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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

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Hospital Council, Inc.

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STATE UPDATE: Proposed Budget Extends Last Year's Mandates; Seeks to Expand Commissioner's Powers, Limit Boards' Authority

Budget News: Policy recommendations in the governor's proposed 2012 – 2013 state budget, as well as executive orders and procedural changes occurring outside the budget process, present hospital advocates with different challenges this budget season. Even so, hospitals on Long Island will still endure a two-percent, across-the-board Medicaid cut in the upcoming fiscal year, as part of last year's two-year budget deal. This cut is in addition to the \$8.8 million in Medicaid cuts that the region's hospitals absorbed last year. That two-year deal also extends the Global Medicaid Spending Cap imposed by the Medicaid Redesign Team (MRT) and adopted by the legislature. The cap gives broad oversight authority to the health commissioner to make cuts, should the cap be breached. That mechanism takes the control of constituent concerns out of legislators' hands. To date, monthly global Medicaid spending reports from the state show spending is in check. The cumulative spending from April through December 2011 is \$95 million (0.8 percent) below the cap. Assembly Republican members and several legislative committees have held public hearings about the proposed budget, with both chambers introducing their proposals on March 10 and 11. Indications are that the budget will be on time.

Policy Considerations: The proposed state budget would grant the health commissioner authority over hospital boards and operations in situations the state deems grossly improper and negligent. The expanded powers would allow the commissioner to remove governing board members, approve all new members, and set limits on compensation. However, hospitals boards are members of the community and reflect the needs of the communities in which their hospitals operate. As such, their governing powers should not be undermined. Any extraordinary powers granted to the health commissioner should only be used in the most extraordinary circumstances.

FEDERAL UPDATE: Congress Finds Temporary Doc Payment Fix; House Committee Proposes Repeal of Medicare Panel

Doc Payment Fix: Congress' recent passage of a final agreement to avoid a 27 percent Medicare physician fee schedule cut set for March 1 places this issue on the back burner at least until the end of this year. However, the sustainable growth rate (SGR) formula, enacted in 1997 and now considered flawed by most economists and policy makers, will surface again, leaving hospitals vulnerable to additional cuts to offset the cost.

The temporary fix did not inflict the huge cuts in hospital outpatient department evaluation and management clinic services or a new inpatient coding offset that hospitals had feared. Rather, part of the funding for the "doc fix" will come from a reduction in Medicare bad debt payments and a one-year continuation, into 2021, of the Affordable Care Act's Disproportionate Share Hospital (DSH) payment reductions.

IPAB Repeal: The House Energy and Commerce Health Subcommittee voted to repeal the Independent Payment Advisory Board (IPAB), a panel of experts established by the Affordable Care Act (ACA) to make Medicare policy and savings recommendations to Congress on an annual basis, beginning in 2014. There is concern that such a panel would hold heavy sway over Congress and harm the deliberative process that Congress now engages in when setting Medicare policy, rates, and targeted savings. This process ensures fair representation for constituents in varied regions throughout the United States. The legislation could make its way to the House floor by mid-March.

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