



CEO Updates

May 22, 2013

[PHHPC Hearing on Multi-Specialty Physician Practices](#)

Yesterday I spoke on behalf of the Suburban Alliance before members of the Public Health and Health Planning Council subcommittee, at a special session regarding oversight of physician practices. At issue was the disparity in regulatory burdens between the hospital and physician sectors.

I emphasized the need for a level playing field, pointing to the burdensome and costly Certificate of Need (CON) applications that are required of hospitals but not of physician groups that provide the same or similarly complex clinical services. In this instance, we recommend eliminating the CON requirement for hospitals for any service that can be provided by a non-Article 28-licensed provider. This also would allow unencumbered collaboration, freeing aspiring physician practice/hospital partners from the onerous structural requirements imposed on the hospital sector. As long as health care professionals are qualified, the ability to provide services should not be impeded by the structure in which the service is provided. Likewise, hospitals should not have to file a CON for construction to relocate and/or update an existing clinical service line.

Raising the issue at the core of the Memorial Sloan Kettering expansion disputed by the NorMet hospitals last year, I argued that the acquisition of high-tech equipment and technologically-advanced diagnostic tools should be subject to the same oversight in both the physician practice community and hospital community. This would assure adequate and appropriate access to such technologies across all patient populations and service areas, while eliminating redundancy that could lead to overutilization and higher costs for the entire health care industry. This last policy recommendation would ensure, as well, that the PHHPC has real-time inventory of all advanced technology that exists among all providers and would more accurately enable the PHHPC to assess community need.

The PHHPC also heard testimony from physicians' associations, large physician groups, and commercial insurers.

[AHA Wage Index Reform Task Force](#)

Last month, the Suburban Alliance took a stand against the AHA Wage Index Reform Task

Force's recommendations, which called for significant cuts in the Medicare wage index for the suburban regions as a consequence of redistributing funds to lower wage areas of the country. We joined the New Jersey Hospital Association in contacting the officers of the AHA board, urging against adoption of this proposal at the AHA's April board meeting. This effort was successful, with the board agreeing to solicit additional input from the field and then reconsider the matter at its July 24 meeting.

In response, the AHA has announced a member open forum in Chicago on July 11 to hear our concerns. I will be speaking on behalf of the region, but I strongly encourage CEOs to join me in Chicago, especially those who are projected to take the hardest hits. Our letter to the AHA board and the July 11 invitation are attached.

Note to Nassau-Suffolk CEOs: The July 11 event unfortunately necessitates rescheduling the July board meeting. The new date is August 1 at 8 a.m. We apologize for the inconvenience.

Observation Care Guidance

Last week, as a precursor to issuing proposed regulations, the Department of Health distributed a "Dear Provider" letter offering guidance on providing and billing for observation care. This guidance is in response to the Suburban Alliance-initiated legislation to bring state regulations into conformity with Medicare rules. It eliminates the prior requirements that observation care be provided in designated observation units under the clinical supervision of the emergency room, expands the observation period from 24 to 48 hours, and establishes billing procedures. Negotiations are ongoing over patient notification requirements and procedures for direct physician admission to observation care.

ACO Program June 19th

Save the date for a joint Suburban Hospital Alliance and HANYS Benefit Services program on Accountable Care Organization developments and opportunities. The program will be held on the morning of June 19th at the LaGuardia Marriott. Details to follow.

Kevin W. Dahill,
President and CEO
Suburban Hospital Alliance of New York State, LLC