

# NorMet News . . . June 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.*

## Hospital Cuts Tied to Insurance Expansion Require Revision Say, Hospital Advocates

An unintended consequence of last year's Supreme Court decision to give each state the option of expanding its Medicaid program under the Affordable Care Act (ACA) means not as many uninsured will gain coverage. The Congressional Budget Office's initial projection that 32 million would gain insurance has now decreased to 25 million.

Further, the Obama Administration's decision to delay the 2014 implementation of the mandate that employers with over 50 employees provide health insurance coverage will also lessen the uptake of newly insured. Despite these occurrences, the magnitude of disproportionate share (DSH) cuts authorized by the ACA will still be borne by hospitals. Medicare and Medicaid DSH payments are made to facilities that serve a "disproportionate" number of uninsured, indigent patients who cannot afford to pay for their care and these payments partially subsidize the cost of that care.

The Healthcare Association of New York State (HANYYS) provided comments to the Centers for Medicare and Medicaid Services (CMS) on the agency's recently proposed regulations that set forward the policy that would implement the Medicare and Medicaid DSH cuts, urging improvements in the policies to make their application more equitable. The final rules are expected out next month.

In May, bill HR 1920 was introduced in the House of Representatives by Representative John Lewis. The bill would delay both the Medicare and Medicaid DSH cuts by two years. This two-year delay would allow more time for coverage expansion under the ACA to be fully realized. NorMet has long held that DSH cuts should not begin until coverage expansion actually takes hold.  
– Janine Logan, [jlogan@normet.org](mailto:jlogan@normet.org).

## Insurer Reforms Move Forward in New York State

Numerous bills that passed the 2013 state legislative session are awaiting delivery to the governor. Managed care reform legislation (S.5834, Hannon/A.2691, Gottfried) backed by the Suburban Hospital Alliance of New York State, LLC, and the Healthcare Association of New York State is one on the waiting list. The Suburban Hospital Alliance is the advocacy arm of NorMet and is sister organization the Nassau-Suffolk Hospital Council, which represents hospitals on Long Island. This legislation would require utilization review agents to substantiate pre-authorizations electronically, with some exceptions, and would extend providers' timeframe to file external appeals from 45 days to 60 days. If signed by the governor, the new law would take effect on July 1, 2014.

A managed care reform that took effect July 1, 2013 concerns health plans' unilateral down coding of claims without reviewing a medical record and plans' denial of entire claims based on emergency admission timely notification policies. Both provisions ensure fairer consideration of patients' access to quality care and providers' ability to code and process claims. – Janine Logan, [jlogan@normet.org](mailto:jlogan@normet.org).

# AHA Examines Wage Index Issue, Region's Hospitals Provide Input

The Centers for Medicare and Medicaid Services' (CMS) adjustment to Medicare reimbursement rates that compensates for regional differences in labor costs has been the subject of discussion of an American Hospital Association (AHA) Medicare Area Wage Index Task Force. The Medicare Wage Index, as it is known, has been the cause of much frustration among hospitals in different states of the nation and even among hospitals in the same state. Because labor rates vary widely across the country, with the highest-cost regions tending to be concentrated in urban areas, hospitals in some regions receive significantly higher reimbursement rates. New York City and its surrounding metropolitan region are on the high end of the wage index scale.

The AHA's Medicare Area Wage Index Task Force released a proposal earlier this year to narrow the gap between the highest and lowest wage index adjustments. However, the proposal would raise the Medicare reimbursement factor of lower wage areas by redistributing more than \$1 billion from higher wage areas like the suburban regions of Long Island and the lower Hudson Valley. These are the two regions represented by the Suburban Hospital Alliance of New York State, LLC. This is accomplished by raising the wage index floor for rural areas and eliminating all current and future reclassifications to higher wage index regions. The proposal is especially disadvantageous to any hospitals that currently are reclassified to other wage areas. At the same time, it fails to address the steep "cliff" between wage index regions, where hospitals in counties bordering a high wage index area may receive a sharply lower reimbursement rate but are still competing for labor with hospitals paid at the higher rate.

*The AHA proposal would drain about \$60 million in payments from the region, compounded over a five-year period.*

The Suburban Hospital Alliance determined that the AHA proposal would drain about \$60 million in payments from the region, compounded over a five-year period. In April, the Suburban Hospital Alliance sent a letter to the AHA board chair and officers noting the concerns of hospitals in these regions. Subsequently, the AHA board authorized the creation of the Medicare Area Wage Index Advisory Review Committee. The committee's first order of business was to hold an open session on July 11, 2013 in Chicago to receive input from individual AHA members regarding the Task Force's proposal. NorMet and Suburban Hospital Alliance CEO Kevin Dahill testified before the review committee.

The review committee is considering all comments and reviewed its findings with the full AHA board of directors at their meeting on July 24, 2013. The review committee acknowledges that the wage index is a complex issue and is committed to working with the hospital field to improve the recommendations. NorMet will keep members updated on this important and evolving issue. – Janine Logan, [jlogan@normet.org](mailto:jlogan@normet.org).

## News Briefs . . .

**Healthgrades Quality Awards** . . . were presented to several hospitals in the Hudson Valley region. **Putnam Hospital Center** – 2013 Outstanding Patient Experience Award; **Northern Dutchess Hospital**, Five-Star recipient in maternity care; **Vassar Brothers Medical Center**, 2013 Women's Health Excellence Award and 2013 Maternity Care Excellence Award, and **Orange Regional Medical Center**, 2013 Patient Safety Excellence Award.

**Breast Imaging Accreditation** . . . offered by the American College of Radiology was earned by **White Plains Hospital's** Breast Imaging Department, as well as White Plains Hospital Women's Imaging Center at Rye Brook.

**Arthur Nizza, DSW** . . . is the new president/CEO of **Saint Francis Hospital and Health Centers**. Dr. Nizza most recently served as president/CEO of Stellaris Health. He has extensive experience and served as a health care leader in a wide-variety of health care settings including academic medical centers, provider networks, management service organizations, and community hospitals.

**Cancer Services Grants** . . . was awarded to **Catskill Regional Medical Center** by the New York State Department of Health and Centers for Disease Control. The five-year program grant will serve those in Sullivan County. The Cancer Services Program of Sullivan County, administered through Catskill Regional, has provided free screening services for uninsured Sullivan County residents since 1994. The program also provides diagnostic and case management services and assists those eligible with obtaining Medicaid coverage through the New York State Medicaid Cancer Treatment Program.

**New Name and Brand** . . . was unveiled for the association that represents public/safety net hospitals. The National Association of Public Hospitals and Health Systems is now called America's Essential Hospitals.

**Insurer Rebates** . . . to consumers will total about \$500 million this year. This is according to the U.S. Department of Health and Human Services. About 8.5 million Americans will receive the rebates with an average rebate of about \$100 per family. The rebates are the result of a provision in the Affordable Care Act (ACA) that requires insurers to spend at least 80 cents of every insurance premium dollar on patient care, known as the medical loss ratio. Large employers can pass the rebate along to employees or use it to lower employee premium payments. New York had a medical loss ratio rule in place prior to the ACA.

**Recognized for Efforts to Restore Sight** . . . is **Northern Dutchess Hospital**. The hospital received the 2013 Hospital of the Year Award by The Sight Society of Northeastern New York Inc. (Lions Eye Bank at Albany). The Lions Bank at Albany serves 43 hospitals in 28 counties in upstate New York and one county in Massachusetts.

### 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

**Revised Sepsis Rule Guidance for Hospitals** . . . can be accessed through the Health Commerce System. The New York State Department of Health's revised guidance provides an amended definition of pediatric severe sepsis to include cardiovascular organ dysfunction. Since IPRO will assist the Department of Health with the collection and review of protocols due on September 3, 2013, IPRO will send a separate communication to hospitals with instructions on how to submit the required information.

**NYPORTS Changes** . . . effective July 15, 2013 require hospitals to submit their reports using the revised reporting guide and glossary. The revised Reporting Guide and Glossary are available on the NYPORTS bulletin board. Hospitals with questions about the changes can contact the Division of Hospitals and Diagnostic Treatment Centers at 518-402-1004.

**National Quality Award Applications** . . . sought for the American Hospital Association's McKesson Quest for Quality Prize. The award is presented annually to honor hospitals pursuing excellence through hospital leadership and innovation in quality improvement and safety. Cash awards and/or merit recognition awarded. To nominate a hospital download an application from [www.aha.org/questforquality](http://www.aha.org/questforquality). Completed applications must be e-mailed by midnight, Central Time, Sunday, October 13, 2013 to [questforquality@aha.org](mailto:questforquality@aha.org)

**New Infection Reporting Mandate** . . . from the New York State Department of Health requires all hospitals to participate in a pilot program to report laboratory carbapenems-resistant Enterobacteriaceae (CRE), effective July 1, 2013 through December 31, 2013. During the pilot phase data will not be publicly reported. Following the pilot, the DOH will discuss the preliminary results with its Technical Advisory Workgroup and make a determination if CRE should be made part of the public infection reporting program in the future.

**New Tracking System** . . . to locate patients during emergencies and evacuations was recently launched by New York State. The New York State Evacuation of Facilities in Disasters System (NYS e-FINDS) is a secure, confidential, fast, and easy-to-use system to provide real-time access to patient locations. The system will be in place for the 2013 hurricane season, with training for providers already taking place.

**Palliative Care Award** . . . applications are now being accepted for the Circle of Life Award presented by the American Hospital Association. This award recognizes innovation in palliative and end-of-life care and is presented annually to honor organizations striving to improve the care provided to patients with life-threatening conditions or near the end of life. Applications are due August 3, 2013. For more information contact the AHA at (312) 422-2700; [circleoflife@aha.org](mailto:circleoflife@aha.org).

**Community Health Assessment** . . . is happening now throughout the state as part of the State Department of Health's 2013 – 2017 Prevention Agenda and a new federal-level IRS requirement. Hospitals are required to conduct a Community Health Needs Assessment (CHNA) to meet the reporting requirements of the state's 2013 –

2017 Prevention Agenda and the IRS' Form 990 charitable reporting mandate. NorMet is a regional partner with HANYS in this effort and will be helping HANYS implement its recently-awarded Community Health State Grant. NorMet

together with the New York State Association of County Health Departments is the Hudson Valley regional collaborative under the HANYS grant. Contact Janine Logan, director of communications, at [jlogan@normet.org](mailto:jlogan@normet.org) if you have questions and/or need assistance with any phase of the community assessment and plan activities.

## The 2013 Academy for Healthcare Leadership Advancement

Three-day opening session: September 29 – October 1, 2013 • Cornell University, Ithaca, NY

Participants will then engage in six online sessions before returning to Cornell November 10 – 12 for the closing session, project fair, and certificate ceremony. Through the joint sponsorship of Winthrop-University Hospital, HANYS, and the Johnson School at Cornell University, the program has been approved for 50.0 American Medical Association Physicians Recognition Award (AMA PRA) Category 1 Credit(s)<sup>TM</sup>. Contact: Rachel Hajos (518) 431-7838.

### **\* \* \* Blood Donations Needed \* \* \***

The blood supply typically drops off in the summer months and this year the region's blood supply and donation schedule is further taxed by the disruptive force of Superstorm Sandy. Please consider scheduling a blood drive at your hospital sometime in the next few weeks. Doing so will ensure that the blood supply does not drop to critically low levels during the remaining weeks of the summer. **Call Andrea Cefarelli at our region's blood supplier, the New York Blood Center, at 914-760-3173 to arrange a blood drive at your hospital.**



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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