoffs, service reductions, and even facility closures. The Healthcare Education Project is preparing a multi-faceted campaign to ensure that New York's health care community does not suffer disproportionately due to the State's budget woes. ■

## UPCOMING GNYHA MEMBER BRIEFING

### **GNYHA RAC TRACKER Briefing**

**Date:** Tuesday, December 16, 2008

**Time:** Session 1: 10:00 a.m.–12:00 noon

Session 2: 2:00 p.m.–4:00 p.m.

**Location:** Web-based demonstration

To ensure that hospitals are ready for the start-up of the Medicare Recovery Audit Contractor (RAC) program, which could begin as early as March 2009, GNYHA will be hosting two Web-based computer demonstrations of the new GNYHA RAC TRACKER tool (please note that the content of both sessions will be the same). The GNYHA RAC TRACKER tool was used successfully by many hospitals during the RAC demonstration and has been modified and enhanced in anticipation of the national program launch. GNYHA encourages all member hospitals to participate in one of these demonstrations, as the RAC TRACKER tool will be available to members at no cost. To participate in the Web training, please contact Stewart Presser at [presser@gnyha.org](mailto:presser@gnyha.org). ■

### **Briefing on Energy Efficiency**

**Date:** Tuesday, December 16, 2008

**Time:** 2:00 p.m.–5:00 p.m.

**Location:** GNYHA Conference Room

GNYHA will hold a briefing on energy efficiency and cost saving opportunities that will also serve as a kick-off of GNYHA's new Energy Workgroup. The briefing will outline what GNYHA has been and will be doing to assist members in managing and reducing their energy consumption and related costs. GNYHA, member experts, the New York City Mayor's Office of Long Term Planning and Sustainability, the New York City Economic Development Corporation, and the Clinton Climate Initiative will all give presentations. GNYHA recommends that member institutions send finance and operations personnel to this briefing. For more information, please contact Alison Burke or Rebecca Urbach at GNYHA. To RSVP, please contact Rosanne Casey ([rcasey@gnyha.org](mailto:rcasey@gnyha.org) or 212-262-6350). ■

## State Deficit *continued*

have shown that New Yorkers believe that the State budget cannot be balanced through funding cuts alone, and that three-quarters of New Yorkers would support an increase in income taxes on those making over \$200,000 per year to help close the State budget gap. If \$5 billion can be obtained in Federal relief and another \$5 billion in new revenues, that would leave a \$5 billion deficit to be addressed through cuts in all categories of State spending. While just a third of the overall deficit, \$5 billion is a large amount to cut by historical standards, and could lead to dislocation in the health care sector, including layoffs, service reductions, and facility closures. To that end, GNYHA is advocating for State actions to reduce provider costs, including medical malpractice insurance reform and HMO reform. New York Governor David Paterson is expected to release his Executive budget proposal on December 16. ■

# GNYHA Receives UHF Health Care Improvement Grant

On December 1, the United Hospital Fund (UHF) presented the GNYHA Foundation with a 2008 Health Care Improvement Grant toward a second year of quality improvement activities. The two-year, \$500,000 grant will fund a number of new and ongoing Collaboratives, co-sponsored by Greater New York Hospital Association and UHF. In presenting the award to GNYHA Vice President for Quality and Patient Safety Terri Straub, UHF President Jim Tallon said, "Through all of this hard work, New York is becoming a national leader in improving quality and patient safety, and is developing an infrastructure that can sustain quality improvement efforts into the future."

**The Collaboratives:** The GNYHA-UHF quality partnership began in 2005 with the Central Line-Associated Bloodstream Infection (CLABs) Collaborative, which included 38 hospitals and saw a 70% re-

duction overall in infection rates. Building on the success of the CLABs Collaborative, GNYHA and UHF launched the Rapid Response System Collaborative, which aims to reduce cardiac deaths by dispatching clinical teams to the bedside before early warning signs escalate to a crisis; the Perinatal Safety Collaborative, which works to increase the safety of labor and delivery for mothers and infants through a team approach; and a collaborative that is developing a new evidence-based "bundle" of protocols to reduce the incidence of the *Clostridium difficile* or *C. diff* infection.

**New Projects:** In 2009, GNYHA and UHF will apply the Health Care Improvement

Grant funding to at least two new programs. The first, the Clinical Quality Fellowship, is an intensive training program that will prepare clinical professionals to become leaders in quality improvement initiatives. The 15-month curriculum, which includes learning retreats, educational conference calls, mentor support, and mini-workshops, will launch in January 2009. GNYHA and UHF are also working with IPRO, New York State's quality improvement organization, to launch

a new collaborative to address Methicillin-resistant *Staphylococcus aureus* (MRSA) infections. To learn more about these programs, contact Terri Straub or visit <http://www.gnyha.org/4700/Default.aspx>. ■



Members of the Quality Collaborative Team and Experts-on-Call at the 2008 UHF Grant Awards: Andrea Hoberman (UHF), Gina Shin (GNYHA), Lori Finkelstein-Blonde (Mt. Sinai), Carmel Reardon (Montefiore), Kathi Mullaney (Metropolitan), Rachel Stricof (New York State DOH), Hillary Jalon (UHF), Barbara Smith (St. Luke's Roosevelt), Terri Straub (GNYHA), David Calfee (Mt. Sinai), Brian Koll (Beth Israel Medical Center)

## Obama *continued*

ing credit markets and falling tax revenues make it more and more difficult to provide that help...To solve this crisis and to ease the burden on our states, we need action—and action now." The NGA, through NGA Chairman Governor Ed Rendell (D-PA) and Vice-Chairman Jim Douglas (R-VT), has asked the President, President-elect, and Congress to pass an economic stimulus plan that includes an increase in the Federal Medicaid matching rate, or FMAP, for two years. While the President-elect did not offer specifics at the meeting, he has supported economic stimulus bills that have included FMAP increases in the past, and has promised to sign into law an economic stimulus plan as soon as he takes office in January. GNYHA is urging Congress to pass an FMAP increase that would provide at least \$5 billion for New York to deal with an estimated \$15 billion budget deficit through the end of the next State fiscal year. ■

## NY Nursing Home Campaign Highlighted

On December 2, the Continuing Care Leadership Coalition (CCLC), the long term care affiliate of the Greater New York Hospital Association, presented on best practices in organizing statewide long term care quality improvement initiatives at a national conference on nursing home quality in Dallas, Texas. The conference brought together the leadership and members of Advancing Excellence in America's Nursing Homes, a national campaign to improve quality in nursing facilities. The campaign, launched in 2006, harnesses the leadership of an unprecedented group of stakeholders from across the nation—providers, professionals, consumers, government agency representatives, members of Congress, labor, foundations, and quality improvement experts.

CCLC has joined together with three other associations in New York State to create the Empire Quality Partnership—the first association-driven model in the national campaign. Since the establishment of the Empire Quality Partnership in 2007, New York significantly increased nursing home participation in the campaign, growing from 47 in May 2007 to 133 in December 2008. Participating providers demonstrate their commitment to quality by selecting and setting targets in at least three of eight quality "domains." The campaign also allows consumers and staff members to join in supporting the campaign. In New York State and nationwide, campaign participants are showing a faster rate of improvement in meeting the targets than non-participants. For more information about the campaign, please visit the campaign Web site at [www.empirequality.org](http://www.empirequality.org). ■

# GNYHA Holds Pediatric Medication Safety Conference

On December 2, greater New York's health care community gathered to discuss pediatric medication safety concerns and best practices. Nearly 200 nurses, pharmacists, physicians, quality officers, and hospital administrators attended the event—with dozens more viewing the conference online. The event was organized by Terri Straub, GNYHA Vice President for Quality and Patient Safety, and Dr. Elizabeth Shlom, GNYHA Services, Inc., Vice President and Director, Clinical Pharmacy Services, and was sponsored by the GNYHA Section on Children's Health—a workgroup focusing on the specific needs of pediatric providers.

**Keynote Address:** Sorrel King, one of the nation's foremost patient advocates and founder of the Josie King Foundation, delivered a powerful keynote address to launch the conference. Ms. King shared how she lost her toddler daughter Josie due to a simple medication error and how she has used her experience to educate patients, families, and health

care providers about medication safety and effective communication. Ms. King discussed a number of initiatives currently underway at the Foundation, including a program to help hospitals institute family-initiated rapid response teams—something a number of hospitals are doing through the GNYHA/UHF Rapid Response System Collaborative.

**Featured Speakers:** Following Ms. King, Matthew Scanlon, MD, Associate Professor, Pediatric Critical Care, Medical College of Wisconsin, Associate Medical Director of IS, Children's Hospital of Wisconsin, discussed the role of human factors in medication safety and how to effectively apply information about human behavior to systems design. Tim Lesar, PharmD, Director of Clinical Pharmacy Services and Patient Care Services Director, Albany Medical Center, then gave a presentation on practices for preventing pediatric medication errors. Dr. Lesar listed a number of challenges when addressing



Keynote Speaker  
Sorrel King

children's medication safety, including errors in adjusting dosage to appropriate levels. Similar to Dr. Scanlon, he said that pediatric medication safety should be viewed as a "system of systems" when measuring and designing improvements.

**Member Panel:** The event concluded with a panel of GNYHA members—including Enrico M. Ligniti, PharmD, MSCP, Clinical Manager, Division of Pediatric Critical Care Medicine - Columbia University College of Physicians

& Surgeons & Department of Pharmacy Services at Morgan Stanley Children's Hospital of New York-Presbyterian Hospital; Peggy Quinn, RN, MPH, Director of Quality and Compliance, Morgan Stanley Children's Hospital of New York-Presbyterian Hospital; Kelly Michienzi, PharmD, Kaleida Health; and Marcia Lutz, RN, CPH, MSN, the Children's Hospital at Montefiore—who shared a variety of best practices and took audience questions. ■

## State COGME Reviews GME Reform Agenda

The New York State Council on Graduate Medical Education (COGME) held a plenary session on December 1 to hear updates on the status of several new programs authorized as part of the 2008-09 State budget agreement. COGME is an advisory body to the New York State Department of Health (DOH) charged with making recommendations on ensuring an appropriate supply and distribution of practicing physicians as well as ensuring a strong physician post-graduate training system that supports New York's health care system. At the plenary session, Jean Moore, Director of the Center for Health Workforce Studies, University at Albany, discussed key findings from the Center's upcoming report forecasting the physician supply and expected demand in New York. At the meeting, Council members also received reports from the chairs of four

workgroups established earlier this year to focus on specific State initiatives.

**Workgroup Updates:** The Workgroup on the GME Innovations Pool has recently begun discussions regarding priorities to be included in a request for applications (RFA) that is expected to be distributed in June 2009. The RFA would be the mechanism for teaching hospitals to access competitive awards made for projects to develop special curricula for targeted areas, such as public health and e-learning, develop strategies for residents to contribute to better patient care, and other initiatives. The total funding available under this RFA would be approximately \$42 million. The Workgroup on Transparency and Accountability is currently piloting a template form for hospitals to use to prepare and submit an institutional GME budget to DOH. The final form is expected to be distributed by

January 1, 2009, with a due date of February 1, 2009. The Workgroup on Ambulatory Care Training has been developing eligibility and preference criteria for an RFA that would be the mechanism for community health centers and physician practices to access competitive awards made for projects that will support ambulatory care training of residents. This RFA is expected to be released in early 2009. The Workgroup on Ambulatory Care Quality and Performance Standards submitted a comment letter to DOH in August 2008 indicating general support and making additional recommendations with regard to draft Medicaid primary care standards released by DOH. The primary care standards have not yet been finalized and COGME members indicated their intent to continue the conversation with DOH officials in order to encourage DOH to adopt additional Workgroup recommendations. ■

The op-ed below, from GNYHA President Kenneth E. Raske, appeared in the December 1, 2008, issue of *Modern Healthcare* magazine and is reprinted with permission.

## Oldie, But a Goodie

### With Credit Still in the Deep Freeze, Time is Right for a Modern Hill-Burton Act

On Aug. 13, 1946, in a watershed moment for healthcare in the U.S., President Harry Truman signed the Hospital Survey and Construction Act, better known as the Hill-Burton Act for its sponsors, Sens. Lister Hill of Alabama and Harold Burton of Ohio. Among other provisions, the law provided federal grants and low-cost loans to hospitals to improve the physical plant and accessibility of the nation's healthcare system. In short order, Hill-Burton stimulated an enormous hospital construction boom that brought healthcare within the geographic reach of almost every American.

Indeed, when renewing Hill-Burton 18 years later, President Lyndon Johnson said, "We are supporting, as no nation on Earth has ever supported, the strength of our medical profession. ... I believe that we are pursuing a sensible and yet a most responsible course."

Fast-forward to October 2008. As Congress worked on the fine print of a massive bailout of the financial services industry, a New York Times article declared that lending relief for capital-starved hospitals "cannot come too soon." The tax-exempt market has virtually frozen solid with no signs of thawing, and the troubles at Fannie Mae and Freddy Mac have cast a pall on lending opportunities across all sectors.

Especially troubling for hospitals, many potential investors in municipal bonds now view traditional credit enhancements—such as bond insurance—as unreliable. These snowballing developments are not occurring in a vacuum. Rather, they threaten to exacerbate the fiscal problems that

were plaguing America's hospitals long before the stock market plunged, including relentless Medicare and Medicaid funding cuts, soaring medical malpractice costs, unsustainable pension fund contributions and the swelling ranks of the uninsured. Absent a financing mechanism to ensure they have the resources to care for their patients and serve their communities, many hospitals will soon have no choice but to eliminate services, lay off workers and possibly shut their doors.

The closing of a restaurant or supermarket or retail store is one thing. The closing of a hospital, whose mission is to care for everyone who walks through its doors, regardless of their ability to pay, is quite another.

Perhaps more than any other time in their history, hospitals need ready access to capital.

They need a 21st century Hill-Burton.

For hospital after hospital, access to capital is either crippled by inordinately high interest rates or nonexistent funds. These are often the same institutions that care for large numbers of uninsured and underinsured patients and serve as both family doctor and social anchor for their communities. Many are the largest employer in the area. They are indispensable but they cannot maintain healthy bottom lines.

Many reports over the past few years have cited a laundry list of obstacles to hospitals' financial health, including the cost of capital projects, the collapse of the auction-rate market, costly debt restructuring and a greater reliance on government and self-pay patients.

From Maine to California, financially

strapped hospitals with high capital needs are putting off sorely needed construction projects. The singular goal of hospital construction, whether building brand new facilities or renovating and expanding existing plants, is better patient care. These projects create increased outpatient and inpatient capacity, more efficient emergency rooms and the launch or upgrading of services.

Similarly, hospitals are being forced to delay purchasing state-of-the-art medical equipment and information technology to the detriment of patient outcomes.

Grants and low-cost loans via a new Hill-Burton would extend America's hospitals a lifeline at a dire time, demonstrate the federal government's commitment to the nation's healthcare system and affirm President Johnson's 1964 declaration that "good medical practice and good facilities are inseparable." Priority should be given to hospitals that disproportionately serve the uninsured or underinsured, provide vital community services and/or deliver state-of-the-art care, research or training.

The perception of a hospital's role and obligations has changed, particularly since the Institute of Medicine's 1999 report on patient safety, *To Err is Human*, and a subsequent report on healthcare quality, *Crossing the Quality Chasm*. Both led to demands from virtually all healthcare stakeholders that hospitals address the urgent need to improve quality. But meeting new demands—and sometimes mandates—for data collection for quality measurement, computerized order entry and electronic medical record systems (to name a few)

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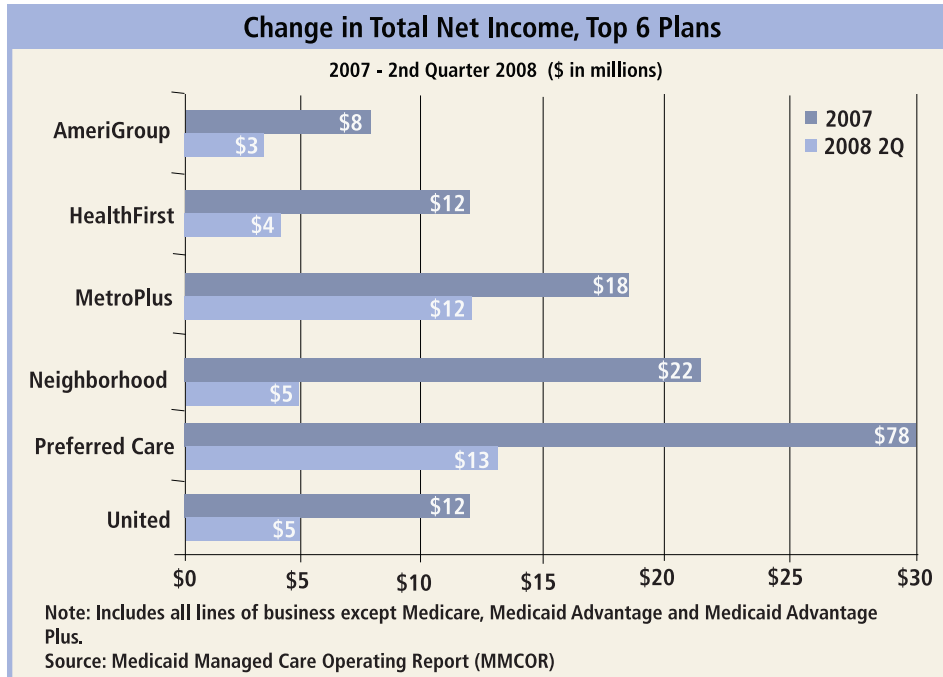
# NY Health Plans Report Medicaid Losses, Medicare Gains

Through the first six months of 2008, health plans that participate in New York State-sponsored programs—Medicaid managed care (MMC), Child Health Plus (CHP) and Family Health Plus (FHP)—reported net losses of \$64 million on these three lines of business combined. Despite losses from these State program lines, plans performed well through the first half of the year, earning \$59 million, due primarily to nearly \$107 million in profits from Medicare Advantage.

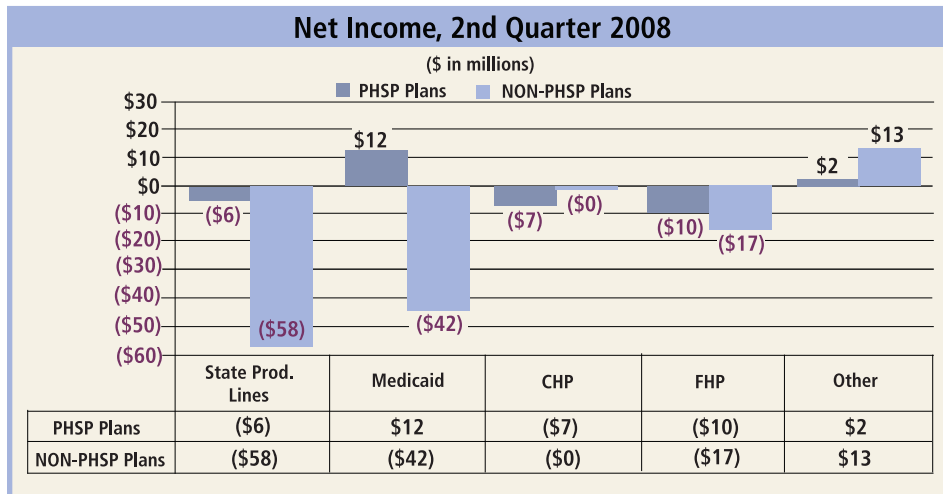
**Plan Data:** PHSPs (Prepaid Health Services Plans) reported a combined loss of \$6 million, with \$7 million and \$10 million in losses from

CHP and FHP, respectively, while earning positive income of \$12 million from MMC. Commercial plans lost \$58 million on these three product lines, primarily due to MMC (\$42 million), with an additional loss of \$17 million from FHP. Of the 23 plans that reported data for these product lines to the State—via the Medicaid Managed Care Operating Reports (MMCOR)—16 reported losses through the first half of 2008, for total losses of \$64 million. HIP has taken the largest hit, losing nearly \$42 million (\$27 in MMC, \$14 in FHP), followed by Affinity (\$14 million) and HealthPlus (\$8 million). ■

**Change in Total Net Income, Top 6 Plans**



**Net Income, 2nd Quarter 2008**



## GNYHA SERVICES WEBINARS

Over the past several months, GNYHA Services, Inc. has held an informational series about suppliers with which we have favorable pricing agreements for products or services that are intended to address members' needs. Information for the final Webinar of the 2008 Supplier Symposium is noted below. If you have questions or need further information, please contact Barbara A. Green at [green@gnyha.org](mailto:green@gnyha.org).

### Sentry Data Systems

**Date:** Wednesday, December 17

**Time:** 10:00 a.m. – 11:00 a.m.

Sentry Data Systems, which offers technology solutions that primarily focus on helping 340B-eligible hospitals fully participate in and comply with the Federal 340B Drug Pricing Program, will discuss how its turnkey solutions assist eligible institutions enroll in the 340B Program, track and maintain an audit trail of drugs that are supplied by the hospital's inpatient pharmacy for outpatient purposes, contract with one or more third party pharmacies for the purpose of dispensing outpatient drugs purchased at 340B Program prices, purchase drugs for outpatient purposes at considerable savings, assure that drugs are supplied only to patients who meet the 340B Program definition of a patient, and safeguard against the inappropriate diversion of drugs. ■

## Oldie, But a Goodie *continued*

are an enormous financial challenge for hospitals. A modern Hill-Burton would be invaluable to those that lack the capital to improve quality and patient safety.

Finally, a new Hill-Burton would spur a proliferation of "green" hospitals featuring earth-friendly construction materials and large windows that allow more natural light—changes that may bring more benefits than just energy conservation. Many healthcare architects and hospital officials believe brighter buildings more in tune with the environment help patients heal faster.

Whether the stock market is sky high or falling fast, hospitals never close their doors. They need and deserve the government's strong support. No less than in 1946 or 1964, a new Hill-Burton would be both sensible and responsible healthcare policy. ■