

NorMet News . . . August 2012

A Monthly Publication of the Northern Metropolitan Hospital Association

NorMet News publication is a summary of regulatory and legislative news, advocacy messages, and other relevant issues affecting the delivery of hospital and health care in the Hudson Valley.

Health Care Legislation Makes Its Way to Governor

Hospital advocates monitor legislative outcomes

The observation care services legislation initiated by the Suburban Hospital Alliance of New York State, LLC and passed by the Senate and Assembly awaits delivery to the governor, while managed care reform legislation strongly supported by the Suburban Alliance was signed into law by Governor Cuomo on August 1, 2012. The Suburban Alliance, the joint advocacy arm of the Northern Metropolitan Hospital Association and its sister organization the Nassau-Suffolk Hospital Council on Long Island, worked closely with the Healthcare Association of New York State (HANYS) this past state legislative session to advance these and other favorable hospital industry bills. These include telemedicine credentialing, which the governor signed into law in mid-August, and enhanced reimbursement for critical access hospitals, which the governor vetoed.

Observation Care: State regulations and federal regulations pertaining to the provision of observation care do not currently align. The Senate and Assembly unanimously passed legislation initiated by the Suburban Hospital Alliance of New York State LLC, which is designed to correct this. Because of this discrepancy, hospitals are hesitant to use observation care status, and instead, admit a patient to inpatient status, even though observation care is the more clinically appropriate designation. These short stays then trigger coding/payment audits. State regulations finalized in January require that observation care be provided in a discreet unit, under the direction of the emergency department, with a specific designation of beds for the purpose of providing observation care. This presents a conflict with Medicare rules, which allow hospitals to utilize beds on existing units that best meet patients' clinical needs, and would bar some hospitals from establishing observation units due to costs and physical plant restraints. The state also limited the time period in which a patient can be treated in an observation unit to 24 hours, but the legislation increased this to 48 hours, which is more in line with Medicare regulations. In rare cases, observation services can exceed 48 hours. This bill extends the time period to 48 hours, consistent with Medicare regulations.

Managed Care Reforms: Governor Cuomo signed into law on August 1, 2012 legislation that addresses the inappropriate down coding of claims by insurers and ER admission denials. The law gives providers the right to resubmit claims for further review and the chance to recoup payment with interest, if the plan cannot substantiate, on a clinical basis, the original determination. If the insurer's coding determination is upheld, it must provide the hospital with specific reasons why. Another provision of the law prohibits insurers from denying entire claims based on notification policies involving an emergency admission. If a hospital fails to make timely notice of an ER admission, the law allows insurers and hospitals to work out a reduction in payment; however, the penalty is subject to a cap of \$2,000 or 12 percent of the payment otherwise due. Lead sponsors of the initiative were Senator Kemp Hannon (R-Garden City) and Assemblyman Joseph Morelle (D-Rochester).

Continued on page 2

ADVOCACY in ACTION Comes to Washington, DC this fall . . .

Tuesday, September 11 • Thursday, November 29 • Tuesday, December 11

Make a profound statement in person with your congressional representatives about your hospital's ability to survive the impending fiscal crisis due to hit all providers in 2013. Medicare physician pay cut of 27 percent, expiring Bush tax cuts, expiration of the Social Security payroll tax holiday, and automatic two percent sequestration cuts ensure a fiscal fiasco at year's end. Congress must understand hospitals' vulnerability to arbitrary payment cuts and what that would mean to patients. To register and for more info about hotel locations go to: <http://www.surveymonkey.com/s/WMDJCWK> - Michael McCue, mmccue@aha.org ADVOCACY DAY is sponsored by the American Hospital Association in conjunction with state and regional hospital associations. ***Suburban Hospital Alliance & NorMet President & CEO Kevin Dahill will participate in the September and December Advocacy Days. Let him know if you will join him.***

State Update continued from page 1

Telemedicine: The new law will streamline the process to credential health care practitioners who provide telemedicine services to patients in New York State. It allows for the sharing of credentials verification paperwork, as well peer review and quality assurance activities.

Critical Access Hospitals (CAH): The governor vetoed legislation that sought to align Medicaid reimbursement for CAHs with Medicare reimbursement for outpatient and emergency room services. This is the second veto in two years of legislation designed to bring some stability to rural hospitals already defined by Medicare as critical for access to care. Ellenville Regional Hospital is the CAH in the NorMet region.

Hospitals Required to Document Community Benefits

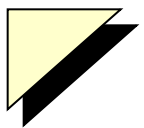
The state requires New York hospitals to document the community benefits that are provided to those in their local catchment areas by completing an annual Community Service Plan (CSP), and beginning this year, new requirements contained in the federal Affordable Care Act extend community benefit reporting requirements to the federal level. However, plan filing deadlines and report content are being affected by different policy activities occurring on the state and federal levels. What is similar, though, is the intent of state and federal policy makers to encourage and document hospitals' and community partners' collaborative approach to addressing the varied health concerns of their local communities.

Hospitals must submit at least a **one-year update to their current CSP by September 15, 2012 to the New York State Health Department**. Although this year originally called for a new comprehensive CSP, the state relaxed this requirement to align with the new federal Internal Revenue Service Community Health Needs Assessment (CHNA) requirement that hospitals must conduct and report on every three years. The CHNA requirement is effective for tax years beginning after March 23, 2012. For the majority of New York hospitals, this means they are in their first three-year cycle for the federal CHNA. However, some New York hospitals are opting to complete a federal comprehensive assessment in 2012. Those facilities should indicate in their 2012 state update that for 2013 state comprehensive CSP filing purposes they will submit their 2012 federal CHNA plan.

In 2013, all hospitals will submit a comprehensive CSP to the state. Current work on the state's Prevention Agenda 2013 – which will inform public health priorities for 2013 – 2017 – will require hospitals, local health departments, and other health, community, business and organizations to work together to identify local priorities and develop **comprehensive** plans for addressing them. The Prevention Agenda 2013 is expected to be issued in November 2012. For those hospitals that completed a comprehensive assessment in 2012 (for federal purposes), it will be accepted by the state in 2013 as that facility's comprehensive CSP for 2013. Submit updates online to <http://www.surveymonkey.com/s/2012CSP>

Member Hospitals

Benedictine Hospital
Blythedale Children's Hospital
Bon Secours Community
Hospital
Burke Rehabilitation Hospital
Catskill Regional Medical
Center
Ellenville Regional Hospital
Good Samaritan Hospital
Helen Hayes Hospital
Hudson Valley Hospital Center
Keller Army Community
Hospital
The Kingston Hospital
Lawrence Hospital Center
The Mount Vernon Hospital
The New York Presbyterian
Hospital Westchester
Division
Northern Dutchess Hospital
Northern Westchester Hospital
Orange Regional Medical
Center
Phelps Memorial Hospital
Center
Putnam Hospital Center
St. Anthony Community
Hospital
Saint Francis Hospital
St. Joseph's Medical Center
St. Luke's Cornwall Hospital
St. Vincent's Westchester
(Division of St. Joseph's
Medical Center)
Sound Shore Medical Center of
Westchester
Vassar Brothers Medical
Center
VA Hudson Valley Health Care
System
White Plains Hospital Center



The Quality Corner

An update on quality reporting measures

Mary Jane Milano, Director

Medicare Inpatient Prospective Payment System Final Rule for Fiscal Year 2013. On August 1, 2012 the Centers for Medicare and Medicaid (CMS) issued its fiscal year 2013 final rule for hospital inpatient prospective payment systems. The final rule added several Inpatient Quality Reporting Measures including a new claims-based measure for 30 day all-cause unplanned readmission rate with limited exclusions. Added to hospital-value based purchasing and affecting federal fiscal year 2015 payment beginning October 1, 2014 was an outcome measure. It is a composite of numerous complications/patient safety measures along with an efficiency measure that looks at Medicare spending per beneficiary for Part A and B payments from three days before hospital admission through 30 days post discharge. For value-based purchasing affecting federal fiscal year 2015 payment, the process of care measures [looking at care provided to AMI (heart attack), heart failure, pneumonia and surgery patients] will be weighted 20 percent, patient experience of care measures (as reported through hospital consumer surveys) will be weighted 30 percent, outcome measures (mortality and complication measures) will be weighted 30 percent and the new efficiency measure will be weighted 20 percent.

Stage 2 of Electronic Health Record Incentive Program and Clinical Quality Measures. On August 23, 2012, CMS released a final rule defining meaningful use of electronic health records for Stage 2 of the Medicare and Medicaid Electronic Health Record Incentive Programs which begin on October 1, 2013. The rule establishes statutory Medicare payment penalties beginning in federal fiscal year 2015 for prospective payment hospitals that fail to meet meaningful use. The penalty is a 25 percent reduction to the market-based update in FFY 2015, 50 percent in FFY 2016, and 75 percent in FFY 2017 and beyond. In Stage 2, hospitals will be required to report on 16 Clinical Quality Measures out of a set of 29 measures. In Stage 1 hospitals have to report on 15 Clinical Quality Measures. In addition to the current 15 clinical quality measures, the 29 clinical quality measures from which hospitals may choose include additional measures for AMI (heart attack), pneumonia, surgery, prenatal and emergency department patients, along with several measures relevant to newborns and children.

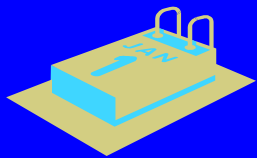
Medicaid Redesign and Quality Measures. The New York State Department of Health recently released a set of 44 Medicaid Redesign and Quality Measures that will be used to track quality of care for Medicaid recipients over the next ten years. The measures focus on the “triple aims:” improving care, improving health, and reducing cost. Most of the measures pertain to the provision of primary care. Those focused on cost reduction include measures for potentially preventable hospitalizations, potentially preventable readmissions, and potentially avoidable ER visits. For each indicator, the document lays out New York State performance in 2009 and 2011 and sets goals for 2013, 2015, 2017, and 2020.

Final Rule on Delay in Implementing ICD-10. CMS on August 24, 2012 [finalized](#) a one-year delay in implementation of the International Classification of Diseases, 10th Edition (ICD-10) for use in administrative health care transactions, from October 1, 2013 to October 1, 2014. The new compliance date would apply to both diagnosis and procedure codes (ICD-10-CM and ICD-10-PCS).

Updates to Hospital Compare. CMS recently updated its Hospital Compare consumer websites with new quality measures. Hospital Compare, which CMS says has drawn more than 1.2 million visitors so far this year, now includes hospital data on two new quality measures related to hospitals' use of imaging: outpatients who received cardiac imaging stress tests before low-risk outpatient surgery and outpatients with brain CT scans who got a sinus CT scan at the same time. The total number of imaging-related measures on the website is now six. CMS also added two new measures to Nursing Home Compare related to nursing homes' use of antipsychotic medications. The website now also includes narrative findings from government inspection reports as well as information about nursing home ownership.

News Briefs . . .

State Exchange Grant . . . of \$95 million from the U.S. Department of Health and Human Services was awarded to New York State for the



Mark Your Calendar for Sept/Oct NorMet Events

- Sept. 7 NorMet Board of Directors, 9 a.m. at NY Presby-Westchester Campus
- Sept. 7 Communications Committee, Teleconference meeting, 1 p.m.
- Sept. 13 HFMA Hudson Valley NY Chapter, Annual Legislative Update, 8:00 – 4:00 p.m. Ramada Inn, Fishkill. Free for HFMA members. Register: Joanna.schaffer@marsh.com
- Sept. 18 RQI Committee Meeting, 1 p.m. – Peer Sharing of Successes from 2011 Competition; Federal Reporting Update
- Sept. 27 Westchester County Association, Healthcare Symposium, 7:30 a.m. – 2:00 p.m., Westchester Marriott, Tarrytown, Register at: www.wcahealthcare.com
- Oct. 5 Member Discussion with PA Safety Authority Medical Director John Clarke, MD, 9 a.m. at NorMet

See last page for meeting dates for the NorMet Patient Safety Institute

purposes of further establishing its state insurance exchange, as legislated by the Affordable Care Act. This is New York's third Level One Establishment Grant.

MTA Payroll Tax . . . ended up in a New York State Supreme Court where Nassau County, which is located downstate on Long Island, challenged the constitutionality of the 2009 law that imposed a payroll tax on employers doing business in a specific MTA region. The court ruled that the tax is unconstitutional as it is a special law that should have been passed either as a home rule message or by message of necessity with two-thirds vote in each house. The ruling does not prohibit the MTA from continuing to collect the tax and legal experts expect the ruling to be overturned. Hospitals affected in the NorMet region pay an estimated \$8.6 million annually in MTA payroll taxes.

Medicaid Global Spending Cap . . . is \$40 million under projections for the first three months of the state fiscal year that began April 1, according to the New York State Department of Health. State share of DOH Medicaid spending for the current fiscal year is capped at \$15.9 billion, as enacted by this year's state budget.

Medicaid Transportation Management Initiative – Hudson Valley . . . is spotlighted in the August 2012 issue of MRT News. In 2011, the state contracted with Medical Answering Services (MAS) to manage the non-emergency medical transportation needs of approximately 400,000 Medicaid enrollees in 13 counties. Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties were among those included from the NorMet region. Due to the program's success, other counties were added in 2012, including Dutchess. MAS has achieved significant savings through coordination of group rides to major medical facilities, better evaluation criteria to assess the most appropriate level of transport, and more intense analysis of trip and medical necessity data.

NorMet Region Home to Community Leader Nominee . . . Allan E. Atzrott, president and CEO of **St. Luke's Cornwall Hospital**. Atzrott was selected as one of the top ten national finalists for the *Modern Healthcare* Community Leadership Award. He is the sole New York hospital CEO on the list. The program honors individual executives for their volunteer work to improve the health and well-being of people, patients, and communities. Voting takes place through September 21 at *Modern Healthcare's* web site www.modernhealthcare.com. Visitors can vote for the executive whom they feel most exemplifies the award. The winner and honorable mentions will be announced November 19. Atzrott has led St. Luke's since 2000, bringing with him 30 years of health care leadership experience. Under his direction, **St. Luke's Hospital in Newburgh and The Cornwall Hospital** in Cornwall merged in January 2002 to begin the creation of an integrated health care delivery system.

First Family Medicine Residency Program . . . in New York State in 20 years was started by **Phelps Memorial Hospital Center** in July. More than 900 new physicians from across the country competed for the six resident spots. Policy analysts say health care reform's emphasis on prevention and wellness and the numbers of newly insured will require more primary care physicians on the provider side.

National Lab Accreditation . . . was given to **Catskill Regional Medical Center's** laboratory by the College of American Pathologists. This is an internally-recognized standard of excellence. The lab earned the prestigious accreditation for the 47th consecutive year.

National Marketing Awards . . . were presented to **Orange Regional Medical Center's** Marketing and Public Relations Department. The department received the prestigious National Marketing Award from the 29th Annual Healthcare Advertising Awards competition and the 2012 Aster Awards for excellence in medical marketing.

Drug Take Back Day . . . will occur September 29. The United States Drug Enforcement Administration (DEA) is sponsoring this fifth National Prescription Drug Take-Back Day. This initiative provides a venue for people who want to dispose of unwanted and unused prescription drugs and to remove them from their household medicine cabinets. In addition, it can be arranged for DEA agents to go to programs/facilities licensed as Class 3A

to collect, destroy, or otherwise dispose of continued, expired, or unwanted pharmaceuticals. The Department

will provide information on the process for
Go to www.normet.org and click

on this Vet Connect icon to find online links to hospitals' job banks, health care services, and other community resources. The initiative is coordinated by NorMet and members of its Communications Committee. The Vet Connect icon is also located on each member hospitals' website.



Vet Connect

An employment, health, and community resource for veterans provided by the hospitals in the Hudson Valley

Committee/Meeting News . . .

The NorMet RQI Committee meets on Tuesday, September 18, 2012 from 1:00 – 3:30 p.m. at the NorMet Office in Newburgh, NY. A light lunch will precede the meeting. The four winners of the 2011 NorMet QI & Safety Awards will provide brief 10-15 minute presentations of the challenges they addressed and overcame, and the strategies and tools they used to make improvements. Mary Therriault, Senior Quality Director from the Healthcare Association of New York State (HANYNS), will follow with an update on federal reporting requirements based on the recently released final IPPS rule.

Nationally Renowned Physician John Clarke, MD, Speaks with Members on Friday, October 5, 2012 from 9:00 - 11:00 a.m. at the NorMet Office in Newburgh. Dr. Clarke is a former trauma surgeon who presently serves as the Clinical Director at the Pennsylvania Patient Safety Authority, Clinical Director for Patient Safety and Quality Initiatives at the ECRI Institute, and Professor of Surgery at Drexel University in Philadelphia. The Pennsylvania Patient Safety Authority is analogous to the NYS NYPORTS system and a patient safety organization, all wrapped into one. His presentation will include information about:

- *How* to make a difference - and *what* makes a difference - in reducing error;
- The use of data to effect practice;
- Qualities of successful collaborations; and,
- Thoughts – based on experience – about integrating disparate guidelines.

Dr. Clarke is the first in a series of nationally renowned physician leaders who will share their experiences and is a joint initiative of the NorMet Hospital Association and the NorMet Patient Safety Institute. As a joint initiative of the NorMet Hospital Association and the NorMet Patient Safety Institute, we are pleased to invite you to join the first of a series of informative discussions with nationally renowned physician leaders. The goal of each discussion is to have the expert clinician share information, data and strategies to support clinical leaders from Member Hospitals in guiding healthcare professionals to provide even more reliable, high quality and effective care.

If you have questions about these meetings contact Angela Skretta or Lisa Corcoran at 845-562-7520. To register your attendance, contact Melinda Ottavan at mottavan@normet.org.

Patient Safety Institute Committee Meetings

Patient Falls Committee

Sept. 14 at 9 a.m.

Surgical Site Infection Committee

Sept. 11 at 9 a.m.

Patient Safety Committee

Sept. 14 at 1 p.m.

****In order that your hospital may enjoy the confidential and privileged nature of these discussions, ONLY staff from the 23 hospitals that have fully executed their Confidentiality and Participation Agreements with the Institute will be permitted to participate in these meetings. Contact Angela Skretta for more information.***





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