

# NorMet News . . . November 2013

**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.*

## New York Not Extending Insurance Fix; Meanwhile Marketplace Enrollment Continues

Speaking at a recent event, Governor Cuomo said that New York State will not allow an extension of sub-standard insurance policies for one year. These are policies that do not conform to the Affordable Care Act (ACA) essential benefits coverage. Several weeks ago President Obama offered a one-year extension of these cancelled policies as a fix for the millions of Americans who are receiving cancellation notices because their insurance policies are inadequate under the new law. Governor Cuomo said New York's marketplace is operating well and there is no need to change any rules at this time. About 137,000 people in New York received cancellation notices. The White House policy change leaves the provision of the extension at the discretion of state insurance commissioners and finally at the discretion of insurers who have the option to re-issue the sub-standard policies.

Despite this recent policy development, business on New York's marketplace continues at a healthy pace. The New York State Department of Health reports that since the marketplace opened October 1, 2013, 76,177 people enrolled in plans and 267,414 completed applications. The state will now post weekly enrollment updates on its website. A substantial number of those who enrolled in New York's marketplace qualified for Medicaid and Child Health Plus. Applicants can enroll online at [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov), by phone at 1-855-355-5777, or with the assistance of an in-person navigator.

The Hudson Valley region is serviced mainly by a variety of subcontracted local in-person Navigator Agencies under the Community Service Society of New York, as well as the Maternal Infant Services Network of Orange, Sullivan and Ulster Counties and the Westchester County and Rockland County Departments of Health.

Using an online portal, navigators assist individuals, businesses, and families in understanding insurance options offered on the marketplace and in purchasing insurance. Navigators, some of whom are bi-lingual, assist individuals in completing the application for coverage, and use an online tax credit and premium rate estimator to determine whether individuals' income levels and family size qualify them for subsidized insurance premiums, Medicaid coverage, or Child Health Plus enrollment. Using this tool, the navigators also help small business owners determine if they are eligible for any tax credits.

Individuals and business owners also can shop and enroll online at [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov) or by phone through the state's customer service line at 1-855-355-5777. – Janine Logan, [jlogan@normet.org](mailto:jlogan@normet.org).

### ***Governor Signs More Health Care-Related Legislation . . .***

**Observation Services Notification:** This new law requires hospitals to provide patients who are placed in observation care with oral and written notification within 24 hours of such placement that the patient is in observation status and not admitted to the hospital as an inpatient. The Department of Health will develop guidance for hospitals for the written notice, which must include a statement that observation status may impact a patient's coverage and the patient should contact their insurer for more information. The original version of this legislation placed more onerous requirements on hospitals.

**Managed Care Reform.** This law requires utilization review agents to substantiate pre-authorizations electronically, with some exceptions, and extends providers' timeframe to file external appeals from 45 days to 60 days. *The Suburban Hospital Alliance was influential in achieving positive revisions to both these pieces of legislation.*

## **Federal Funding Deadlines Threaten Hospitals**

A variety of upcoming federal funding deadlines could wreak havoc on hospitals, as legislators look for ways to reduce the nation's debt and deficit and seek offsets for those reductions. Hospitals remain likely targets and legislators need constant reminders about the threat to patient care and access that could occur if more cuts to Medicare and Medicaid ensue. Keep these deadlines in mind:

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**December 3 and January 8** - AHA Advocacy Days. Contact Elyse Oveson, Director of Federal Relations, [eveson@hanys.org](mailto:eveson@hanys.org) (202) 488-1275 for help arranging advocacy opportunities in Washington, DC.

**December 13** – Budget Conference Committee presents budget plan.

**December 31, 2013** – Current “doc fix” expires and nation’s physicians could see nearly a 25 percent reduction in Medicare payments. Health committees in each chamber are working on plans to permanently replace the flawed payment system; however, there is no plan to pay for the fix now estimated at \$140 to \$200 billion over 10 years. A temporary one-year patch would cost about \$18 billion.

**January 15, 2014** – Continuing Resolution expires. This is the same day that the next round of sequestration cuts is set to take effect. Hospitals are on the hook for another two-percent Medicare cut. This situation could worsen if legislators

decide to modify sequestration and shift additional reductions to providers.

**February 3, 2014** – President releases federal fiscal year 2015 budget. It is anticipated that the President’s budget will include Medicare and Medicaid cuts.

**February 7, 2014** – Debt ceiling limit deadline. Negotiations over this limit could set off another round of debt/deficit reduction tradeoffs, with hospitals vulnerable to more cuts.

## Member Hospitals

Blythedale Children’s Hospital  
Bon Secours Community  
Hospital  
Burke Rehabilitation Hospital  
Catskill Regional Medical  
Center  
Ellenville Regional Hospital  
Good Samaritan Hospital  
HealthAlliance Hospital  
Helen Hayes Hospital  
Hudson Valley Hospital Center  
Keller Army Community  
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

# Medicare’s Inpatient Status Rule Needs Refinement

The Centers for Medicare and Medicaid Services (CMS) “two-midnight rule” governing short inpatient stays went into effect October 1, 2013, but the agency has delayed enforcement of the rule until April 1, 2014, while it conducts educational audits of hospitals’ short stays. The additional guidance from the agency falls short of definitive direction, says the hospital industry. CMS released its “two-midnight rule” policy in response to providers’ and patients’ confusion about what qualifies as inpatient care versus outpatient care in a hospital for Medicare reimbursement purposes. Patients placed on observation status are at this level of care because the treating physician/care team concludes that more time to observe symptoms and developments in order to arrive at the correct diagnosis is in the best interest of the patient. Therefore, the length of observation stays varies on a case-by-case basis. The new rule states that only hospital stays that last two-midnights or more are inpatient stays. However, CMS’ guidance on the subjective and often ambiguous issue of patient status remains incomplete and the hospital industry maintains that in the best interest of patients this “two-midnight rule” should be delayed for at least one year. The agency’s determination of inpatient versus outpatient status has implications for provider payment and patient co-payment/deductible responsibilities. – Janine Logan, [jlogan@normet.org](mailto:jlogan@normet.org).

## News Briefs . . .

**New Flu Prevention Regulations . . .** that went into effect in July 2013 require all hospital employees to become vaccinated against the flu and/or to wear a surgical mask during flu season while working in areas where patients, residents, or clients may be present. The surgical mask must be worn during the time when the Commissioner of Health determines influenza is prevalent. Also starting this year, hospitals, nursing homes, and other facilities must document the number and percentage of personnel vaccinated against the flu to state and federal authorities. NorMet developed informational materials that explain the sensitive nature of this

new policy in a consumer-friendly format. The materials are appropriate for internal/external distribution and media placement. Contact Janine Logan, Communications Director, for more info and materials – [jlogan@normet.org](mailto:jlogan@normet.org).

**Hepatitis C Testing . . .** for patients born between 1945 and 1965 takes effect January 1, 2014. The new state law requires hospitals and health service providers to offer hepatitis C testing to the “baby boomer” group.

**Joint Commission Top Performer . . .** designation was achieved by **St. Joseph's Hospital**. The hospital attained excellence in accountability measure performance during the calendar year 2012. The hospital scored exceptionally in measures for heart attack, heart failure, pneumonia, and surgical care. As Top Performers on Key Quality Measures®, hospitals in this category represent the top 33 percent of all Joint Commission-accredited hospitals that reported accountability performance measures in 2012. More than 3,000 U.S. hospitals were evaluated.

**Top Critical Access Hospital Designation . . .** goes to **Catskill Regional Medical Center – Callicoon Division – Grover Hermann Hospital**. It received the distinction from the National Rural Health Association Critical Access Hospital Conference for being named as one of the Top 20 Critical Access Hospitals for Quality in the country. These hospitals scored best among critical access hospitals on iVantage Health Analytics' Hospital Strength Index™ for Quality, a rating of hospital performance.

**New CEOs Named at Region's Hospitals . . .** **Anthony Alfano** was named vice president and executive director of Montefiore New Rochelle Hospital (the former Sound Shore Medical Center that was recently acquired by Montefiore Health System). Alfano previously served as chief operating officer of New York Downtown Hospital. **Luke McGuinness** was named president and chief executive officer of Health Quest. McGuinness most recently served as president and CEO of Cadence Health, a two-hospital system in Winfield, IL.

**Patient Satisfaction Noted . . .** at **Orange Regional Medical Center** as it received the National Research Corporation (NRC) 2013 Path to Excellence Award. The award notes that Orange Regional is "most improved hospital with 300 beds or more." Orange Regional was one of two hospitals selected nationally for its commitment to improving the patient experience. The NRC implements surveys and performs analyses that help health care providers to measure and improve quality and services that offer a greater understanding of patients' experiences, preferences, risks, and behaviors. The award is based on Hospital Care Quality Information from the Consumer Perspective Survey provided to patients after discharge.

**Partnership for Patients Success Noted . . .** by the Centers for Medicare and Medicaid Services and the agency will continue the program into 2014. The program – a partnership of the Healthcare Association of New York State and the Greater New York Hospital Association – began as a two-year project to reduce hospital-acquired conditions by 40 percent and readmissions by 20 percent. One hundred seventy-two hospitals in New York State participate in the program. A few successes to date include: A reduction of 74.71 percent in early elective deliveries; a reduction of 29.46 percent in central line-associated bloodstream infections; a 20.33 percent reduction in ventilator-associated pneumonia; and a pressure ulcer rate of 1.20, which is below the national benchmark of 1.982.

**Governance Survey . . .** was conducted by the Healthcare Trustees of New York State. The survey queried hospital CEOs and board chairs about their governance practices. Some results include: the average size of hospital boards in New York State is 15 members; 52 percent of boards have term limits; 41 percent of boards have adopted a succession plan for board leadership. The survey also revealed that boards need more discussion and focus on strategic issues, a stronger dialogue, and more frequent use of a consent agenda. Board respondents identified physician engagement as a key issue.

## ***Don't Miss an Exceptional Educational Opportunity . . .***

**December 5 – 6, 2013 – SWAT VII: The Journey into Risk: The New Health Care Marketplace and the Impact of the Affordable Care Act**

This members only event takes place at the DoubleTree Hotel, Tarrytown, New York

Register via [cguyon@hanys.org](mailto:cguyon@hanys.org). 518-431-7834



Go to [www.normet.org](http://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.



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