

Progress Notes

February 2014



Published monthly by the **Suburban Hospital Alliance of New York State LLC** . . . a consortium of 51 not-for-profit and public hospitals advocating for better health care policy for all those living and working in the nine counties north and east of New York City.

STATE UPDATE: Hospitals’ Budget Concerns Prevail

Hospital Advocates Travel to Albany, March 4-5, Register Now

The competition for funding will be intense this budget season and hospital advocates will make their voices heard in Albany in the weeks leading up to a final budget deal. On March 4 - 5, 2014, hospital leaders from the Suburban Hospital Alliance regions will bring their concerns directly to lawmakers in Albany.

In January, Governor Cuomo unveiled his \$142 billion executive budget for state fiscal year 2014 – 2015. It calls for total Medicaid spending growth of about 3.8 percent, which is the spending cap set for the upcoming fiscal year. The Medicaid Global Spending cap was enacted as part of the state budget two years ago. Since that time, despite significant increases in Medicaid enrollment, Medicaid spending has remained under the cap. Hospitals have done their part through delivery reforms and new payment structures to ensure that statewide Medicaid spending did not pierce the cap.

This is in spite of the fact that hospitals endured an annual across-the-board, two-percent cut to Medicaid reimbursements. Language in last year’s state budget calls for eliminating this two-percent Medicaid cut to hospitals effective April 1, 2014, if the cap is not pierced.

Advocate in Albany . . .

Join your hospital colleagues on **Tuesday, March 4** for meetings, specially arranged by the Suburban Hospital Alliance, with legislative leaders and senior DOH staff. On **Wednesday, March 5**, continue the dialogue by participating in HANYS Advocacy Day Kick-Off Event with legislative leaders, followed by more scheduled meetings with key legislators. To register go to: www.hanys.org or contact Christopher Guyon at cguyon@hanys.org.

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Hospitals also seek a portion of the savings to be gained by acceptance by the federal government of the state’s Medicaid waiver. An agreement in principle reached mid-February with the federal government would send \$8 billion in federal savings to New York to help it continue to implement Medicaid reforms. In its last communication with the state, the federal

government indicated that reinvestment in New York's Medicaid program would come by way of strategies to reduce potentially preventable hospitalizations, existing and enhanced managed care contract requirements, and more reforms designed to better coordinate care. – Janine Logan, jlogan@nshc.org or jlogan@normet.org.

Read more about the Medicaid waiver on page 3

FEDERAL UPDATE: Congress Extends Debt Ceiling, But Slams Hospitals with More Medicare Cuts

Extending the two-percent annual Medicare sequestration cuts to hospitals has become a convenient way to pay for the reversal of cuts imposed on other sectors and also as a funding mechanism to avoid proposed cuts on any particular sector. In mid-February, this scenario played out once again when Congress, as part of its debt ceiling extension, approved an additional year of Medicare sequestration cuts, into 2024, to restore funding to military pensions. In December 2013, lawmakers approved a budget deal to fund the government through September 30, 2014 and part of that deal included cuts to cost-of-living increases for younger military retirees – a very unpopular provision. This latest Medicare sequestration cut will cost New York hospitals and health systems \$280 million in new Medicare cuts atop the more than \$2.6 billion in Medicare sequestration cuts already in law.

The expiration of the temporary “doc fix” on March 31, 2014 means hospitals are extremely vulnerable to more Medicare cuts, as Congress looks for ways to either fix this perennial funding problem or once again delays the onset of this massive physician Medicare pay cut (24 percent). As recently as December 2013, Congress extended Medicare sequestration cuts and deepened the cuts tied to the Affordable Care Act (ACA) disproportionate share (DSH) payments to hospitals. DSH payments help hospitals offset part of the cost of care for the uninsured. The “doc fix” refers to the situation Congress and the nation's physicians find

themselves in when Medicare physician reimbursement is set to readjust based on the sustainable growth rate (SGR) formula. Enacted in 1997, the SGR formula directs Medicare physician reimbursement. It is tied to an inflationary factor economists agree is no longer feasible.

More about the “Doc Fix”

The additional year of sequestration cuts will yield more money, about \$2.3 billion, than is needed for the pension restoration and so Congress placed this in a “set aside fund” for future “doc fixes.” In an involuntarily, and somewhat perverse way, the hospital industry has contributed to this fund. Therefore, if Congress were to turn to the hospital industry once again to pay for the upcoming “doc fix” dilemma, the industry would, in effect, be paying twice.

Recently, a bi-partisan bill to repeal the SGR and replace it with a payment structure that ties reimbursement to quality was introduced by House and Senate health committees. The cost to repeal the SGR is pegged at \$150 billion over 10 years, much smaller than the previous 10 year estimate of \$300 billion. The fact remains, however, that should such legislation come to fruition, there would still need to be a way to pay for it. The Suburban Hospital Alliance will continue to aggressively advocate that the hospital industry cannot be the source of funding for any current or future “doc fixes” or new physician Medicare payment legislation. – Janine Logan, jlogan@nshc.org or jlogan@normet.org.

Medicaid Waiver Offers New York State \$8 Billion to Transform Health Care

The recent announcement of an agreement in principle between New York and the Centers for Medicare and Medicaid Services (CMS) regarding New York's Medicaid waiver application is welcome news for New York's hospitals. The agreement calls for \$8 billion to be re-invested into New York's health care system over the next five years. The state's initial proposal called for a \$10 billion reinvestment from the \$17 billion savings the state expects to accrue by implementing Medicaid reforms.

The waiver was 19 months in the making and New York worked with CMS during those months and produced multiple versions and amendments until a final version of the waiver was achieved. The Healthcare Association of New York State (HANYA), the Suburban Hospital Alliance of New York State, LLC, and the regional hospital associations offered input throughout the deliberative process. The overarching goal of the waiver, according to CMS, is to reduce avoidable hospitalizations (inpatient and ER admissions) in New York – specifically a reduction of 25 percent over five years. According to language in New York's waiver, this means 91,000 fewer inpatient stays and 1,050,000 fewer emergency department visits over the five year period.

These reductions will affect hospitals' bottom lines and that is why the waiver, along with other delivery reforms outlined in the Affordable Care Act (ACA), is transformative in scope and asks communities of providers to work together to better coordinate and integrate care for Medicaid patients serviced by public hospitals and a wide array of safety-net providers. The amended waiver offers the state and providers a unique

opportunity to address the underlying challenges facing New York's health care delivery system. These include lack of primary care, weak health care safety net, prevalent health disparities, and transition challenges related to managed care.

Eligible providers will compete for a finite pool of money offered through the Delivery System Reform Incentive Payment (DSRIP) Plan. New York's DSRIP plan includes 25 programs which are divided into three focus areas: hospital transition/public hospital innovation/primary care expansion/vital access providers (VAP); long term care transformation; and public health innovation. Some "off-menu" projects may be submitted, but these will be subject to greater scrutiny during the review process. In order to measure success in achieving a reduction in avoidable hospitalizations, each program will be evaluated for clearly defined process measures, outcome measures, measures of success relevant to provider type and population impacted, and financial sustainability metrics to assess long term viability. Eligible providers must choose a program that is a new initiative for them.

Details of the final waiver timeline, program valuation, and funding allocation method are under discussion right now, but New York expects CMS to leave the state's proposals mainly intact. The state's proposal also includes a mechanism to reward higher performing providers who exceed pre-set targets.

What CMS has made clear in this negotiated waiver is that any monies achieved through Medicaid re-design savings cannot be used to fund capital, rental subsidies, regional planning, evaluation, and health information technology. The waiver's emphasis is on local

partnering as a means to transform the delivery system with the ultimate goal of saving money and delivering better and more appropriate care to Medicaid patients.

Some of the costliest Medicaid patients are those who suffer from mental health and/or substance abuse disorders. There is a movement on federal and state levels to integrate behavioral health with primary care so that those most at risk are identified earlier in the disease process when treatment is less costly and often more effective. A recent Government Accountability Office report looked at key factors that indicate whether or not a person will become one of the costliest state Medicaid

http://www.health.ny.gov/health_care/medicaid/redesign/delivery_system_reform_incentive_payment_program.htm.

beneficiaries. The most expensive indicator was a mental health disorder.

Eligible providers have a wide range of collaborative opportunities before them in the DSRIP. New York's plan continues the state's desire to offer more patient-centric, medical home delivered care. However, the waiver's 25 percent reduction in avoidable admissions goal will be a tough one for already fragile providers to absorb, especially the safety-net ones that already predominately serve a Medicaid population.

For more information about the waiver, New York's DSRIP , and a list of the 25 programs go to:

News Briefs . . .

Blood Shortage Remains Critical . . . due to the recent snow storms that hit our region and the continuing cold weather. These have caused cancellation of blood drives, reduced attendance at drives, and a marked decrease in donors at walk-in New York Blood Center donation sites. The supply of O-Negative blood – the universal donor – is now below the minimum emergency “safety level,” and the platelets needed for clotting have only a five-day shelf life. Hospitals are urged to conduct blood drives at their facilities. The New York Blood Center will assist in scheduling blood drives. In the Hudson Valley region call **Andrea Cefarelli (914) 760-3173**; on Long Island call **Karen Muscolino (516) 478-5038**.

Educational Discount . . . is being offered to employees of Suburban Hospital Alliance of New York State, LLC, hospital members. Mercy College and the Suburban Hospital Alliance recently entered into a partnership that will allow employees of member hospitals a 15 percent discount on all undergraduate and graduate classes at Mercy College in Dobbs Ferry, NY. The Suburban Hospital Alliance includes all member hospitals of the Nassau-Suffolk Hospital Council and the Northern Metropolitan Hospital Association. For more information contact Mercy College at: 1-877-MERCY-GO.

Patient Safety Awareness Week . . . takes place March 2 through March 8, 2014. Led by the National Patient Safety Foundation, the week is an annual education and awareness campaign for health care safety.

HANYS 2014 Pinnacle Award in Quality and Patient Safety . . . is now underway. All NSHC and NorMet members are encouraged to submit nominations that highlight their institutions' achievements in quality and patient safety. Pinnacle Awards submission deadline is March 14, 2014.

Community Health Award Nominations . . . sought by HANYS for its 2014 Community Health Award. The award recognizes outstanding initiatives by members to improve the health and well-being of their communities. The nomination deadline is Monday, March 3, 2014.

Campaign Highlights Hospitals Transforming Care . . . through HANYS “100 Ways, 100 Days” informational campaign. The campaign aims to bring attention to the many ways New York’s hospitals and health systems are enhancing the lives of New Yorkers every day through innovative programs and new models of care. The stories are housed online on the HANYS website. The stories are also being shared with targeted audiences. Members are encouraged to share their stories with HANYS and to use the stories in their advocacy efforts.

Newborn Congenital Heart Disease Screening Law . . . took effect January 27, 2014. Birthing facilities in New York State are required to provide pulse oximetry screening on all newborns in their care to protect them from Critical Congenital heart Disease (CCHD). Hospitals must have in place a written protocol to ensure CCHD screening.

Hospital Pediatric Care Rules . . . effective March 31, 2014. Hospitals have until March 31 to comply with new regulations related to pediatric care and other new operational requirements. In addition to the requirement that hospitals post a notice of parents’ rights, the rules update the state hospital code, including changes in the area of surgical, radiological, anesthesia, and radiologic and nuclear medicine services.

Patient Safety Organization (PSO) Requirements . . . were clarified recently by the Centers for Medicare and Medicaid Services (CMS) in a proposed plan released by the agency. At this time, CMS is not proposing that hospitals must utilize a patient safety evaluation system (PSES) or contract with a PSO in order to meet Affordable Care Act patient safety and quality improvement requirements in order to contract with qualified health plans found on the health insurance marketplace. Through at least 2017, CMS believes that hospitals can meet the conditions to contract with a qualified health plan by demonstrating that they are Medicare-certified or have a Medicaid-only CMS Certification Number and that they are subject to select conditions of participation related to quality improvement and discharge planning. CMS will consider whether hospitals must have agreements with PSOs after 2017.

Sepsis Reporting Delay . . . provides some reporting relief. The New York State Department of Health will delay the start of data collection and reporting for sepsis to the second quarter of 2014, specifically for cases beginning April 1, 2014. Previously, hospitals were expected to start reporting data beginning with cases on January 1, 2014.

New Flu Prevention Regulations . . . that went into effect in July 2013 require hospital employees to become vaccinated against the flu and/or to wear a surgical mask during flu season while working in areas where patients, residents, or clients may be present. The surgical mask must be worn during the time when the Commissioner of Health determines influenza is prevalent. **On December 19, 2013, State Health Commissioner Shah declared influenza prevalent in New York State after surveillance reports confirmed influenza to be widespread across the state.** Hospitals, nursing homes, and other facilities must also document the number and percentage of personnel vaccinated against the flu to state and federal authorities. The Suburban Hospital Alliance developed informational materials that explain the sensitive nature of this new policy in a consumer-friendly format. The materials are appropriate for internal/external distribution and media placement. Contact Janine Logan, Communications Director, for more info and materials – jlogan@nshc.org or jlogan@normet.org.

Insurance Enrollment Continues . . . The New York State Department of Health reports that as of February 24, 2014, 800,333 New Yorkers had completed their applications and 501,205 people have enrolled for coverage in the New York State of Health insurance marketplace. New Yorkers have until March 31, 2014 to enroll without penalty. The first round of coverage began January 1, 2014 for those who enrolled by December 23, 2013.

Hepatitis C Testing . . . for patients born between 1945 and 1965 became effective January 1, 2014. The new state law requires hospitals and health service providers to offer hepatitis C testing to the “baby boomer” group.

Aetna Ingenix Class Action Lawsuit . . . filing deadline is March 28, 2014. The Aetna Ingenix class action lawsuit is the second one that addresses the allegations that the Ingenix Database was faulty, which resulted in inappropriate reimbursement for out-of-network services. Under the terms of the new Aetna Settlement, any physician or other allied health professional who provided covered out-of-network services or supplies to Aetna enrolled members from June 3, 2003 through August 30, 2013 may be eligible. Class members must submit the required claims documentation to the Settlement Administrator by March 28, 2014. HANYS Solutions and Managed Care Advisory Group (MCAG) are experienced in filing such claims. For more information contact Terry August at taugust@hanys.org or call 518-431-7652.

News from the Long Island Region . . .

A Report on Nassau-Suffolk Hospital Council member hospital achievements and notable activities



Exceptional Young Leaders in the Region . . . were recognized at *Long Island Business News*’ 40 Under 40 celebration held January 30, 2014 at the Crest Hollow Country Club. Among the health care honorees were **Stephanie Meier, administrative director of obstetrics and gynecology, Winthrop University Hospital**, and the **Hospital Council’s** very own Vice President/Chief Operating Officer **Wendy Darwell**. Congratulations to both of these rising young leaders.



Wendy Darwell, COO of NSHC

Certified Application Counselor Training . . . will take place at the Hospital Council offices March 10 – 11, 2014. The full-day training begins at 9 a.m. each day. HANYS staff will conduct the Certified Application Counselor (CAC) training program. CAC training will enable hospital staff to enroll patients in Medicaid, Child Health Plus and commercial insurance plans through the New York State of Health insurance exchange marketplace. HANYS is a designated CAC training agency for the New York State Department of Health. **Training will take place at 1393 Veterans Memorial Highway, Hauppauge, which is located in the same office complex as the NSHC offices. To register contact Lillian Curry at lcurry@nshc.org or 631-963-4153.**

Scholarship Available . . . for college juniors and seniors and post graduate students who are studying journalism, communication arts, or health care administration. This is not a scholarship for clinical-based study. The \$2,000 scholarship is offered by the NSHC Communications Committee in memory of Ann Marie Brown, the late VP of government and public relations at the Hospital Council. Deadline is May 16, 2014. For application and eligibility criteria go to www.nshc.org, click on programs and scroll down to the Ann Marie Scholarship link.

Patient Safety Excellence . . . was awarded to the **Nassau University Medical Center** dialysis program by the IPRO End-Stage Renal Disease Network of New York. The medical center received the “Five Diamond Patient Safety Facility” designation for the second year in a row.

Recognition for Service Excellence . . . was bestowed upon **Mercy Medical Center**. It was ranked as a Top Performer

on Key Quality Measures by The Joint Commission. Mercy excelled in measures for pneumonia and surgical care. **St. Charles Hospital** also earned a place on the Top Performers list for a third consecutive year. St. Charles most recently received this recognition for pneumonia, surgical care, and stroke measures.

Health Partnership . . . formed by the hospitals on Long Island, the two county health departments, dozens of community-based organizations, schools and colleges continues to raise awareness about itself and its mission to help all Long Islanders adopt healthier behaviors as a means to



mitigate or prevent chronic diseases, with a particular emphasis on obesity. The **Long Island Health Collaborative** has been featured on several public affairs radio and television shows, in the region's main daily newspaper, and in numerous online and locally-based media outlets. More interviews and guest appearances are lined up for March and April. For more about the collaborative go to: <http://nshc.org/long-island-health-collaborative>. Follow the initiative on twitter @ligethealthy and on Facebook <https://www.facebook.com/pages/Long-Island-Health-Collaborative/1451139511781173>.

If you have news to share about your hospital's achievements, please send to Janine Logan at jlogan@nshc.org.

News from the Hudson Valley Region. . .

A Report on the Northern Metropolitan Hospital Association member hospital achievements and notable activities



Putnam Hospital Center . . . recently announced the appointment of **James Caldu**s as its president. Caldu has 25 years of experience at an executive level leading improvement in clinical quality, patient satisfaction, physician satisfaction, and employee engagement. He most recently served as executive vice president of Catholic Health Services of Long Island.

Clinical Excellence Honors . . . were awarded to Vassar Brothers Medical Center. It received the 2014 Distinguished Hospital Award for Clinical Excellence™ from Healthgrades and it also received from Healthgrades the 2014 America's 100™ Best Hospital Award.

Accreditation Granted . . . to the **Grover M. Hermann Division of Catskill Regional Medical Center's** mammography services. The hospital was awarded a three-year accreditation as a result of a recent American College of Radiology survey.

Top Performer . . . status was awarded to **HealthAlliance of the Hudson Valley's St. Mary's Avenue Campus** by the Joint Commission. The hospital was recognized for exemplary performance in using evidence-based clinical processes that are shown to improve care.

If you have news to share about your hospital's achievements, please send to Janine Logan at jlogan@normet.org.

Upcoming Events/Meetings . . .

HANYS Advocacy Day in Albany

March 4-5, 2014

Metropolitan Chapter of HFMA

55th Annual Joseph Levi Institute

March 13 – 14, 2014

LaGuardia Marriott

<http://www.hfmametrony.org>

AHA Advocacy Days

March 6 (Critical Access Hospital CAH) Rural
Advocacy Day

March 11 General Advocacy Day

March 26 General Advocacy Day

NSHC March Events/Meetings

Mar. 11 Nurse Managers Mtg, 12:30 p.m.

Mar. 12 Finance Committee Mtg, 8 a.m.

Mar. 13 HANYS HIM User Group, 1 p.m.

Mar. 18 Suffolk Emergency Preparedness
Mtg 10 a.m.

Mar. 19 LIHIMA Meeting, 8 a.m.

Mar. 21 Human Resources Committee Mtg, 9 a.m.

Mar. 21 Wage Index Education Session,

Mar. 31 Health Insurance Enrollment Fair
10 a.m. to 4 p.m.

All meetings take place at NHSC offices in Hauppauge.

Call 631-963-4153.

NSHC Member Hospitals

Brookhaven Memorial Hospital Medical Center
Catholic Health Services of Long Island

- Good Samaritan Hospital Medical Center
- Mercy Medical Center
- St. Catherine of Siena Medical Center
- St. Charles Hospital
- St. Francis Hospital
- St. Joseph Hospital

Eastern Long Island Hospital

Long Beach Medical Center

John T. Mather Memorial Hospital

Nassau University Medical Center

North Shore-Long Island Jewish Health System

- Franklin Hospital
- Glen Cove Hospital
- Huntington Hospital
- North Shore University Hospital
- Plainview Hospital
- Southside Hospital
- Syosset Hospital

Peconic Bay Medical Center

Southampton Hospital

Stony Brook University Hospital

Veterans Affairs Medical Center – Northport

South Nassau Communities Hospital

Winthrop-University Hospital

NorMet 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

Westchester Medical Center

White Plains Hospital