

# Progress Notes

August 2014



Published monthly by the **Suburban Hospital Alliance of New York State LLC** . . . a consortium of 53 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.

## Hospital Advocates Watch “Two-Midnight” Rule

Congressional representatives will remain in their home districts and will return to Washington next week after the Labor Day holiday, but work in the regulatory realm of Washington DC continues at a measured pace. For the hospital industry that means steadfast vigilance concerning CMS’ “two-midnight” rule.

At the present time, CMS has opened the door to further discussion about a short-stay payment methodology that would address the inadequacies of the Medicare observation reimbursement rate. Some high-need patients do not cross the “two-midnight” threshold to qualify as inpatients, but nonetheless require expensive, inpatient level care. A midpoint between observation and inpatient rates is necessary to reflect these cases, particularly as CMS prepares to enforce the “two-midnight” rule next year. The establishment of a short-stay payment that adequately reimburses providers for this care must also be paired with a recalculation of the inpatient Diagnosis Related Group (DRG) rates. The

DRG payment system is constructed to reflect a range of high and low-end intensity cases and lengths of stay. If a short-stay payment is created and the only cases still billed under the DRG system are high-acuity cases or those with longer than average stays, then hospitals would be shortchanged.

In response to hospitals’ and patients’ pleas for equity, CMS has delayed the start of enforcement of the “two-midnight” rule until April 2015 and has extended the hospital “probe and educate” transition period – a span of time in which very limited audits are conducted to help the hospital industry acclimate itself to the rule.

National Government Services (NGS), one of the “probe and educate” contractors, encountered sample size insufficiency during the first round of some hospital claims review. This led to skewed results, causing these hospitals to have an increased error rate and enhanced possibility that a second probe and educate review will be conducted. NGS had been instructed to review 10 – 25 claims depending on a hospital’s size.

The Suburban Hospital Alliance has engaged in ongoing discussion with CMS about this issue. Hospital advocates have received assurances that CMS has made numerous edits to the methodology that will be used by NGS in future reviews. The next round of reviews has started around the state on a rolling basis.

Meanwhile, the hospital industry’s suit against CMS

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and the “two-midnight” rule is pending. It was filed in April 2014 by the American Hospital Association, HANYS, and other regional hospital associations. – Janine Logan, [jlogan@nshc.org](mailto:jlogan@nshc.org); [jlogan@normet.org](mailto:jlogan@normet.org).

### ***GAO Study Finds Claims Review Flaws***

The Government Accountability Office (GAO) released a Medicare Program Integrity Report on August 13, 2014 and concluded that CMS should take action to improve the efficiency and effectiveness of all review contractors’ ( including RACs) post-payment review efforts. It recommended that CMS provide its contractors with additional oversight and guidance regarding data, duplicative reviews, and contractor correspondence.

## **Governor Signs Additional Healthcare-related Legislation**

About 330 bills still require the governor’s review before the end of this calendar year. In mid-August, Governor Cuomo signed several healthcare bills. These include bills that will provide some regulatory relief to dually-licensed hospitals, as well as legislation focused on more patient education and clinical education.

• **Dually-Licensed Hospitals and Accreditation:** The new law authorizes the Office of Mental Health (OMH) and the Office of Alcoholism and Substance Abuse Services (OASAS) to accept accreditation in place of duplicative state surveys for outpatient mental health and substance abuse services provided by dually-licensed hospitals. HANYS and its regional association partners,

including the Suburban Alliance, advanced this bill as part of its proactive regulatory reform agenda. The law is effective immediately.

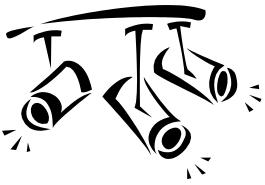
• **Maternal Depression Information:** This legislation requires the Department of Health, in consultation with the OMH, to make available to maternal healthcare providers information on maternal depression, including a summary of the professional guidelines for maternal depression screening.

• **Palliative Care Representation and Training:** The law calls for the addition of one home care and one social work representative to the New York State Palliative Care and Education Training Council. It requires the Council to examine and make recommendations regarding the need, approaches, and resources to provide palliative care education and training in schools of nursing and social work and at healthcare facilities.

Significant healthcare-related bills awaiting delivery to and action by the governor include: *Insurance Coverage for Telemedicine and Telehealth*; *Standing Orders for Hep C Virus Testing*; *Access to Autopsy Reports* (for quality assurance and performance improvement activities); *Non-profit Revitalization Act* ;

### ***Medicaid Waiver Update . . .***

On August 6, 2014, the state awarded \$21.6 million in Delivery System Reform Incentive Payment (DSRIP) project design grants. These planning grants will help emerging Performing Provider Systems (PPS) prepare their final competitive DSRIP Project Plans, which are due December 16, 2014. Suburban Hospital Alliance applicants were granted \$4.64 million - \$ 2.3 million (Long Island region) and \$2.34 million (Hudson Valley region). These grants are just another step in the long process toward overhauling New York’s Medicaid system – the second costliest in the nation.



## SPOTLIGHT ON: *Quality*

By Kate Warner, Director of Quality and Education

# CMS Restructures Quality Improvement Programs

The Centers for Medicare and Medicaid Services (CMS) have made several significant changes to the Quality Improvement Organization (QIO) Program in an effort to “improve care for beneficiaries, families and caregivers”. It remains unclear what the long term effects of the changes to the program will be on member hospitals, but the initial transition has many concerned.

Prior to the recent changes, CMS contracted with QIOs to review quality of care complaints from Medicare beneficiaries and to assist healthcare providers in implementing quality improvements. In December, CMS determined that it would be a conflict of interest for a QIO to provide both case-review oversight and collaborative quality improvement functions. In a Request for Proposals for the new five year grant cycle, released December 5, 2013, CMS split the two functions to create Beneficiary and Family-Centered Care Case Review Quality Improvement Organizations (BFCCs) and regional Quality Improvement Networks (QINs). BFCCs were created to review Medicare cases in a number of categories including provider-issued notices of non-coverage, higher-weighted DRGs, EMTALA, readmissions, focused reviews and quality of care complaints lodged by Medicare beneficiaries. QINs were created to

facilitate regional cooperative quality improvement projects.

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On May 9, 2014, CMS announced that two BFCC QIO contractors, Livanta LLC and KePRO, would perform the case review functions for the entire country starting August 1, 2014. In the first few weeks,

several hospitals reported significant delays in the case review process. Both patients and providers have reported long wait times when trying to reach the organizations by phone and hospitals have reported significant delays in decision-making on discharge appeals. The allied associations have advocated strongly for these issues to be corrected as soon as possible. CMS and its contractors are reportedly working on several solutions to correct the issues including a web-based process for receiving and communicating decisions on appeals.

IPRO, New York State’s previous QIO, was awarded the QIN QIO contract for New York, South Carolina and the District of Columbia. Under its new name, Atlantic Quality Improvement Network, the organization will provide technical assistance, healthcare quality improvement learning opportunities, peer networking events to facilitate the sharing of best practices, and data collection and analysis. Strategic initiatives will include reducing healthcare-associated infections, reducing readmissions and medication errors, working with nursing homes to improve care for residents,

supporting clinical practices in using interoperable health information technology to enable the exchange of essential health information and to improve coordination of care, promoting prevention activities, reducing cardiac disease and diabetes, reducing healthcare disparities, and improving patient and family engagement. They will also provide technical assistance for improvement in CMS value-based purchasing programs. – Kate Warner, [kwarn@seagatealliance.com](mailto:kwarn@seagatealliance.com).

## News Briefs . . . .

**Circle of Life Award** . . . applications are being accepted through August 10, 2014. The 2015 Circle of Life Awards offered by the American Hospital Association recognize innovative programs for palliative and end-of-life care. In particular, the award seeks to honor programs that are embedding palliative care across care settings as part of integrated care delivery; engaging their community and creating partnerships with other healthcare organizations; and can demonstrate sustainability as well as workforce development. For an application and information go to [www.aha.org/circleoflife](http://www.aha.org/circleoflife).

**HTNYS Trustee Conference** . . . “*Transforming Governance: Leading in an Era of Reform*” will take place September 12 – 13, 2014 at the Sagamore. Trustees are encouraged to work directly with their hospital’s CEO and board coordinator for a smooth registration process. More info at HTNYS website.

**Conditions of Participation and Clinical Laboratory Improvement Act amendments** . . . went into effect July 11, 2014. CMS says these amendments will revise rules and regulations that are “obsolete, unnecessary, burdensome, or counterproductive or that can be modified to be more effective, efficient, flexible, and streamlined.” [Hospital Conditions of Participation](#) link provides more detail.

**Insurance Premium Refunds** . . . amount to \$12 million for New Yorkers for the 2013 plan year. The refunds are the result of insurers not meeting the medical loss ratio established federally by the 2010 Affordable Care Act (ACA) and earlier than the ACA by New York State.

Individual and small group health plans must spend at least 80 percent and most large group plans at least 85 percent of premiums on direct medical care or quality improvement efforts or rebate the difference to policy holders by August 1.

## Commerce Bank Offers Members Financial Flexibility

Suburban Hospital Alliance of New York State, LLC is pleased to announce the endorsement of Commerce Bank for automated accounts payable (AP) solutions. Commerce Bank’s revolutionary AP solution, ControlPay® *Advanced*, enables Suburban Hospital Alliance member hospitals to simplify, automate, and control payment processes while generating a steady revenue stream.

ControlPay® *Advanced* allows hospitals to save time and expenses by paying invoices electronically through the Visa® network. Participating Suburban Hospital Alliance member hospitals will earn monthly revenue share based on their spend level and the aggregated volume of all hospitals who participate in this Suburban Hospital Alliance program.

For additional information, contact Maureen Kalmbach at the Suburban Hospital Alliance at 845-562-7520 or [mkalmbach@normet.org](mailto:mkalmbach@normet.org).

Marla Freeman is the Commerce Bank Account Executive who will be servicing participating NorMet member hospitals. For your hospital specific proposal, contact Marla Freeman at (973) 467-5578 or [Marla.Freeman@commercebank.com](mailto:Marla.Freeman@commercebank.com).

John Kounelias is the Commerce Bank Account Executive who will be servicing participating Nassau-Suffolk Hospital Council member hospitals. For your hospital specific proposal, contact John Kounelias at (732) 722-7014 or [John.Kounelias@commercebank.com](mailto:John.Kounelias@commercebank.com).

**Who Are the Hospital Heroes . . .** is a new online initiative sponsored by the Coalition to Protect America's Health Care and the American Hospital Association. The program showcases hospital caregivers and many others, from administrative staff and nurses, to physicians and other allied health professionals, maintenance and security, who go above and beyond in their work to help patients in their communities. Visit the [Hospital Heroes website](#) to view featured heroes and to nominate a hospital hero.

**48<sup>th</sup> Institute for Health Care Auxiliaries and Volunteer Leaders . . .** takes place October 6 and 7 at the Albany Marriott. The Institute aims to provide valuable information about today's complex health care environment and help auxiliaries and volunteer leaders learn useful new skills to help them in their roles. More details to follow.

**Population Health Era . . .** and how to communicate this approach to care is the focus of the Healthcare Association of New York State's Communications Conference happening October 8, 2014 at the Desmond Hotel in Albany. For more information and to register go to [www.hanys.org](http://www.hanys.org).

**Hospitals Adhere to the Triple Aim . . .** and varied stories about how New York's hospitals are doing so are highlighted on the HANYS website through its "NYS Triple Aim" campaign. The campaign captures the widespread efforts of hospitals that are pursuing the Triple Aim approach of improving population health, enhancing the quality of patient care, and reducing the cost of healthcare. New York's hospitals are actively engaged in implementing new and innovative approaches to healthcare delivery despite fiscal constraints. Go to [www.HANYS.org/tripleaim](http://www.HANYS.org/tripleaim). Feel free to re-tweet and post the outstanding work performed by hospitals. To submit a story for the campaign, contact Steve Kroll at [skroll@hanys.org](mailto:skroll@hanys.org) or Michael Pauley at [mpauley@hanys.org](mailto:mpauley@hanys.org).

**Quest for Quality Prize® . . .** applications are due October 12, 2014. The American Hospital Association's (AHA) McKesson Quest for Quality Prize® is presented annually to hospitals pursuing excellence through hospital leadership and innovation in quality improvement and safety. All U.S. hospitals are eligible for the 2015 AHA-McKesson Quest for Quality Prize®. To download an application go to: [www.aha.org/questforquality](http://www.aha.org/questforquality).

**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 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.

## **\* \* \* Blood Donations Needed \* \* \***

The blood supply typically drops off in the summer months. Please consider scheduling a blood drive at your hospital sometime in the next few weeks. Doing so will ensure that the blood supply does not drop to critically low levels during the remaining summer weeks. 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.

## News from the Long Island Region . . .

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



**Medical and Behavioral Health Integration . . .** efforts occurring at **Brookhaven Memorial Hospital Medical Center** was recently highlighted as a NYS Triple Aim Story by HANYS. Brookhaven Memorial Hospital and Brookhaven Family Medicine Center recently developed a patient-centered medical home (PCMH) that integrates medical and behavioral healthcare. This PCMH provides primary care, identifies patients who are at risk for mental illness, connects patients to medical providers in the community, and provides the opportunity to train future physicians on how to provide integrated primary care. In addition to providing nurse patient-centered care, Brookhaven Memorial Hospital anticipates that PCMH will reduce the number of visits to the emergency department and decrease readmissions.

**Mental Health Awareness Efforts.** . . on Long Island will kick into high gear when National Mental Illness Awareness Week takes place October 5 through October 12. The Association for Mental Health and Wellness and the Mental Health Association of Nassau are partnering this year to bring a more unified voice about mental illness issues to all communities on Long Island. These organizations invite hospitals to visit [www.miaweek.org](http://www.miaweek.org) for information about the national campaign and for local cooperative opportunities connect with Ruth McDade [rmcdade@mhaw.org](mailto:rmcdade@mhaw.org).

**Caring for Community Health . . .** is the ongoing focus of the Long Island Health Collaborative 's (LIHC) multi-stakeholder group of hospitals, the two local county health departments and other local government entities, academic institutions, and dozens of community-based organizations. The collaborative was formed in the spring of 2013 in response to state and federal mandates that ask hospitals, local county health departments, community-based organizations, schools, businesses and other industry sectors to work together to identify and respond to unmet health needs in the community. LIHC is focused on chronic disease management and prevention, with an emphasis on obesity-related conditions, as well as substance abuse/mental health treatment and prevention activities. The website provides links and resources, <http://nshc.org/long-island-health-collaborative/>. The collaborative 's other plans include chronic disease surveillance and assessment to gain a collective view of Long Islanders' health and the promotion of walking, as a simple and inexpensive way to engage in physical activity to improve/manage one's health.



*If you have news to share about your hospital's achievements, please send to Janine Logan at [jlogan@nshc.org](mailto:jlogan@nshc.org).*

## News from the Hudson Valley Region. . .

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



**Auxiliary Donation** . . . of \$35,000 was recently made by the **Putnam Hospital Center** Auxiliary and it represents the third installment of a \$150,000 pledge by the auxiliary for renovations to the hospital's emergency department. To date the auxiliary has contributed \$78,000 toward the pledge.

**Orthopedic Excellence** . . . was awarded to the **HealthAlliance of the Hudson Valley's Center for Orthopedic Specialties** by the Joint Commission. The center earned the Joint Commission's Gold Seal of Approval for its hip and knee joint replacement programs by demonstrating compliance with the commission's national standards.

**Keeping New Moms Safe** . . . is the focus of the Safe Motherhood Initiative. **Vassar Brothers Medical Center and Northern Dutchess Hospital** are collaborating with the New York State District of the American Congress of Obstetricians and Gynecologists on this initiative. Teams at the two hospitals are actively working together to focus on implementing standard approaches for handling New York's three leading causes of maternal death: obstetric hemorrhage, venous thromboembolism, and hypertension.

**Laboratory Accreditation** . . . was granted to **Catskill Regional Center's** Seelig Division Medical Laboratory and Grover Hermann Division Laboratory. Both received recognition for the Accreditation Committee of the College of American Pathologists for excellence in providing high-quality care and service to the community.

**Celebratory Groundbreaking** . . . marked the connection of a new building that will connect **Ellenville Regional Hospital** with the Ellenville Family Health Center located next door to the hospital. The Institute for Family Health operates the health center, which is a federally-qualified health center.

**Commitment to Employee Health** . . . earned **Orange Regional Medical Center** re-accreditation by the CEO Roundtable on Cancer with the CEO Cancer Gold Standard™. The hospital was recognized for its commitment to the health of employees and their families by agreeing to meet a higher standard of cancer prevention, screening, and care guidelines.

**National Marketing/Branding Awards** . . . for outstanding work was achieved by **Catskill Regional Medical Center and Orange Regional Medical Center** of the **Greater Hudson Valley Health System** and by the **HealthAlliance of the Hudson Valley** system. Both systems took home multiple awards in various categories from the 31<sup>st</sup> Annual Healthcare Advertising Awards and the Aster Awards.

*If you have news to share about your hospital's achievements, please send to Janine Logan at [jlogan@normet.org](mailto:jlogan@normet.org).*

## NSHC Events/Meetings Report. . .

**Corporate Compliance Committee:** At the committee's August 19 meeting, Pegeen McGowan, chief compliance officer for Catholic Health Services of Long Island, assumed the chairmanship. The agenda included briefings on the Physician Payments Sunshine Act, RAC and two-midnights rule audits, New York's executive compensation rules and the Nonprofit Revitalization Act.

**Quality Committee:** Representatives from Livanta and IPRO spoke to the committee at its August meeting regarding the transition of the Medicare Quality Improvement Organization contracts. The group received updates on quality reporting measures included in the final Medicare inpatient rule for the 2015 federal fiscal year, and discussed the hospital-acquired condition penalties that Medicare will apply beginning on October 1.

**Revenue Cycle:** On August 8, the committee was updated by staff on developments in the Medicare RAC program and "probe and educate" reviews being conducted by the Medicare Administrative Contractor. The group discussed their recent experiences with beneficiary discharge appeals, now being handled by a new Medicare contractor, and recent billing issues with managed care organizations.

**Nurse Executives:** At its July 16 meeting, the Nurse Executives Committee received briefings on the NYS Partnership for Patients initiative and both federal and state legislative and regulatory activities. Members also were updated on the progress of Council projects related to staffing ratios and the state's flu vaccination requirements. The Long Island co-chairs of the Future of Nursing State Action Coalition, Cathy Galla and Kathleen Bratby, gave a presentation about the coalition's work.

**Communications Committee/Long Island Health Collaborative (LIHC):** The group met on July 17 and discussed next steps related to the Wellness Survey data platform that Stony Brook University is compiling on LIHC's behalf. The outcome of the New York State Health Foundation grant, which the collaborative was awarded, was also discussed as were plans for the submission of a grant to the Long Island Community Foundation.

### NSHC September Events/Meetings

Sept. 9 Nurse Managers Meeting, 12:30 p.m.

Sept. 10 Finance Committee Meeting, 8 a.m.

Sept. 16 Emergency Preparedness Meeting, 10 a.m.

Sept. 18 Long Island Health Collaborative Meeting, 10 a.m.

NSHC Communications Committee Meeting, 11:30 a.m.

Sept. 19 Human Resources Meeting, 9 a.m.

*All meetings take place at NHSC offices in Hauppauge unless otherwise noted. Call 631-963-4153.*



## 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 Broadway Campus  
HealthAlliance Hospital Mary's Avenue Campus  
Helen Hayes Hospital  
Hudson Valley Hospital Center  
Keller Army Community Hospital  
Lawrence Hospital Center  
Montefiore Mt. Vernon Hospital  
Montefiore New Rochelle 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)  
Vassar Brothers Medical Center  
VA Hudson Valley Health Care System  
Westchester Medical Center  
White Plains Hospital

## 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