



December 22, 2008

Skyline news

Reporting on New York's Health Care News

Governor Paterson Calls for Deep Health Care Cuts

On December 16, New York Governor David Paterson released his budget proposal for the remainder of the current State fiscal year (SFY) and for SFY 2009–10, which begins on April 1, 2009. The Governor's proposal, which seeks to close an estimated \$15 billion budget deficit, contains \$3.5 billion in health care cuts and taxes, including an unprecedented level of funding cuts to hospitals, nursing homes, and home health care providers as well as new hospi-

tal and home health provider taxes. These measures, if enacted, would result in layoffs, elimination of services and, in some cases, facility closures.

Industry in peril: In addition, the Executive Budget contains major changes in Medicaid reimbursement methodologies for hospitals, nursing homes, and home health care, which slash spending in all three sectors. In a press statement, the Healthcare Education Project (HEP), a joint project of GNYHA and 1199 SEIU United Healthcare Workers East, decried the lack of "shared sacrifice" in the

budget because the Governor assumed no Federal relief despite the fact that President-elect Barack Obama and the Congressional leadership have promised billions in aid;

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HEP Launches Budget Advocacy with TV Ad

On December 17, the Healthcare Education Project (HEP), the joint initiative of GNYHA and 1199 SEIU, launched its SFY 2009–10 budget advocacy campaign with a TV ad advocat-

ing for "Fair Share Tax Reform"—which would increase taxes only on those making over \$250,000. The ad, entitled "Tis' the Season," illustrates the importance of a budget solution that spreads the sacrifice among all New Yorkers. The ad will be seen in every part of the State and will run from December 17–23rd. To complement the ad, HEP has also launched a Web site, www.FairShareReform.com, which offers details about HEP's Fair Share Tax Reform plan and provides the public with a grassroots opportunity to spread the Fair Share Tax Reform message with family and friends. You may view the TV ad online by visiting the SFY 2009–10 Budget Section of the www.gnyha.org home page. ■

CMS Approves Changes to Medicaid Ambulatory Care

The New York State Department of Health (DOH) received approval of two major hospital ambulatory care investments and reimbursement reforms last week from the Centers for Medicare & Medicaid Services (CMS). First, CMS approved an increase in the emergency department rate from \$95 per visit to \$125 per visit for calendar year (CY) 2007 and \$140 for CY 2008. DOH will issue revised emergency department rates and reprocess claims for 2007 and 2008 at the new rates once they are approved by the State Division of the Budget (DOB). In addition, CMS approved implementation of a new ambulatory care

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Happy Holidays!

This is the final issue of *Skyline News* for 2008. *Skyline News* will resume publication on January 12, 2009. GNYHA wishes all *Skyline* readers a happy holiday season.

GNYHA Briefs Members on Cultural Competency

On December 10, GNYHA hosted a member briefing to discuss upcoming developments in cultural competency. Two national organizations, The Joint Commission and the National Quality Forum (NQF), separately are developing new criteria for addressing cultural competency in health care. The Joint Commission has begun an 18-month project to create new hospital accreditation standards or amend existing standards to specifically address cultural competency. The Joint Commission has partnered with the National Health Law Program to develop the implementation guide by January 2010 with the intention of making the new standards part of the accreditation process in January 2011. Separately, NQF since 2007 has been developing a comprehensive national framework for evaluating cultural competency across health care settings. Voting members of NQF have until December 22, 2008, to vote for the endorsement of some or all of the 45 proposed cultural competency practices.

GNYHA was also pleased to have speakers from three member institutions describing their innovative efforts to address cultural

competency with limited resources. Virginia Tong, MSW, from Lutheran Medical Center, described her hospital's efforts to address cultural competency through a combination of grant-seeking activity and partnerships with community-based organizations. Jeffery Bentley, from Coler-Goldwater Specialty Hospital and Nursing Home, discussed the cultural competency assessment tool his institution developed as well as plans to incorporate the tool into annual performance reviews to ensure that staff continuously focus attention on cultural competency. Lastly, Thanakorn Jirasevijinda, MD, FAAP, from Weill Cornell Medical College and Bronx Lebanon Hospital Center, spoke on the importance of training medical residents in cultural competency. He also described a cultural competency assessment tool that was designed and is currently being piloted in cooperation with the GNYHA Foundation. This tool was specifically designed to gauge cultural competency among medical residents and to facilitate continuous improvement of cultural competency training in medical residency programs. For more information on health care cultural competency, visit the Health Disparities Resource Center at www.gnyha.org. ■

Project Hypothermia Launch Date Changes

In past communications, GNYHA announced that the Fire Department of New York City (FDNY) is collaborating with New York City hospitals to implement an initiative called "Project Hypothermia." Once implemented, the project will put in place protocols for New York City Emergency Medical Services (EMS) to transport certain cardiac arrest patients to hospitals that provide therapeutic hypothermia, which has been shown to improve outcomes for these patients. As part of the project, FDNY also proposes to collect information from hospitals specific to each patient transported under Project Hypothermia for the purposes of monitoring the success of the project.

Hospitals in New York City recently received a letter from FDNY inviting them to participate in this initiative, outlining the requirements, and announcing a project launch date of January 1, 2009. Since then, GNYHA has been working with FDNY to clarify aspects of the project and to request that FDNY delay the start date until *January 5, 2009*, to avoid implementing new protocols over a holiday weekend. FDNY has agreed and will begin transporting patients under Project Hypothermia on Monday, January 5, 2009. In addition FDNY has clarified that although EMS will begin implementing the new protocol on January 5, hospitals can sign on to the project on a rolling basis.

On Monday, January 5, 2009, GNYHA will host an informational briefing to further clarify the details for participating in the project, including the data collection form and process. Hospitals that sign on and those considering adopting the hypothermia protocols are urged to attend. Officials from FDNY will attend the briefing and present their project work plan and respond to questions. For more information about Project Hypothermia or the GNYHA briefing contact Zeynep Sumer. ■

SHRPCUPDATE

At its December 11, 2008, meeting, the State Hospital Review and Planning Council (SHRPC) approved (in some cases with conditions or contingencies), the following GNYHA member projects: **University Hospital, Stony Brook**, construction of an interventional neuroradiology suite; **Mount Sinai Hospital**, replacement and upgrading of its electronic medical record (EMR) system; **Long Island Jewish Medical Center**, construction of 115 replacement psychiatric beds; **St. Barnabas Hospital**, construction of a six-story structure to accommodate a parking garage and expansion of its information technology department; and **New York Downtown Hospital**, certification and construction of a magnetic resonance imaging (MRI) service.

SHRPC Planning Committee Report: At the meeting, James X. Kennedy, Chair of the SHRPC Planning Committee, reported on the status of the State's certificate of need (CON) reform activities, including a summary of the initial set of recommendations for reform put forward by the State Department of Health (DOH). GNYHA has submitted comments on DOH's initial recommendations as well as a more extensive set of reform recommendations developed by GNYHA in conjunction with a workgroup of GNYHA members. GNYHA's comments focus on the importance of significantly increasing the cost thresholds, exempting a number of projects from review, and streamlining the review process. GNYHA has requested that DOH begin to implement its proposed policy and process changes as soon as possible in order to speed the review of applications, thereby saving costs and resources for DOH and providers alike. ■

CBO Issues Budget Options for Health Reform

In a much anticipated release, the Congressional Budget Office (CBO) on December 18 issued a framework for analyzing health reform proposals, along with an accompanying volume on discrete budget options in an effort to inform ongoing reform discussions on Capitol Hill. Serving as CBO Director until he was tapped by President-elect Barack Obama last month to head the White House Budget Office, Peter Orszag directed his staff months ago to compile this analysis and scoring document to assist lawmakers as they consider changes to the nation's health care system.

With President-elect Obama officially nominating former Senate leader Tom Daschle as U.S. Department of Health & Human Services (HHS) Secretary and also

appointing him as the head of the newly created Office of Health Reform, all signs point to health reform as a key area of focus for the next Administration. Getting a jump on

those possible reform efforts, Senate Finance Chairman Max Baucus (D-MT) has convened nearly a dozen hearings and round-

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Health Care Cuts *continued*

provided for no broad-based tax increases through reform of the personal income tax despite strong public support for an increase on the wealthiest New Yorkers; provided no medical malpractice insurance reform or payer reform to help reduce provider costs so they can better absorb funding cuts; and does not share cuts equitably across all sectors of State spending. "Providing New York's most vulnerable residents with health insurance doesn't mean much when you also propose cuts that will quite literally destroy hospitals' ability to care for them," said GNYHA president Kenneth E. Raske. "And how can a budget that will force hospitals to slash services, lay off workers, and even shut their doors for good be called shared sacrifice? Who's doing the sharing? Over 80% of nursing home revenue and home care funding comes from Medicaid. How can they sustain this? No other industry will be impacted so severely. Quite simply, this budget weakens health care in New York beyond repair." The Governor has asked the Legislature to complete action on the budget one month early, by March 1, 2009.

Specifics: The Executive Budget includes health care spending cuts and taxes of \$3.5 billion, including \$799 million in hospital cuts and taxes, \$424 million in nursing home cuts, and \$190 million in home care cuts and taxes. Many of these are cuts to the Medicaid program, causing an equal loss of Federal funds, while Medicaid inpatient hospital cuts also trigger a loss of Medicaid HMO funding. Consequently, GNYHA's preliminary estimate of the total hit is \$1.4 billion to hospitals, \$845 million to nursing homes, and \$360 million

to home care providers.

More harm: The Governor's budget would also eliminate the HCRA GME pool. First, HCRA GME funding would be cut by \$24.3 million for 2008 and every year thereafter. Second, the Executive Budget would cut half of the remaining \$282 million in HCRA GME pool funding and transfer the other half of it—\$141 million—to the bad debt and charity care pool. Because the bad debt and charity care funding is matched by the Federal government, there is no actual aggregate reduction in funding to hospitals due to the transfer; however, the funds would be allocated to teaching hospitals under a different methodology than the current HCRA GME methodology, thus redistributing the funds. The Executive Budget also contains new health care-related taxes, including a 0.7% tax on hospital gross receipts and a 0.7% tax on total home health provider revenues.

HEP responds: HEP has launched an advocacy campaign to restore many of these health care cuts in favor of shared sacrifice across all sectors. For more information about the HEP campaign, see page 1. ■

UPCOMING GNYHA MEMBER BRIEFINGS

Project Hypothermia Briefing

Date: Monday, January 5, 2009

Time: 2:30 p.m.—4:00 p.m.

Location: GNYHA Conference Center

GNYHA will host an informational briefing on the New York City Fire Department's (FDNY) Project Hypothermia. GNYHA encourages members to attend to hear from David Prezant, MD, Chief Medical Officer of FDNY, on the rollout plans for the project. During the briefing Dr. Prezant will further clarify the work plan, data collection form and process for Project Hypothermia, which launches on January 5, 2009. To RSVP, please contact Yasmin Hilal (yhilal@gnyha.org; 212-258-5370). ■

GNYHA Budget Briefing

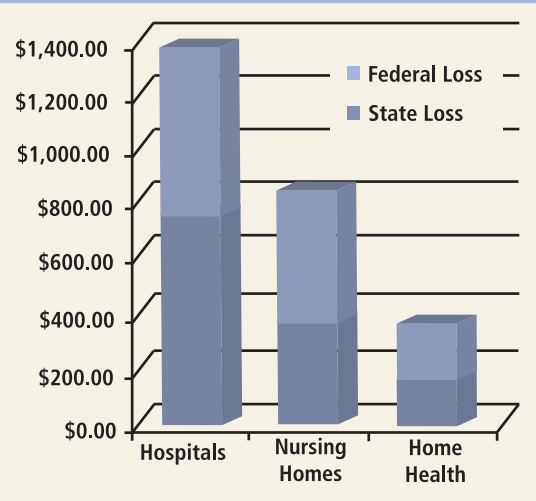
Date: Thursday, January 8, 2009

Time: 2:00 p.m.—4:30 p.m.

Location: GNYHA Conference Center

To provide members with comprehensive information on Governor Paterson's proposed budget cuts for SFY 2009-10, GNYHA, in collaboration with the Healthcare Association of New York State, has scheduled a membership briefing on the proposed Executive budget for January 8, 2009. To register for the briefing, please contact Theresa Simon at 212-246-7100. ■

SFY 2009-10 Provider Losses Due to the Executive Budget (\$ in millions)



United Changes Inpatient Admission Notification Policy

UnitedHealthcare (UHC) will implement the next phase of its inpatient admission notification protocol effective January 2, 2009. A number of hospitals have negotiated contract provisions that preclude UHC from applying any reimbursement reductions for late notifications. However, for hospitals without such contract provisions, UHC will begin imposing reimbursement reductions of 50% for admissions on or after January 2, 2009, when the insurer is notified more than 24 hours after the admission for weekday admissions and

later than 5:00 p.m. on the next business day for weekend and holiday admissions. This policy will apply to all admissions, including maternity. Hospitals that have agreed to provide electronic notification via the EDI 278 transaction will remain exempt from reimbursement reductions through March 31, 2009. The previous UHC policy, which had been in effect since August 2008, imposed reimbursement reductions only where notifications were made more than 72 hours after a weekday admission or after 5:00 p.m. on the next business day for weekend and

holiday admissions. No reductions were imposed on maternity admissions.

Aggregate data shared with GNYHA by UHC indicates that the notification requirements continue to present problems for hospitals, with a significant number of hospital admissions occurring without notification in accordance with UHC requirements. Upon request, UHC will provide hospitals with reports that detail individual hospital performance with respect to the notification timeframes. GNYHA encourages hospitals to access these reports in order to assess their own performance and to determine the potential impact of the continued phase-in of UHC's admission notification policy. ■

Clinical Quality Program Selects First Fellows

Greater New York Hospital Association (GNYHA) and the United Hospital Fund (UHF) have selected the first class of fellows to begin the Clinical Quality Fellowship Program (CQFP), an intensive 15-month structured collaborative to develop a cadre of leaders to advance patient safety and quality in the region. The program seeks to enhance participants' capabilities to improve the quality, efficiency, and safety of patient care by developing their skills and knowledge to lead quality and patient safety initiatives. Fellows will be exposed to a wide variety of tools, interactive sessions, and strategies in the field of quality and patient safety and return to their institutions with the skills to become change agents and champions of a "culture of

safety."

Due to overwhelming interest in the program, the CQFP Advisory Panel had the challenging task of selecting 16 participants from more than 30 highly qualified candidates. As part of the rigorous application process, candidates were asked to demonstrate their interest in health care quality and patient safety through personal career statements and skills assessments. In addition, applicants were required to submit letters of recommendation from their hospital CEOs, CMOs, direct supervisors, and nursing colleagues. Ultimately, participant selection was based not only on applicant credentials and qualifications, but also the desire to obtain a geographically diverse class of fellows from throughout the greater New York region. With participants selected, the CQFP is set to begin in January 2009. ■

Budget Options *continued*

tables on the subject over the past year, and pledged again last week that he would unveil a health reform bill next month to kick off the 111th Congress. The bill is expected to largely mirror the white paper he released in November.

The CBO release last week, however, is notable for the breadth of potential budget options included to finance the delivery of a massive overhaul of the health care system. The document outlines 115 different proposals aimed at expanding health insurance, improving quality, or reducing Federal costs. In response, Senate Budget Committee Chairman Kent Conrad (D-ND) said, "These extensive reports will provide Congress with crucial information and analysis as we undertake health care reform and seek out ways to control health care costs."

While the budget options included in CBO's report did cut across all sectors of the health care industry, several options pose particular concerns for hospitals. Advocating for coverage expansion to the uninsured while protecting hospitals from damaging cuts, GNYHA will continue to work with lawmakers in Washington in developing reform legislation in the coming months. The CBO document is available at <http://www.cbo.gov/doc.cfm?index=9924>. ■

Ambulatory Care Changes *continued*

reimbursement methodology, ambulatory patient groups (APGs), and an investment of \$182.5 million in ambulatory care services. It should be noted, however, that this investment is offset by a reduction in hospital inpatient rates of \$154.5 million. The APG

changes are effective beginning December 1, 2008, for clinic and ambulatory surgery services and January 1, 2009, for emergency department services. DOH expects to begin processing claims under the APG system in early January 2009. ■