## Progress Notes

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# Hospitals Mindful of New Physician Payment Rules under MACRA

With the release of the final rule (October 14, 2016) guiding the Medicare Access and CHIP Reauthorization Act (MACRA), the Centers for Medicare and Medicaid Services (CMS) assure more predictable payment increases for the nation's physicians and nearly eliminate the volatility experienced by hospitals under the flawed Medicare physician sustainable growth rate (SGR) formula in place since 1996. The SGR required 17 temporary patches since 2003, with the hospital field serving as a funding source for at least three of these fixes. However, the new legislation did not come without cost to hospitals as the industry will endure funding offsets in the near term.

MACRA is designed to shift physicians away from the fee-for-service payment model to a value-based payment system. The law establishes the Physician Quality Payment Program (QPP) that rewards physicians for the delivery of high-quality patient care through two pathways: the Merit-based Incentive Payment Systems (MIPS) or Advanced Alternative Payment Models (APM). The final rule includes flexibility in implementation, a concern repeatedly voiced by state

and regional hospital associations, including the Suburban Hospital Alliance of New York State, during the proposed rule's comment period. Most importantly, the final rule notes that the 2017 performance year, which begins January 1, 2017, is a transition year. Payment adjustments based on data from 2017 will occur in 2019.

The MIPS program allows for flexibility in some reporting requirements and reduces some key reporting periods from a full year to a minimum of 90 days. The level of payment adjustment during the transition year varies and is reflective of the amount of reporting offered by the physician. If there is zero participation, the clinician is subject to a negative four percent

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adjustment. If there is complete participation – all required MIPS data is reported for at least 90 days – then the clinician receives a moderate level positive adjustment. Partial participation, meaning minimum MIPS data are reported for at least 90 days, results in neutral or a small positive adjustment. This transitional year flexibility does not apply to the APM choice.

Participation in advanced APMs exempts physicians from MIPS and provides a five percent payment bonus from 2019 through 2024. The APM must meet prescribed standards to be eligible as an advanced APM. The Comprehensive Primary Care Plus (CPC+) and Medicare Shared Savings Programs Tracks 2 and 3, among others, are examples of eligible APMs. The MACRA creates incentives for physicians to participate in APMs and seeks to solidify a payment system that is wholly tied to patient outcomes and population health.

Hospitals that employ physicians should be mindful of the implementation and compliance costs associated with the new physician payment program, as some of these costs will be borne by them. Hospitals will also experience the residual effects of payment adjustments, both positively and negatively. And as more physician payment is tied to risk, there will probably be an uptick in hospital-physician relationships, as physicians seek to minimize their risk exposure.

Further, the MACRA streamlines the patchwork of current quality reporting programs by sunsetting three current reporting and pay-for-performance programs – the physician quality reporting system (PQRS), Medicare Electronic Health Record (EHR) Incentive programs for eligible professionals, and the Value-based Payment Modifier (VM) – into MIPS measures and processes.

CMS is accepting comments through December on the new and modified proposals in the rule. SHANYS in conjunction with the Healthcare Association of New York State will provide feedback on the final rule. Comprehensive and more detailed information about the two MACRA paths, performance measures and categories, and other details of the legislation can be found by visiting CMS' dedicated website for the Quality Payment Program.

### NY State of Health Insurance Marketplace Open Enrollment, Season Four Begins 11/1

NSHC Navigator Agency enroller staff available to assist applicants

The New York State of Health marketplace opens for business on November 1, 2016. This is the fourth season



of open enrollment.

Depending upon the level plan selected, the average premium increases in the Hudson Valley and Long Island regions are well below the national average. Further, increases in premiums are often offset by tax credits for those whose incomes qualify them for such assistance. Monthly premiums for the Essential Plan, an

option for very low income adults, remain \$20 a month or at no cost, depending upon an individual's income.

Enrollment ends January 31, 2017. Enrollment in the small business marketplace, Child Health Plus, Medicaid, and the Essential Plan are available year long. Individuals and small businesses can shop the marketplace through an online portal <a href="https://www.nystateofhealth.ny.gov">www.nystateofhealth.ny.gov</a>, by calling the state's customer service number at 855-355-5777, or by meeting with a state-certified navigator.

On Long Island, Suburban Hospital Alliance regional affiliate the Nassau-Suffolk Hospital Council (NSHC) is one of three state-appointed navigator agencies for 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. State-trained and certified navigators are available to assist individuals, businesses, and families in understanding insurance options offered and in purchasing insurance. Navigators assist individuals in completing the application for coverage, and determine whether the applicant's income level and family size qualify them for subsidized insurance premiums, Medicaid coverage, the Essential Plan, or Child Health Plus enrollment. Navigators can also help small business owners determine if they are eligible for any tax credits.

The NSHC navigator agency maintains a user-friendly, bilingual website that lists enrollment sites and dates and other helpful information at <a href="https://www.coverage4healthcare.org">www.coverage4healthcare.org</a>.

#### **News Briefs**

**Community Service Plans** – CSPs are due to the New York State Department of Health by December 30, 2016. The 2016-2018 Community Service Plans should be submitted using Lotus Quickr on the Health Commerce System. The DOH offers <u>detailed instructions</u> for uploading and submitting plans. Schedule H should be emailed separately to scheduleh@health.ny.gov.

Law Mandates Mental Health Education – The new law applies to middle schools and high schools in New York. Earlier this month, Governor Cuomo signed the Mental Health Education Bill. Mental health will become part of the standard health curriculum and will be taught in all schools beginning in 2018. The new curriculum is intended to help students recognize the signs of mental health issues in themselves and others and to give them the confidence and resources to seek help. The average age of onset of a mental illness for 50 percent of the population is 14, according to the Mental Health Association of New York State. The bill was signed during National Mental Health Awareness Week.

VBP Scores and Cash Flow – These were the subjects of a recent analysis of Centers for Medicare and Medicaid Services (CMS) data by Moody's Investors Service. It found that hospitals with above-average value-based purchasing scores in 2015 had a median operating cash flow margin of 11.7 percent. Those with below-average scores had a median operating cash flow margin of 8.6 percent. The report concluded that hospitals with better overall VBP and patient experience scores had higher operating cash flow margins in 2015, regardless of the hospital's size.

Journalists and Health Leader Discuss the ACA – At the Society of American Business Editors and Writers (SABEW) Fall Conference held October 7, at CUNY Graduate School of Journalism, Kevin Dahill, president/CEO of the Suburban Hospital Alliance, participated in a workshop titled "Affordable Care Act under Duress: What's Next?" with co-panelists Cindy Goff, vice president of policy at Emblem Health and Sara Collins, vice president for Health Care Coverage and Access, The Commonwealth Fund. The session was moderated by Stefanie Ilgenfritz, health and science bureau chief, the Wall Street Journal.

#### News from the Long Island Region

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



**Get with the Guidelines** – *Good Samaritan Hospital* has received the American Heart Association/American Stroke Association's Get with The Guidelines-Performance Achievement Award for 2016 indicating the team's success in meeting performance measures and dedication to providing the highest level of patient care.

**Child Care** – *Winthrop-University Hospital* has been named a Best Children's Hospital by the Women's Choice Award®, a trusted referral source for the best in healthcare.

**Improved Emergency** – FEMA has approved *South Nassau Communities Hospital's* plan to improve medical services for the south shore of Nassau County by expanding emergency services in Long Beach, and investing FEMA funds at the hospital's Oceanside campus to improve care for some 900,000 area residents.

Lifestyle Changes – The American Heart Association (AHA) presented Catholic Health Services Corporate Director of Food Service Arthur Bretton with a Lifestyle Change Award at AHA's Heart Walk on September 18. Awarded to someone who has made significant, positive changes in an effort to live longer and healthier. Bretton, who lost his son unexpectedly, formed a team for AHA's Long Island Heart Walk, volunteers at all walks CHS participates in, including the Marcum Challenge, the AHA Walk and Making Strides Against Breast Cancer. Bretton has helped CHS develop recipes and purchase fresh vegetables and fruit, ensuring the system's patients and employees eat heart healthy and arranged for CHS chefs to appear on TV, offering low-sodium recipes and nutrition tips. Thanks to his input, CHS shares the recipes on its website encouraging others to eat better, too

**SDOH Forum** – The Association for Mental Health and Wellness hosted a "Social Determinants of Mental Health" forum on October 4 at the Huntington Hilton, as part of the region's Mental Health Awareness Week events. Ruth Shim,

MD, MPH, vice chair of education and faculty development and chief of outpatient psychiatry services at Lenox Hill Hospital, a division of Northwell Health, and an associate professor of psychiatry at Hofstra Northwell Medical School, headlined the event. "Inequities are avoidable and unjust," said Shim, "and are the result of policies. How we distribute power and money affects the determinants." Shim maintains that health begins where we live, work, and play and we need to be focused on the 'cause' of the 'causes.' She supports a health in all policies and advocates for cross-sector collaboration in an effort to change policies and eliminate disparities and inequities.

HIA Conference – Health and Wellness Conference hosted by the Hauppauge Industrial Association on October 5, featured an executive breakfast at which Kevin Dahill, president/CEO of the Suburban Hospital Alliance of New York State discussed "Leveraging Creative Healthcare Solutions in the ACA Environment" along with several other expert panelists.

**Positive Patient Management** – The American College of Surgeons National Surgical Quality Improvement Program (ACS NSQIP®) has recognized *Winthrop-University Hospital* for the second year in a row as one of 60 ACS NSQIP participating hospitals achieving meritorious outcomes for surgical patient care.

**DMD Care Destination** – *Stony Brook Children's Hospital* opened a Duchenne Muscular Dystrophy Comprehensive Care Center, partnering with the Hope for Javier organization, becoming the first destination for care for those patients residing in tristate region.

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

## News from the Hudson Valley Region

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



**Critical Access** – Grover M. Hermann Hospital of *Catskill Regional Medical Center* was named one of the Top 20 Critical Access Hospitals (CAHs) for Patient Satisfaction in the country, scoring best among critical access hospitals on iVantage Health Analytics' Hospital Strength Index<sup>TM</sup> for Patient Satisfaction.

**Auxiliary Anniversary** – Catskill Regional Medical Center's Grover M. Hermann Hospital Auxiliary celebrated its 45th anniversary this September. Over the last 45 years, the Auxiliary has donated hundreds of thousands of dollars to help

bring quality healthcare to Sullivan County. Most recently, it raised \$16,000 to equip the Grover M. Hermann Hospital emergency room with new ultrasound technology.

If you have news to share about your hospital's achievements, please send to Janine Logan at <u>ilogan@normet.org</u>.

#### NSHC Events & Meeting Reports

**Fiscal Policy Committee** – The committee received a briefing from Cara Henley, HANY S' senior director for insurance, on the status of the health exchange and on managed care trends. Wendy Darwell, NSHC chief operating officer, also provided updates on several Medicare audit issues and the NSHC wage index project. The October 5 session was the first chaired by Winthrop-University Hospital chief financial officer Palmira Cataliotti, who took over leadership of the committee from Mark Bogen, chief financial officer of South Nassau Communities Hospital.

Nurse Executives Committee – The group convened on October 19 and received a presentation on Brookhaven Memorial Hospital Medical Center's strategy for improving patient experience. Ms. Darwell and director of quality Kate McCale reported on nurse staffing ratio activity, regional DOH survey experiences, and education events.

Long Island Health Collaborative – The Collaborative met on October 13, updates were given by representatives of the region's two Performing Providers Systems, and each of the LIHC's active workgroups and program manager Sarah Ravenhall gave an overview of the upcoming Cultural Competency Health Literacy Train the Trainer program the LIHC will be hosting. Data analyst Michael Corcoran gave the second of a two-part presentation on behavioral health using data from the Conference of Local Mental Hygiene Directors, Prevention Agenda Dashboard, and SPARCS database.

Shining a Light on Mental Health – Members of the public and the Long Island Health Collaborative (LIHC) walked the Sunken Meadow State Park boardwalk on Thursday, October 6th to raise awareness about the importance of physical activity in maintaining physical and mental health. The walk coincided with Mental Health Awareness Week. With the regional theme "Shine a Light" on mental health/substance abuse treatment and prevention, the LIHC called the event the Light the Path Walk. There is compelling research that physical activity improves mood and it has been shown to decrease symptoms of depression and anxiety.



Building Bridges to Population Health – Representatives from Nassau County and Suffolk County-based social and human health services organizations, hospitals and other direct healthcare providers "built bridges" of communication and referral at the Building Bridges Communications, Data, and Networking event hosted by the Long Island Health Collaborative (LIHC) in conjunction with the Suffolk Care Collaborative (SCC) and the Nassau Queens Performing (NQP) Provider System at two separate events in October. On October 5, Hofstra University hosted the Nassau event and the Riverhead Fire Department hosted the Suffolk event on October 20. Case managers, discharge planners, and community health workers engaged with service providers and learned of dozens of social and health resources available to them and the patients they serve.

"These events were uniquely organized around ease of access to information about the hundreds of health and social service programs available on Long Island and finding and communicating with the right organization representatives on the spot," said Janine Logan, Director of the Long Island Health Collaborative. The LIHC is the main workgroup of the Long Island Population Health Improvement Program, a state grant funded initiative designed to promote population health activities. The grant is managed by the Nassau-Suffolk Hospital Council.

Attendees left with a handy pocket-sized communications tool featuring the United Way's 211 resource hotline and website and information about HITE – Health Information Tool for Empowerment – a web-based resource maintained by the Greater New York Hospital Association.



#### **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 The Heart Center
- St. Joseph Hospital

Eastern Long Island Hospital

John T. Mather Memorial Hospital

**Nassau University Medical Center** 

Northwell Health

- Franklin Hospital
- Glen Cove Hospital
- Huntington Hospital
- North Shore University Hospital
- Peconic Bay Medical Center
- Plainview Hospital
- Southside Hospital
- Syosset Hospital

**Stony Brook University Hospital** 

Southampton Hospital

South Nassau Communities Hospital

Veterans Affairs Medical Center

Winthrop-University Hospital

#### **NorMet Member Hospitals**

Blythedale Children's Hospital
Bon Secours Charity Health System

- Bon Secours Community Hospital
- Good Samaritan Hospital
- St. Anthony Community Hospital

Burke Rehabilitation Hospital

Catskill Regional Medical Center

Ellenville Regional Hospital

HealthAlliance Hospital

- Broadway Campus
- Mary's Avenue Campus

Helen Hayes Hospital

Keller Army Community Hospital

**Montefiore Health System** 

- Mt. Vernon Hospital
- New Rochelle Hospital

The New York Presbyterian Hospitals

- Lawrence Hospital Center
- Hudson Valley Hospital
- Westchester Division

Northern Dutchess Hospital

Northern Westchester Hospital

Orange Regional Medical Center

Phelps Memorial Hospital Center

**Putnam Hospital Center** 

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 Health Network

- Westchester Medical Center
- MidHudson Regional Hospital

White Plains Hospital