STAT News

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FEDERAL UPDATE: Technical Amendment a "No Go"

Congress passed an omnibus spending bill to fund the government through the remainder of the 2016 federal fiscal year, which ends on September 30, 2016. The president is expected to sign it shortly, as the current short-term continuing resolution in effect will expire December 22, 2015 and with it funding for government operations. The omnibus spending bill, however, did not contain the technical corrections sought by the hospital industry to the Bipartisan Budget Act, which was signed in November 2, 2015. That law sets forth a damaging Medicare payment cut to hospitals, known as the site-neutral payment cut. The technical correction sought is to allow off-campus hospital outpatient departments under development to qualify as grandfathered facilities, and to continue receiving the higher facility-based outpatient reimbursement rate. Site-neutral refers to the Center for Medicare and Medicaid Services' categorization of all hospital-based outpatient departments to be the same, whether the care is delivered in a physician office or hospital-based clinic. This is despite the substantially higher cost of overhead and skilled staffing mix in the hospital setting. The omnibus spending law prospectively limits, as of November 2, 2015, any new off-campus, non-emergency department, hospital-based arrangement from billing under the higher outpatient hospital-based rate. Those outpatient facilities that were billing under this rate structure before November 2 are grandfathered in. This means sites under construction or existing sites that might change ownership in the future will be paid at the lower rate. The hospital industry says it will continue to seek relief for hospitals from this damaging law through the regulatory/implementation process. In New York, there are dozens of off-campus, provider-based hospital outpatient departments in the works, especially as healthcare delivery transforms to a community-based and outpatient model.

STATE UPDATE: Hospitals Request Clarification about Health Republic

The deadline for enrolling in health insurance with an effective date of January 1, 2016 has passed. The New York State of Health marketplace was extremely busy processing last minute applications. Marketplace activity was heightened in recent weeks due to the collapse of insurer Health Republic and the subsequent auto and self-select enrollment of these policy holders into alternate plans for December. The plan's collapse has left hospitals located in Suburban Hospital Alliance regions with about $100 million in unpaid claims and counting. Hospitals on Long Island and in the Hudson Valley were disproportionately hit by the demise of Health Republic, as nearly 70 percent of the insurer's customers resided in these two regions. Suburban Hospital Alliance president/CEO Kevin Dahill sent a letter to the state last week inquiring about how the state intends to rectify the situation for hospitals. As of today, there has been no communication from the state.

The Suburban Hospital Alliance's Long Island regional affiliate – the Nassau-Suffolk Hospital Council (NSHC) – is one of three lead enrollment agencies for that region. The Hudson Valley region is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties, and the Westchester County and Rockland County Departments of Health. Individuals and small businesses can shop the marketplace through an online portal – www.nystateofhealth.ny.gov, by calling the state's customer service number 855-355-5777, or by meeting with a state-certified navigator.

The NSHC navigator agency maintains a user-friendly, bilingual website that lists enrollment sites and dates and other helpful information at www.coverage4healthcare.com.

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www.normet.org

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Nassau-Suffolk Hospital Council
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