

Progress Notes

July 2014



Published monthly by the **Suburban Hospital Alliance of New York State LLC** . . . a consortium of 53 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.

“Two-Midnight” Rule Debate Continues

DRG and case mix acuity factor into the debate

Controversy surrounding the Centers for Medicare and Medicaid Services’ (CMS) “two-midnight rule” continues. While CMS has delayed the start of enforcement of the rule and has extended the “probe and educate” transition period, the hospital industry contends there are still fundamental flaws with the rule. These imbalances coupled with the industry’s view of the original intent of the diagnosis related group (DRG) payment mechanism are fueling additional debate.

The DRG system takes into account low-end and high-end acuity of patients hospitalized for the same disease episode. Hospitals receive the same reimbursement regardless of whether a patient requires a short stay or a long stay for a specified DRG. Variation in patient need and case mix naturally balances out the payment. Generally, with short stays the hospital gains

and with long stays the hospital loses. The “two-midnight rule,” and more importantly, CMS’ consideration of a new short-inpatient stay payment mechanism may disrupt this balance, leaving hospitals with the more costly, longer-stay patients and the less than adequate DRG reimbursement. The Suburban Hospital Alliance suggests that if a short-stay payment mechanism is instituted independently, then a re-weighting of the DRG system must occur.

Two-Midnight Rule Discussed in DC

The Healthcare Association of New York State (HANYs) president Dennis Whalen and other key policy analysts from HANYs met with Sean Cavanaugh, the CMS deputy administrator and director of CMS, earlier this month. They advocated for important changes to the “two-midnight” policy and the Recovery Audit Contractor (RAC) program. Cavanaugh indicated a willingness to consider policy improvements to the “two-midnight” rule and said CMS is reviewing comments submitted by HANYs and other stakeholders in response to the agency’s request for recommendations on an inpatient short-stay payment policy. – Janine Logan, jlogan@nshc.org; jlogan@normet.org.

Inside this Issue . . .

Status of State Bills. 2

Waiver Update 2

Spotlight on Quality 3

Region News 6

Governor Considers Health Care Bills

Hundreds passed this legislative session, including key healthcare-related legislation

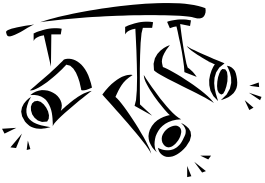
A month has passed since the official closure of the New York State 2014 legislative session and bills passed by both the Senate and Assembly are on their way to the governor's office. Dozens of healthcare-related bills have already arrived, including telemedicine provisions. The governor must consider about 470 bills by the end of the calendar year. Most recently, the governor signed a bill that requires hospitals to provide to visually-impaired patients, upon request, pre-admission and discharge planning information in large print or in audio recording.

The Suburban Hospital Alliance worked diligently throughout the legislative session to assure passage of favorable legislation, as well as stoppage of harmful legislation. The Alliance counts the avoidance of any type of nurse staffing ratio legislation as one of its major advocacy successes and is already gearing up to halt any such legislation that may be re-introduced next year. Hospitals maintain that individual institutions

know best how to address staffing issues related to patient acuity, seasonal peaks and dips in volume, and other factors that ensure nursing and other disciplines are adequately staffed throughout a hospital's various units. The group was also successful in averting advancement of several medical malpractice bills. These bills mostly favored the interests of trial attorneys and did not fundamentally reform the medical malpractice system nor curtail exorbitant insurance premiums. The soaring costs of malpractice related to insurance and litigation have long plagued New York's health care system and the hospital industry is committed to working with the legislature and the trial attorney community to rationally reform the system. The hospital industry supports reforms such as malpractice courts, wherein cases are tried by judges and juries with health knowledge, and limits on non-economic damages.- *Janine Logan*, jlogan@nshc.org; jlogan@normet.org.

Medicaid Waiver Update . . . New York State awarded \$462 million in Interim Access Assurance Fund (IAAF) assistance to help 22 hospitals and five large public hospital systems statewide. The \$500 million pot of money is part of the state's \$8 billion Medicaid waiver. The funds will assist safety net hospitals in severe financial distress and major public hospital systems to sustain key health care services as they participate with other providers to develop proposals for systems of integrated services delivery to be funded and implemented under the DSRIP. The temporary funding available through the IAAF will enable recipient hospitals to work toward sustainable operations and to maintain critical services for their community as they work with other partner providers to develop integrated Performing Provider Systems (PPS) eligible for DSRIP funding. Large public hospitals receiving awards include: Long Island region - Nassau Health Care Corporation and Stony Brook University Hospital; Hudson Valley region: Westchester Medical Center. Safety net hospital award recipients include: Long Island Region – Brookhaven Memorial Hospital Medical Center; Hudson Valley region: Bon Secours Charity Health, Health Alliance of the Hudson Valley, Nyack Hospital. The DSRIP Planning Design Grant Awards will be announced August 6, 2014. The state received 50 applications.

Go to www.hanys.org and click on Medicaid waiver icon. The NYSDOH also has a dedicated section on its website. Go to www.healthy.ny.gov.



SPOTLIGHT ON: *Quality*

By Kate Warner, Director of Quality and Education

CMS Releases Proposed Rule for Flexibility in Meaningful Use Requirements

On Tuesday, May 20, 2014, the Centers for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) released a proposed rule that would allow for increased flexibility in how eligible hospitals and providers meet Meaningful Use requirements for 2014. In the original requirements, hospitals were asked to upgrade 2011 Certified Electronic Health Record Technology (CEHRT) to meet new certification criteria regardless of the stage of Meaningful Use to which they were attesting to. In recognition of the magnitude of changes required to implement the new technology and attest to either stage, CMS shortened the reporting period from one year to three months, allowing hospitals more time to transition. However, many hospitals experienced delays in their ability to “fully” implement 2014 CEHRT as their vendors scrambled to become certified and roll out the new technology well into the fiscal year. Under the proposed rule, CMS would allow “hospitals and eligible providers that have experienced technical difficulty obtaining 2014 CEHRT due to product availability issues” a variety of reporting options. Providers could choose which CEHRT edition and which clinical quality measures would be most appropriate for them to use for 2014 attestation. While the proposed rule would offer some much needed relief, it comes late in the fiscal year and may leave hospitals wondering what their best reporting option would be. CMS has released an [interactive tool](#) that hospitals can use to help them decide what may be best based on their experience.

HANYS submitted a comment letter to CMS advocating for the interests of members and proposing that CMS:

- Finalize the regulations as quickly as possible
- Consider 2015 a year of transition
- Not require hospitals to attest they were unable to “fully” implement 2014 CEHRT
- Remove View, Download and Transmit (VDT) and Transition of Care (TOC) objectives that measure connectedness
- Propose Stage 3 attestation requirements only after Stage 2 is fully assessed
- Hold off on issuing a subsequent CEHRT edition until the 2014 edition is firmly in place
- Offer additional reporting options for Clinical Quality Measures (CQMs)

The comment period ended Monday, July 21, 2014 and a final rule should be released around September 1. Hospitals are required to submit attestation within 60 days of the end of the fiscal year and will have to act quickly. HANYS recommends that members begin considering their options under the proposed rule as they anticipate it is very likely it will be finalized. – *Kate Warner, kwarner@seagatealliance.com.*

News Briefs

Hospital Engagement Network Program . . . benefits patients and saves money. This is according to the Health Research and Educational Trust (HRET). Hospital quality improved in such areas as readmissions, early elective deliveries, and infections. Over the course of 28 months, more than 143,000 harms have been prevented with associated cost savings of more than \$1.3 billion. The Healthcare Association of New York State and the Greater New York Hospital Association is the HEN for New York State.

More Managed Care Legislation . . . went into effect on July 1, 2014. The Suburban Hospital Alliance and HANYS advanced managed care legislation that increases the time allowed for healthcare providers to file an external appeal of denied claims. Providers will now have 60 days to file an external appeal with the Department of Financial Services. Previously, providers had 45 days. Providers acting as a patient's designee still have 180 days to file an external appeal. Utilization review agents will be required to provide written notification for pre-authorizations electronically, to the extent practicable.

Sepsis Data Submission Deadline . . . has been extended to August 31, 2014. The hospitals will be required to submit their second quarter 2014 (April 1 to June 30) severe sepsis and septic shock data by midnight on August 31.

Circle of Life Award . . . applications are being accepted through August 10, 2014. The 2015 Circle of Life Awards offered by the American Hospital Association recognizes innovative programs for palliative and end-of-life care. In particular, the award seeks to honor programs that are embedding palliative care across care settings as part of integrated care delivery; engaging their community and creating partnerships with other healthcare organizations; and

Commerce Bank Offers Members Financial Flexibility

Suburban Hospital Alliance of New York State, LLC is pleased to announce the endorsement of Commerce Bank for automated accounts payable (AP) solutions. Commerce Bank's revolutionary AP solution, ControlPay® *Advanced*, enables Suburban Hospital Alliance member hospitals to simplify, automate, and control payment processes while generating a steady revenue stream.

ControlPay® *Advanced* allows hospitals to save time and expenses by paying invoices electronically through the Visa® network. Participating Suburban Hospital Alliance member hospitals will earn monthly revenue share based on their spend level and the aggregated volume of all hospitals who participate in this Suburban Hospital Alliance program.

For additional information, contact Maureen Kalmbach at the Suburban Hospital Alliance at 845-562-7520 or mkalmbach@normet.org.

Marla Freeman is the Commerce Bank Account Executive who will be servicing participating NorMet member hospitals. For your hospital specific proposal, contact Marla Freeman at (973) 467-5578 or Marla.Freeman@commercebank.com.

John Kounelias is the Commerce Bank Account Executive who will be servicing participating Nassau Suffolk Hospital Council member hospitals. For your hospital specific proposal, contact John Kounelias at (732) 722-7014 or John.Kounelias@commercebank.com.

can demonstrate sustainability as well as workforce development. For an application and information go to www.aha.org/circleoflife.

Hospitals Adhere to the Triple Aim . . . and varied stories about how New York's hospitals are doing so are highlighted on the HANYS website through its "NYS Triple Aim" campaign. The campaign captures the widespread efforts of hospitals that are pursuing the Triple Aim approach of improving population health, enhancing the quality of patient care, and reducing the cost of healthcare. New York's hospitals are actively engaged in implementing new and innovative approaches to healthcare delivery despite fiscal constraints. Go to www.HANYS.org/tripleaim. Feel free to re-tweet and post the outstanding work performed by hospitals. To submit a story for the campaign, contact Steve Kroll at skroll@hanys.org or Michael Pauley at mpauley@hanys.org.

Quest for Quality Prize® . . . applications are due October 12, 2014. The American Hospital Association's (AHA) McKesson Quest for Quality Prize® is presented annually to hospitals pursuing excellence through hospital leadership and innovation in quality improvement and safety. All U.S. hospitals are eligible for the 2015 AHA-McKesson Quest for Quality Prize®. To download an application go to: www.aha.org/questforquality.

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 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.

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.

HTNYS Trustee Conference . . . "Transforming Governance: Leading in an Era of Reform" will take place September 12 – 13, 2014 at the Sagamore. Conference registration opens July 9. Trustees are encouraged to work directly with their hospital's CEO and board coordinator for a smooth registration process. More info at HTNYS website.

*** * * Blood Donations Needed * * ***

The blood supply typically drops off in the summer months. Please consider scheduling a blood drive at your hospital sometime in the next few weeks. Doing so will ensure that the blood supply does not drop to critically low levels during the summer weeks. The New York Blood Center will assist in scheduling blood drives. In the Hudson Valley region call Andrea Cefarelli (914) 760-3173; on Long Island call Karen Muscolino (516) 478-5038.

News from the Long Island Region . . .

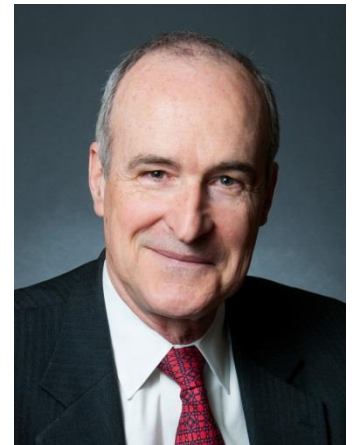
A Report on Nassau-Suffolk Hospital Council member hospital achievements and notable activities



Catholic Health Services CEO Elected Chair of NSHC

President and CEO of Catholic Health Services of Long Island Alan D. Guerci, MD, was named chairman of the board of directors of the Nassau-Suffolk Hospital Council (NSHC). The appointment was announced at the Hospital Council's annual meeting held May 29, 2014 at the Crest Hollow Country Club. The two-year term expires June 2016. The CEOs from each of the member hospitals comprise the board of directors.

Dr. Guerci, a nationally known cardiologist and distinguished researcher, has led the six-hospital Catholic Health Services (CHS) system since July 2013. Previously, he was executive vice president for CHS and president and CEO of CHS's St. Francis Hospital, Mercy Medical Center and St. Joseph Hospital.



Alan Guerci, MD

An associate professor of clinical medicine at the College of Physicians and Surgeons of Columbia University, Dr. Guerci is a graduate of Harvard College and earned his medical degree from Cornell University Medical College and a master's degree in health care management from the Harvard School of Public Health.

"All the hospitals on Long Island provide high-quality, excellent care," said Dr. Guerci. "I am committed to working with my hospital colleagues and the Hospital Council to continue this tradition of excellence."

U.S. News and World Report Top Ranking . . . went to **John T. Mather Memorial Hospital** and Catholic Health Services (CHS) of Long Island hospitals. Mather was ranked 20th out of nearly 250 hospitals in the New York State – up from 31st in last year's rankings. Mather was one of only 725 hospitals that performed well enough to be nationally or regionally ranked in one or more of 16 medical specialties and was recognized as a high performing in six – diabetes and endocrinology, gastroenterology and GI surgery, geriatrics, nephrology, neurology and neurosurgery, and urology. Mather was also ranked above the state and national averages for patient satisfaction. CHS' **St. Francis Hospital** is ranked by U.S. News and World Report in the top 10 in the entire nation at number nine for cardiology and heart surgery – the only Long Island hospital to achieve this – as well as among the best in the U.S. for four other specialties: gastroenterology and GI surgery; geriatrics; neurology and neurosurgery; and orthopedics. It was also ranked as a high-performing hospital in these specialties: cancer, pulmonology, urology, and nephrology. CHS' **Good Samaritan Hospital** and **St. Charles Hospital** earned regional honors. Good Sam was recognized for urology and St. Charles ranked as high performing in orthopedics.

HANYS Pinnacle Award . . . for quality care was presented at the HANYS' 46th Annual Membership Conference held in June. The Pinnacle Award for Quality and Patient Safety for a Large Hospital or Health System went to **North Shore-LIJ Health System** for "A System-wide Approach to Reducing Healthcare-Acquired Pressure Ulcers." Representatives from across the system formed a pressure ulcer task force to decrease variability and promote a

consistent approach to skin care across settings. **Catholic Health Services of Long Island's** Our Lady of Consolation Nursing Home and Rehabilitation Care Center received the HANYS' Pinnacle Award for Quality and Patient Safety for a Post-Acute or Outpatient Provider for "Managing Behaviors without Medication: Providing Care to Special Populations." Their program focused on a multidisciplinary approach to reducing the use of antipsychotic medication for those with dementia.

Gynecologic Surgery Excellence . . . was bestowed upon **Nassau University Medical Center** by Healthgrades, which rated the medical center in the top 10 percent of hospitals evaluated and was the only hospital in Nassau County to receive the Gynecological Surgical Excellence Award for three years in a row.

Caring for Community Health . . . is the ongoing focus of the Long Island Health Collaborative's (LIHC) multi-stakeholder group of hospitals, the two local county health departments and other local government entities, academic institutions, and dozens of community-based organizations. The collaborative was formed in the spring of 2013 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. The website provides links and resources, <http://nshc.org/long-island-health-collaborative/>. The collaborative's 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.



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



Most Wired . . . designation was achieved by St. Luke's Cornwall Hospital and was the only hospital in the Hudson Valley to achieve this distinction from Hospitals and Health Networks magazine.

Joint Commission . . . awarded its Gold Seal of Approval for the treatment of peripheral vascular disease to HealthAlliance of the Hudson Valley's Center for Vascular Excellence. HealthAlliance was the only provider in New York to earn this accreditation. The certification recognizes the center's dedication to continuous compliance with the Joint Commission's national standards for healthcare quality and safety in disease-specific care.

Recognition for Excellence in Stroke Care . . . goes to the **Hudson Valley Hospital Center**. For the second year in a row, the hospital received the American Heart Association/American Stroke Association's Get with the Guidelines®-Stroke Gold Plus Quality Achievement Award.

Rehabilitation Care . . . at **Orange Regional Medical Center** received accolades from an accrediting regulatory agency

during a recent survey. The hospital's Inpatient Rehabilitation Unit received accreditation from the Commission for Accreditation of Rehabilitation Facilities (CARF) through April 2017.

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

NSHC Events/Meetings Report. . .

Nurse Executives: At its July 16 meeting, the Nurse Executives Committee received briefings on the NYS Partnership for Patients initiative and both federal and state legislative and regulatory activities. Members also were updated on the progress of Council projects related to staffing ratios and the state's flu vaccination requirements. The Long Island co-chairs of the Future of Nursing State Action Coalition, Cathy Galla and Kathleen Bratby, gave a presentation about the coalition's work.

NSHC August Events/Meetings

August 8 Revenue Cycle Committee meeting, 12:30 p.m.
August 19 Corporate Compliance Committee meeting, 9:30 a.m.
August 20 Quality Committee meeting, 9:30 a.m.
All meetings take place at NHSC offices in Hauppauge unless otherwise noted. Call 631-963-4153.

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 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

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