

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
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



A PUBLICATION ADDRESSING HEALTH
ISSUES FACING HUDSON VALLEY RESIDENTS

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State Update: Albany Activity Winds Down

The legislative session saw an unprecedented shared stakeholder budget process that trimmed \$2.3 million from the budget, while setting in motion Medicaid reforms that will improve efficiencies, care, and save money. Budgetary, regulatory, and other legislative activity also advanced, leaving the hospital industry with a mixed bag of results. Further, some legislative priorities that did not cross the finish this session may be back again when the legislature reconvenes next year. The Senate may return for a special session in a few weeks. Here is a quick summary of major actions:

More Transitional Care Units (TCUs) . . . will dot New York State now that the new Public Health and Health Care Planning Council (PHHPC) approved seven 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.

Certificate of Need (CON) reform . . . passed both chambers and is expected to be signed by the governor. 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 PHHPC at its meeting also looked at a number of backlogged CON projects and approved them. 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 by direction of Senate Leader Dean Skelos. 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 had voted to repeal the tax, but the bill was never brought to the floor for a vote by the Assembly. Key supporters of the repeal bill were author Senator Lee Zeldin (Long Island) and most of the Long Island Senate delegation, and Senators Stephen Saland and John Bonacic (Hudson Valley), who each previously introduced their own MTA Tax Repeal bills. The hospital industry hopes and expects the bill will be re-introduced next session.

Federal Update: Debt Ceiling Driving Policy

Unless the debt ceiling is raised by August 2, 2011, the United States will default on its existing financial obligations. This will wreak havoc with the country's fragile and recovering economy and plunge the nation further into economic distress. Policy analysts from all industries say such a situation will negatively affect every single American, as borrowing would freeze and productivity would stagnate.

Because Medicare and Medicaid comprise more than 20 percent of all federal spending, these programs remain vulnerable targets as lawmakers look for companion cuts to any raise in the debt ceiling. The hospital industry, which has already committed to \$155 billion in cuts during the next 10 years to help fund the new health reform law, is especially concerned that lawmakers will further slash Medicare/Medicaid budgets.

An independent study conducted by the Lewin Group found that one such proposal, the Commitment to American Prosperity (CAP) Act, would yield disastrous consequences. It notes that by 2021, 5.1 million individuals would lose their health insurance, cuts to hospitals would force most to operate in the red, physician fees would be reduced, and social security benefits would be cut by nearly 20 percent.

Hospital leaders are taking their worries to Washington DC this July 13 during a special Advocacy Day organized by the American Hospital Association. "Hospitals are unique and vital institutions in their communities," said Kevin Dahill, president/CEO of the Northern Metropolitan Hospital Association (NorMet), the organization that represents Hudson Valley hospitals. "We are there 24/7 to serve the needs of all patients in our respective legislators' districts. We can't absorb any more cuts."