STAT News

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STATE UPDATE: Single Payer Plan, Mandated Staffing Dominate

Mandated Staffing Ratios. The push to enact nurse staffing ratios is expected to intensify in the coming months and may very well take center stage when state lawmakers reconvene in January 2019. A number of factors are adding to the mounting pressure, including November elections that could change the majority in the state Senate and a fervent push by the New York State Nurses Association (NYSNA) to gain support for mandated ratios throughout the state.

On the local level, NYSNA is reaching out to local leaders from around the state and asking for their support of mandatory nurse staffing ratio legislation (A.1532/S.3330). The Safe Staffing for Quality Care Act would prescribe a specific nurse-to-patient ratio at all hospitals and nursing homes in the state. However, nurse staffing is a local operational issue and nurse leaders need the flexibility to adjust staffing levels in response to patient needs at their respective hospitals.

"We welcome the opportunity to meet with county and local leaders to discuss this issue," said Kevin Dahill, president/CEO of the Suburban Hospital Alliance. "As local leaders, it's important they understand that nurse staffing decisions are really driven by what is happening locally and in the hospital's community. Experienced local clinicians are best equipped to make appropriate staffing decisions that meet the needs of each and every patient, every minute of the day and night, by taking into account patient mix and acuity and surge capacity concerns. This winter's flu epidemic is a good example."

Mandated nurse-to-patient ratios have been shown not to improve care in the only other state – California – that has such ratios in place. That law became effective January 1, 2004. Several studies to prove its effectiveness followed, but none have found a link between the law and improved quality care. It is estimated that mandated staffing ratios would cost New York's hospitals and nursing homes close to $3 billion annually.

Single Payer. There is also renewed interest in a single payer model in New York State. Part of that interest stems from the upcoming gubernatorial race and from a razor-thin hold on the Republican Senate majority that currently exists. Economists and health policy experts say this model would result in a huge tax increase, and it would require disentanglement from state laws, waivers from the federal government, and elimination of all commercial insurance. Hospitals already receive a significantly lower reimbursement from Medicaid and Medicare – government-funded systems. A true single payer system would set all prices, leaving no room for hospitals to negotiate for better reimbursement from commercial insurers. A new report by the Rand Corporation examines some of these issues. Governor Cuomo is expected to announce a task force to further this issue.

FEDERAL UPDATE: Hospital Outpatient Clinic Services in Jeopardy

The Centers for Medicare and Medicaid Services (CMS) has issued a proposed ruling that would further reduce payments made to off-campus, hospital-based clinics, say hospital advocates. The rule builds upon restrictions and payment reductions passed as part of the Bipartisan Budget Act (BBA) of 2015. That rule established that new off-campus, hospital-owned clinic services not receive any enhanced reimbursement because of their hospital status, but rather receive a "site neutral" payment in line with non-hospital providers – a reimbursement reduction of about 40 percent. However, off-campus, provider-based clinics that were billing prior to November 2, 2015, when the BBA went into effect, were "excepted" from the rule. A new proposal seeks to expand site neutrality by reducing all basic clinic visits to the site-neutral reimbursement rate, even those performed at "excepted" clinics. The hospital field strongly opposes equalizing payment rates between hospital-owned clinics and others because nonprofit hospitals have substantial overhead requirements that physician offices do not and have an obligation to meet the needs of their communities, including treating uninsured patients.