



September 29, 2008

# Skyline news

Reporting on New York's Health Care News

## As Recess Nears, Capital IME, Medicaid Outpatient, & FMAP Remain Unresolved

In an extremely volatile week in Washington, Congress did its best to wrap up business before adjourning for the November elections. Specifically, lawmakers had been trying to resolve a number of pressing issues, including: a financial services bailout plan that is acceptable to the White House; a “continuing resolu-

tion” (CR) to keep the government running through March, due to the fact that there has only been agreement on three appropriations bills for Federal fiscal year 2009, which begins on October 1; a “tax extenders” bill to extend expiring business tax incentives; and another economic stimulus bill.

Amid this flurry of activity, GNYHA has

been focused on seeking legislation to address three key issues: a moratorium on the implementation of the Medicare capital indirect medical education (IME) cut, sched-  
*continued on page 4*

## GNYHA Recommends Reform of NYS CON Program

On September 18, at a special meeting of the Planning Committee of the New York State Hospital Review and Planning Council (SHRPC), GNYHA presented recommendations on reform of New York State’s certificate of need (CON) program. At the meeting, which was open to all members of SHRPC and the Public Health Council, GNYHA outlined its proposals for significantly revising and streamlining the program, requested the State to stop the proliferation of freestanding, non-hospital-based ambulatory surgery centers (ASCs), and called for the State to develop meaningful financing mechanisms to enable hospitals to access the capital they need to deliver high-quality, accessible patient care. The State Department of Health (DOH)

and the Planning Committee are evaluating the State’s CON program in an effort to ensure that it “facilitates the appropriate alignment of health care resources and community needs and avoids another forced downsizing of the delivery system.” The State’s articulated goal is the development of a patient-centered, high-performing health care delivery system, which the State defines as one that offers accessible, affordable, and effective care.

### Reforming the CON Program

GNYHA stated that it believes that the State’s CON program as currently constructed, much like the CON programs that remain across the country, no longer effectively furthers the State’s goals of promoting cost control, ac-

*continued on page 3*

## Paterson Calls Budget Meeting with Legislators

Amid speculation that New York Governor David Paterson may once again call for a special session of the State Legislature to deal with a worsening budget deficit, the Governor has called for a special meeting with the leaders of the State Senate and Assembly next Friday, October 3, to discuss the budget and potential next steps. The meeting will take place in New York City.

“We have already taken extraordinary action to contain State spending, but the events that unfolded in our State and nation over the last two weeks have created an urgent need for a re-assessment of the current year’s budget and the planning for next year’s,” Governor Paterson said in a press release. “I am asking the leaders to meet for an open, transparent, and frank discussion about the challenges ahead and the solutions we need.” ■

# GNYHA Graduates a Third Group of Gap Program Nurses

On September 24, GNYHA celebrated the graduation of a third group of nurses participating in Bridging the Gap: Linking Clinical Practice to Academia (Gap Program). This milestone brings the total number of Gap graduates to 63. The current group comprises 13 staff nurses from Beth Israel Medical Center, Mount Sinai Hospital Queens, Long Island Jewish Medical Center, NewYork-Presbyterian Hospital, St. Luke's-Roosevelt Hospital, Lenox Hill Hospital, and Jacobi Medical Center.

As with the first two graduate groups, these nurses now will begin precepting nursing students at their respective hospitals. Those nurses who have master's degrees will obtain faculty appointments from area nursing schools to become clinical instructors. The appointments will provide nursing students with a non-traditional clinical experience in which the faculty members providing their clinical instruction are also staff nurses at the hospital. The ultimate goals of the Gap Program are to improve the quality and delivery of nursing care by creating a model that updates nursing education practices, increase the number of qualified clinical faculty, and improve the long-term retention of nurses at GNYHA member hos-

pitals.

In addition to hospital team presentations on the nurses' Capstone Projects, last week's graduation highlighted some of the program's success stories at member hospitals. Lynette Scaraglino, R.N., N.P., gave a presentation about the implementation of the program at Lenox Hill Hospital, where she and her colleagues are teaching two groups of Adelphi University nursing students this semester. Ms. Scaraglino explained that her students are receiving a more robust clinical experience thanks to the Gap Program's modified format and, as a result, the students both



demonstrated and expressed greater confidence in their clinical skills and knowledge of the hospital's processes. Ms. Scaraglino anticipates that many of her current students will accept staff

positions at Lenox Hill and would likely require a significantly shorter orientation as a result of their experience. Orientation for new nurse graduates typically can take up to 12 weeks.

GNYHA will conduct a fourth round of the Gap nurse preceptor and clinical faculty development program beginning in January 2009. For more information contact Terri Straub or Zeynep Sumer at GNYHA. ■

## SHRPC Committee Defers ASC Application

On September 18, the Project Review Committee (Committee) of the State Hospital Review and Planning Council (SHRPC) met in New York City. Among other agenda items, the Committee deferred consideration for two cycles an application to establish a freestanding (non-hospital-based) ambulatory surgery center (ASC), the Bronx Ambulatory Surgical Facility, Inc. GNYHA, together with one of the hospitals that would be affected by the ASC, spoke in opposition to the application, stressing the area's existing excess capacity and the negative impact the proposed ASC would have on nearby hospitals' financial conditions. GNYHA again called for a moratorium on the establishment of new freestanding ASCs. This application had been reviewed and previously deferred at the Committee's July 24, 2008, meeting. (For more ASC-related news, see stories on page 1 and 3.)

Also under the Committee's consid-

eration were applications submitted by Strong Memorial Hospital, Rochester General Hospital, and The Unity Hospital of Rochester, each seeking additional inpatient beds, which were reviewed and discussed together. In what may be a precedent-setting process, the three applications were evaluated with what the Department of Health describes as "a regional-based review of services and capital projects that move away from institutional-based planning towards population-based planning." To that end, the Finger Lakes HSA (FLHSA) has been working with the three applicant hospitals prior to actual application submission, convening a dedicated "2020 Commission" to involve "virtually every stakeholder impacted by these projects." Ultimately, the Committee passed motions to approve the projects at bed capacities below those initially requested in each case, with concomitant discussion of a streamlined process for consideration of future requests for additional beds if defined benchmarks and deliverables are met at acceptable levels. ■

**Save the Date!**  
**2008 CCLC**  
**Annual Meeting**

**Tuesday,**  
**October 7, 2008**  
**Battery Gardens**  
**New York, New York**  
**8:00 A.M.–11:00 A.M.**

Commemorating Five Years of Commitment  
to New York's Long Term Care Community

## CON Program *continued*

cess, and quality, and in some cases actually undermines those goals. GNYHA attributes the CON program's lack of effectiveness to the fact that cost control is being addressed through many alternative means, including public and private payment policies, regulatory and other types of oversight, and myriad forms of utilization controls. At the same time, the CON application review process has become unnecessarily cumbersome, lengthy, and expensive for providers and the State alike, undermining the goal of cost control. For example, construction costs increase at the rate of 12% per year, and the additional time needed to process a CON application only adds to the cost of health care as opposed to meeting its intended goal of cost control. GNYHA specifically recommended increasing the State's cost thresholds from \$3 million to \$10 million for administrative reviews and from \$10 million to \$25 million for full reviews. GNYHA also recommended exempting all non-clinical projects from the CON process and that the State, in coordination with interested stakeholders, undertake a methodical review of the remaining types of projects and equipment to determine whether they should require review, under what circumstances, and under what levels of review. Finally, GNYHA strongly recommended that the CON application process undergo a significant reengineering and streamlining that would include reducing the number of steps involved, the ability to file applications electronically via the State's Health Provider Network, and the ability to check the status of an application via the same electronic system.

### Addressing Out-Migration of Services

GNYHA reinforced its longstanding position that the State should stop the proliferation of freestanding, non-hospital-based ASCs because they divert the lower-risk, sometimes higher-paying services from hospitals but do not provide any of the community services required of hospitals. Hospitals, however, are obligated to meet the needs of their service areas—including caring for the uninsured and underinsured, providing emergency department and trauma services, preparing for disasters, and offering the full array of health services—with the limited dollars that re-

main. New York State's Berger Commission Report recognized the negative impact of niche providers, stating "Hospitals face increasing competition from niche providers such as ambulatory surgery centers, who often provide services that are well reimbursed and deprive hospitals of revenues that were historically used to cross-subsidize less profitable services." See related articles on SHRPC

Project Review Committee (page 2) and Public Health Council meetings (below).

### Critical Need for Access to Capital

Finally, GNYHA called on the State to provide access to capital for New York's hospitals—the logical next step from the Berger Commission's recommendations, which were designed to strengthen the State's hospital system. ■

## Public Health Council Approves Long Island Hand ASC

At its September 12 meeting, the New York State Public Health Council (PHC) approved a controversial application for establishing a freestanding (non-hospital-based) ambulatory surgery center (ASC) project, Long Island Hand and Orthopedic Surgery Center, LLC (Suffolk County). The PHC previously considered this project, but did not have enough votes to definitively approve or reject the application. Long Island Hand ASC had filed an Article 78 petition challenging the PHC's actions in not approving its application. The petition alleged that the PHC had effectively disapproved the ASC by failing to ever gather the requisite eight affirmative votes, and the applicants asked the court to overturn that decision. This legal challenge had been held in abeyance pending the final attempt at a disposition of the application at the PHC meeting. No new evidence was presented to the PHC, but the applicants gained the requisite eight votes for passage by way of new PHC members voting in support along with existing members who had supported the application throughout the process. New York State Department of Health Commissioner Richard Daines, M.D., voted in favor of approval.

Throughout the regulatory process, GNYHA has objected to the Long Island Hand application due to the negative impact the ASC would have on a neighboring hospital and its ability to deliver needed services to its community. GNYHA commented on its past opposition to ASCs and the damage that they cause at the special meeting of the State Hospital Review and Planning Council

(SHRPC) Planning Committee on CON reform held on September 18, 2008. (See related article, page 1.)

### New PHC Member, Officer, and Committees

At the meeting, Patsy Yang, Dr.P.H., First Deputy Commissioner of Health, Westchester County Department of Health, was introduced as the newest member of the PHC.

In addition, Jo Ivey Boufford, M.D., President of the New York Academy of Medicine, was elected Vice Chair of the PHC. Francis J. Serbaroli has served in this capacity since 1995. PHC Committee Chairpersons and Members were also announced. ■

## UPCOMING GNYHA MEMBER BRIEFING

### Briefing on the Revised Internal Revenue Service Form 990

**Date:** Monday, October 20

**Time:** 2:00 p.m. – 5:00 p.m.

**Location:** GNYHA Conference Center

GNYHA will host a briefing on the new Internal Revenue Service (IRS) Form 990 and its implications for health care providers. The briefing will provide practical guidance on the completion of the new 990 with a particular focus on the new health care-specific Schedule H. The discussion will be led by representatives from Ernst & Young LLP and Verite Healthcare Consulting LLC. To register, please email Laurie Sangirardi ([sangirardi@gnyha.org](mailto:sangirardi@gnyha.org)) at GNYHA. ■

## Recess *continued*

uled to take effect on October 1; a moratorium on the implementation of the proposed Medicaid outpatient regulation; and an increase in the Federal Medicaid matching rate for states, also known as “FMAP.”

As *Skyline News* went to press, GNYHA continued to work with our State and national partners—the American Hospital Association (AHA), 1199 SEIU, Governor David Paterson’s Washington office, Mayor Michael Bloomberg’s Washington office, the State hospital association, the Association of American Medical Colleges, and other allies—to attach moratoria on the Medicare capital IME cuts and the Medicaid outpatient regulation on the tax extenders package. In addition to advocating for legislative relief in the House and Senate, GNYHA trav-

eled to Washington on September 18 to meet with Congressional Budget Office experts to discuss ways to offset the cost of the moratoria, which taken together are estimated to cost the Federal government approximately \$135 million. GNYHA had urged Congress to attach legislation on the “must-pass” CR, which the House passed on September 24 by a vote of 370-58, but House leadership decided that the measure would not include extraneous provisions. Consequently, GNYHA’s advocacy efforts turned to attaching these moratoria to the next must-pass bill, the tax extenders package. With regard to FMAP, GNYHA has been working closely with its State partners to include an increase

in Medicaid matching rates for states in an economic stimulus bill that Democratic leaders wanted to send to the President before the adjournment. At the time *Skyline News* went to press, the fate of an economic stimulus package with Medicaid relief was unclear, given the scope and expense of the financial services bailout plan. The Senate’s stimulus bill included an across-the-board 4% increase to each State’s FMAP rate for five quarters. The House measure would target tiered FMAP relief to financially needy states for 14 months (i.e., all states would receive an increase of at least 1%, with financially struggling states receiving up to a 4% increase). ■

## DOH Announces \$2M in Stem Cell Grants

On September 19, New York State Department of Health Commissioner Richard F. Daines, M.D., announced \$2 million in grant awards to strengthen New York’s capacity for stem cell research. They are the second set of grants awarded under New York’s multi-year stem cell research program. In January, \$15 million in grants were awarded to 25 research institutions. The 2007-08 State budget created the Empire State Stem Cell Trust Fund, providing up to \$600 million over 11 years for stem cell research.

The following GNYHA members and affiliates received grants on September 19:

- Albert Einstein College of Medicine: \$120,000
- Montefiore Medical Center: \$118,180
- New York Medical College: \$119,705
- SUNY - Downstate Medical Center: \$120,000

More information on New York’s stem cell research initiative can be found at the program Web site at [www.stemcell.ny.gov](http://www.stemcell.ny.gov). ■

### GNYHA Services, Inc.’s Fall 2008 Symposium Series on Selected Suppliers: Events in October

#### World Communication Center, Inc.

**Date:** *Wednesday, October 1*

**Time:** *1:00 p.m. – 2:00 p.m.*

This distributor of Iridium satellite phones and rapidly deployable satellite-based voice and data solutions will present an overview of its products and services, which provide a backup system when an emergency or disaster interrupts normal communications. ■

#### Logical Images, Inc.

**Date:** *Tuesday, October 7*

**Time:** *1:00 p.m. – 2:00 p.m.*

This developer of VisualDx, a Web-based clinical decision support system, will discuss and demonstrate how its software aids clinicians in the fast and accurate diagnosis and treatment of visually identifiable diseases. ■

#### SunGard Availability Services

**Date:** *Thursday, October 9*

**Time:** *2:00 p.m. – 3:00 p.m.*

This provider of enterprise information availability services will present and discuss its comprehensive portfolio of

business continuity, disaster recovery, managed information technology, and professional consulting services. ■

#### American Express Travel Related Services Company, Inc.

**Date:** *Tuesday, October 14*

**Time:** *10:00 a.m. – 11:00 a.m.*

American Express Travel Related Services Company, Inc.’s Purchasing Card (P-Card) program will be the focus of this Webinar. The P-Card program offers institutions, among other benefits, an annual cash rebate when charging participating suppliers’ invoices to a specially issued card account. Now in its third year, the program has shown steady growth in the amount of cash rebates awarded. ■

#### Bluemark, LLC

**Date:** *Wednesday, October 15*

**Time:** *1:00 p.m. – 2:00 p.m.*

This software development firm will discuss how its solutions help hospitals in New York State comply with the reporting and other requirements of New York’s Charity Care Law and determine patient eligibility for charity care and other programs such as Medicaid, Child Health Plus, PCAP, and Family Health Plus. ■

For more information on events in October, contact Barbara Green (212-259-0720 or [green@gnyha.org](mailto:green@gnyha.org)) or Lauren Glasser (212-258-5304 or [lglasser@gnyha.org](mailto:lglasser@gnyha.org)) at GNYHA Ventures, New Business Initiatives. ■