NASSAU-SUFFOLK HOSPITAL COUNCIL, INC.

1383 Veterans Memorial Highway, Suite 26 Hauppauge, NY 11788 Phone 631-435-3000 Fax 631-435-2343 www.nshc.org

MEMBER HOSPITALS Brookhaven Memorial Hospital Medical Center

East Patchogue

Catholic Health Services of Long Island

- Good Samaritan Hospital

 Medical Center

 West Islip
- St. Catherine of Siena Medical Center Smithtown
- St. Charles Hospital Port Jefferson
- St. Francis Hospital Roslyn
- St. Joseph Hospital Bethpage
- Mercy Medical Center Rockville Centre

East End Health Alliance

- Eastern Long Island Hospital Greenport
- Peconic Bay Medical Center Riverhead
- Southampton Hospital Southampton

Long Beach Medical Center Long Beach

John T. Mather Memorial Hospital Port Jefferson

Nassau University Medical Center Fast Meadow

North Shore-Long Island Jewish Health System

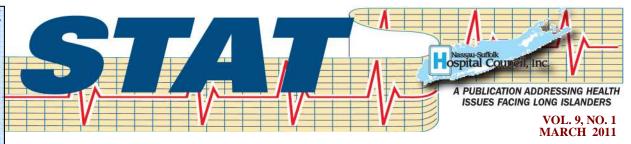
- Glen Cove Hospital
- North Shore University Hospital
- Plainview Hospital
- Syosset Hospital
- Franklin Hospital
- Huntington Hospital
- · Southside Hospital

Stony Brook University Hospital Stony Brook

Veterans Affairs Medical Center Northport

Winthrop South Nassau University Health System

- South Nassau Communities Hospital Oceanside
- Winthrop-University Hospital Mineola



State Update: Tort Reform Holds Up Budget

The medical malpractice reform measures proposed by the Medicaid Redesign Team (MRT) and accepted by the governor's office, hang in uncertainty as the State Senate, Assembly, and Governor Cuomo's office work these next few weeks to negotiate a state budget. These unresolved tort reform issues threaten the overall progress the MRT has made in reforming the massive and expensive Medicaid program, fear many hospital leaders. Hospitals are counting on projected savings from malpractice reform to offset other provider cuts advanced by the MRT and incorporated into Governor Cuomo's budget.

The Senate and Assembly budgets differ on medical malpractice reform with the Senate version incorporating the governor's entire medical malpractice package. Most notably, this includes a \$250,000 cap on non-economic damages and a neurologically-impaired infant fund, and two financial contributions from hospitals to help finance the impaired infant fund. The Assembly version removes the cap, but retains the two assessments from hospitals without attaining the same level of benefit that would accrue under the governor's proposal in the form of reduced premiums.

Advocacy groups have taken to an electronic campaign to inform their state legislators about the urgency to adopt the governor's medical malpractice package in its entirety. The Greater New York Hospital Association/1199 Service Employees International Union Healthcare Education Project offers three websites wherein visitors can sign a petition and send it to their specific Albany legislators. The sites are: www.medmaltruth.org; www.medmaltruth.org;

Other noteworthy budget elements:

- Global Medicaid spending cap (both Assembly and Senate), but Assembly version yields more oversight to the executive branch and makes it permanent, while Senate version sets a two-year trial and allows for a more active role by the Legislature.
- Two percent across the board Medicaid cut to hospitals with Senate and Assembly calling for a two-year plan related to this cut while governor calls for permanency.

Federal Update: Continuing Resolutions; Payment Recommendations

- ► Congress is expected to pass another three-week continuing resolution in the next few days that will keep the government running. However, time spent working on these continuing resolutions infringes upon work for the next fiscal year budget.
- ► The Medicare Payment Advisory Commission (MedPac) in its March report to Congress is recommending that Congress increase payment rates for the acute care hospital inpatient and outpatient prospective payment systems in 2012 by one percent.