

Progress Notes

March 2014



Published monthly by the **Suburban Hospital Alliance of New York State LLC** . . . a consortium of 52 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.

Deal on State Budget Imminent

With the deadline for the state’s fiscal year 2014-2015 budget just days away (April 1), the governor and legislative leaders continue to negotiate the details of an agreement. Sticking points slowing the process right now are related to education funding, universal pre-K requirement, and property tax relief.

The proposal to eliminate the two-percent, across-the-board cut to Medicaid scheduled to take effect April 1, 2014 remains intact, as negotiations head into these final days. The elimination of this automatic cut was noted in budget statute last year with the stipulation that total state Medicaid spending remain under the global Medicaid spending cap. This has occurred since the cap was introduced two years ago. As a result of transformative measures implemented by hospitals by way of better coordinated and integrated care, the hospital industry has helped the state realize savings. Another provision still alive in the negotiations is a Medicaid “dividend” – a mechanism to determine what portion of Medicaid savings hospitals are entitled to. Language authorizing the implementation of the \$8 billion 1115 Medicaid Waiver has been discussed, but it is more likely that an agreement on the Medicaid Waiver

will occur outside of the budget process. The Suburban Hospital Alliance continues to press the case that distribution of Medicaid waiver funds must occur on a statewide level. Part of the waiver negotiation process includes determining a definition of what constitutes a “safety net” hospital. It is imperative that the final parameters used to define “safety net” do not exclude hospitals in regions of the state, far and near, that serve populations of poor and indigent in varying degrees.

More troublesome for hospitals are safe patient handling provisions included in the Senate and governor’s budget plans. The proposals are far-reaching and unworkable at this point. Health care workers’ safety and the assurance of a safe working environment are not in dispute and the hospital field is committed to working with front line health care workers to find more workable and economically feasible solutions.

Other issues needing fine tuning include a structure for regional planning, capital access, provisions related to equity among alternate service providers, and more managed care oversight, such as out-of-network standards. – Janine Logan, jlogan@nshc.org or jlogan@normet.org.

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Insurance Enrollment Deadline

The New York State of Health insurance marketplace closes on March 31, 2014 for this enrollment period. Individuals must secure insurance coverage by this date in order to avoid a penalty for non-compliance. Call the state’s customer service number at 1-855-355-5777, go online at www.nystateofhealth.ny.gov or meet with a local navigator to enroll. See story about local enrollment on page 4.

“Doc Fix” Deal

Days before the nation’s physicians were due to absorb a 24 percent reduction in Medicare reimbursement, House and Senate leaders arrived at a 12-month “doc fix” agreement. The measure has passed the House and is expected to pass the Senate. The fix is not offset by any of the Medicare hospital reimbursement cuts the hospital field had feared, namely cuts to direct or indirect graduate medical education and hospital outpatient department payments. As recently as this past December, hospitals endured cuts related to automatic Medicare sequestration and Medicaid

disproportionate share payments. These were used to offset the cost of the currently expiring “doc fix.” This 12-month Medicare sustainable growth rate (SGR) physician payment fix gives lawmakers until March 31, 2015 to find a permanent solution to the flawed SGR formula.

This “doc fix” package also includes a delay of ICD-10 code implementation until October 1, 2015 and a one-year postponement of the start of the Affordable Care Act Medicaid Disproportionate Share (DSH) hospital cuts until 2017. However, the level of reductions in 2017 through 2024 would increase. – Janine Logan, jlogan@nshc.org or jlogan@normet.org.

Congress Considers Two-Midnight Rule Extension, Revision

The pending “doc fix” package includes a measure related to the Centers for Medicare and Medicaid Service’s (CMS) controversial “two-midnight” rule. The bill indicates that CMS may allow for another six-month extension of the current “probe and educate” period until March 31, 2015. CMS originally sought to implement its “two-midnight” policy October 1, 2013, but then granted a partial enforcement delay until April 1, 2014 and then granted a second enforcement delay until September 2014. During the delay period, Medicare recovery audit contractors and other Medicare review contractors will not conduct post-payment patient status review of inpatient hospital claims with dates of admission on or after October 1, 2013. However, CMS will allow limited prepayment audits during what it deems a “probe and educate” period – a timeframe designed to provide hospitals familiarity with the rule and process.

The “two-midnight” rule originally came about as a result of hospitals’ and patients’ confusion about what qualifies as inpatient versus outpatient care in a hospital for Medicare reimbursement purposes. Prior to the rule,

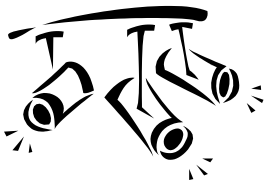
a proliferation of short inpatient stays triggered RAC audits, resulting in denials and now a huge backlog of pending appeals questioning those denials. In the meantime, hospitals placed appropriate patients on observation status to ensure that such patients would remain in the hospital to receive the appropriate level of care and to avoid triggering a short inpatient stay RAC audit. As a result, observation status (considered an outpatient level of care no matter the length of the stay) has implications for provider payment and patient co-payment/deductible responsibilities. Patients are placed on observation status because the treating physician/care team concludes that more time to observe symptoms and developments in order to arrive at a correct diagnosis is in the best interest of the patient. Therefore, the length of observation stays varies on a case-by-case basis. The CMS “two-midnight” rule currently states that a hospital inpatient admission spanning two midnights in a hospital would generally qualify as appropriate for payment under Medicare Part A (inpatient).

CMS has released guidance about the rule, but the hospital industry maintains that it is incomplete and does

not answer many technical implementation questions. The Senate's Two-Midnight Rule Coordination and Improvement Act of 2014 seeks more clarity and further delay of the rule. Ideally, hospitals hope to secure through the legislative process the development of a new payment methodology for short inpatient hospital stays.

Meanwhile, the Healthcare Association of New York State and other hospital associations asked the Provider Reimbursement Review Board to approve expedited judicial review of the groups' challenge to CMS' "two-

midnight" inpatient admissions criteria and related policies. The review board recently approved that request. CMS imposed a 0.2 percent payment cut for federal fiscal year 2014 in its Inpatient Prospective Payment System policy. CMS assumes the "two-midnight" rule will cost the government millions of dollars. Hospitals contend that CMS has no logical basis for this assumption. . – Janine Logan, jlogan@nshc.org or j.logan@normet.org.



SPOTLIGHT ON: *Quality*

By Kate Warner, Director of Quality and Education

Pediatric Care Regulations: On December 31, 2013, the state published new pediatric care regulations. The regulations were first proposed as part of Rory's Law, named after 12-year old Rory Staunton who died of septic shock in 2012, after being misdiagnosed by his pediatrician and an emergency room physician at a New York City hospital. The regulations, which go into effect April 1, 2014, require that hospitals only treat pediatric patients for whom they have the appropriate staff, resources and equipment and transfer those patients for whom the hospital does not have the capability to provide care. Other provisions of the regulation include a Parent's Bill of Rights that will be given to the caregivers or medical decision-makers for pediatric patients and patients lacking decision-making capacity. The Bill of Rights explains many of the other components of the regulation.

Off-Label Use of Glucose Meters: On January 13, 2014, the New York State Department of Health (NYSDOH) issued a letter to hospital laboratories ordering them to immediately cease "off-label use" of glucose meters. The devices had been used for years to monitor blood glucose levels in diabetic and non-diabetic patients receiving care. Recently, the accuracy and reliability of these devices came into question by the Food and Drug Administration (FDA) and the NYSDOH. These agencies state that most glucose meters are only approved for monitoring blood glucose in known diabetic patients. More specifically, they are not approved for many of their other uses, including diagnosis of or screening for diabetes, monitoring of glycemic control in non-diabetic patients and for any use with critically ill patients. Only three glucose meters are currently approved for the above listed uses (i-STAT, Hemocue and Cholestech LDX). The enforcement of this regulation has extreme cost and efficiency implications for hospitals as the devices are present and frequently used throughout facilities. The regulation also has implications for staffing and efficiency as testing can now only be administered by licensed personnel (registered nurses and medical technicians) rather than the unlicensed personnel who currently administer the test. Hospitals that continue to use the glucose meters "off-label" can be cited as deficient by the NYSDOH. If cited, they would then be expected to design and implement a formal plan of correction that would require replacing extensive amounts of equipment. An FAQ released by the DOH in February indicates that extensive validation studies proving the accuracy of a hospital's glucose meters are the only alternative to replacing these

devices. Modifications to the regulation and delays in its enforcement have been fiercely advocated for by the Suburban Hospital Alliance and its allied associations. – Kate Warner, kwarnar@seagatealliance.com.

Health Insurance Enrollment Deadline Is March 31st

Navigators process rush of applications in final days leading up to marketplace's closure



Certified navigators from the Nassau-Suffolk Hospital Council, one of Long Island's lead enrollment agencies, meet with applicants during a recent enrollment fair.

The deadline to enroll in a health plan through the New York State of Health insurance marketplace is fast approaching (March 31st) and New Yorkers who remain uninsured are urged to start their application by this date.

The New York State Department of Health reports that as of March 24, 2014, 1,055,931 New Yorkers have completed their applications and 717,207 have enrolled for coverage since the marketplace launched on October 1, 2013. The next enrollment period begins November 15, 2014 and ends February 15, 2015 for insurance coverage effective in 2015. Those eligible for Medicaid and/or Child Health Plus may enroll at any time throughout the year. Other individuals who experience a qualifying event during

the year, such as a death in the family, marriage, birth, may also enroll in commercial or public insurance plans available through the marketplace.

There are three ways to enroll: online at www.nystateofhealth.ny.gov; via the marketplace's customer service call center at 1-855-355-5777; or in person with a navigator. On Long Island, the Nassau-Suffolk Hospital Council is one of three state-certified navigator agencies. The Hudson Valley region is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties, and the Westchester County and Rockland County Departments of Health.

News Briefs . . .

Emergency Preparedness Update . . . CMS has issued a revision to the Emergency Preparedness Survey and Certification Checklist. These revisions include the following:

- Specificity with respect to the amount of water that will meet the needs of evacuated people; it is now set at one gallon per person.
- procedures to be followed when there is an inability to locate patients/residents during an evacuation.
- use of wristbands or another mechanism to identify evacuees, and a process to track them to their destination site. It is of note that use of the recently launched NYS e-FINDS tracking system will fulfill this requirement.
- a procedure with respect to sheltering and/or evacuating family members of the facility's staff.
- when reviewing the facility's emergency plan, use of FEMA best practices and guidance.

- use of emergency planning templates, tailored to meet a facility's specific needs, including those related to their geographical locations.
- collaboration with local emergency management agencies and health care coalitions to increase medical response capabilities.

Further information, and a copy of the revised checklist, is available at: <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Downloads/Survey-and-Cert-Letter-14-12.pdf>

Blood Shortage Remains Critical . . . due to the harshness of our recent winter. Cold and snowy weather has caused cancellation of blood drives, reduced attendance at drives, and resulted in 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.

Safety Standards . . . for hospitals related to the Affordable Care Act will be phased in. According to the CMS's final proposal, at this time hospitals will not be required to join a federally-qualified Patient Safety Organization (PSO) by January 1, 2015. Instead, beginning on that date, qualified health plans will be required to collect CMS Certification Numbers from their contracted hospitals with more than 50 beds that are subject to regulation. That is the first phase of implementation. More guidance from CMS will follow.

Bundled Payment Program Open Enrollment . . . was recently announced by CMS. Additional organizations will be considered for participation in Models 2, 3 and 4 of the Bundled Payments for Care Improvement Program. HANYS' subsidiary, DataGen, has been working to evaluate bundled payment opportunities and to monitor performance during the BPCI risk period. For info and questions about the program contact bundledpayments@cms.hhs.gov and for info about DataGen contact Gloria Kupferman at gtkupferm@hanys.org.

Palliative Care Webinar Series . . . launches April 17, 2014. Offered by HANYS, with generous support from Milbank Foundation for Rehabilitation, the webinar series is for health care providers seeking to initiate or expand access to palliative care. Each webinar will focus on key aspects of palliative care, including a review of New York State requirements, palliative care principles, community partnerships in palliative care, the business case for palliative care, how to conduct a family meeting, and focused discussions about providing access to palliative care in various provider and residential settings. Contact Molly Poletto at mpoletto@hanys.org.

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 areas of surgical, radiological, anesthesia, and radiologic and nuclear medicine services.

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.

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.

News from the Long Island Region . . .

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



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 Brown Scholarship link.

Magnet Award Designation . . . was recently earned by the nurses at **South Nassau Communities Hospital**. The Magnet Recognition Program™ recognizes health care organizations for quality patient care, nursing excellence, and innovations in professional nursing practice. Awarded by the American Nurses Credentialing Center, Magnet is the leading source of successful nursing practices and strategies worldwide.



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 April. The initiative recently participated in **Hofstra University's First Annual Health Equity Symposium** held March 12, 2014 at the college. 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>.



The Long Island Health Collaborative was the focus of the Long Island Association's Health, Education and Not-for-Profit Committee meeting held February 28, 2014. From left: Samuel Stanley, President of SUNY Stony Brook and Chair of this LIA committee, Kevin Dahill, President/CEO of the NSHC, Dr. Larry Eisenstein, Nassau County Health Commissioner, and Dr. James Tomarken, Suffolk County Health Commissioner.

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



Excellence in Elder Care . . . was awarded to **Hudson Valley Hospital Center's** program for hospitalized older adults. The program was recognized by the prestigious NYU College of Nursing program as one of the top NICHE hospitals in the nation. Nurses Improving Care for Healthsystem Elders (NICHE) recently released a list of nine hospitals that have achieved Exemplar status for the progress of their nurse-driven programs in raising the level of quality in care of older adult patients. HVHC was the only hospital in the region to receive this honor.

Gold Standard for Cancer Care . . . was bestowed upon **Putnam Hospital Center** with the CEO Cancer Gold Standard™ accreditation. The CEO Roundtable on Cancer, a nonprofit organization of CEOs founded by former President George H. Bush, created the CEO Cancer Gold Standard in collaboration with the National Cancer Institute. The standard calls for companies to evaluate their health benefits and corporate culture and take extensive, concrete actions in five key areas of health and wellness to address cancer in the workplace.

Gold Seal from Joint Commission . . . was awarded to **HealthAlliance of the Hudson Valley's St. Mary's Avenue Campus**. The Joint Commission's Gold Seal of Approval® for accreditation requires hospitals to demonstrate compliance with the Joint Commission's national standards for health care quality and safety in hospitals.

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

NSHC Events/Meetings Report. . .

Corporate Compliance Committee: The committee on February 25 was briefed on the requirements of the CMS "two midnights" rule, and discussed strategies for physician education and implementation. Other topics included the HHS

Inspector General's 2014 work plan and changes to the Medicare RAC audit program. The committee received a presentation from Wolters Kluwer on the company's Medi-Regs suite of compliance software.

Finance Committee: Both the February and March meetings of the Finance Committee largely were focused on the state budget negotiations, changes to CMS's "two midnights" rule and the implementation of the state health insurance exchange.

Human Resources Committee: On March 21, the Human Resources Committee was briefed on proposals pending on the state legislature that have workforce implications, including bills that would mandate staffing ratios, safe patient handling procedures, and paid family leave. The group agreed to support a regional approach to the state's flu mask/vaccination requirements for the 2014-15 season. GNYHA Ventures provided an update on HR-related products and services available to member hospitals.

Nurse Managers Committee: At its February meeting, the committee's discussion topics included staff training methodologies and electronic scheduling systems. In March, the group was briefed on nursing-related issues under consideration by the state legislature and Congress, and held a discussion on the Joint Commission's sentinel alert on alarm fatigue.

Quality Committee: On February 20, the committee received updates on observation care notification, the "two midnights" rule, and the final state regulations on pediatric care. The group discussed off-label use of glucometers and changes in outpatient quality reporting requirements, among other topics.

Revenue Cycle Committee: The committee on February 14 discussed the revenue cycle implications of the "two midnights" rule, including the introduction of a new billing code that should reduce the number of audits related to short hospital stays. The group was also briefed on updates to the Medicare RAC program and changes to the state insurance exchange for 2015 contracting and enrollment.

NSHC April Events/Meetings

- Apr. 3 Long Island Health Collaborative and Communications Committee, 10 a.m.
- Apr. 8 Nurse Managers Committee, 12:30 p.m.
- Apr. 9 Finance Committee, 8 a.m.
- Apr. 11 Revenue Cycle, 12:30 p.m.
- Apr. 23 Nurse Executives, 8:30 a.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