

# 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  
Sound Shore Medical Center of Westchester  
Vassar Brothers Medical Center  
VA Hudson Valley Health Care System  
Westchester Medical Center  
White Plains Hospital Center

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A PUBLICATION ADDRESSING HEALTH ISSUES FACING HUDSON VALLEY RESIDENTS

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## Federal Update: Final ACO Rule Released; Deficit Reduction, Budget Balancing Continue

A climate of savings and efficiencies continues to permeate Washington, DC. The release October 24, 2011 of the Centers for Medicare and Medicaid Services (CMS) final rule on Accountable Care Organizations (ACO) reaffirms regulators' and policy makers' commitment to reducing costs through delivery models that rely on better care coordination, evidence-based medicine, quality benchmarks, and overall transparency.

The final rule allays many of providers' initial concerns related to financial risk, assignment of beneficiaries, number of quality reporting measures, caps on shared savings, and earned performance payment withholds, among other revisions. Officially known as the Medicare Shared Savings Program (SSP) for ACOs, the program was designed to encourage primary care doctors, specialists, hospitals, and other health care providers to coordinate their care. The program was authorized under the 2010 Affordable Care Act. For a fact sheet on the rule go to: <http://www.healthcare.gov/news/factsheets/2011>.

"**Super Committee**" members continue to meet in Washington. It is expected that the members of the Joint Select Committee on Deficit Reduction will have a plan in place by the end of October so the document can be scored by the Congressional Budget Office. The committee has until November 23, 2011 to deliver the package to Congress and Congress must vote on it by December 23, 2011. Congress has no authority to make any changes to the plan. If the full \$1.2 trillion in savings are not found by the committee, then automatic, across-the-board cuts, including up to two percent to Medicare providers, will go into effect starting FY 2012.

**Funding for Federal Government Operations** is facing a deadline of November 18, 2011. That's when the stopgap bill approved by Congress in September to keep the government running expires. Lawmakers may use another short-term budget extension as leverage to force more spending cuts. The Medicare and Medicaid programs remain extremely vulnerable. Hospital leaders from throughout the Hudson Valley have been urging their congressional representatives to not impose any more cuts to these programs. It's a message they have also asked congressional representatives to bring to the members of the "Super Committee."

## Hudson Valley Region News: Memorial Sloan Application for Harrison Facility Advances

Despite objections raised by the Northern Metropolitan Hospital Association (NorMet), which represents hospitals in the lower and mid-Hudson Valley, the State Health and State Health Planning Council voted Thursday, October 6, 2011 in favor of Memorial Sloan Kettering Center's Certificate of Need application to establish a free-standing treatment center in Harrison, NY and sent its recommendation to the State Department of Health, where a final decision will be made. Citing an ample supply of quality oncological services both at hospitals and private provider practices in Westchester and nearby counties, NorMet questioned the state's need-based evidence for another facility. NorMet also raised objections on the grounds that the Memorial Sloan facility will cause economic hardship on Westchester's hospitals and physicians. These facilities will be forced to care for an increased volume of Medicaid patients, as Memorial Sloan draws private insurance paying patients toward them, according to the advocacy group. That will also undermine the ability of those hospitals to offset the high expenses associated with running emergency rooms.