

eProgress Notes . . . March 2011

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.

Medicaid Cuts/Reforms Bundled into State Budget

The 2011 -2012 state budget agreement designed by the state legislature and the executive branch offers mixed results for the hospital industry. It includes Medicaid cuts, limited malpractice reform, and other budget mechanisms that will quell future Medicaid spending increases, while attempting to improve efficiencies and enhance care, especially for medically-complex, high-need Medicaid populations.

In the end, the \$132.5 billion budget means a \$25 million cut in Medicaid revenue to Long Island's hospitals – a loss that would have been nearly double under the Governor's original proposal. Nonetheless, the loss is still significant, as it comes after several years of Medicaid budget cutting and taxing that resulted in this region's hospitals absorbing \$166 million in new cuts and taxes since April 2008.

Budget provisions include:

- **Elimination of the 2011 trend factor.** In recent years, budget actions had also eliminated this yearly inflationary update that was written in statute.
- **Two-percent across-the-board reduction in Medicaid reimbursements.** The blow was softened a bit, as the reduction applies to fee-for-service payments and not Medicaid managed care rates.
- **Medical malpractice reform.** Gone is the \$250,000 cap on non-economic damages (and the quality contribution attached to it) that would have led to insurance premium relief for all hospitals. Instead, the agreement calls for a neurologically-impaired infant indemnity fund. The fund will be financed in its first year by a \$30 million contribution from the hospital industry, with increases in subsequent years. Only hospitals with obstetric services will be assessed.
- **Global Medicaid cap.** The budget agreement sets a global Medicaid spending cap of \$15.1 billion (state share only) for the upcoming fiscal year. Based on current state projections for Medicaid spending, health care providers are at risk for an estimated \$640 million in additional state share cuts – about four percent of state Medicaid spending.
- **Broad authority given to DOH.** Language in the agreement allows the departments of health and budget to develop a Medicaid Savings Allocation Plan should the global spending cap be pierced. It is unknown at this time if the DOH would simply execute more across-the-board cuts or take a more measured and consultative approach, with provider industry input, to meet the yearly spending targets. Budget language directs the DOH to prepare monthly reports detailing spending trends and any actions implemented through the Medicaid Savings Allocation Plan. The legislature, by relinquishing its authority in this area, also loses some of its representative power on behalf of health care providers.
- **Other measures.** Reducing reimbursement for selected **potentially preventable conditions** to discourage their use, when appropriate and clinically-indicated, for such procedures as cesarean deliveries, coronary artery bypasses grafts, and percutaneous coronary interventions. DOH would also have authority to adjust inpatient reimbursement rates for potentially preventable conditions and complications, including hospital-acquired conditions and complications. The legislation also **accelerates the review of inpatient detoxification cases and removal of the physician component from ambulatory payment group rates.** – Janine Logan, jlogan@nshc.org.

National Reform One Year Later

Hospital Council CEO brings audiences up-to-date

Many questions still surround the Affordable Care Act even after it turned one on March 23, 2011. Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council, and a well-respected policy expert on the legislation, has addressed business groups, hospital staff and boards, lawmakers and the media in recent weeks to shed light upon this complex and encompassing legislation.

“It was significant that we even had the debate, one year ago, about national health care reform,” said Dahill. “We knew we needed to get the some 32 million eligible residents in this country currently without insurance into some system that would ensure them access and coverage. That’s good for every one - insurers, providers, and most of all, the patients.”

He adds that a good part of the health reform law rests on access to primary care and promoting prevention, initiatives that yield cost savings in the long run and better public health in the short and long terms. The law includes millions of dollars to support disease prevention and improve the U.S. public health

infrastructure through federal, state, and community-based efforts.

The various delivery system and payment reforms in the legislation will offer patients much better coordinated and integrated care in the years ahead, explained Dahill. New models of delivery, such as accountable care organizations, medical homes, bundled payments, value-based purchasing programs, will all drive quality, improve efficiencies, and save costs.

“Health information technology will be key to the provision of this seamless care,” said Dahill. “Already, those providers employing electronic health records are seeing enhancements to patient safety and some savings, even this early in the game.” – *Janine Logan, jlogan@nshc.org*.

Health Advocates Program Helps Patients Find Right Insurance

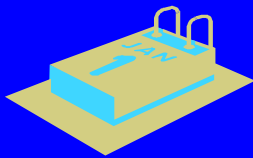
The Nassau-Suffolk Hospital Council was recently awarded a grant from the Community Service Society to run one of its Community Health Advocates Program. The Hospital Council is one of two agencies on Long Island approved by the New York State Department of Health to provide facilitated enrollment assistance to individuals and families who qualify for New York State’s public insurance programs.

The Community Health Advocates grant-funded program builds upon the screening expertise of NSHC’s Facilitated Enrollment Program that has been in place since 2000. Specifically, the

Community Health Advocates Program is charged with helping consumers understand and take charge of their own health care and that often begins with finding the right level of insurance. This consumer-assisted program will also play an important role in 2014, when insurance exchanges mandated by federal health care reform become part of the standard options offered.



Kevin Dahill, President/CEO of the Nassau-Suffolk Hospital Council, spoke about health care reform and its implications for Long Islanders before capacity crowds that attended an Action Long Island event on March 8 and the Long Island Business News Power Breakfast on March 24.



Mark Your Calendar for NSHC Events in April

- Apr. 6 Finance Committee, 8 a.m.
- Apr. 8 Revenue Cycle Committee, 12:30 p.m.
- Apr. 12 Nurse Managers Committee, 12:30 p.m.
- Apr. 14 NSHC Executive Committee, 8 a.m.
- Apr. 15 Communications Committee, 9 a.m.
- Apr. 26 Corporate Compliance Committee, 9:30 a.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.

“It is difficult right now to understand what insurance one may or may not qualify for, but there will be more confusion once the exchanges get underway,” said Stacy Villagran, Director of NSHC’s Facilitated Enrollment Program. “The Community Health Advocates Program will help Long Islanders understand their insurance options.”

The NSHC Facilitated Enrollment Program places enrollers, some bi-lingual, in community-based settings such as churches, libraries, and civic centers. Enrollers also hold regularly-scheduled sessions at each of Long Island’s 24 hospitals. Since beginning in 2000, the program’s enrollers have completed and processed 26,669 applications.

The Community Health Advocates Grant is a natural progression for the Hospital Council’s Facilitated Enrollment program. “We already have an established network of sites and trusted relationships with many community partners,” said Villagran. “This grant program will allow us to expand our reach and help thousands more Long Islanders.”

There are approximately 400,000 uninsured on Long Island, according to Census Bureau data. In 2014, most of these individuals will be moved onto either public or private insurance roles.

For more information about the Community Advocates Program and NSHC Facilitated Enrollment Program and upcoming site enrollment dates, please visit www.coverage4healthcare.org or call 631-656-9783.

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 . . .

Revenue Cycle Solutions . . . are available from HANYS Solutions through its relationship with Relay Health. HANYS Solutions is the for-profit subsidiary of HANYS and Relay Health is the preferred partner for revenue cycle management solutions for member hospitals. The expanded agreement with Relay Health offers New York’s health care providers the benefits of Relay Health’s end-to-end solutions to manage revenue in patient access and financial services divisions. These solutions include patient eligibility and financial clearance, claims management and financial settlement analytics, and outsourcing services. For more information visit www.ehanys.com

NSHC Hospitals’ Performance Improvement Efforts . . . are highlighted as best practices in the American Hospital Association (AHA) Health Research and Educational Trust website Hospitals in Pursuit of Excellence (HPOE). This website is AHA’s strategic platform to accelerate performance improvement and support health reform implementation. HPOE identified the success stories nominated for HANYS’ Pinnacle Award for Quality, which were also recognized as nominees for NSHC’s Excellence in Patient Safety Award.

IRS Community Health Assessment Requirement and CSP Aligned . . . New York State’s hospitals will be able to use the Community Service Plan (CSP) community needs assessment in 2012 to satisfy the Internal Revenue Service requirement. The IRS requirement to complete community needs assessment will be for tax years beginning after March 23, 2012, for hospitals and health systems. This assessment requirement will link with the New York State CSP community needs assessment, which will be due September 2012.

Financial Crisis Survey . . . is due April 8. The HANYS’ 2010-2011 Financial Crisis Survey gathers information related to hospitals’ financial condition and steps hospitals have taken, or plan to take, to cope with adverse economic conditions and budget cuts. Contact Pam Payette at ppayette@hanys.org for more information. Results of the survey will be used to inform continuing advocacy efforts.

Emergency Preparedness Testing . . . will take place at Long Island's Regional Resource Centers (RRC) – Stony Brook University Hospital and North Shore/LIJ – the week of April 25th.

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.

ICD-10 Briefing . . . was held on March 15. The Hospital Council hosted a well-attended briefing on the transition to ICD-10 billing codes. The Deloitte and Touche program was designed to provide a high-level overview of ICD-10's challenges and benefits, impacts on providers, and the work steps necessary to prepare for implementation. Given the broad impact of this transition on hospital operations and finances at many levels, the Council is working with HANYS to plan additional targeted programming.

Notable Upcoming Events . . .

April 10 – 13: AHA Annual Membership Meeting, Washington, DC

The American Hospital Association will host its annual members meeting from April 10 – 13 at the Washington Hilton in Washington, DC. Registration information is available at

<http://www.aha.org/aha/advocacy/annual-meeting/11-schedule.html>. **HANYS will host a briefing for New York participants on the afternoon of April 12, followed by dinner. On Friday, HANYS is making arrangements for visits with House representatives. To register for the HANYS portion of the conference, go to http://www.hanys.org/events/?event_id=431.**

May 19 – 20: HANYS/HBS Annual Human Resources Conference, Verona, NY

Save the dates for the 2011 Conference for Human Resource Leaders at the Turning Stone Resort in Verona. HANYS and HANYS Benefit Services will offer an informative and insightful program, tackling emerging issues facing human resource professionals and providing valuable information for you to apply in your organization. Additional program details will be provided soon.

NSHC Committee News . . .

Communications Committee: The committee met March 4, 2011 and discussed topics suitable for an ongoing public awareness campaign focused on patient safety and quality. The committee also heard from NSHC's Director of Facilitated Enrollment, Stacy Villagran, about the Community Health Advocates Program that the Hospital Council will offer to the community through a grant from the Community Service Society.


Finance Committee: The committee's March 15 session included on briefing on the Medicaid Redesign Team agreement and its impact on hospitals. HANYS staff also briefed CFOs on HCRA surcharge, DSH and RAC audits.

Nurse Executives Committee: Chief nursing officers and nursing deans were briefed on the state budget and the forecast for non-budgetary legislation affecting nursing, including the so-called "BSN in 10" bill and mandated staffing ratios. Ms. Darwell also discussed compliance with the Palliative Care Information Act. Adelphia University Dean of Nursing Patrick Coonan gave an educational presentation on succession planning.

Nurse Managers Committee: At its March 8 meeting, the Nurse Managers Committee discussed an article in the journal of the American Academy of Pediatrics, "The Burden of Suboptimal Breastfeeding in the United States: A Pediatric Cost Analysis."

NYPORTS Committee: The NYPORTS Committee met on March 22. Committee chair Jean Magni and Hospital Council COO Wendy Darwell reported on two recent calls held between Dr. John Morley, other DOH officials and hospital association staff. Many of the NYPORTS system reforms desired by DOH and the provider committee are held up by the state budget deliberations.

Check Our Website for Up- to- date Scheduling Information: The freshly redesigned Hospital Council website offers an updated calendar of committee meetings and other events. www.nshc.org.



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