

# NorMet News . . . . . July 2011

**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.*

*We hope you find this monthly membership newsletter helpful and informative. In an effort to more accurately reflect the news of the Hudson Valley Region, the member newsletter has been renamed **NorMet News**. As always, we welcome your ideas and feedback concerning this and all NorMet member services.*

*– Kevin Dahill, President/CEO, NorMet*

## **State Legislative Session Ends, Mixed Results**

*With no movement on insurance exchange legislation, state misses first deadline for federal funding . . . Senate will likely reconvene to consider exchange legislation before next funding deadline of September 30*

Governor Cuomo and the Senate had introduced exchange legislation during the waning weeks of the 2011 legislative session, but the legislature was unable to agree on a final bill before the session ended June 24, 2011. That dashed hopes that a bill would be in place by the federal government's June 30, 2011 deadline for \$100 million in funding to create an exchange. The Senate will likely consider an exchange bill within the next two months in time to meet the federal government's next deadline of September 30.

The New York Health Benefit Exchange Act represents a modified version of the governor's and the Senate's proposed bills. It calls for setting up the exchange as a public benefit corporation with nine unpaid directors, seven of them appointed by the governor and two appointed by the legislature. Several key policy issues – such as financing certain benefits' costs - remain unanswered, but the bill set April 1, 2012 as a deadline to resolve these concerns.

The bill calls for five regional advisory committees instead of a central advisory board that was proposed in the governor's version. These committees will make additional policy recommendations and propose future legislation related to provisions in the bill. The rules allow insurance industry representatives to sit on these

advisory committees, but the bill also requires health plans to submit justification for rate increases.

The Affordable Care Act (ACA) of 2010 requires states to set up health insurance exchanges by 2014. That's the year the ACA's individual mandate takes effect. The exchanges will allow small businesses and individuals to purchase competitively-priced health insurance.

On July 11, 2011, the U.S. Department of Health and Human Services (HHS) proposed new rules offering states guidance and options on how to structure their exchanges in two key areas: 1) setting standards for establishing exchanges, setting up a Small Business Health Options Program (SHOP), performing the basic functions of an exchange, and certifying health plans for participation in the exchange, and; 2) ensuring premium stability for plans and enrollees in the exchange, especially in the early years as new people come in to exchanges to shop for health insurance. HHS is accepting public comment on the proposed rules over the next 75 days. HHS will also hold a series of regional listening sessions and meetings.

*See page 2 for more results of state legislative session.*

## **Hospital Concerns Brought to the Table at Chamber Meeting**

*Rep. Nan Hayworth Entertains Concerns of all Businesses in Hudson Valley*

NorMet President/CEO Kevin Dahill and NorMet's Vice President, Angela Skretta, were among the 30 invited guests who attended a Dutchess County Regional Chamber of Commerce roundtable on June 29, 2011 at which Congresswoman Nan Hayworth listened to the issues facing businesses in the Hudson Valley region.

Hayworth says she remains committed to not raising taxes as a way to reduce the federal deficit. However, she said she would support raising the federal government's debt ceiling in exchange for a deficit reduction measure of the same magnitude. Medicare and Medicaid are vulnerable targets. (See related story on page 3.)

Hayworth supports smaller government and believes states and localities could best serve the needs of their residents and communities. Tort reform is also one of her priority issues. Lack of tort reform has caused providers to practice defensive medicine, raising the overall cost of health care for everyone, she noted.

**Congresswoman Nan Hayworth (at center table) listens to concerns expressed by business and industry representatives from the Hudson Valley Region. Hospitals in the region are economic engines, contributing about \$8.3 billion to the local economy and nearly 51,000 jobs, both directly in hospitals and indirectly in related health care industries and businesses that support the area's health care workforce.**



## *2011 Legislative Session Results Continued . . .*

### *Other major state legislative actions included:*

**Certificate of Need (CON) reform . . .** passed both chambers and is awaiting the governor's signature. The legislation was developed by the Healthcare Association of New York State and is designed to ease the regulatory burden on hospitals. Under the bill, routine maintenance, infrastructure (non-clinical), and one-for-one replacement projects will no longer require cumbersome and time-consuming CON review by the state health department. The bill had primary sponsorship from Health Committee Chairman Senator Kemp Hannon and Senator Dean Skelos (Long Island) and co-sponsorship from Senator Bill Larkin and Assemblywoman Aileen Gunther (Hudson Valley region legislators).

**Medical Malpractice legislation . . .** did not come to the Senate floor for a vote at the direction of Senate Leader Dean Skelos. The most troubling of the three measures proposed was one that would have reversed the *Arons* decision. This landmark 2007 Court of Appeals ruling reaffirmed the need for all litigants to seek out relevant information to assure greater fairness in the adjudication of civil lawsuits. The Lancman and DeFrancisco proposals would have prohibited defense counsel in a malpractice lawsuit from privately interviewing the plaintiff's treating physician. No limit would have been placed on the plaintiff's attorney.

**Nurse Staffing Ratio bills . . .** surfaced yet again this legislative session, but did not come to fruition. However, this continues to be an area of concern for hospitals in the Hudson Valley.

**MTA Payroll Tax Relief . . .** did not happen this session. The Senate approved a bill by Senator Lee Zeldin (Long Island) that would have gradually repealed the tax on employers and reduce it for New York City, but the bill was never brought to the floor for a vote by the Assembly. Senators Stephen Saland and John Bonacic (Hudson Valley) co-sponsored the Zeldin bill, although each had previously introduced their own MTA Tax Repeal bills. The hospital industry hopes the Zeldin bill will gain traction in the next session.

**In Other State News . . . More Transitional Care Units (TCUs) . . .** will dot New York State now that the new Public Health and Health Care Planning Council (PHHPC) approved seven additional demonstration sites. These units offer a specially-designated level of care provided to Medicare beneficiaries whose acute conditions have not been stabilized but who are not well enough to be discharged or transferred to a nursing home. The newly reconstituted PHHPC at its meeting also approved a number of backlogged projects.

# Debt Ceiling, Possible Cuts, Coding Offsets Dominate Federal Advocacy

Congress' work to tackle the federal deficit and raise the national debt ceiling will continue throughout the summer months, as August 2 is the date the country would default on its existing financial obligations without an increase in the

## 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  
St. Francis Hospital  
St. Joseph's Medical Center  
St. Luke's Cornwall Hospital  
St. Vincent's Westchester  
Sound Shore Medical Center of  
Westchester  
Vassar Brothers Medical Center  
VA Hudson Valley Health Care System  
Westchester Medical Center  
White Plains Hospital Center

debt ceiling. In a recent meeting at the White House, Speaker John Boehner said a \$2 trillion package that carries no tax hikes is more feasible. President Obama is pushing for a \$4 trillion package that cuts the deficit through a combination of spending cuts, changes to entitlement programs, and tax increases.

Legislators are looking at any and all options to reduce spending and restore fiscal order. The Medicare and Medicaid programs, which represent about 20 percent of the federal budget, are ripe targets for lawmakers who wish to tie any rise in the debt ceiling with complementary spending cuts.

To ensure legislators' hear this message, the Coalition to Protect American's Health Care, a broad-based group of hospitals, businesses, and national, state, and local hospital associations, established a hotline – **1-866-887-CARE** – that directly connects callers to appropriate lawmakers' offices. The hotline is in addition to a national advertising campaign to educate Congress about the implications of further federal funding cuts to hospitals.

***In related federal news . . .*** The Centers for Medicare and Medicaid Services (CMS) issued a proposed regulation that would apply a net 0.6 percent cut to hospitals' payments in fiscal year 2012. The cut is due in part to a 6.05 percent reduction in the rate because of a CMS effort to recoup increases in hospital payments it believes are related to changes in patient classification, or inpatient coding, as opposed to the fact that hospitals are routinely treating more complex and severely ill patients. The move toward more care rendered in outpatient settings has caused inpatient services to serve the more acutely and critically ill. This care is more costly. The independent Medicare Payment Advisory Board (MedPAC) has shown that hospitals are currently being paid substantially less than the cost of delivering care to Medicare patients.

## NorMet Committee News . . .

***Case Management Work Group*** met May 17, 2011. Among issues discussed were hospitals' ongoing experience with health insurance reforms underway, mental health patient challenges, and immigrant care. At future

meetings, the committee will explore the following:

- New York State Regulations: External Expedited Appeals and Fair Hearings
- Communicating with Office for People with Developmental Disabilities (OPWDD) Advance Directives and end-of-life care specifically related to these patients
- Caring for and returning illegal immigrant patients to their country of origin
- Creating a policy and procedure toolkit on handling immigrant issues at the hospital

At the work group's June 28 telephone conference meeting, two documents that are readily available for reference related to surrogate decision making were offered. They are:

*Health Care Choices: Who Can Decide?* published by the New York State Office for People with Developmental Disabilities [http://www.opwdd.ny.gov/health/images/hp\\_health\\_care\\_choices\\_book.pdf](http://www.opwdd.ny.gov/health/images/hp_health_care_choices_book.pdf).

*Surrogate Decision-Making for Incapable Adult Patients with Mental Disabilities: A Chart of Applicable Laws and Regulations*, by Robert N. Swidler Esq., General Counsel and VP for Legal Affairs, Northeast Health. <http://www.nysba.org/Content/NavigationMenu/PublicResources/FamilyHealthCareDecisionsActInformationCenter/CompleteChart1-12-11.pdf>.

**Case Management Work Group meets next September 14 at 1:30 p.m. at the NorMet Office in Newburgh.**

## News Briefs . . .

**NorMet President/CEO Kevin Dahill** . . . was elected a member of the board of directors of the Hudson Valley Pattern for Progress. The organization is a not-for-profit policy, planning, advocacy, and research entity whose mission is to promote regional, balanced, and sustainable solutions that enhance the growth and vitality of the Hudson Valley.

**Website Debuts** . . . that answers commonly asked questions about the first new hospital to be constructed in New York State in more than 20 years. Orange Regional Medical Center is closing its two existing campuses, Arden Hill and Horton, and will open the new 600,000 square foot hospital on August 5. Go to [www.ormcnewhospital.org](http://www.ormcnewhospital.org).

**Community Service Plans (CSP)** . . . are due to the Department of Health by September 15, 2011. The DOH is asking hospitals to provide an update of activities, improvements, and any changes regarding the collaborative efforts with local health departments in working to achieve the state's *Prevention Agenda* goals for each community. Hospitals are required to develop and distribute a summary of their CSP to the public; however, the summary does not need to be submitted with the 2011 update. The DOH is strongly encouraging hospitals to post this information on their websites. The CSP update can be submitted electronically. Go to <https://www.surveymonkey.com/s/2011csp>.

**Nursing and Allied Health Professions** . . . are beginning to see increases in vacancy and turnover rates, according to HANYS' report *Nurses and Allied Professionals: New York's Growing Demand*. The report contains the results of the 2011 Nursing and Allied Health Professionals Survey, developed with the Greater New York Hospital Association in collaboration with the State University of New York Center for Health Workforce Studies and other regional hospital associations. Highlights include: vacancy rates for registered nurses increased to 6.1 percent from a low of 3.6 percent in the previous year; turnover rates for RNs also increased to 9.5 percent from 7.1 percent; and the most difficult professions to recruit are medical coders, clinical laboratory technologists, physical therapists, pharmacists, respiratory therapists, and health information technology analysts.

**New DOH Website** . . . provides preliminary standards and guidance about the state's health home initiative. It includes federal requirements, state legislation, the Medicaid Redesign Team's (MRT) proposal, and draft standards for providers seeking to qualify as health homes and details about the characteristics of high-cost populations. Access it at: [http://www.health.ny.gov/health\\_care/medicaid/program/medicaid\\_health\\_homes/index.htm](http://www.health.ny.gov/health_care/medicaid/program/medicaid_health_homes/index.htm).

**Website Helps Patients** . . . compare local hospitals and physicians. The Robert Wood Johnson Foundation launched the nation's most comprehensive online directory for patients to find reliable information on the quality of health care provided by physicians and hospitals in their communities. Go to [www.rwjf.org](http://www.rwjf.org).



### Mark Your Calendar for NorMet Events in July/August

- July 20 Revenue Cycle Summer School, presented by Hudson Valley Chapter of HFMA, 8:15 a.m. – 3:30 p.m.  
Ramada Inn, Fishkill  
Register: 914-497-3327
- Aug. 24 Risk Management Committee, 10 a.m.

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

**SAVE THESE DATES . . .** *September 14*, NorMet Case Management Meeting, *September 15*, Hudson Valley Chapter of HFMA to hold Legislative Update . . . *September 22*, Westchester County Association to hold Health Care Symposium. Look for more details in next month's issue of *NorMet News*.



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