

# Progress Notes

November 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.

## Clarifying Budget Amendment Sought

*Medicare payment cuts to hospitals forces industry to lean on off-campus outpatient departments.*

The Bipartisan Budget act of 2015 signed into law by President Obama on November 2, 2015 includes a damaging Medicare payment cut to hospitals known as the site-neutral hospital payment cut. Site-neutral refers to CMS' categorization of all hospital-based outpatient department reimbursements to be the same whether the care is delivered in a physician office or hospital-based clinic. This is despite the substantially higher cost of overhead and skilled staffing mix in the hospital setting. The provision in the legislation affects new hospital-based outpatient departments as "entities that started billing for Medicare outpatient services on or after the act's November 2, 2015 enactment." Existing facilities fall under a grandfather clause.

However, the hospital industry has dozens of off-campus, provider-based hospital outpatient departments in the works, especially as healthcare delivery transforms to a community-based, and outpatient model. An amendment to make technical changes to payment

legislation is before Congress now. It seeks to allow facilities already under development to qualify as grandfathered facilities. It also seeks clarification that changes in ownership of a facility do not impact the grandfathered status of that facility and that grandfathered outpatient departments may relocate.

Congress will wrap up its work by December 11, 2015. The technical amendment is tied to the appropriations bill. Also by December 11, Congress must appropriate to government agencies, departments, and programs the funds approved in the Bipartisan Budget Act of 2015.

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# Health Republic Situation Disrupts Marketplace

The closure of Health Republic insurance has left policy holders, patients, and providers in a quagmire. With the company's insolvency, millions in outstanding claims are yet to be paid to providers. The hospital industry in New York estimates that its providers are owed \$160,000 million in outstanding claims and the figure continues to climb, as more hospitals tally their unpaid claims.

"This is an unfortunate situation for all," said Kevin Dahill, president/CEO of the Suburban Hospital Alliance of New York State. "The state reached an agreement with several other insurers who auto-enrolled individual Health Republic enrollees into new plans for December. Individuals will then have to return to the marketplace by December 15 to purchase their insurance plan for next year in order for coverage to take effect seamlessly on January 1, 2016."

The Suburban Hospital Alliance's Long Island regional affiliate – the Nassau-Suffolk Hospital Council (NSHC) – is one of three lead enrollment agencies for that 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. Individuals and small businesses can shop the marketplace through an online portal – [www.nystateofhealth.ny.gov](http://www.nystateofhealth.ny.gov), by calling the state's customer service number 855-355-5777, or by meeting with a state-certified navigator.

The NSHC navigator agency maintains a user-friendly, bilingual website that lists enrollment sites and dates and other helpful information at [www.coverage4healthcare.com](http://www.coverage4healthcare.com).

## State Issues Community Health Planning/Reporting Guidance

The long-awaited guidance from the New York State Department of Health (NYDOH) regarding 2016 community service plans and community health needs assessments was issued mid-November. The hospital community service plans are an opportunity for hospitals to report on their Prevention Agenda goals and activities. The NYSDOH will not require a new comprehensive health needs assessment for 2016 because many hospitals were recently involved in the Delivery System Reform Incentive Payment (DSRIP) community health needs assessment process. Hospitals and local county health departments should continue their collaboration and review community health data from recently completed community health assessments, such as data from the assessment conducted for the DSRIP process.

Instead, the state will require hospitals and local health departments to complete a template to fulfill the 2016 community service plan requirement. The health department is encouraging hospitals and local county health departments to submit one plan per county, but separate plans will be allowed.

In his letter to hospital CEOs and local health department commissioners, State Health Commissioner Dr. Howard Zucker noted:

"Local health departments and hospitals are encouraged to submit one plan per county that describes the efforts of all participants, or each organization within a county can submit an individual plan. . . . The completed plan will meet the state's requirements for a local health department community health assessment and

community health improvement plan and a hospital community service plan. The plans are due December 30, 2016.”

The state has also aligned the local health department and hospital community health planning cycle timelines. Both counties and hospitals will be on a three-year cycle schedule. The next three-year cycle will be for 2016 - 2018

### **Federal Reporting**

However, hospitals must also meet federal level requirements to demonstrate their community benefit efforts. In 2016, the second three-year federal cycle for completion of a community health needs assessment occurs. Every three years, not-for-profit hospitals are required to complete a community health needs assessment as part of Internal Revenue Service (IRS) requirements that are tied to IRS Form 990 Schedule H. There is not definitive guidance from the IRS as to whether or not community health needs assessment activities that were conducted as part of the state DSRIP process will suffice for the federal level requirement. As a result, many hospitals are moving forward with conducting a community health needs assessment in

2016 in conjunction with their local health departments and other community-based partners.

### **PHIP Role**

In some regions of the state, the Population Health Improvement Program (PHIP) contractors are assisting hospitals and local health departments in the completion of assessments and plans. Assistance ranges from data collection and analysis to help writing the community service plans (hospitals) and community health improvement plans (counties). The Long Island PHIP is one contractor that has already begun to work with the region’s hospitals and local health departments.

### **2015 Community Service Plans**

An annual update to hospitals’ community service plans is due this year by December 30, 2015. This year, the one-year update will provide information on progress towards implementing the interventions that were described in the plan in November 2013 and in the updated 2014 annual survey. Hospitals should have received a link to the update survey from the DOH. The NYSDOH is also asking facilities to send a separate attachment of their 2014 Schedule H (IRS Form 990) by December 30, 2015 to this email address: [scheduleh@health.ny.gov](mailto:scheduleh@health.ny.gov)



## **SPOTLIGHT ON: *Quality***

*By Kate Warner, Director of Quality and Education*

### **CMS Proposes Rule for Discharge Planning**

On October 29, 2015 the Centers for Medicare and Medicaid Services (CMS) proposed a rule that would revise discharge planning requirements for all hospital inpatients, observation patients, same-day surgery patients that have received anesthesia, and some emergency department patients for which a plan is

deemed necessary by the treating physician. The rule would require that hospitals develop discharge planning policies for both patients included in the above listed categories, and patients receiving outpatient services for which a discharge plan has been deemed necessary by

the medical staff. These policies must also be approved by members of the hospital's Board.

If the rule is finalized as proposed, CMS will require that the discharge planning process be patient-centered and patient-driven, and that the agreed upon plan focuses on patients' goals and preferences as developed through interactions with their provider. Caregivers should be active partners in the discharge planning process.

Provisions in the proposed rule require that a patient's post-discharge needs are identified within 24 hours of admission, are regularly reevaluated, and are modified as appropriate.

The rule would require that practitioners are an active part of the discharge planning process, with specific

emphasis on their role in establishing patient goals and treatment preferences. In every discharge plan, the patient's diagnosis, co-morbidities, ongoing care needs, and readmission risk must be considered and accounted for.

Tenants of the IMPACT Act, which may be included as part of this rule, would require that providers assist families in selecting where or from whom they would like to receive their post-acute care. They would need to share relevant, quality-related data, such as that found on Nursing Home Compare. For patients discharged to homes, plans will need to include care instructions for the caregiver, warning-signs that indicate medical attention is required, and medication reconciliation.

## News Briefs . . .

*Legislative visits* – In anticipation of a contentious legislative session in 2016, Suburban Alliance CEO Kevin Dahill arranged a series of meetings for hospital leaders across Long Island and the Hudson Valley this fall to express members' concerns and priorities. In meetings with key legislative leaders in the Senate and Assembly, Mr. Dahill has discussed the implications of proposed malpractice legislation, nurse staffing ratios and a minimum wage increase.

*Comprehensive Care Bundle* – The Centers for Medicare and Medicaid Services (CMS) recently announced its new mandatory bundled payment model, the Comprehensive Care for Joint Replacement program. It begins April 1, 2015 and will be implemented in 67 geographic areas across the country. Hospitals in the included counties of Nassau, Suffolk, Dutchess, Hudson, Orange, Putnam, Rockland and Westchester will be held financially responsible for the quality and cost of 90-day episodes of care for hip and knee replacements. This model is said to “address low quality and high costs that come from fragmentation by promoting coordinated, patient-centered care,” beginning the day of hospital discharge.

Originally, many hospitals held issues with this proposed model, the largest of which was the lack of differentiation in elected hip and knee replacements and non-elective procedures. While negotiations with the American Hospital Association (AHA) led to recognition by CMS that non-elective procedures require different levels of resources, both types of services are still required to follow the bundled payment model.

CMS will hold a [60-minute webinar](#) on November 30 at 2 p.m., where they review and answer questions about the model. HANYS will also [host a webinar](#) December 9<sup>th</sup>, 10 -11 a.m. for members only, to review the rule's contents.

## News from the Long Island Region . . .

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



*Level Up* – **Nassau University Medical Center** was awarded the Platinum Level of the American Psychiatric Associations’ 100% Club, for their psychiatry residency program. This award represents 100% resident participation for five years in a row.

*NYS Triple Aim* – This month, **Brookhaven Memorial Hospital** was highlighted for implementing the NYS Triple Aim for providing free services to breast cancer patients.

*Quality Performance* – Four NSHC member hospitals have been recognized as a 2014 Top Performer on Key Quality Measures® by The Joint Commission, the leading accreditor of healthcare in the United States. Congratulations to **Nassau University Medical Center, John T. Mather Memorial Hospital, St. Catherine of Siena Medical Center, and Good Samaritan Hospital Memorial Hospital.**

*Auxilian Honors* –The Nassau-Suffolk Council of Hospital Auxiliaries explored the theme “Planning for the Future” at their 58th Annual Regional Convention held November 5, 2015 at the Crest Hollow Country Club. Hospital Auxilians play a vital role in the delivery of compassionate care at each of their facilities and are major fund raisers for their respective institutions. Collectively, Long Island’s volunteer Auxilians raise millions through gift shop and thrift shop sales, fashion shows, boutiques and other events. They are also influential advocates for their hospitals, lending their voices to the concern about Medicare and Medicaid budget cuts, aggressive system delivery reforms, and counterintuitive regulatory changes.



*Auxilian Honors* – HANYS honored **St. Charles Hospital** Auxiliary with its *Auxiliary of the Year Award* in the Large Hospital category. St. Charles demonstrated outstanding achievement in community outreach and advocacy.

*Ortho Recognition* – **St. Francis Hospital** is one of six programs in the New York Metro area to make the *Becker’s Hospital Review’s* nationwide list of “100 hospitals and health systems with great orthopedic programs.”

*Health Care Heroes* – In The Long Island Business News’ 2015 Health Care Heroes celebration, many members of the NSHC community were honored.

(cont.)

- Alan Murray, North Shore-LIJ CareConnect, **Achievements in Healthcare Award**
- The Stony Brook University Hospital Stroke Team, **Achievements in Healthcare Award**
- Maryann Sagritalo, Brookhaven Memorial Hospital Medical Center, **Community Outreach Award**
- The Stony Brook Heights Rooftop Farm, Stony Brook University Hospital, **Healthcare Professional Hero**
- South Nassau Communities Hospital. **Hospital Award**
- Stony Brook Children’s Hospital, **Hospital Award**
- Dr. William Gehrhardt, Huntington Hospital, **Medical Director**
- Adriann Combs, RN, BSN, Stony Brook Medicine, **Nurse Hero**
- Irene Ficaro, RN, South Nassau Communities Hospital, **Nurse Hero**
- Travis Bench, MD, Brookhaven Memorial Hospital Medical Center, **Physician Hero**
- Frank Darras, MD, Stony Brook Medicine, **Physician Hero**

Thank you to all who were recognized, for your continued excellence in your field.

*If you have news to share about your hospital’s achievements, please send to Kim Whitehead at [kwhitehe@nshc.org](mailto:kwhitehe@nshc.org).*

## News from the Hudson Valley Region. . .

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



*Status Report* – **Phelps Memorial Hospital Center** achieved “Exemplar” status for its Nurses Improving Care for Healthsystem Elders program, the highest of four possible levels. Phelps is one of only 10 hospitals in New York State to achieve this status.

*Urgent Wellness* – **White Plains Hospital Center’s** new urgent care Medical and Wellness Center opened its doors in Armonk this month. This affiliated urgent care center is the first of its kind to open in Westchester County.

*Promotions* – Health Quest, the largest family of integrated nonprofit hospitals and healthcare professionals in the mid-Hudson Valley, has named Robert Friedberg as its new president. Friedberg was previously president of **Vassar Brothers Medical Center** in Poughkeepsie.

*Quality Performance* – Six NorMet member hospitals have been recognized as a 2014 Top Performer on Key Quality Measures® by The Joint Commission, the leading accreditor of healthcare in the United States. Congratulations to **White**

**Plains Hospital Center, Phelps Memorial Hospital Association, Vassar Brothers Medical Center, Northern Dutchess Hospital, Northern Westchester Hospital, and Hudson Valley Hospital System.**

*Regional Policy Forum Highlights Major Issues* – Senior leadership from the Healthcare Association of New York State (HANYs) and the Suburban Hospital Alliance of New York State held a regional policy forum for member hospitals in the Hudson Valley region on November 11, 2015 at the Tarrytown Doubletree Hilton. Broad topics covered included policy and advocacy, the health insurance marketplace, and quality trends.

With the November elections behind us, HANYs President/CEO Dennis Whalen discussed the political and legislative landscape that awaits hospitals in the upcoming year. Medical malpractice and mandatory nurse staffing ratios will continue to be major threats to the hospital industry. The State Senate, which maintains a slim majority, has indicated that it will debate some form of medical malpractice legislation in the next session.

Meanwhile, the hospital industry is still in the midst of navigating state reforms, particularly the Delivery System Reform Incentive Payment (DSRIP) program. DSRIP rules and deadlines continue to evolve, making the process that much more difficult for Performing Provider Systems (PPS) and their many community partners. What remains clear, however, is the state's intent on engaging more value-based payment arrangements both in the public payer sector and eventually in the commercial payer sector.

*If you have news to share about your hospital's achievements, please send to Janine Logan at [jlogan@normet.org](mailto:jlogan@normet.org).*

## NSHC Events & Meeting Reports

**Corporate Compliance Committee** – The committee was updated by NSHC General Counsel Mark Thomas on the Office of the Medicaid Inspector General's (OMIG) expectations for DSRIP compliance programs. Wendy Darwell, NSHC VP/COO, reported on changes to the "two midnights" rule under Medicare and to the Recovery Audit Contractor (RAC) program that will take effect in January.

**Fiscal Policy Committee** – At its November 11 meeting, the committee discussed a new round of state audits on compliance with the HCRA surcharge that kicked off last month. NSHC vice president Ms. Darwell briefed the committee on the shutdown of the Health Republic insurance product and legislation that will reduce Medicare reimbursement for off-campus clinics and services owned by hospitals.

**Communications Committee** – The NSHC Communications Committee held a teleconference meeting on November 12. Members discussed upcoming education programs on such topics as social media reporting and metrics and leveraging key influencers. Committee members agreed to work collaboratively in helping to promote the concept of population healthcare. The group will work on a public awareness campaign that will augment the efforts of the Long Island Health Collaborative, an initiative funded by a New York State Department of Health Population Health Improvement Program grant and managed by the Nassau-Suffolk Hospital Council.

**Long Island Health Collaborative (LIHC)** – The LIHC met on November 18. The group further discussed its plan to work on a regional community health needs assessment, including holding a Community-Based Organization Summit early next year. Members were also updated on the results of data collected from the Wellness Survey, which has been in pilot phase with four institutions participating. A revised and expanded website dedicated to the LIHC and its population health efforts is also near completion, as is a descriptive brochure about population health and the LIHC’s efforts in this area.

**PHIP Steering Committee** – The oversight committee for the Population Health Improvement Program met on November 17. Discussion centered on data collection methods and opportunities among collaborative members and from among state databases and other public databases.

**Quality Committee** – The Quality Committee on November 18 reviewed a presentation by New York State Partnership for Patients regional program manager Sharon Kennish on the kick-off of the new program. Kate Warner, director of quality and education, and Ms. Darwell, provided updates on regulatory changes in quality reporting and audits.

#### 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  
 Northwell Health

- 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

#### 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 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