NORTHERN METROPOLITAN HOSPITAL ASSOCIATION

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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

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A PUBLICATION ADDRESSING HEALTH ISSUES FACING HUDSON VALLEY RESIDENTS

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STATE UPDATE: Medicaid Continues Its Dominance

Waiver: The New York State Department of Health submitted its Medicaid 1115 waiver on August 6, 2012 to the Centers for Medicare and Medicaid Services (CMS). The waiver includes many ideas and priorities forwarded by the Northern Metropolitan Hospital Association and its state hospital association that support the state's goals of improving patient care, improving population health, and reducing per capita health care costs. Specifically, the waiver asks that the federal government allow the state, over a five-year period, to reinvest $10 billion of the $17.1 billion in federal Medicaid savings generated by the Medicaid Redesign Team (MRT) activities. The MRT, also a multi-dimensional group of health care providers, payers, policy makers, and patients, met in 2011 -2012 and produced dozens of recommendations to improve efficiencies and save costs within the state's Medicaid program. The waiver places an emphasis on expanded primary care and integrated health models, equitable funding for safety net and essential provider hospitals, workforce needs, and regional health planning to ensure the varying health needs of different communities across the state are met. Programs outlined in the state's waiver align with ongoing health care reforms on the federal level.

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).

Medicaid Global Cap: The State Department of Health reports that Medicaid expenditures are $33 million under projections for the first two months of the state fiscal year, which began April 1, 2012. The state's Medicaid spending is capped at $15.9 for the current fiscal year.

FEDERAL UPDATE: Spending Levels, Cuts Resolved

Coding Offset: Hospitals in the Hudson Valley region will not see a decrease of 0.8 percent in their Medicare reimbursements for federal fiscal year 2013, which begins October 1, 2012. At the urging of the Northern Metropolitan Hospital Association and the Healthcare Association of New York State, CMS did not include the reduction in its final payment rule. New York's entire Congressional delegation, led by Representative Peter King (R-Seaford), backed the hospital industry's position. Historically, CMS has maintained that coding offsets are needed to recoup payments (from fiscal year 2010) made to hospitals that do not reflect, in the agency's mind, real increases in severity of patient conditions. However, the hospital industry has identified flaws in CMS' methodology, and further, hospitals have empirical evidence that attests to the fact that as outpatient care has become more commonplace those admitted to inpatient care are much sicker and present with greater acuity and complications. Coding changes, or classification of patients, are a reflection of this trend. Unfortunately, coding offsets for the current fiscal year and two prior years remain.

Spending Agreement: On Tuesday, July 31, 2012, House and Senate leaders reached agreement with the White House to continue the existing level of funding ($1.047 trillion) of the government through March 31, 2013. This is the same amount agreed to in last summer's debt ceiling deal. Congress left Washington, DC on August 3, 2012 for a five-week recess. The bill will come before the House and Senate when members return in September. Passage of the agreement and acceptance by President Obama mean the government will not shutdown on October 1, 2012.