

NorMet News . . . March 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.

With Major Issues Resolved, Budget Nears Completion

The governor's office and legislature agreed on a plan that addresses such issues as redistricting and a new state retirement system tier, and a final budget, before the April 1st deadline, is likely. Hospital advocates, however, continue their watch over the conference committee proceedings, which will ultimately yield a final budget document.

Both the Senate and Assembly proposed budgets continue the Global Medicaid Spending Cap and propose no new Medicaid cuts. Last year's budget deal called for a two-year cap on Medicaid spending. The measure, meant to address the state's immediate fiscal crisis, is to expire next year. The governor's proposed budget calls for an extension of this cap for an additional year. The executive budget also seeks to extend the "super" powers of the health commissioner to implement indiscriminate Medicaid cuts if and when the cap is breached. This has left the legislature with no representative authority over future Medicaid cuts, an issue important to most districts and their electorate.

Both chambers also rejected the governor's proposal to give significant power over hospital governance to the commissioner of health and to place limits on executive compensation. The Senate version would, however, allow the health commissioner to appoint a temporary operator of a hospital in the event of a board member's criminal and irresponsible behavior.

Still unresolved is language that would bring New York into compliance with new federal rules for the allocation of disproportionate share (DSH) funding. New York must be brought into compliance with changing DSH rules that are occurring as a result of the federal Affordable Care Act (ACA), in order to ensure that the state optimizes federal funding. Also, there is no solid language defining a state insurance exchange. The ACA requires such legislation to be in place by January 2013. Failure to act jeopardizes federal funding.

Non-budget Legislative Issues to Watch

While the committees work out a final budget plan, efforts to revive damaging medical malpractice proposals and mandated nurse staffing ratios remain active. These bills can pick up speed and interest quickly and move swiftly from committee to floor for a vote that may pass the houses and move to the governor for approval. – *Janine Logan, jlogan@normet.org*.

Continue contacting your state legislators about these important budget and legislative priorities. There are just a few days left in this legislative session.

House GOP Releases Budget Blueprint

The plan released Tuesday, March 20, 2012 by U.S. House Budget Committee Chairman Paul Ryan would transition Medicare into a premium support program, fund Medicaid through capped, block grants to states, and continue the automatic sequestration cuts to Medicare that were triggered last fall by the Super Committee's failure to reach a deficit reduction agreement. Overall, the Ryan plan calls for a cut of more than \$5.3 trillion in government spending over the next 10 years, with about half of that coming from health care.

The proposal did, however, include language to repeal the Medicare Independent Payment Advisory Board (IPAB). This panel of experts was created by the Affordable Care Act (ACA) to make Medicare policy and savings recommendations to Congress on an annual basis, beginning in 2014. There is concern that such a panel would hold sway over Congress and harm the deliberative process that Congress now engages in when setting Medicare policy, rates, and targeted savings. This process ensures fair representation for constituents in varied regions throughout the United States.

Regardless of the outcome in the House, the Senate will not take up the proposal, according to Majority Leader Harry Reid. – *Janine Logan, jlogan@normet.org*.

Supreme Court Challenges ACA

The Affordable Care Act (ACA), the Obama administration's landmark health care reform legislation, celebrates its second anniversary this month with a trip to the Supreme Court. Justices are hearing arguments from the Obama administration's lawyers and lawyers representing 26 states, the National Federation of Independent Business, and a few individuals who are challenging the law's constitutionality. The individual insurance mandate provision and the directive that states must expand their Medicaid programs to help close the gap of the nation's uninsured remain sticking points for those who oppose the law on constitutional grounds.



The Supreme Court will also consider whether other parts of the law are voided, if the mandate is struck down, and whether a decision can even be made at this point about the constitutionality of non-compliance, before anyone even pays a penalty. A federal appeals court in Richmond, Virginia earlier had ruled on the issue and said it was bound by the federal Anti-Injunction Act. That law does not allow federal courts to hear tax challenges until such taxes are paid. The individual insurance mandate takes effect in 2014.

A decision is expected in the summer – the midst of the 2012 election. - *Janine Logan, jllogan@normet.org*.

.The Quality Corner *An update on quality reporting measures* Mary Jane Milano, Director

Proposed Electronic Health Record Incentives and Clinical Quality

Measures: On March 7, 2012 the Centers for Medicare and Medicaid Services (CMS) released a proposed rule on the Medicare and Medicaid EHR Incentive Program. The rule outlined the proposed Stage 2 objectives for meaningful use. Concerning Clinical Quality Measures (CQM), beginning with FFY 2014, CMS proposed that CQMs no longer be tied to a specific stage of meaningful use. Hospitals would need to submit a total of 24 Clinical Quality Measures from a menu of 49 measures. Of these 49 measures, 34 are new and 15 are carried over from Stage 1. Most of the 34 new measures are currently The Joint Commission (TJC) or Medicare inpatient quality reporting measures. The new measures that are not TJC or inpatient quality reporting measures pertain predominately to pediatric care, e.g. care to infants, those in a Neonatal Intensive Care Unit and those in a Pediatric Intensive Care Unit. The proposed rule outlines a process by which eligible hospitals beyond their first year of Stage 1 participation would submit CQM data electronically.

Payment adjustments are required by statute to take effect in FY 2015 for hospitals and eligible providers that do not meet meaningful use criteria, which includes reporting on the CQMs. CMS is proposing that any Medicare eligible professional or hospital that demonstrates meaningful use in 2013 would avoid a payment adjustment in 2015. To avoid the payment penalty, the latest that **hospitals** could wait to begin using EHR (e.g., first time years) would be for a continuous 90 day reporting period beginning no later than April 3, 2014 and successfully attesting by July 1, 2014. The payment update in FFY 2015 for hospitals that do not do this would be reduced by 25 percent. To avoid the payment penalty, the latest that **eligible professionals** could establish meaningful use would be to do so for the first time with a 90 day continuous reporting period beginning no later than July 3, 2014 and with successfully attesting by October 1, 2014. The payment update for eligible professionals not meeting this requirement would be reduced by one percent. CMS also proposed three categories for payment exceptions.



Mark Your Calendar for NorMet Events in March/April 2012

- Mar. 30 Executive Committee, (Conference Call)
- Apr. 4 Language Assistance Coordinators Committee, 9 a.m.
- Apr. 13 NorMet Medical Directors Committee, 9 a.m.
- Apr. 16 Communications Committee, 1 p.m. (Conference Call)
- Apr. 26 Risk Management Committee, 1 p.m.
- Apr. 27 NorMet Board of Directors (Lawrence Hospital)

Federal Advocacy Day – May 8
HANYS Federal Briefing, Suburban Hospital Alliance Meetings, and Congressional Reception

Register via www.HANYS.org.

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

NYPORTS: On March 6, 2012 the Health Care Association of New York State (HANYs) hosted a call with the department of health officials in reference to NYPORTS. During this webinar, Linda Delaney and Colleen Kewley reviewed the NYPORTS Root Cause Analysis Evaluation Protocol and provided examples on how to integrate the current NYPORTS codes into it. They also answered numerous questions about specific events from the participants. For a copy of the handouts and a recording of the webinar visit the HANYs website at www.hany.org.

DNV: On March 8, 2012, Det Norske Veritas Health (DNV), the newest organization to gain CMS-approved status to accredit hospitals, participated in a webinar sponsored by Nassau Suffolk Hospital Council, Northern Metropolitan Hospital Association, and the Rochester Regional Healthcare Association. During this webinar, the National Integrated Accreditation for Healthcare Organization requirements along with the ISO 9001:2008 requirements, both of which are used by DNV for accreditation, were reviewed. The Joint Commission has been accrediting organizations since 1966. For a copy of the handouts and a recording of the webinar, contact Mary Jane Milano at mmilano@seagatealliance.com.

State Medicaid Demonstration: On March 13, 2012, the department of health outlined components of a State Demonstration Proposal to Integrate Care for Dual Eligible Individuals. The department of health is currently seeking comments on the proposal. The following eight counties comprise the proposed service area for the demonstration: Bronx, Kings, Nassau, New York, Queens, Richmond, Suffolk, and **Westchester**. The proposed target population includes full dual eligibles age 21 and over who are not receiving services through the Office for People with Development Disabilities, the Office of Mental Health Facility or participating in the Bronx Health Access Network Pioneer ACO. The project will be phased in with the first phase starting in January 2014 for all dual eligibles who are enrolled in managed long-term care programs who are receiving community-based long-term care supports and services. The second phase begins January 2015 and is for all remaining dual eligibles in the service area. The project labeled a “fully integrated dual advantage program” is a capitated managed care program that provides enrollees with a comprehensive array of Medicare, Medicaid and supplemental services including all physical health care, all long-term care services and support currently available through the Medicare Advantage Plus program, additional services currently only available through the home and community-based waiver program, additional supplemental services not currently required in the state’s managed care plan, and all behavioral health care services.

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

News Briefs . . .

Magnet Status . . . was achieved by Northern Westchester Hospital.

According to hospital officials, Northern Westchester is the only hospital in the United States that can claim to be both Magnet-certified and Designated with Distinction by Planetree, a nonprofit that works to educate the health care community about creating high-quality healing environments.

Noted for Exceptional Risk Management and Patient Safety . . . is Ellenville Regional Hospital. The facility received the 2012 Best Practices in Risk Management and Patient Safety Award from Physicians’ Reciprocal Insurers (PRI). Ellenville developed a medication reconciliation and patient

safety project to improve health literacy, as well as patient adherence to medication regimens through clinical pharmacy services. The services have been provided to more than 1,500 people as of December 2011, and have resulted in a significant reduction in medication-related events to a very low 0.1 occurrences per 1,000 doses dispensed.

Returning Veterans Initiative . . . is a project of member hospitals of the Northern Metropolitan Hospital Association, with input and assistance from one of New York Medical College’s Capstone project teams – graduate students working toward their master’s in public health. At the group’s March 20, 2012 meeting, hosted by the VA Hudson Valley Health Care System - Montrose Campus, members outlined priorities and an action plan for the initiative. The project will focus on assisting veterans, particularly returning war veterans,

with finding meaningful jobs in health care and hospitals. In addition to user-friendly web access to jobs in the region's hospitals, the initiative hopes to help veterans realize and apply the vital skills veterans gained in combat, command, or through other military responsibilities to jobs in the civilian workforce. The program will be announced formally to the public after finalizing it with the NorMet board of directors later this spring. Contact Lisa Corcoran for more information: lcorcoran@normet.org or 845-562-7520.

Committee and Other Meeting News . . .

Communications Committee: At its February 1, 2012 meeting, the Communications Committee discussed implementation of a region-wide public information campaign. One topic under consideration is the future of health care delivery and how it will affect different segments of the population. There is no doubt that the delivery of and payment for health care services in the very near future, and even now, is dependent upon a much more coordinated and integrated model. Helping the public and media understand this interplay is an important role of hospital communicators.

Patient Financial Services Committee: A teleconference meeting was held on February 29. Topics of discussion included: the transition and submission of 5010 claims data, Aetna DRG changes, notification penalties, administrative denials of patient care by insurers (rather than denial based on medical necessity), insurers down-coding claims without medical record reviews, the RAC audits, and out-of-network physician billing. Contact Maureen Kalmbach at NorMet with any questions: 845-562-7520 or mkalmbach@normet.org.

Charity Care Working Group met at NorMet and via teleconference on March 14 to review the existing law and discuss practices and policies surrounding qualification of patients for charity care. Twenty-five acute care and specialty hospitals participated in this discussion. HANYS expressed a concern that hospitals in the region are undervaluing the true value of charity care provided. The need for consistency between policy and practice, as well as for the various accountings of charity care to be consistent, was also highlighted. For example, Community Service Reports about charity care should align with Institutional Cost Reports. The impact of current public discourse about charity care was discussed, as well as the policy and fiscal impacts of the increase in patients with high deductible amounts and high co-pay insurance plans. Hospitals are observing that patients often cannot afford these higher levels of responsibility. Revised charity care guidelines and/or legislation are expected to be passed in the near future. NorMet will continue to partner with HANYS to provide members with education concerning the new guidelines. Contact Angela Skretta at NorMet with any questions: 845-562-7520 or askretta@normet.org.

Medicaid Observation Units: More than 50 members joined a conference call held Monday, February 27, with Ruth Leslie, Deputy Director of the Division of Certification and Surveillance at the Department of Health. The Observation Unit Operating Standards with the effective date of 1/11/12 were discussed.

Patient Safety Institute Committee Meetings

Surgical Site Infections:

Tuesday, April 3 at 9 a.m.

Patient Falls:

Friday, April 13 at 9 a.m.

Institute Board of Directors:

Friday, April 13 at 11 a.m.

Safety and RCA Committee:

Friday, April 20 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*



400 Stony Brook Court
Newburgh, New York 12550
845-562-7520 • Fax: 845-562-0187
www.normet.org