

NORTHERN METROPOLITAN HOSPITAL ASSOCIATION

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

MEMBER HOSPITALS

Benedictine Hospital
Blythedale Children's Hospital
Bon Secours Community Hospital
Burke Rehabilitation Hospital
Catskill Regional Medical Center
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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
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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



A PUBLICATION ADDRESSING HEALTH ISSUES FACING HUDSON VALLEY RESIDENTS

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STATE UPDATE: Health Care Legislation Moves Along

Months after the official close of the 2012 state legislative session a handful of bills still await review by the governor. **Most notably, an observation care services bill, initiated by the Suburban Hospital Alliance of New York State, LLC, has yet to be delivered to Governor Cuomo.** The Suburban Alliance, a 51-member strong group of hospitals in the nine suburban counties east and north of New York City, worked with health committee leaders to advance legislation designed to align federal and state regulations pertaining to the provision of observation care.

Because of this misalignment, hospitals are hesitant to use observation care status, and instead, admit a patient to inpatient status, even though observation care may be the more clinically appropriate designation. These short stays then trigger federal coding/payment audits. This legislation would override state regulations finalized in January, which require observation care be provided in a discreet unit, under the direction of the emergency department, and with a specific designation of beds for the purpose of providing observation care, and establish new criteria that conform more closely with Medicare rules.

The Prescription Drug Monitoring Program, referred to as **I-STOP (Internet System for Tracking Over-Prescribing) was signed into law by Governor Cuomo in late August.** The major component of this law is a real-time online registry for controlled substances. Practitioners must consult the registry before prescribing. The law also requires practitioners to issue prescriptions electronically by the end of 2014, updates the controlled substances schedule, provides for prescriber education and awareness, and establishes a safe disposal program for the public.

An amendment to the Palliative Care Information Act of 2010 requires practitioners to offer to provide information regarding other appropriate treatment options should the patient wish to initiate or continue treatment. The governor signed the **Information and Counseling on Treatment Options** measure into law in late August. The 2010 law requires a health care practitioner to offer to provide information and counseling regarding palliative care and end-of-life options appropriate to the patient.

FEDERAL UPDATE: Fiscal Pressures Mount

Hospital leaders throughout the Hudson Valley are preparing for a tumultuous few months, as worries about imminent provider reimbursement cuts, more taxes, and additional strategies to attack the nation's debt and deficit troubles heat up. A Medicare physician pay cut of 27 percent, expiring Bush tax cuts, expiration of the payroll tax holiday, and automatic two-percent sequestration cuts ensure a fiscal fiasco at year's end.

The physician pay cut is a recurring issue, stemming from the flawed sustainable growth rate formula legislated by Congress in 1997 and that has yet to be fixed. Severe cuts to doctors have thus far been avoided, with funding for prior physician pay cuts coming from other sectors, including hospitals. The two-percent automatic cuts that kick in January 2013 are the result of last year's bipartisan "Super Committee's" failure to reach a deficit reduction agreement.

On the policy front, two quality-focused, cost-conscious Medicare initiatives descend upon hospitals this fall - value-based purchasing program (VBP) and readmissions penalty program. VBP starts impacting hospitals' reimbursements in October and the Centers for Medicare and Medicaid Services (CMS) will make VBP results public next year. Also in October, Medicare will begin to penalize hospitals with higher than expected readmission rates within 30 days of discharge, as required by the federal Affordable Care Act."

"These two initiatives alone - VBP and readmissions penalty - will cost hospitals throughout the lower and mid-Hudson Valley an estimated loss of \$1 million and \$5.7 million respectively in 2013," said Kevin Dahill, president/CEO of the Northern Metropolitan Hospital Association (NorMet), which represents hospitals throughout the Hudson Valley.

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FOR MORE INFORMATION CONTACT JANINE LOGAN, DIRECTOR OF COMMUNICATIONS, AT 845-562-7520