

eProgress Notes . . . August 2010

A Monthly Publication of the Nassau-Suffolk Hospital Council, Inc.

eProgress Notes publication is a summary of regulatory and legislative news, advocacy messages, and other relevant issues affecting the delivery of hospital and health care on Long Island.

Federal and State Actions Address New York's Budget Delay

New York's state legislature passed the revenue portion of the 2010 - 2011 budget the first week in August, the last component needed to keep the state government operational. This action was followed a week later by the House's passage of a Medicaid and education assistance bill that extends to states an enhanced Federal Medical Assistance Percentage (FMAP) for six months beyond December 31, 2010. Passage of some level of FMAP funding was critical for New York, because the state legislature had also passed an FMAP contingency plan in the event the federal government did not complete work on FMAP by September 16, 2010.

Although health providers will see some reductions in Medicaid funding due to the reduced FMAP package, the cuts will not be as severe as originally projected. The value of the percentage increase nationally is \$16 billion, with about \$1.4 billion of that going to New York State for the remainder of this fiscal year and for the first six months of fiscal year 2011 – 2012. Counties will receive an additional \$500 million. The state is also receiving additional education funds.

The state's FMAP contingency plan called for \$450 million in Medicaid cuts to hospitals, nursing homes, home care, physicians, other providers, and Medicaid managed care. The reductions will now total approximately \$125 million, including the federal match dollars.

As we enter 2011 the enhanced FMAP percentage will be 3.2 percent for the first quarter (January 2011 through March 2011) and 1.2 percent for the second quarter (April 2011 through June 2011). States with high unemployment will receive an additional offset for this six-month period. The U.S. Department of Labor determines the threshold unemployment rate. New York should qualify.

"We're thankful to Senators Charles Schumer and Kirsten Gillibrand for their diligence in this effort," said Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council, the association that represents Long Island's hospitals. "This funding will save some hospital jobs in our local communities and keep some hospital programs and services running that were previously vulnerable to closure." – Janine Logan, jlogan@nshc.org

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The state legislature will return to Albany September 20 and is expected to consider plans to allocate Race to the Top funds for New York's schools. It is unclear whether any health-related policy will be discussed or legislative action taken. The Hospital Council will keep members updated.

Medicare Coding Reduction Will Cost LI Hospitals Dollars

Impact of \$44.7 million in fiscal year 2011

The Centers for Medicare and Medicaid Services (CMS) is moving ahead with its 2.9 percent coding adjustment for 2011 and 2012 inpatient Medicare payments. CMS is basing this reduction on the increases it has noted in hospital payments and its assumption that these increases are due simply to changes in coding the level of severity of patients' conditions. Hospital providers say as outpatient care has become more commonplace those admitted to inpatient facilities are the sicker patients and present with more complications and severity.

Long Island has a widespread aging population that will only increase in size, as baby boomers age and their complex medical needs grow with them. Payment reductions, like the coding offset, chip away at hospitals' ability to care for patients, say hospital administrators.

Hospitals were scheduled to receive an increase of 2.35 percent in inpatient payments for 2011. The adjustment leaves them in a negative state. In subsequent years, the coding reduction will increase to 3.9 percent.

A little more than a year ago, the hospital industry agreed to \$150 billion in Medicare cuts over the next 10 years, as a way to fund the now enacted Patient Protection and Affordable Care Act. Many hospital leaders see this coding reduction as an affront to this agreement. This coding adjustment will reduce Medicare payments to hospitals in New York State by about \$3.2 billion over ten years. – *Janine Logan, jlogan@nshc.org*

Sen. Foley Effort to Enhance Medicare Benefit for New York's Seniors Becomes Law

In one of its last actions before adjourning the legislative session, the Senate and Assembly approved an expansion of a special hospital-based Medicare benefit for New York's seniors. Long Island hospital leaders are grateful to Senator Brian Foley (D-Blue Point), who championed the expansion of transitional care units (TCU.) These units offer a specially designated level of care provided to Medicare beneficiaries whose acute conditions have not been stabilized but who are not well enough to be discharged or transferred to a nursing home. John T. Mather Memorial Hospital in Port Jefferson began a pilot TCU in 2007. The legislature's action now makes this unit permanent and allows for the establishment of 13 additional TCUs statewide.

"The continuation of the TCU at Mather is welcome news for Long Islanders. Since its inception, this program has consistently met or exceeded its quality improvement goals and delivered quality, cost-efficient care to eligible Medicare recipients," said Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council (NSHC) and the Northern Metropolitan Hospital Association (NorMet). "Now, other hospitals on Long Island and around the state will have the opportunity to develop their own TCUs, making this superb level of care available to more New Yorkers. Senator Foley's support and perseverance made this possible."

"TCUs are critical components in our health care system," said Senator Brian X. Foley (D-Blue Point). "They allow patients the additional time necessary for more complete healing before returning them to a nursing home. Expanding and continuing the program will provide our seniors with even greater levels of health care service and help to ensure they are as healthy as possible. I am proud to be the sponsor of this legislation."

The legislation makes permanent all five of the TCUs established under a state pilot program and adds 13 more, for a total of 18 programs throughout the state. The Department of Health intends to designate

the 13 new sites before the end of the Paterson Administration. Hospital Council staff met with Department of Health staff this past month to discuss implementation.

NSHC and NorMet, through their advocacy collaborative known as the *Suburban Health Care Alliance*, fought vigorously for years for the expansion of the TCU demonstration program. The group faced stiff opposition from the nursing home industry, but prevailed because the level of care provided in a hospital-based TCU is different from that offered at a nursing facility.

“We especially appreciate the efforts of Senator Brian Foley in ushering this legislation through to completion,” said Dahill. “He and his legislative colleagues have truly won one for the people.”

New York and Connecticut remain the only two states in the nation without TCU licensure for all hospitals.

Advocacy Collaborative Expanding *NSHC and NorMet plan joint activities*

Staff from NSHC and NorMet now both under the leadership of Kevin Dahill met in August to begin planning for joint activities under the Suburban Hospital Alliance. The Alliance is the advocacy collaborative formed by these two organizations five years ago to address managed care reforms in the marketplace.

In October, a joint planning committee featuring representatives from both hospital associations will discuss the Alliance’s continuing managed care reform agenda, as well as other issues common to both suburban regions.

A joint trustees dinner for both associations, featuring American Hospital Association president Rich Umbdenstock as the keynote speaker, is set for December 6, 2010 at the LaGuardia Marriott.

NSHC Committee News ...



Mark Your Calendar for NSHC Events in September

- Sept 8 Finance committee, 8 a.m.
- Sept 14 Nurse Managers committee, 12:30 p.m.
- Sept 17 Nurse Executives committee, 1 p.m.

*Meetings for NSHC members only and are held at the Hospital Council office in Hauppauge unless otherwise noted. To register/info call: 631-963-4153.

Human Resources . . . met

August 20 and discussed recent attention in the press by regulators and by the courts to violations of the Fair Labor Standards Act. Wendy Darwell, COO of the Hospital

Council, briefed the group on several state legislative efforts, and a new requirement by the Office of the Medicaid Inspector General that hospitals perform a monthly check of the federal and state lists of providers excluded from participation in Medicare and Medicaid.

Revenue Cycle . . . met on August 13. Ed McGill from HANYS provided a briefing on RAC (Recovery Audit Contractor) activity around the state, Medicaid reimbursement for medical home providers and implementation of the APG payment system for behavioral health services. Wendy Darwell discussed regulatory changes for telemedicine consults and nursing home bed holds, as well as the Medicare “72 hour rule,” which changes billing procedures for services provided prior to an inpatient admission. Stacy Villagran, Facilitated Enrollment Program director for NSHC, presented patient accounting directors with a new facility-specific tracking report for Medicaid applications filed on the hospitals’ behalf.

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

East End Health Alliance

- Eastern Long Island Hospital

- Peconic Bay Medical Center

- Southampton 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

Stony Brook University Hospital

Veterans Affairs Medical Center – Northport

Winthrop South Nassau University Health System

- South Nassau Communities Hospital

- Winthrop-University Hospital

News Briefs . . .

Updated Health Care Career Guide . . . is now available from NSHC for a nominal fee of \$4 per book to cover production costs. Supplies are limited. To order contact Janine Logan at jlogan@nshc.org.

Great Prostate Cancer Challenge of 2010 . . . takes place Sunday, November 14 at 8 a.m., Town of Oyster Bay Golf Course, Woodbury. Event coordinated by Integrated Medical Foundation. More info go to www.IMFCARES.com

2010 Start! Long Island Heart Walk . . . sponsored by the American Heart Association happens **Saturday, October 16, 2010 at Stony Brook University**, West Campus, Stony Brook, NY. Donation turn in is 8:30 a.m. and the walk starts at 10 a.m. **Start!** Is the American Heart Association's new movement to get America walking. Chair for Long Island's event is Dr. Lee Xippolitos, chief nursing officer and dean of the Stony Brook University School of Nursing. To register go to www.longislandheartwalk.org. The Nassau-Suffolk Hospital Council has a team walking at the event.

Upcoming Events . . .

September 23 . . . 6th Annual Wine Dinner, supporting the Blue Ribbon Task Force for Health Care Reform, at the Tappan Hill Mansion in Tarrytown at 6 p.m. Kevin Dahill to keynote. Honoree is Neil Abitabile. For tickets and information call 914-948-6740. Event sponsored by NorMet. For further details contact Denise Avolese at 631-963-4151 or davolese@nshc.org.

September 23 – 26 . . . Healthcare Trustees of New York

State Annual Meeting: Registration for the HTNYS annual conference at the Sagamore Hotel and Resort in Lake George is underway. Details at www.htnys.org.



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