

NorMet News . . . February 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.

Hospitals Face Unusual Advocacy and Budget Season

Policy recommendations in the governor's proposed 2012- 2013 state budget, as well as executive orders and procedural changes occurring outside the budget process, present hospital advocates with different challenges this budget season. With no new provider cuts included in this budget, the debate moves more immediately and earnestly to issues surrounding the continuing implementation of Medicaid Redesign Team (MRT) reforms, clarification of the governor's executive compensation and governance order, the re-districting process, and diminishing powers of the legislative branch.

However, providers will still endure Medicaid cuts in the coming year, as a result of the two-year budget deal enacted last year, and state Medicaid spending is still under a global cap imposed by the MRT. Last year, hospitals in the NorMet region absorbed \$8.8 million in a two-percent across the board Medicaid cut.



From left: Maryann Kepple CFO, Health Quest; Bill Allison, VP Fiscal Policy HANYS; Angela Skretta, VP of NorMet.



From left: Steve Hass, VP Finance, Health Alliance of Hudson Valley; Tony Mahler, Senior VP Strategic Planning, Westchester Medical Center; and Catherine Legg, Director of Budget and Reimbursement, Health Alliance.

State health policy and budget experts from the Healthcare Association of New York State (HANYS) discussed these and other relevant issues at a budget briefing held for NorMet hospital CEOs and senior executive staff on Wednesday, February 1, 2012 at the NorMet offices in Newburgh, New York.

Governor Cuomo's proposed 2012 -2013 budget offers a decrease in total spending over last year with \$132.5 billion the target for the upcoming state fiscal year. It keeps the commitment from last year's budget for a four percent increase each to Medicaid and education. However, this does not equate to a four percent reimbursement bump to providers, as the increase is on total state Medicaid spending. The increase is absorbed by burgeoning enrollment in the Medicaid program and increased utilization of services.

New York State Health Benefit Exchange language is also included in the proposed budget. The language reflects the Health Insurance Exchange agreement negotiated by the Assembly and Senate last spring, which passed the Assembly but was not acted upon by the Senate.

*** * * Advocacy Days in Albany * * ***

March 6 - 7, 2012

YOUR MOST POWERFUL ADVOCACY TOOL

Senior hospital leaders and hospital trustees have opportunity to meet personally with their district legislators. NorMet will handle scheduling and logistics. Join your colleagues on Tuesday, March 6 for a pre-event dinner and strategy session. For information/registration contact: Mindi Ottavan, mottavan@normet.org



Mark Your Calendar for NorMet Events in Feb/Mar 2012

- Feb. 29 Patient Financial Services/Managed Care and Revenue Cycle
- Mar. 2 Medical Directors Committee
- Mar. 6 SHANYS Advocacy Day in Albany
- Mar. 7 HANYS Advocacy Day in Albany
- Mar. 7 Mutual Aid Coordinating Entity Meeting
- Mar. 8 Basics of DNV Accreditation and ISO 9001 (Webinar)
- Mar. 14 Charity Care and Bad Debt Workgroup
- Mar. 22 Compliance Committee
- Mar. 30 Executive Committee (venue TBA)

Meetings for NorMet members only and are held at NorMet offices in Newburgh unless **otherwise** noted. To register/info call: 845-562-7520.

Congress' Temporary Doc Fix Moves Debate to Year's End; Hospitals Remain Vulnerable to Funding Cuts

Congress' recent passage of a final agreement to avoid a 27 percent Medicare physician fee schedule cut set for March 1 places this issue on the back burner at least until the end of this year. However, the sustainable growth rate (SGR) formula, enacted in 1997 and now considered flawed by most economists and policy makers, will surface again and hospitals remain vulnerable to cuts to offset funding.

The temporary fix did not inflict the huge cuts in hospital outpatient department evaluation and management clinic services or a new inpatient coding offset that hospitals had feared. Rather, part of the funding for the "doc fix" will come from a reduction in Medicare bad debt payments and a one-year continuation, into 2021, of the Affordable Care Act's Disproportionate Share Hospital (DSH) payment reductions.

The agreement also extended the Social Security payroll tax holiday and unemployment insurance benefits for the long-term unemployed.

NorMet continues to urge the region's congressional delegation members to work with their colleagues to find a permanent solution to the physician fee schedule issue. NorMet supports fair and reasonable reimbursement to physicians, but not at the expense of hospitals.

Meanwhile, President Obama unveiled his federal fiscal year 2013 budget on February 13, 2012. The plan calls for overall nationwide health care cuts of \$364 billion over 10 years. Most harmful to hospitals are proposed cuts to Medicare bad debt, graduate medical education payments, and Medicaid disproportionate share funding.

Educating Our Varied Constituents

NorMet's CEO/president Kevin Dahill remains a highly sought lecturer on all topics related to health care policy at the federal, state, and even local levels.

Recent speaking engagements took NorMet's leader to audiences eager to hear about the implications of the Affordable Care Act related to commercial real estate prospects, costs to regional employers, and challenges the next generation of health care administrators in training will face when they enter the health care workforce.

Actions on state and federal levels have placed hospitals in a dynamically changing regulatory environment. Health care is becoming more patient-centered and providers will increasingly be required to embrace a much more integrated and collaborative approach to care. New models of delivery – value-based purchasing, bundled payments, accountable care organizations – hold the promise that quality, affordable care for every patient can be achieved. As providers transition their approach to treatment, patients will follow by becoming more active participants in their "well" care and

"sick" care.

Recent presentations included:

Your Health Care in an Era of Reform

Rockland Business Association

December 19, 2011

Implications of Health Care Reform for Realtors

Metro Tri-State Regional Commercial Meeting

January 27, 2012

Regulatory Health Policy Environment: Hospitals Embracing Change

Iona College Faculty/Health Care Graduate Students

February 13, 2012



NorMet President/CEO Kevin Dahill (at left) meets with audience members from left: Jay Schoenfeld of EmblemHealth; Gerson Levitas, 911 Medical ID/Medallion; Gerald Durney, Good Samaritan Regional Medical Center, after presenting to members of the Rockland Business Association, December 19, 2011.



The Quality Corner

An update on quality reporting measures

Mary Jane Milano, Director

The Joint Commission: Effective January 1, 2012, hospitals that are accredited by The Joint Commission (TJC) must adhere to a new standard focused on performance on TJC accountability measures. TJC is expecting hospitals to meet an 85 percent threshold of performance on these accountability measures. In 2010, TJC designated 22 measures as accountability measures. In 2011 it designated an additional 22 measures. If a hospital's accountability measures composite rate is less than 85 percent, TJC will issue a Requirement for Improvement (RFI). The hospital must submit within 45 days a Plan of Correction and will have 18 months to clear the RFI. (An RFI alone will not immediately impact a hospital's accreditation decision.) For a listing of the accountability measures please contact Mary Jane Milano at mmilano@seagatealliance.com.

Reform News: The Payment Reform and Quality Measurement Workgroup of the New York Medicaid Redesign Team (MRT) released its final recommendations in December. Chaired by Dan Sisto, president of the Healthcare Association of New York State (HANYS), and William Streck, MD, chair of the New York State Public Health and Health Planning Council, the 21-member workgroup agreed on four goals: 1) seeking a federal waiver to integrate Medicaid and Medicare service delivery for 700,000 "dually eligible" individuals with chronic conditions; 2) adopting an incentive-based performance reporting across all sectors of the health care delivery system; 3) reforming the state's Indigent Care Program and 4) establishing an Essential Community Provider Network and a Vital Access Providers' Program. The workgroup's recommendations lay the groundwork for other steps in Phase 2 of the MRT activities focused on multi-year program enhancements.

Core Quality Measures: On January 4, 2012, CMS published a Final Notice in the Federal Register outlining an initial core set of 26 quality measures for states to use in evaluating the performance of Medicaid programs. The measures will be applicable to both managed care and fee-for-service providers. The majority of the measures are derived from the National Committee for Quality Assurance, which accredits managed care plans.

State Budget Items: Governor Cuomo's proposed budget includes a number of items related to health care quality. They include the continuation of the Medicaid preventable readmissions and preventable provider negative outcome policies; authorize New York State Department of Health to institute outpatient potentially preventable conditions policy; eliminate coverage for elective C-sections and inductions performed sooner than 39 weeks, unless medically necessary; and limit coverage for angioplasty to patients who are considered appropriate based on certain clinical criteria.

News Briefs . . .

Diabetes Collaborative ... geared toward helping physician practices achieve Patient-Centered Medical Home (PCMH) recognition, sponsored by the New York Health Foundation, is available from HANYS. A webconference will take place on Tuesday, March 13, from 11 a.m. to noon to discuss HANYS consulting service and how organizations can participate. HANYS has been a clinical partner in the New York State Health Foundation's five-year Diabetes Campaign since its inception. HANYS has worked with member hospital-based clinics and primary care sites, helping them achieve National Committee for Quality Assurance Diabetes Recognition Program status. For more information contact Amy Jones at ajones@hanys.org.

Magnet Status ... was achieved once again by the Hudson Valley Hospital Center. After an exhaustive survey in December, the hospital was recently notified that it has been re-designated as a MAGNET institution.

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
Westchester Medical Center
White Plains Hospital Center

National Nursing Award ... was presented to Burke Rehabilitation Hospital at the Annual Nursing Quality Conference held in Las Vegas in January. Burke was honored with the 2011 NDNQI Award for Outstanding Nursing Quality by the American Nurses Association. Burke is one of more than 1,800 hospitals that report to the National Database of Nursing Quality Indicators (NDNQI). The facility was selected as one of six top performing hospitals and was recognized for its achievement in the Rehabilitation Hospital category. Along with demonstrating excellence in NDNQI nursing performance measures, the Burke Rehabilitation Hospital increased its percentage of registered nurses with national certification in rehabilitation from eight percent to 56 percent between 2004 and 2011.

HANYS 2012 Community Health Improvement Award Nominations . . . deadline is March 12, 2012. All HANYS' members are eligible to apply for the 2012 Community Health Improvement Award, which recognizes outstanding initiatives by members to improve the health and well being of their communities. Electronic submissions are required. Go to www.hanys.org for more information and an application.

Patient Safety Institute Committee Meetings

Board of Directors and Clinical Advisory Council

March 2

Surgical Site Infection Committee

March 6

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



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