

## 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**  
East 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

# STAT

Nassau-Suffolk  
Hospital Council, Inc.

A PUBLICATION ADDRESSING HEALTH  
ISSUES FACING LONG ISLANDERS

VOL. 9, NO. 5  
May 2011

## *Federal Update: Value over Volume Gains Momentum*

The value-based purchasing program (VBP) final rule released by the Centers for Medicare and Medicaid Services (CMS) on April 29, 2011 represents an historic change in the way hospitals are reimbursed for care they provide to Medicare patients. Value-based purchasing links Medicare reimbursement levels to quality benchmarks and patient satisfaction. The program was authorized by the Affordable Care Act and takes effect on October 1, 2012.

CMS says for the first time 3,500 hospitals across the country will be paid for inpatient acute care services based on care quality, not just quantity of the services they provide. In the first year, Medicare reimbursements will be reduced by \$850 million; hospitals will have the opportunity to “earn back” that money by exceeding national benchmarks or achieving performance improvements. The program is budget neutral - all of the withheld funds will be redistributed among hospitals in the same fiscal year – but the amount contributed to VBP will increase over time. The idea is that as hospitals improve outcomes and keep patients healthier, health care costs will be driven down, finding the neutral balance between costs to provide and then pay for care.

The payments will be based on quality measures in two domains – clinical process of care and patient experience of care. Clinical process measures will draw from those that are already reported to the CMS through the Hospital Inpatient Quality Reporting Program, established in 2004, and published on the Hospital Compare website. The program will begin with a few selected measures and gradually increase measures in subsequent years. Measures that reach very high compliance scores will likely be removed and replaced, continuing to raise the bar and hospitals’ performance expectations, according to CMS.

The scores for patient experience of care will derive from hospitals’ results of the Hospital Consumer Assessment of Health Care Providers and Systems (HCAHPS). These scores are posted on Hospital Compare, as well. The HCAHPS scores will carry a weight of 30 percent. Many hospital leaders feel that given the subjective nature of these scores more adequate risk-adjustment methodologies need to be developed for these measures.

“Performance improvement initiatives are nothing new to Long Island’s hospitals,” said Kevin Dahill, president/CEO of the Nassau-Suffolk Hospital Council (NSHC), the association that represents the region’s hospitals. “For many years, our hospitals have implemented innovative programs resulting in improved patient care, better outcomes, and savings to patients and providers. Our facilities have been recognized by local, state, and national accrediting organizations and government bodies for their exemplary work in the area of quality.”

## *County Updates: Budget Constraints Force Unusual Policies*

**Suffolk County:** Major changes are in store for the Suffolk County health centers, driven by a state order that the county repay \$20 million in past reimbursements for services provided at the clinics and subsequent budget cuts. The county has announced steep cuts for all of the clinics and the potential closure of the Elsie Owens Health Center in Coram. Many of the health centers are operated by NSHC member hospitals under contract with the county. Suffolk County has further announced a new financial aid policy. Beginning May 9, all health center patients – except for those seeking special categories of care such as family planning, HIV/AIDS, tuberculosis, which are provided under direct state grants – will be required to apply for public health insurance as a condition of being seen. Those who refuse to pay or are undocumented immigrants instead will have to pay \$75 per visit; the county will apply a sliding scale fee for those who apply but are determined to be ineligible for Medicaid, Child Health Plus or Family Health Plus coverage. The Council has expressed concern that the financial policy, as well as the threatened clinic cuts and closures, will result in more patients utilizing local emergency rooms for routine primary care.

**Nassau County:** A Nassau County tax on hospitals, municipalities, and other non-profits’ sewer usage is scheduled to take effect July 1. The county budget calls for the tax to be based upon water usage, less the amount used by institutions for cooling systems, grounds maintenance, and other functions that do not contribute to sewage volume, but the county has not yet finalized a mechanism for calculating the tax or the final tax rate. Three lawsuits have been filed against the imposition of the tax.