STAT News

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STATE UPDATE: Legislative Session Ends, Hospitals Secure Key Victories in Nurse Staffing, Managed Care

The intense grassroots advocacy offered by member hospitals of the Suburban Hospital Alliance of New York State, LLC, did not allow **nurse staffing ratio bills** to become a reality this legislative session. This is in spite of widespread sponsorship and support of the legislation in both chambers. The session officially ended June 22, 2013. However, nurse-to-patient staffing ratios will continue as a top legislative priority for the state nurses union; the hospital field's advocacy must continue to ensure this issue remains defeated. The proposed legislation brought with it a price tag of about $3 billion to the health care industry – the largest unfunded mandate to date. Other notable successes include:

Safe Patient Handling: No agreement on safe patient handling legislation was reached. This legislation, too, was a very costly, unfunded mandate and as crafted was highly prescriptive and over reaching. The Suburban Hospital Alliance, along with the Healthcare Association of New York State (HANYS), certainly supports patient and employee safety and had tried to work with legislators to develop more workable, reasonable legislation.

Managed Care Reform: Suburban Hospital Alliance and HANYS-backed legislation designed to ensure fairer consideration of patients' access to quality care and of providers' ability to process claims and payments advanced through both chambers. Managed care reforms were the genesis for the formation of the Suburban Hospital Alliance of New York State, LLC, back in 2006. Since that time, the Suburban Hospital Alliance has strengthened its presence and voice, especially in Albany, where the advocacy coalition has advanced a dozen managed care reforms to date. The coalition also extends its advocacy efforts and influence to Washington, DC.

Medical Malpractice: There was no action on a variety of proposals advanced by the plaintiff trial bar. One bill sought to convert the statute of limitations to a discovery statute. This would delay the commencement from the time of the alleged act until the discovery of the alleged act, which is often significantly later.

A variety of other high-priority issues remain and advocacy work continues. Some of these items include: out-of-network physician billing, access to capital and for-profit investment, and physician collective negotiation to name few.

FEDERAL UPDATE: Auditing Practices Need Revision

The Senate's Medicare Improvement Act (S.1012) introduced in May and the House's companion legislation (H.R. 1250) introduced earlier this year would make important changes to the Medicare Recovery Audit Contractor (RAC) program and other Medicare audit programs. RAC audits in particular have intensified in recent years, placing extensive financial and administrative burdens on hospitals. Hospitals are not adverse to auditing programs that root out true fraud and abuse by utilizing sound medical review of treatment and admission decisions. The current RAC program veers from this guidance. The House and Senate proposals each seek to streamline processes, establish more reasonable standards, and create a greater degree of fairness in auditors' operations. Specifically, the legislation would allow denied inpatient claims to be billed as outpatient claims, when appropriate; require physician review of Medicare denials; establish a consolidated limit for medical record requests; improve auditor performance by implementing financial penalties and by requiring medical necessity audits to focus on widespread payment errors; improve recovery auditor transparency; and ensure due process appeals for claims re-opening. Passage of these proposed bills before the House and Senate is absolutely necessary to ameliorate the numerous challenges and issues of unfairness that hospitals' will continue to experience with the RAC program.

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