

# Progress Notes . . . March 2013

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

*Progress 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.

## State Budget Offers Mixed Results for Hospitals

While the 2013 – 2014 state budget imposes another two-percent, across-the-board Medicaid cut to providers, the agreement stipulates that the two-percent cut is eliminated come April 1, 2014, if Medicaid spending remains under the global cap. Medicaid spending has remained under the four percent annual spending growth cap since the cap was introduced two years ago in the state budget. This is despite significant increases in Medicaid enrollment. The two-percent cut would extend an additional year, if the cap is breached. Similarly, the Medicaid trend factor escaped permanent elimination in the final budget agreement, and instead, will remain absent until April 1, 2015, when it will be reinstated. Legislators will finish voting on budget bills by the start of the Easter holiday weekend, with passage of a \$135 billion 2013 – 2014 state budget assured by the April 1, 2013 deadline. This is the third year in a row that a state budget was passed on time – a first in 30 years. Highlights of budget restorations and other provisions include:

- **Extends super powers of the Commissioner of Health to March 31, 2015.** Should the global spending cap be breached, the health commissioner has the authority to impose unilateral, across-the-board Medicaid cuts to providers. The final budget also authorizes adjustments to the cap to account for spending resulting from a natural or other type of disaster and requires the monthly global cap reports to include greater detail on factors driving spending increases and decreases. This is an important component for providers, as elimination of the two-percent cut, sooner rather than later, is contingent upon total spending remaining under the cap. The cap on the state share of Medicaid spending for state fiscal year 2013-2014 is \$16.48 billion, growing to \$17.1 billion in state fiscal year 2014 – 2015.
- **Disproportionate Share Funding (DSH) distribution methodology** is adjusted to comply with federal requirements set forth in the Affordable Care Act (ACA). The agreement includes a transition adjustment for the three-year period January 1, 2013 through December 31, 2015, with maximum loss percentages established in statute, not in regulation. The Department of Health must report annually to the governor and legislature on the impact of the methodology on safety net providers and the extent to which access of care has been enhanced.
- **Vital Access Provider Funding** includes a total of \$138 million for Safety Net/Vital Access Provider program – an increase of \$52 million from last year’s funding and now includes Critical Access Hospitals.
- **Excess Medical Malpractice Program funding** is restored to last year’s level of \$127.4 million.
- **Temporary Operator provision** authorizes the Health Commissioner to appoint a temporary operator of a hospital, diagnostic and treatment center, or adult care facility and includes due process protections for the existing operator. The provision also outlines modifications related to the re-appointment of a temporary operator and to the reporting requirements of the temporary operator.
- **The Capital Access Pilot Project** was not authorized in the budget, but will probably become a post-budget issue. However, the budget did amend the statute related to all SUNY hospital contracts for participation in managed care networks and other joint and cooperative arrangements to allow for joint ventures, network arrangements, and joint operating agreements with for-profit corporations and for-profit limited liability companies, provided that the contracts with for-profit entities be approved by the Department of Health and the Division of the Budget. Full details about state budget at [www.hanys.org](http://www.hanys.org). – Janine Logan, [jlogan@nshc.org](mailto:jlogan@nshc.org).

## Sequester Cuts Advance; House/Senate Budgets Seek More Provider Cuts

The recent passage of the continuing resolution – the legislation needed to keep the government funded through the end of the current fiscal year, September 30, 2013 – averted a shutdown in government operations, but it did not eliminate the sequester cuts. The automatic two-percent cut in Medicare reimbursements to providers begins April 1, 2013, along with a two-

percent cut to incentive payments to hospitals for health information technology “meaningful use.” The appetite for debt and deficit reduction in Washington grows fierce with each passing day and lawmakers and the White House have signaled they are open to entitlement cuts and further reductions to health care providers. The House passed Ryan federal fiscal year 2014 budget seeks

millions in cuts and suggests that Medicare become a premium support program, Medicaid be block-granted to the states, the ACA repealed, but the ACA cuts to providers maintained. The Senate passed federal fiscal year 2014 Murray budget seeks \$275 billion in unspecified health care reductions, aimed at further re-

aligning incentives and cutting waste and fraud. It would also replace sequester cuts with \$1.85 trillion in savings over 10 years through tax increases and spending cuts. Some of these cuts would come from the health care sector. The President's proposed budget is expected early April. – Janine Logan, [jllogan@nshc.org](mailto:jllogan@nshc.org).

## Washington Lawmakers Need to Hear from Hospital Leaders, Trustees

Join your colleagues **April 30 in Washington, DC**

**Annual Federal Briefing and Member Dinner**

Meet with key New York Congressional delegation health staff

Register: [Cguyon@hanys.org](mailto:Cguyon@hanys.org)

Event held in conjunction with the American Hospital Association  
Annual Membership Meeting (April 28 – 30)

## CMS Policies Provide Some Rebilling Relief

The Centers for Medicare and Medicaid Services (CMS) recently released an interim ruling and a proposed ruling relaxing some of the provisions of Part B inpatient billing in hospitals. While there are differences in the timely filing requirements, among other technical issues, they both provide substantial relief by allowing hospitals that bill Medicare at the wrong level of service to bill those services as Part B (outpatient) services and be paid at that level.

The interim ruling – 1455-R - is effective immediately and allows hospitals to rebill Part B inpatient and outpatient services for denied claims regardless of timely filing requirements. This applies to all claims going forward and retrospectively to any denied claim if the hospital has appealed or has time to initiate an appeal challenging the denial (120 days after the date of the demand letter to file an appeal). If hospitals choose to follow the guidance of this interim rule and rebill the claim as Part B, then they must abandon their pending appeal and/or not file an appeal for claims that have received a denial, but have not yet been acted upon by the hospital.

In contrast, the proposed rule imposes a time limit on the rebilling of claims as Part B - the rebilling of the Part B claim must be filed within one year of the date of service. This aspect of the proposed rule would complicate the audit process, especially concerning the Recovery Audit Contractor (RAC) program, as it has been the practice of RAC contractors to review claims older than one calendar year after the date of service. The timely filing requirement in the proposed rule would make it virtually impossible for a hospital to rebill Part B.

The Hospital Council, in conjunction with the Healthcare Association of New York State (HANYS), will comment on the proposed rule. Comments are due May 17, 2013. HANYS plans a two-day RAC conference May 8-9. Details forthcoming. - Janine Logan, [jllogan@nshc.org](mailto:jllogan@nshc.org).

### 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

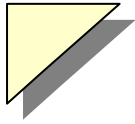
Stony Brook University Hospital

Veterans Affairs Medical Center – Northport

Winthrop-South Nassau University Health System

- South Nassau Communities Hospital

- Winthrop-University Hospital



# The Quality Corner

*An update on quality improvement issues*

Mary Jane Milano, Director

**Sepsis Care Regulations:** In February, the New York State Department of Health issued proposed rules for sepsis care and hospital care. These were written in response to the death of Rory Staunton, a 12 year old young man who died suddenly of septic shock. The sepsis care regulation calls for hospitals to develop sepsis care protocols that include several specific components and criteria, submit the protocols to the state for approval by July 1, 2013, and implement them within 45 days of the state approving them. The regulation would also require reporting of process and outcome quality measures at least annually. The hospital bill requires hospitals to post a parent's bill of rights indicating that: one parent/guardian would be allowed to stay with the pediatric patient at all times; patients would not be discharged until any tests that could reasonably be expected to yield critical value results are completed, reviewed by the medical staff and communicated to the patient/family; the communication must be accomplished in a manner that assures the patient/parents have capacity to understand the information; and that all lab results are provided to the primary care provider if known. The Suburban Hospital Alliance of New York State, LLC, in conjunction with the Healthcare Association of New York State (HANYYS) will provide comments about these regulations.

**Ensuring Safe Patient Handoff:** Patient handoffs are frequently a challenge to quality and patient safety. In "*Closing the Safety Gap in Patient Handoffs: Leveraging Technology to Build the Safety Net*" Glenn D. Focht, MD, medical director of Boston Children's Hospital, offers four best practices for ensuring safe patient handoffs. These include human resources to provide orientation to expected standards, provider training in handoff skills and ongoing feedback and evaluation of handoffs; medical staff governance to standardize expectations as part of credentialing and re-credentialing and to build effective sign-outs/handoffs into ongoing professional practice evaluations and focused profession practice evaluations for new providers; the acquisition and use of enabling technology to assist in the work of handoffs; and the scheduling of shifts and time for face-to-face handoffs.

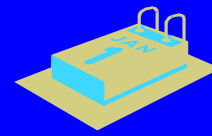
**Vaccination Survey:** The New York State Department of Health is again conducting an annual hospital Health Care Worker Vaccination Survey. This survey covers the period October 1, 2012 to March 31, 2013 and will go live on the Health Emergency Response Data System on April 1, 2013. It is due to the state by May 1, 2013. The February 13, 2013 New York State Register contained a proposed rule requiring hospitals and other health care facilities to have their health care workers either be immunized or wear a mask during the flu season.

**Readmissions Program:** In March, Medicare for the second time in six months published a new list of hospital penalties under its readmissions program. Medicare erred in calculating penalties for more than 1,000 of the nation's hospitals. Although the payment changes for most hospitals were small, averaging .03 percent of each reimbursement, overall hospitals will pay \$10 million less in penalties than previously calculated for a total of \$280 million this year. The changes are retroactive to October 2012 when the program began. A *Kaiser Health News* article published March 14, 2013 provides additional information.

## News Briefs . . .

**Hurricane Sandy Relief Fund Distributions . . .** totaled \$608,717. Forty-seven health care organizations received funds on behalf of 4,124 health care employees identified as being in need, as a result of superstorm Sandy. On Long Island, \$139,934 was allocated to nine organizations representing 781 employees in need. The Hospital Council was one of the sponsoring organizations of the Hurricane Sandy Health Care Employee Relief Fund..

**Pioneering Employer . . .** designation was awarded to Good Samaritan Hospital Medical Center for its nursing education collaborative between the hospital and Suffolk County Community College (SCCC). The Pioneer Employer Hospital Initiative, funded by the Hitachi Foundation, is based on the idea that employers who do good, do well. It is an effort to discover and promote the next generation of best practices in workforce management, with a particular focus on health care and manufacturing. Pioneer employers are ones that strategically invest in their own lower-wage workers to benefit their customers and/or shareholders. Good Samaritan was one of 11 hospitals from across the country identified as a



## Mark Your Calendar for NSHC April Events

- Apr. 9 Nurse Managers Committee, 12:30 p.m.
- Apr. 10 Finance Committee, 8 a.m.
- Apr. 11 Population Health Workgroup, 2 p.m.
- Apr. 12 Revenue Cycle Committee, 12:30 p.m.
- Apr. 17 Nurse Executive Committee, 8:30 a.m.
- Apr. 25 Emergency Preparedness: Meeting Pediatric Capability and Capacity, 10 a.m.

For more information please call: 631-963-4153.

Pioneer Employer. In 2005, the hospital entered into a unique arrangement with SCCC, providing it with capital to upgrade the school's lab/clinical facilities and to expand the nursing program by 50 percent. In return, Good Sam received 30 dedicated seats in the program to train hospital employees who were nursing assistants or licensed practical nurses as registered nurses. Good Sam nurses with master's degrees also served as faculty at the school. Graduates had to commit to remain employed at Good Sam for four years. Today, 92 percent of the students who graduated from the program remain at Good Sam.

**Skilled Nursing Excellence** . . . was awarded to Peconic Bay Medical Center's skilled nursing facility. U.S. News and World Report gave it a five-star ranking. In December, it received a similar ranking from Nursing Home Compare, the public ranking service of the federal Centers for Medicare and Medicaid Services.

**Emergency Services Advisory Role** . . . will be offered by Stony Brook University Hospital's Chief of the Division of Pediatric Emergency Medicine at Stony Brook's long Island Children's Hospital. Sergey Kunkov MD was appointed to the New York State Emergency Medical Services Advisory Committee.

**Autism Workshop** . . . sponsored by Southampton Hospital, Suffolk County Division of Emergency Medical Services, and Flying Point Foundation for Autism happens April 6, 2013 at Hampton Bays Middle School 9 a.m. to noon. The course is designed specifically for firefighters, emergency medical services, and rescue personnel. Register: 631-852-5080.

**Long Beach Medical Center's CEO** . . . Doug Melzer was elected to the HANYS board of directors.

**Celebrating 100 Years of Service** . . . to the community is Mercy Medical Center. Established on the Feast of St. Patrick, March 17, 1913, in a 13-bed former sanitarium in Hempstead by the Congregation of the Infant Jesus, the Nursing Sisters of the Sick Poor, Mercy has grown and developed over the decades to become one of Nassau County's leading medical institutions.

**Transitional Care Excellence** . . . was bestowed upon the transitional care unit (TCU) at John T. Mather Memorial Hospital by U.S. News and World Report's Best Nursing Home rankings. This is the second consecutive year the TCU earned the top five-star rating from the survey. Mather's TCU was one of the first such units in New York State.

**Historic National Cancer Prevention Study** . . . involves eleven hospitals on Long Island. The American Cancer Society's Epidemiology Research Program will be enrolling participants for its newest research study, the Cancer Prevention Study-3 (CPS-3). The study will follow participants for 20 years in an effort to figure out who gets cancer and why. Weight and physical activity will be a major focus of the study, but other behaviors, including the use of medications, will be examined as well. Long Island hospitals participating in the study are **Glen Cove Hospital, St. Joseph Hospital, Mercy Medical Center, St. Francis Hospital, Huntington Hospital, Good Samaritan Hospital Medical Center, Southside Hospital, Peconic Bay Medical Center, Southampton Hospital, St. Catherine of Siena Medical Center, and Stony Brook Medicine**. For more information go to:

<http://www.cancer.org/Research/ResearchProgramsFunding/Epidemiology-CancerPreventionStudies/CancerPreventionStudy-3/cps3-locations#ny>.

**National Donate Life Month** . . . is April. Please promote organ and tissue donation throughout your hospital and within the community. For free organ donation materials contact: Melanie Evans at [mevans@alliancefordonation.org](mailto:mevans@alliancefordonation.org).

## Committee and Meeting News ...


**Population Health Workgroup:** The Hospital Council is coordinating a bi-county effort to assist member hospitals in conducting a Community Health Needs Assessment (CHNA) to meet the reporting requirements of the state's 2013 – 2017 Prevention Agenda and the IRS' Form 990 charitable reporting mandate. The state is asking hospitals and local health departments, as well as other community organizations and partners, to work collaboratively to determine health needs of local communities. These groups are asked to select two priorities from among the five priority areas outlined in the Prevention Agenda and to work together to develop programs and services that meet those identified needs – a Community Service Plan (CSP) for hospitals and a Community Health Improvement Plan (CHIP) for counties. The IRS Form 990 requires hospitals to complete a (CHNA) as part of their charitable filing requirements. The Hospital Council is a regional partner with HANYS in this effort and will be helping HANYS implement its recently-awarded Community Health State Grant.

**ABC's of  
Health Care Reform  
and You**

For news and updates about the **Affordable Care Act** go to [www.nshc.org](http://www.nshc.org)  
Find out about **Access, Benefits, Costs** as they apply to you and your hospital now and in the future. . .

Brought to you by the hospitals on Long Island

***A public information campaign sponsored by the NSHC Communications Committee***



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