



STAT News

Published bi-monthly by the Suburban Hospital Alliance of New York State, LLC, a consortium of 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. **November 18, 2015**

STATE UPDATE: Health Republic Situation Disrupts Marketplace

The impending November 30 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, and patients are wary of their ability to access care during these final weeks of November.

The hospital industry in New York estimates that its providers are owed \$160 million in outstanding claims, and the figure continues to climb as more hospitals tally their unpaid claims and consumers continue to utilize healthcare services through the end of the month.

"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 are willing to auto-enroll individual Health Republic enrollees whose plans are ending on November 30, 2015. Enrolling by the 30th ensures coverage for the month of 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, 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.

FEDERAL UPDATE: Clarifying Budget Amendment Sought

The Bipartisan Budget Act of 2015 signed into law by President Obama on November 2, 2015 includes a damaging Medicare payment cut to off-campus services provided by hospitals. The "site-neutral" payment policy would equalize Medicare reimbursements, regardless of 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 required of hospital-owned services. The provision in the legislation affects all new outpatient departments and clinics 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 but not yet opened 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 is scheduled to wrap up its work by December 11, 2015. The technical amendment likely will be tied to an appropriations bill that must pass before the end of the year in order to continue government operations. 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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