

Progress Notes

April 2014



Published monthly by the **Suburban Hospital Alliance of New York State LLC** . . . a consortium of 52 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.

State Budget Passed, Hospitals Spared Damage

All in all, hospital advocates say they are pleased with the outcome of the 2014 -2015 state budget passed April 1, 2014 – the fourth straight year Albany managed passage of an on-time budget. For hospitals, the final agreement honors the commitment made in last year’s budget to eliminate the across-the-board Medicaid cut to hospitals if the Medicaid global spending cap was not pierced. Savings gleaned from providers’ collective efforts to remain under the cap will be returned in part to hospitals through a Medicaid “dividend” mechanism. In addition, the budget recognizes the diversity of hospitals located throughout the state and the equally diverse challenge institutions are facing, financially and operationally, in fulfilling reform requirements.

Member hospitals of the Suburban Hospital Alliance of New York State, LLC, have been hammered in years past with indiscriminate Medicaid cuts, burdensome and often duplicative regulatory reforms, and restrictive

legislative mandates. This budget offers some relief. Here are highlights:

Medicaid Waiver: The budget includes authorization of the five-year, \$8 billion Medicaid waiver and provisions to ensure that money distributed through the state’s Delivery System Reform Incentive Payment (DSRIP) program is allocated to hospitals throughout the state. The state filed a waiver with the federal government in 2012. (*Read more about waiver on page 2.*)

Regional Planning: Hospitals were gravely concerned about the formation of Regional Health Improvement Collaboratives (11 regions throughout the state) and are relieved that the final budget does not authorize these groups. Hospitals raised serious concerns with the possible far-reaching powers such collaboratives would have on local decision making and the ultimate provision of health care services in a community. Money earmarked for regional planning will be diverted to

Inside this Issue . . .

Two-Midnight Rule News 3

Spotlight on Quality. 4

Health Insurance Update 5

Regional News 7

Advocate in DC May 6 and 7

Join HANYS and the allied regional hospital associations in communicating the positive reforms being implemented by hospitals to improve patient care. Highlights include a federal issues briefing and a media health coverage panel discussion. All events take place in conjunction with the American Hospital Association’s Annual Membership Meeting. Register separately at www.hanys.org and www.aha.org.

population health activities.

Capital and Safety-Net Funding: The budget authorizes a \$1.2 billion capital pool and significantly funds the Vital Access Provider (VAP) program. VAP funding is for providers who service disproportionate numbers of indigent and poor patients.

Workforce: A less onerous and more workable safe patient handling provision was agreed upon in this budget. The governor and both chambers circulated proposals meant to protect health care workers from undue risk of injury, such as equipment-to-patient ratios. The final agreement directs health care providers to establish and/or further strengthen facility-specific safe patient handling committees. The budget also includes an additional \$1.5 million in funding for the Doctors Across New York Program and a new regulation allowing nurse practitioners to practice under a collaborative relationship with physicians in place of current requirement to have a written practice agreement.

Insurance: The budget protects patients from surprise out-of-network bills. Provisions and requirements differ depending on whether the situation is emergency or non-emergency.- Janine Logan, jlogan@nshc.org; jlogan@normet.org.

Medicaid Waiver Terms Finalized

The New York State Department of Health announced on April 14, 2014 the federal government's final approval of the terms and conditions of the \$8 billion Medicaid waiver. The CMS and the state reached an agreement in principle in February. The state anticipates \$17.1 billion in total Medicaid savings to accrue as a result of the dozens of reforms outlined by the state's Medicaid Redesign Team (MRT) in February 2011 and then adopted by the state legislature. The governor charged the multi-stakeholder MRT to find ways to reduce costs, while ensuring access to quality care for the state's Medicaid beneficiaries. Seventy-eight recommendations resulted and were adopted by the legislature. Those reforms, mostly focused on better care coordination, are now being implemented. Moving all Medicaid patients into managed care plans is one major reform and it is already reaping savings. Waiver funding will also help stabilize safety-net providers. The waiver allows the state to reinvest over a five-year period \$8 billion of the \$17.1 billion in federal savings generated by the MRT reforms. Waiver money will flow mostly to New York and its eligible Medicaid providers through a competitive

The Delivery System Reform Incentive Payment Plan is worth \$6.42 billion.

program – the **Delivery System Reform Incentive Payment (DSRIP) Plan** worth \$6.42 billion. Providers must choose from among a list of approved DSRIP programs. The waiver's emphasis is on local, yet broad-based partnering as a means to transform the delivery system with the ultimate goal of saving money and delivering better and more appropriate care to Medicaid patients. The waiver seeks to reduce avoidable hospitalizations (inpatient and ER admissions) in New York by 25 percent over five years. This percent reduction in avoidable admissions will be a tough one for already fragile hospitals to absorb, especially the safety-net providers that already predominately serve a Medicaid population. However, the waiver provides a \$500 million Interim Access Assurance Fund, which is temporary, time-limited funding to ensure safety-net providers can fully participate in the competitive DSRIP transformation process without disruption. Other waiver money will support health home development, investment in long-term care, workforce, and behavioral health services. DSRIP letters of intent are due May 15, 2014 and the DSRIP planning applications are due late in June. Janine Logan, jlogan@nshc.org; jlogan@normet.org.

No Cuts to Docs, for Now

Just a day before the nation's physicians were due for a 24 percent cut in Medicare reimbursements, Congress passed and the president signed a "doc fix" bill that avoided the cut. This is the 17th time since 2003 that such a reprieve was legislated by the Congress. This temporary patch extends until March 31, 2015.

Congress has tried but has yet to come up with a permanent solution to the flawed Sustainable Growth Rate (SGR) formula. Enacted in 1997, the SGR formula directs Medicare physician reimbursement. It is tied to

an inflationary factor economists agree is no longer feasible. At least three times, in as many years, the hospital industry has been tapped as a funding source for temporary "doc fixes."

This "doc fix" package also includes a delay of ICD-10 code implementation until October 1, 2015 and a one-year postponement of the start of the Affordable Care Act Medicaid Disproportionate Share (DSH) hospital cuts until 2017. However, the level of reductions in 2017 through 2024 would increase. – *Janine Logan*, jlogan@nshc.org or jlogan@normet.org.

Two-Midnight Rule Update:

Hospitals Challenge Centers for Medicare and Medicaid Services

New York hospitals were among the parties to a suit filed in federal court early in April 2014 with support from the Healthcare Association of New York State, the American Hospital Association, other state and regional hospital associations and a few hospital systems. The suit addresses CMS' "two-midnight" inpatient admissions criteria and related policies. Hospitals contend that the 0.2 percent payment cut for all inpatient services is unlawful and arbitrary. CMS imposed the cut because it believes more patients will be admitted rather than placed on less costly outpatient-based observation care. Some months ago, the agency released guidance about what constitutes observation level care vs. inpatient care. It determined that a valid inpatient stay must span two full midnights. The rule does not consider the medically complex patients, even some ICU patients, who do not need to stay in a hospital for two midnights, but nonetheless need inpatient care. Historically, hospitals placed patients on observation level care as opposed to admitting them for short-inpatient stays because the CMS had ramped up its auditing of short-inpatient stays. Recovery Audit Contractors, known as RACs and hired by CMS, often and without substantiating evidence denied these short stays. Observation status allows physicians and the care team to diagnose and treat patients without worry of short-stay denials. Patients on observation care, however, are liable for outpatient-based co-pays and deductibles. These costs add up and are often a surprise to Medicare beneficiaries.

****HANYS 46th Annual Membership Conference – June 19 – 20, 2014****

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SPOTLIGHT ON: *Quality*

By Kate Warner, Director of Quality and Education

New York State Department of Health Releases

Sepsis Data Dictionary: On April 3, 2014, the New York State Department of Health (NYSDOH) released the Data Dictionary for reporting on severe sepsis or septic shock. Sepsis reporting requirements came out of legislation enacted May 1, 2013 that required hospitals to implement “evidence-based protocols for early recognition and treatment of patients with severe sepsis and septic shock that are based on generally accepted standards of care”. Hospitals had to submit written policies to the DOH by September of 2013 and had to fully implement their protocols no later than December 31, 2013. Reporting was initially supposed to begin on January 1, 2014, but was delayed until April 1, 2014 after the NYSDOH failed to release the reporting requirements in the form of a data dictionary. The Healthcare Association of New York State (HANYS), along with other associations, such as the Suburban Hospital Alliance of New York State. LLC, and IPRO were part of an advisory committee assisting the NYSDOH with the development of measures and methods for sepsis reporting. Original drafts of the reporting requirements contained over 130 measures and were estimated to take up to an hour and a half to complete per record. HANYS and allied associations advocated strongly for a reduced reporting burden for member hospitals. The final version showed significant improvements as the DOH removed about 40 data elements reducing the estimated time for report completion to about 45 minutes per record. The allied associations were not able to convince the DOH to allow reporting based on a sample, meaning that data will have to be submitted on every event. The first sepsis data

submission is due August 1, 2014. HANYS has created a template to assist member hospitals with reporting – go to www.hanys.org. - and will offer educational webinars. Official data abstraction tools can be expected from IPRO in the coming months.

CMS Delays Reporting for New Outpatient Quality

Measure: CMS has delayed reporting on a new Outpatient Quality Reporting measure, OP-31 until January, 2015. The measure, “Improvement in Patients’ Visual Function within 90 days following Cataract Surgery” was introduced in the Calendar Year 2014 Outpatient Prospective Payment System Final Rule. The rule, which was released late due to the government shutdown, included three new measures that would require hospitals to provide data on follow-up care and post procedure testing. The new measures are particularly difficult for hospitals to report on as most of the related post-procedure care is not completed on site and may be provided by physicians who are not employed by the hospital. It is unclear at this point for many hospitals how they will coordinate the sharing of these data for reporting purposes. While reporting on OP-31 is delayed until 2015, hospitals are still required to report on the other two measures included in the rule which present similar challenges, beginning January 2014. These rules are OP-29 Appropriate Follow-up Interval for Normal Colonoscopy in Average Risk Patients and OP-30 Colonoscopy Interval for Patients with a History of Adenomatous Polyps-Avoidance of Inappropriate Use.

QualityNet Secure Portal: On July 1, 2014, MyQualityNet will be replaced with the QualityNet Secure Portal, a new system that meets federal

requirements for enhanced security of protected health information. This portal must be used to submit data for a variety of federal programs. Enrollment in QualityNet should be completed by May 1, 2014. For assistance

call the QualityNet Help Desk at 866-288-8912 or gnetssupport@sdps.org. - Kate Warner, kwarners@seagatealliance.com.

Nearly One Million Enroll through Marketplace

NSHC, navigator agency on Long Island, processed 2,000 applications October - March

Nearly one million New Yorkers enrolled in plans offered through the New York State of Health insurance marketplace by the time the 2014 enrollment season ended. The New York State Department of Health reports that as of April 16, 2014, a total of 1,319,239 New Yorkers completed applications and 960,762 enrolled for coverage since the marketplace launched on October 1, 2013. The next enrollment period begins November 15, 2014 and ends February 15, 2015 for insurance coverage effective in 2015. Those eligible for Medicaid and/or Child Health Plus may enroll at any time throughout the year. Other individuals who experience a qualifying event during the year, such as a death in the family, marriage, or birth, may also enroll in commercial or public insurance plans available through the marketplace.



There are three ways to enroll: online at www.nystateofhealth.ny.gov; via the marketplace's customer service call center at 1-855-355-5777; or in person with a navigator. On Long Island, the Nassau-Suffolk Hospital Council is one of three state-certified navigator agencies. The Hudson Valley region is serviced by the Community Service Society of New York, Maternal Infant Services Network of Orange, Sullivan, and Ulster counties, and the Westchester County and Rockland County Departments of Health.

News Briefs . . .

Medicare Sequestration Cuts Payments, Not Rates . . . and this was a distinction sought by HANYS, the American Hospital Association, and hospital advocates. In a recent letter from the Centers for Medicare and Medicaid Services (CMS), it confirms that all fee schedules are unchanged by sequestration and only the final payment has been reduced by two percent. Many Medicare Advantage Organizations (MAO) were inappropriately passing their sequestration cuts on to providers. CMS' letter reiterates that the agency is prohibited by law from "interfering in the payment arrangements between MAOs and contracted providers." It notes that MAOs "must follow prompt pay provisions established in their contracts with providers and pay providers under the terms of those contracts."

Emergency Preparedness Update . . . For more than a decade, the U.S. Department of Health and Human Services (HHS) has been providing grant funds to support hospitals in their efforts to prepare for emergencies. As a result of national budget considerations, Hospital Preparedness Program (HPP) funding has declined over the past years. For the next grant year (2014-2015), there will be a national reduction of 28.8 percent in funding. Because the allocations for states, territories and large metropolitan areas have been determined based on a risk assessment, New York State will receive only a 13.2 percent funding cut. This funding cut will be absorbed through a variety of mechanisms. With reference to individual hospitals, however, the funding cut will be only a 7.5 percent reduction. This is a decrease in funding from

\$40,000 to \$37,000. The continuing support of hospital preparedness activities, and the importance of sustaining funding, has been a focus of Nassau-Suffolk Hospital Council and Northern Metropolitan Hospital Association activities when working with local members, as well as working with the New York State Department of Health HPP program. As deliverables are determined for the next funding cycle, adjustments will be made so that they are consistent with the decreased level of funding. – Linda Wenzel, PhD, lcw36@juno.com.

Health Care Auxiliary Day . . . as proclaimed by Governor Andrew Cuomo is May 7, 2014. The governor's proclamation recognizes the vital role that auxiliaries serve as community wellness ambassadors and acknowledges the valuable contributions that auxiliaries made to advance the overall quality of public health in New York State.

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 recently 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.

Safety Standards . . . for hospitals related to the Affordable Care Act will be phased in. According to the CMS's final proposal, at this time hospitals will not be required to join a federally-qualified Patient Safety Organization (PSO) by January 1, 2015. Instead, beginning on that date, qualified health plans will be required to collect CMS Certification Numbers from their contracted hospitals with more than 50 beds that are subject to regulation. That is the first phase of implementation. More guidance from CMS will follow.

Campaign Highlights Hospitals Transforming Care . . . through HANYS "100 Ways, 100 Days" informational campaign. The campaign aims to bring attention to the many ways New York's hospitals and health systems are enhancing the lives of New Yorkers every day through innovative programs and new models of care. The stories are housed online on the HANYS website. The stories are also being shared with targeted audiences. Members are encouraged to share their stories with HANYS and to use the stories in their advocacy efforts.

Organ Donation Efforts . . . are the focus of the New York Organ Donor Network (NYODN) all year long, but especially so during April – Donate Life Month. In the recently approved state budget, Governor Cuomo and the state legislature signaled a stronger commitment to improving organ donor enrollment and organ donation as a whole in New York. The budget includes funding to launch a public-private partnership with the goal of increasing enrollment in the New York State Donate Life Registry. Only 22 percent of eligible New Yorkers are enrolled in the New York State Donate Life Registry compared to the national state average of 47 percent. Hospitals are encouraged to promote organ donation. To become an organ donor, or to learn more about NYODN visit: www.donatelifeny.org.

48th 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.

Physician Shortage Persists . . . according to HANYS' new report Doctor Shortage: Outpatient and Primary Care Need Growing. The report provides results of HANYS' Physician Advocacy Survey for 2013. The report was developed in

collaboration with regional hospital associations, including the Suburban Hospital Alliance of New York State, LLC. Results of the survey confirm that New York's physician shortage is not diminishing and will likely worsen. View the report at www.hanys.org.

News from the Long Island Region . . .

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



An "A" for Hospital Safety . . . was earned by Catholic Health Services of Long Island hospitals (St. Francis Hospital - The Heart Center, Mercy Medical Center, St. Charles Hospital) and by Nassau University Medical Center. The Hospital Safety Score is compiled under the guidance of the nation's leading experts on patient safety and is administered by The Leapfrog Group, an independent industry watchdog.

Homeland Security \$75,000 Grant . . . was awarded to John T. Mather Memorial Hospital for the purposes of enhancing the hospital's security and surveillance systems. Mather Hospital is one of 70 organizations in New York that was awarded a grant under the FY 2011 Urban Area Security Initiative (UASI) Nonprofit Security Grant Program. Senator Kirsten Gillibrand helped the facility obtain the grant.

Magnet Designation . . . was bestowed upon Huntington Hospital for the third consecutive time by the American Nurses Credentialing Center's Magnet Recognition Program® for excellence in nursing services. According to Huntington Hospital, the hospital is the first one on Long Island to receive the Magnet designation three consecutive times.

Scholarship Available . . . for college juniors and seniors and post-graduate students who are studying journalism, communication arts, or health care administration. This is not a scholarship for clinical-based study. The \$2,000 scholarship is offered by the NSHC Communications Committee in memory of Ann Marie Brown, the late VP of government and public relations at the Hospital Council. Deadline is May 16, 2014. For application and eligibility criteria go to www.nshc.org, click on programs and scroll down to the Ann Marie Brown Scholarship link.

Community Service Activities Grant . . . The Long Island Health Collaborative (LIHC), which is coordinated by the Nassau-Suffolk Hospital Council, was awarded a \$25,000 grant from the New York State Health Foundation to further the collaborative's work related to the state's Prevention Agenda. The collaborative formed about a year ago 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. A website that provides links and resources, <http://nshc.org/long-island-health-collaborative/>, was launched in January 2014. 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. The NYSHF grant will be fully realized when the collaborative obtains matching funds.

If you have news to share about your hospital's achievements, please send to Janine Logan at jlogan@nshc.org.

News from the Hudson Valley Region. . .

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



Outstanding Patient Experience . . . recognition goes to Putnam Hospital Center. It achieved the Healthgrades 2014 Outstanding Patient Experience Award. Healthgrades evaluated Putnam's performance as assessed by the hospital's patients across 27 different questions that roll up to 10 distinct measures. Healthgrades evaluated 3,582 hospitals. Of these hospitals, 3000 hospitals met additional clinical quality requirements to be considered for this Healthgrades distinction. The top 15 percent of this group achieved the award.

White Plains Hospital CEO Successor Named . . . Susan Fox was selected by the hospital's board of directors to become president and CEO of White Plains Hospital upon the retirement of the hospital's current president, Jon Schandler, in 2015. Fox is currently senior vice president of administration at White Plains Hospital.

New Name for St. Francis Hospital . . . will be MidHudson Regional Hospital of Westchester Medical Center, upon official transfer of ownership from St. Francis to Westchester Medical Center, sometime in early to mid-May.

Notable Community Impact . . . is what Orange Regional Medical Center will attain if it receives a LIVESTRONG® grant. The Medical Center was chosen as a finalist for the Jeffrey Frank Wacks Music Therapy Program as part of the LIVESTRONG® Community Impact Project, which was created to bring proven cancer support programs to communities across the United States. The Medical Center is awaiting results of an online public vote to see if it is chosen as a grantee.

Excellence in Diabetes Care . . . was awarded to HealthAlliance of Hudson Valley's Diabetes Education Center. The system received the American Diabetes Association Education Recognition Certificate for their quality diabetes self-management education program.

If you have news to share about your hospital's achievements, please send to Janine Logan at jlogan@normet.org.

NSHC Events/Meetings Report. . .

Finance Committee: The committee's April meeting covered the outcome of the state budget negotiations and an extensive briefing on the out-of-network billing legislation that was included in the state budget.

Nurse Executives Committee: At its April 23 meeting, the committee received reports on safe patient handling and staffing ratio legislation, discussed conservation strategies for IV fluids, was briefed on new pediatric care regulations, and was updated on the progress of a regional nurse staffing benchmark report. The committee is engaged in preparations for its annual Nurse of Excellence recognition ceremony in May.

NSHC May Events/Meetings

- May 1 NSHC Board Meeting, 8 a.m.
- May 6 NYSPFP Meeting (1393 Vets Highway/Media Center) 8:30 a.m.
- May 13 National Government Services Mtg, 8:30 a.m.
(1393 Vets Highway/Media Center)
Corporate Compliance Meeting, 9:30 a.m.
Nurse Managers Meeting, 12:30 p.m.
- May 14 Finance Committee Meeting, 8 a.m.
- May 15 Long Island Health Collaborative, 10 a.m.
- May 21 Quality Committee, 9:30 a.m.
Nurse of Excellence Award Ceremony, 3 p.m.
(Woodbury Country Club)
- May 29 NSHC Annual Meeting, 4 p.m.
(Crest Hollow Country Club)

All meetings take place at NHSC offices in Hauppauge. Call 631-963-4153.

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

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 St. Mary's 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