

NorMet News . . . September 2013

A Monthly Publication of the Northern Metropolitan Hospital Association

NorMet News publication is a summary of regulatory and legislative news, advocacy messages, and other relevant issues affecting the delivery of hospital and health care in the Hudson Valley.

Congress Maintains Gridlock

Congress continues its gridlock in Washington over funding for the upcoming federal fiscal year, which begins October 1, 2013, and raising the debt ceiling limit. The debt ceiling limit needs to be raised around mid-October to allow the country to pay its bills and avoid a default.

The threat of a government shutdown at midnight September 30, 2013 is nearing and Congress remains divided on the budget. At issue is the demand of some House Republicans to defund the Affordable Care Act in exchange for a workable 2014 budget. A government shutdown is sure to wreak havoc on the nation's fragile recovery, agree economists.

Meanwhile, automatic sequestration cuts remain in place; there have been no overtures by either party to develop a plan to replace the sequester cuts. Medicare payments to hospitals were cut two percent for Medicare services provided on and after April 1, 2013. If left in place, Medicare sequestration cuts to hospitals in the Suburban Hospital Alliance regions (the Hudson Valley and Long Island) will total \$629 million (2013 – 2021).

Compounding the situation is the Medicare physician payment cut of 24.4 percent that will occur January 1,

2014, if Congress does not act to stop it. Every year since 2002, Congress has stepped in with a “doc fix” to avert such a draconian cut to the nation's physicians. Just this past January, hospitals absorbed about \$30 billion in additional Medicare cuts to offset the physician reimbursement fix. Without a reasonable solution to the flawed sustainable growth rate (SGR) formula – the 1997 Balanced Budget Act inflation-based provision that guides and restricts physician reimbursement - hospitals once again remain vulnerable to more cuts. Hospitals remain at risk for further Medicare and Medicaid cuts, especially as Congress negotiates spending bills, the debt ceiling increase, and the “doc fix.”

The Washington, DC office of the Healthcare Association of New York State (HANYS) will assist NorMet members in scheduling meetings with Congressional representatives at the American Hospital Association advocacy day scheduled for October 29th. Contact Elyse Oveson, HANYS director of federal relations, at eoveson@hanys.org – 202-488-1275 – to schedule your meetings. - Janine Logan, jlogan@normet.org.

Health Insurance Marketplace Opens Tuesday, October 1st

The New York State of Health marketplace opens on Tuesday, October 1, 2013 for individuals and small businesses seeking affordable health insurance. The Hudson Valley region will be serviced mainly by a variety of subcontracted local in-person Navigator Agencies under the Community

Service Society of New York, as well as the Maternal Infant Services Network of Orange, Sullivan and Ulster Counties and the Westchester County and Rockland County Departments of Health. Navigators were trained by the state regarding the specifics of the new health insurance marketplace and will be ready to assist individuals and businesses on October 1, 2013. The state also opened a customer service line – 1-855-355-5777 - to assist with enrollment and answering questions. Individuals and businesses can also shop the marketplace online by going to www.nystateofhealth.ny.us. – Janine Logan, jlogan@normet.org.



State Update: Legislation Continues Advancing

A variety of health care-related bills were recently signed by the governor with a generous amount still awaiting delivery and/or action by the governor. Some of these include:

Clinical Laboratory Limited License extension. The governor signed this legislation before the first extension period expired September 1, 2013. The new legislation extends the limited licensure measure until 2016. Clinical laboratory technologists can continue to work under a limited license pursuant to an agreement reached several years ago when the Clinical Laboratory Practice Act, which took effect in 2006, required new licensure and education requirements for clinical lab technologists and certification for clinical laboratory technicians.

Smoking on Health Care Facility Grounds. This legislation prohibits smoking on the grounds of hospitals and nursing homes, with an exception for nursing home residents/visitors. This law takes effect October 29, 2013.

Pulse Oximetry Screening for Newborns. Effective January 27, 2014, hospitals and birthing centers are required to perform a pulse oximetry test on each newborn to screen for critical congenital heart defects. The test is now part of the list of newborn screening requirements.

Pharmacist Administer Meningococcal Vaccine. This legislation authorizes pharmacists to administer this vaccine when presented with an order from a physician or certified nurse practitioner.

Other significant health-care related bills passed by the legislature and awaiting delivery to or action by the governor include:

Observation Services Notification. This legislation requires hospitals to provide patients who are placed in observation care with oral and written notification within 24 hours of such placement that the patient is in observation status and not admitted to the hospital as an inpatient. The Department of Health will develop guidance for hospitals for the written notice, which must include a statement that observation status may impact a patient's coverage and the patient should contact their insurer for more information. The original version of this bill placed more requirements on hospitals that would have made the bill nearly impossible to implement. The Suburban Hospital Alliance, working with its state partner the Healthcare Association of New York State, was able to achieve this revision to the bill.

Managed Care Reform. Legislation that would require utilization review agents to substantiate pre-authorizations electronically, with some exceptions, and that would extend providers' timeframe to file external appeals from 45 days to 60 days is awaiting delivery to the governor. The Suburban Hospital Alliance aggressively pushed for this legislation. – Janine Logan, jlogan@normet.org.

Clarity Still Lacking with the “Two-Midnight” Rule Effective 10/1

The Centers for Medicare and Medicaid Services (CMS) is moving forward with its “two-midnight” rule related to hospital-based observation care and says the rule becomes effective October 1, 2013. CMS announced the new rule this past summer in response to calls from the hospital field for clarification about observation care and inpatient vs. outpatient status and subsequent billing. However, concerns and confusion remain. As a result, in late September, CMS said Recovery Audit Contractors (RAC) will delay scrutiny of medically-necessary short inpatient stays for the next 90 days, as hospitals implement the new rule and become familiar with it. The “two-midnight” rule says that hospital stays that last two days – defined as a stay that spans at least two midnights – are considered inpatient stays and not subject to RAC auditing. However, Medicare administrative contractors (MAC) would still be able to look at a sample of 25 claims per hospital. MACs process Medicare claims on behalf of CMS and make the initial decision to pay the claims. NorMet will provide members with more guidance and clarity as it develops. – Janine Logan, jlogan@normet.org.

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
Helen Hayes Hospital
Hudson Valley Hospital Center
Keller Army Community Hospital
Lawrence Hospital Center
The Mount Vernon 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)
Sound Shore Medical Center of Westchester
Vassar Brothers Medical Center
VA Hudson Valley Health Care System
White Plains Hospital

News Briefs . . .

Recognized for Organ Donation Efforts . . . is Ellenville Regional Hospital. It was among a select group of hospitals nationwide recognized by the U.S. Department of Health and Human Services for reaching gold, silver, and bronze level of recognition for public education about donation and state donor registries. Ellenville worked with the Center for Donation and Transplant in Albany on the campaign to coordinate a number of events, such as posting donation information, displaying posters, distributing registry cards, flying a Donate Life Flag, and celebrating April Donate Life Month.

Workforce Report . . . compiled by the Healthcare Association of New York State, the Hospital Council, and other regional hospital associations shows that the aging health care workforce and population, combined with health care reform, will increase demand for many health care professionals and expand the roles and necessary skill sets for existing professionals. *The 2013 Nursing and Allied HealthCare Professionals Workforce Survey Report* identifies areas where members are most challenged with recruitment and retention of nurses and allied health care professionals, including physicians, medical assistants, nurse practitioners, and physician assistants.

Medicaid Global Spending Cap . . . remained within limits for the for first four months of the new fiscal year, according to the New York State Department of Health's most recent report. The state's spending on Medicaid was \$17 million, or 0.3 percent, below projections. Medicaid enrollment reached 5,333,238 enrollees at the end of July 2013, representing an increase of about 86,200 enrollees (1.6 percent) since March 2013.

HANYS Annual Institute for Health Care Auxiliaries and Volunteer Leaders . . . occurs October 21 – 22 at the Holiday Inn in Saratoga Springs. The Institute will provide a variety of educational sessions on such topics as leadership, challenges facing health care facilities, impact of hospital mergers and acquisitions on auxiliaries and volunteers, changing role of auxiliaries and volunteers in their communities, and maximizing the potential of board members. For questions and registration, contact Christopher Guyon, Registration Coordinator (518) 431-7834 or at cguyon@hanys.org. Registration must be completed online with credit card payment.

National Quality Award Applications . . . sought for the American Hospital Association's McKesson Quest for Quality Prize. The award is presented annually to honor hospitals pursuing excellence through hospital leadership and innovation in quality improvement and safety. Cash awards and/or merit recognition awarded. To nominate a hospital download an application from www.aha.org/questforquality. Completed applications must be e-mailed by midnight, Central Time, Sunday, October 13, 2013 to questforquality@aha.org

New Infection Reporting Mandate . . . from the New York State Department of Health requires all hospitals to participate in a pilot program to report laboratory carbapenems-resistant Enterobacteriaceae (CRE), effective July 1, 2013 through December 31, 2013. During the pilot phase data will not be publicly reported. Following the pilot, the DOH will discuss the preliminary results with its Technical Advisory Workgroup and make a determination if CRE should be made part of the public infection reporting program in the future.

Community Health Assessment . . . is happening now throughout the state as part of the State Department of Health's 2013 – 2017 Prevention Agenda and a new federal-level IRS requirement. Hospitals are required to conduct a Community Health Needs Assessment (CHNA) to meet the reporting requirements of the state's 2013 – 2017 Prevention Agenda and the IRS' Form 990 charitable reporting mandate. NorMet together with the New York State Association of County Health Departments is the Hudson Valley regional collaborative for community service/benefit activities. Contact Janine Logan, director of communications, at jlogan@normet.org if you have questions and/or need assistance with any phase of the community assessment and plan activities.



Go to www.normet.org and click on this Vet Connect icon to find online links to hospitals' job banks, health care services, and other community resources. The initiative is coordinated by NorMet and members of its Communications Committee. The Vet Connect icon is also located on each member hospitals' website.



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