Progress Notes

August 2015

*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.*

Hospitals Consider Payment Value and Equity of Population Health

Policy changes at the federal and state level are encouraging the shift from volume-to value-based reimbursement mechanisms, which in turn are accelerating the shift away from inpatient care toward population health management. The Centers for Medicare and Medicaid Services (CMS) is increasingly interested in equalizing payment levels between inpatient and outpatient services as one means of accomplishing this.

However, Medicare's Hospital Readmissions Reduction Program (HRRP), in some sense, contradicts CMS' population health approach to care, because the program's all cause readmissions penalty does not account for readmissions that occur outside of hospitals' clinical control. These are the socioeconomic factors that providers and payers know factor heavily in readmissions. There is a growing body of evidence that supports the role social determinants play in patient compliance and patient health outcomes. Tending to these determinants is at the heart of population health, and it is the job of multiple stakeholders – public and private – to plug the holes along the care continuum that are left by these social determinants. Income and education levels, access to affordable and healthy foods, and reliable transportation are just some of the determinants affecting patients' recovery and/or potential return to the hospital.

Continued on page 2

Inside this Issue . . .

2016 Insurance Rates Unveiled

New York State of Health Marketplace readies for year three

The New York State Department of Financial Services recently released the approved premium rate changes for plans selling insurance on the New York State of Health insurance marketplace. Premiums will rise an average of 7.1 percent for 2016. Some insurers

Continued on page 2

2016 Insurance Rates Unveiled *(cont from page 1)*

requested significantly higher rate increases, including UnitedHealth Group, which sought a 22 percent premium hike. The state approved an increase of 1.7 percent.

The 2015 enrollment season, which ended February 28, 2015, saw an enrollment of 2.1 million New Yorkers in the individual marketplace and 14,628 employees and dependents enroll for coverage through the small business marketplace. According to the New York State 2015 Open Enrollment Report, nearly three-quarters of enrollees qualified for Medicaid coverage and 89 percent of individuals were uninsured when they completed their New York State marketplace application.

The third open enrollment season for the New York State of Health marketplace begins November 1, 2015 and concludes January 31, 2016. On Long Island, the Nassau-Suffolk Council, one of the local hospital associations that is part of the Suburban Hospital Alliance of New York State, is one of the three state-appointed navigator agencies serving the region. 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.

Hospitals Consider Payment Value *(cont from page 1)*

Current legislation introduced in the House and Senate (S.688/H.R. 1343 – Establishing Beneficiary Equity in the Hospital Readmission Program Act of 2015) would require CMS to apply an adjustment for these socioeconomic factors, as well as an adjustment for the hospital's proportion of dual-eligible patients. Such patients often present with the most complex conditions and are, by definition, economically challenged.

A federal advisory group is also pushing for graduate medical education (GME) funding to mirror the value-based payment trend. The Medicare Payment Advisory Commission (MedPac) recently recommended that Medicare payments to hospitals for GME should be decoupled from the inpatient fee-for-service method currently in place. The House Ways and Means Subcommittee on Health will hold a hearing in the fall to explore possible changes to the program.

SPOTLIGHT ON: *Quality*

By Kate Warner, Director of Quality and Education

CMS Releases Annual Payment Rule for Fiscal Year 2016

On April 17, 2015, the Centers for Medicare and Medicaid Services (CMS) released the fiscal year 2016 Inpatient Prospective Payment System (IPPS) final rule. The IPPS is updated annually and determines payment policies and rates for inpatient procedures for the upcoming fiscal year. In recent years CMS has incorporated several quality improvement programs into the IPPS, many of which can impact payments. This year's final rule proposes several significant changes to the Inpatient Quality Reporting Program and some minor changes to the Hospital Readmissions Reduction Program (HRRP), the Hospital Acquired Condition Program (HAC) and the Hospital Value Based Purchasing Program (HVBP).

Inpatient Quality Reporting Program

For payment in fiscal year 2018, CMS will require that hospitals report electronically on four of 28 electronic clinical quality measures (eCQMs) meaning that hospitals will have to begin submitting data electronically in calendar year 2016. The requirement is part of a continued effort to foster alignment between the Inpatient Quality Reporting and Meaningful Use programs. The rule states that hospitals must submit data for one quarter (Q3 or Q4) using QRDA I by February 28th, 2017 regardless of which quarter they choose to submit data for. CMS intends to increase the number of measures for which electronic reporting will be required in next year's rule.

CMS will add seven new measures (one survey-based and six claims-based) to the program, none of which have been approved by the NQF. For payment in fiscal year 2018 (based on performance in calendar year 2016) CMS will add a Hospital Survey on Patient Safety Culture measure under which the hospital would submit information once a year regarding its use of a patient safety culture survey.

For fiscal year 2019 (performance beginning in calendar year 2017) CMS will add episode of care payment measures for three conditions: kidney/urinary tract infection, cellulitis and gastrointestinal hemorrhage. These measures are aimed at capturing Medicare fee-for-service payments during episodes that span three days before an initial hospital admission to 30 days after the patient was discharged, but exclude episodes that involve transfers.

Hospital Acquired Condition Reduction Program

No new measures were added to the HAC program under this rule. Consistent with previous rules, CMS will use data from a performance period that spans from July 2013 - June 20, 2015 to calculate scores for Domain 1 and data from calendar year 2014 and 2015 to calculate scores for Domain 2 in fiscal year 2016. For fiscal year 2017, CMS proposes to change weighting for the HAC

program so that Domain 1 is weighted at 15 percent and Domain 2 at 85 percent.

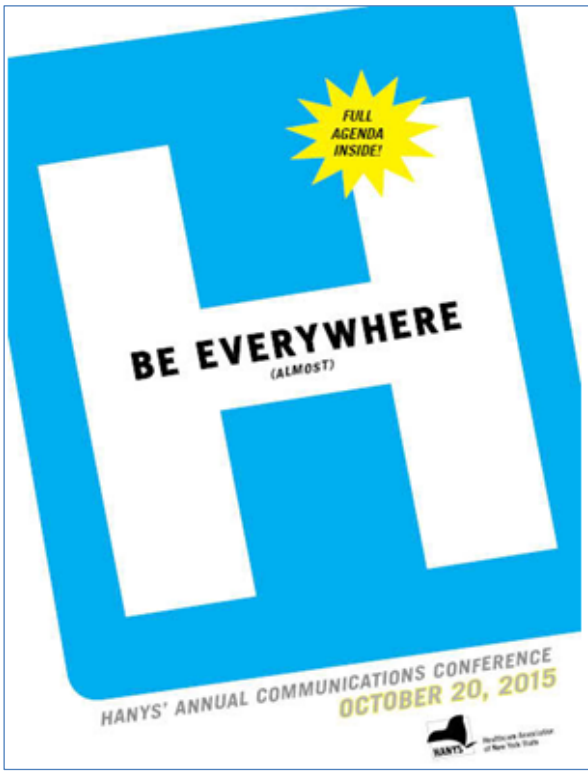
CMS finalized their proposal to include data on catheter-associated urinary tract infection (CAUTI)and central line-associated bloodstream infection (CLABSI) rates outside of the intensive care unit (including medical, surgical and med-surg wards) in penalty calculations for the HACRP beginning in fiscal year 2018.

Hospital Readmissions Reduction Program

The maximum penalty under the HRRP program will remain at 3 percent in fiscal year 2016 (the same as last year and future years). The measures will also remain the same. Payments in fiscalyear 2016 are based on a performance period of July 2011 - June 2014. There was no indication in the final rule that a socioeconomic factor adjustment will be included in program calculations in the upcoming fiscal years.

Hospital Value-Based Purchasing Program

CMS will continue to fund the incentive pool by reducing diagnostic-related group (DRG) payment amounts by 1.75 percent in fiscal year 2016. It proposes to remove two measures from HVBPP for fiscal year 2018 payment calculations, but will add two new measures to the program in future years. For more specifics about these changes, please contact Kate Warner directly at kwarner@seagatealliance.com.



Register Now for HANYS' 2015 Communications Conference: Be Everywhere (Almost)

Learn strategies to connect with your community, future patients, and internal stakeholders at HANYS' Annual Conference for Healthcare Communications Professionals.

Join us Tuesday, October 20 in Albany and learn how to:

- Spark conversations through your content
- Form relationships with your community members
- Engage your internal audiences to build your brand

Click here for registration information, speaker biographies, agenda, and hotel information.

News Briefs

"Two-Midnight" rule partial enforcement delay – Medicare announced that it will extend the enforcement delay for three additional months, until December 31, 2015. In response to ongoing hospital concerns over aggressive Recovery Audit Contractor (RAC) activity and the flawed rule, the Centers for Medicare and Medicaid Services (CMS) is advancing a new medical review strategy to replace RACs with Quality Improvement Organizations (QIOs) as the front-line reviewers of post-payment patient status/short-stay claims. Going forward, RACs will only be allowed to review short-stay cases if referred by QIOs. The extension of the partial enforcement delay supports CMS' implementation of this new strategy.

New Surgical Rankings/Ratings – ProPublica, an independent, investigative journalism group published a database scorecard for rating surgeons on "death and complication rates" for eight elective surgical procedures, which was featured by *USA Today* and other media outlets. After reviewing the system's analytic approach, the American Hospital Association "found ProPublica's analysis and methodology faulty overall." Consumer Checkbook, a nonprofit ratings group for consumers, also released a ranking of surgeons who perform certain major surgeries. The AHA was not provided with its methodology in advance.

Co-Op Program from Hofstra University - Hofstra's School of Engineering and Applied Sciences is offering a program available to all hospitals and healthcare facilities. Biomedical engineering and computer science students are available to work co-op positions, full-time for eight months starting in January of 2016. For more info, contact Philip Coniglio, 516-463-5548 or go to http://bit.ly/1KAtT0t.

Auxilian Institute – HANYS' 49th Annual Institute for Healthcare Auxiliaries and Volunteer Leaders will be held October 26 and 27 at the Albany Marriott at 189 Wolf Road. Learn more and register here. Contact Sue Ellen Wagner at (518) 431-7837 or at swagner@hanys.org.

Claims Data Assistance

Managed Care Advisory Group: The Hospital Council has expanded its business relationship with the Managed Care Advisory Group to offer to members its Contract Payment Review (CPR) product. The focus is ensuring that insurers are complying with negotiated reimbursement rates and payment policies. MCAG will analyze claims data to assess where underpayments have occurred, identify reimbursement trends, implement recovery efforts, and make recommendations on contractual changes. Contact Wendy Darwell at wdarwell@nshc.org or 631-963-4152.

News from the Long Island Region

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

U.S. News and World Report – Has released their 2015-2016 list of Best Hospitals and Rankings. On Long Island, **Winthrop-University Hospital** was nationally ranked 34th for pediatric diabetes and endocrinology, 29th for pediatric pulmonology and 9th overall in New York. **North Shore University Hospital** ranked 10th in New York; **Southside Hospital** ranked 16th in New York; **Huntington Hospital** ranked 22nd in New York; **Glen Cove Hospital** ranked 12th in New York; **Stony Brook University Hospital** ranked 23rd in New York. **St. Francis Hospital** was nationally ranked 13th for cardiology and heart surgery, 16th for gastroenterology, 36th for geriatrics, 43rd for orthopedics, and ranked 4th overall in New York. **Mount Sinai Hospital** ranked nationally in nine adult specialties, including 3rd for geriatrics and 7th for cardiology and heart surgery, 7th nationally in pediatric specialties and 3rd overall in New York.

Long Beach Emergency Care Goes 24/7 – Long Beach's free-standing emergency department opened for round the clock service Monday, August 10, 2015, providing non-stop convenient and high quality emergency medical care to the barrier island. South Nassau Communities Hospital owns and operates the emergency care center.

Adding to North Shore-LIJ Health System – Maimonides Medical Center finalized their plans to integrate with the **North Shore-LIJ Health System** on August 19, 2015 The venture is a comprehensive strategic partnership, with both institutions maintaining their independence and separate governance structures. The **North Shore-LIJ** Health System will also become the active parent of the **Peconic Bay Medical Center** in Riverhead.

Catholic Health Services Long Island Wins Tech Designation for 2nd Consecutive Year – CHS won the "Most Wired" moniker from the American Hospital Association's Health Forum (AHA) and the College of Healthcare Information Management Executives (CHIME) for their implementation of the electronic medical record system, Epic.

Biomedical Research Funding – Two academic medical institutions on Long Island will receive funding over two years from The Empire Clinical Research Investigator Program for the training of new clinical researchers in the biomed field. **North Shore University Hospital** will receive a $1.2 million Center Award for teaching hospitals to form research teams focused on a specific topic, disease, or condition. **Winthrop University Hospital** will receive up to $150,000 for an Individual Award to train program researchers in diverse research fields.

NYS Triple Aim Stories – This month, NSHC members highlighted for implementing the NYS Triple Aim were:

- **North Shore-LIJ Health System**, for providing veterans with behavioral health and primary care services in the same location,
- **North Shore University Hospital**, for developing a family-centered palliative care unit that has private rooms, open visitation with unlimited visiting hours, and pet therapy.

If you have news to share about your hospital's achievements, please send to Kim Whitehead at kwhitehe@nshc.org.

News from the Hudson Valley Region

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

NorMet
Northern Metropolitan Hospital Association
Representing Hospitals in the Hudson Valley Region

U.S. News and World Report – Has released their 2015-2016 list of Best Hospitals and rankings. NorMet members who received honors were: **White Plains Hospital** ranked 16th in New York; **Westchester Medical Center** was nationally ranked 30th in pediatric pulmonology and 43rd in urology; **Phelps Memorial Hospital Center** ranked 16th in New York; **Northern Westchester Hospital** ranked 6th in New York and 41st in the nation for gynecology; **Northern Dutchess Hospital** ranked 16th in New York.

New AHA Trustee - The American Hospital Association named Mary Beth Walsh, MD, CEO and chief medical officer of the **Burke Rehabilitation Hospital** to its board of trustees. Dr. Walsh was treasurer of NorMet's executive committee and serves on the board of directors of the American Medical Rehabilitation Providers Association.

Beating the Budget – **New York Presbyterian/Hudson Valley Hospital** outperformed its budget projections, earning $2.6 million in operating income during the first six months of 2015, as the hospital had higher-than-expected occupancy.

Active Parenting – The Montefiore Health System will become the active parent of the **Burke Rehabilitation Hospital** in White Plains. This will allow more Burke patients access to acute rehab, and give Montefiore an easier way to manage patients referred to Burke.

Biomedical Research Funding – Three academic medical institutions in the Hudson Valley region will receive funding over two years from The Empire Clinical Research Investigator Program for the training of new clinical researchers in the biomed field. **Westchester Medical Center** and **HealthAlliance of the Hudson Valley** will each receive $1.2 million Center Awards for teaching hospitals to form research teams focused on a specific topic, disease, or condition. **Montefiore New Rochelle Hospital** will receive up to $150,000 for an Individual Award to train program researchers in diverse research fields.

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

NSHC Events & Meeting Reports

Corporate Compliance Committee – The committee received briefings at its August 25 meeting on guidance issued by the Office of the Medicaid Inspector General (OMIG) for Delivery System Reform Incentive Payments (DSRIP) participants, proposed changes to the "Stark law" on physician self-referrals, and the audit implications of revisions to the "two-midnight" rule.

Quality Committee – Director of Quality Kate Warner updated the committee on the final Medicare inpatient payment rule for the 2016 fiscal year, the proposed outpatient payment rule, and several new outlets for public reporting on hospitals, including the Yelp website. The group discussed strategies for improving patient and family engagement.

Revenue Cycle Committee – At its August 14 meeting, the Revenue Cycle Committee received presentations on the Basic Health Plan option that New York will offer to individuals with modest incomes in 2016 and on the shift toward value-based payment mechanisms and away from fee-for-service medicine. The group discussed changes to the "two-midnight" rule and progress toward the implementation of ICD-10 codes on October 1.

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
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
- Peconic Bay Medical Center
- Plainview Hospital
- Southside Hospital
- Syosset Hospital

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 Hospital Mary's Avenue Campus
Helen Hayes Hospital
Hudson Valley Hospital/New York Presbyterian
Keller Army Community Hospital
Lawrence Hospital Center/New York Presbyterian
MidHudson Regional Hospital
Of Westchester Medical Center
Montefiore Mt. Vernon Hospital
Montefiore New Rochelle Hospital
The New York Presbyterian Hospital, Westchester Division
Northern Westchester Hospital
Orange Regional Medical Center
Phelps Memorial Hospital Center
Putnam Hospital Center
St. Anthony Community Hospital
St. Joseph's Medical Center/St. Vincent's Hospital
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