

Joint Legislative Public Hearing
2014-15 Executive Health Care Budget

G R E A T E R
N E W Y O R K
H O S P I T A L
A S S O C I A T I O N

Testimony of Kenneth E. Raske

February 3, 2014
Hearing Room B
Legislative Office Building, Albany, NY

MRT: A Medicaid Success Story

The Executive and Legislature, working with the MRT:

Controlled State Medicaid spending through the global cap

- *Growth held to below 4% for three years in a row despite enrollment growth of nearly 500,000 since April 2011*

System reform through “care coordination for all” and population health management

- *Patient-Centered Medical Homes, Health Homes, ACOs, Behavioral Health Organizations, managed long-term care expansion, Fully Integrated Duals Advantage program*

State, Federal governments will save \$17 billion each through 2014-15

New York Hospitals: Partners in Reform

NYS has far more accredited patient-centered medical homes than any other State

- PCMHs provide accessible primary care and care coordination for patients
- 63 teaching hospitals participating in Hospital Medical Home Demo Program

NYS hospitals and nursing homes working on unnecessary readmissions

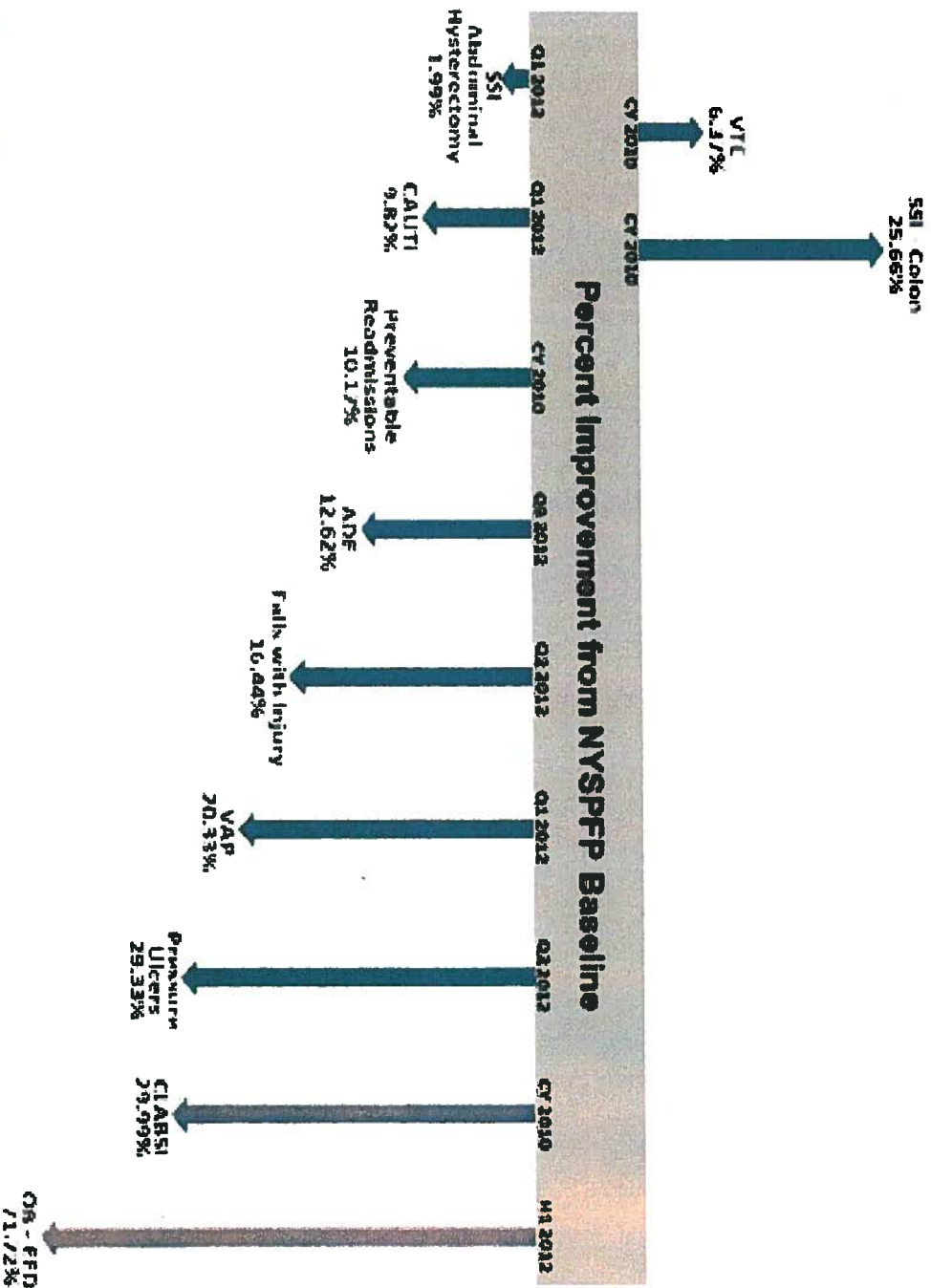
- 30 nursing homes participating in a GNYHA project, one of only 7 approved nationwide

NYS hospitals enhancing patient safety, reducing infections, enhancing quality

- Through the Federal Partnership for Patients Initiative and other efforts (GNYHA, UHF)



NYSPPFP Percent Improvement



More Detail on Quality Improvements

- 9.8% reduction in catheter associated urinary tract infections (CAUTI) since Q1 2012
- 10.17% reduction in preventable readmissions since CY 2010
- 12.62% reduction in adverse drug events (ADE) since Q3 2012
- 16.44% reduction in falls with injury since Q2 2012
- 20.33% reduction in ventilator acquired pneumonia (VAP) since Q1 2012
- 23% reduction in mortality from severe sepsis since Q3 2010
- 29.33% reduction in pressure ulcers since Q2 2012
- 29.99% reduction in central line associated bloodstream infections (CLABSI) since CY 2010
- 71.72 % reduction in early elective deliveries (OB-EED) since 2012

Governor Cuomo's 2014-15 Budget

Budget proposal begins the process of re-investing in health care

The budget contains critical investments for reform



- Designed to complement funding from the MRT waiver

Critical Investments

Restoration of 2% Medicaid payment cut on April 1, 2014

- Has been in effect since April 1, 2011

Sharing savings under the Medicaid global cap with providers, when available

- Between all providers and financially distressed, but **necessary**, providers

\$1.2 billion capital pool to supplement MRT waiver funds

- Mergers, consolidations, transformations
- \$200 million annually for 5 years, \$100 million in both years 6 and 7

But we need the MRT Waiver...

\$10 billion over 5 years for health system transformation

- *\$7.4 billion for Delivery System Reform Incentive Programs (DSRIPs)*

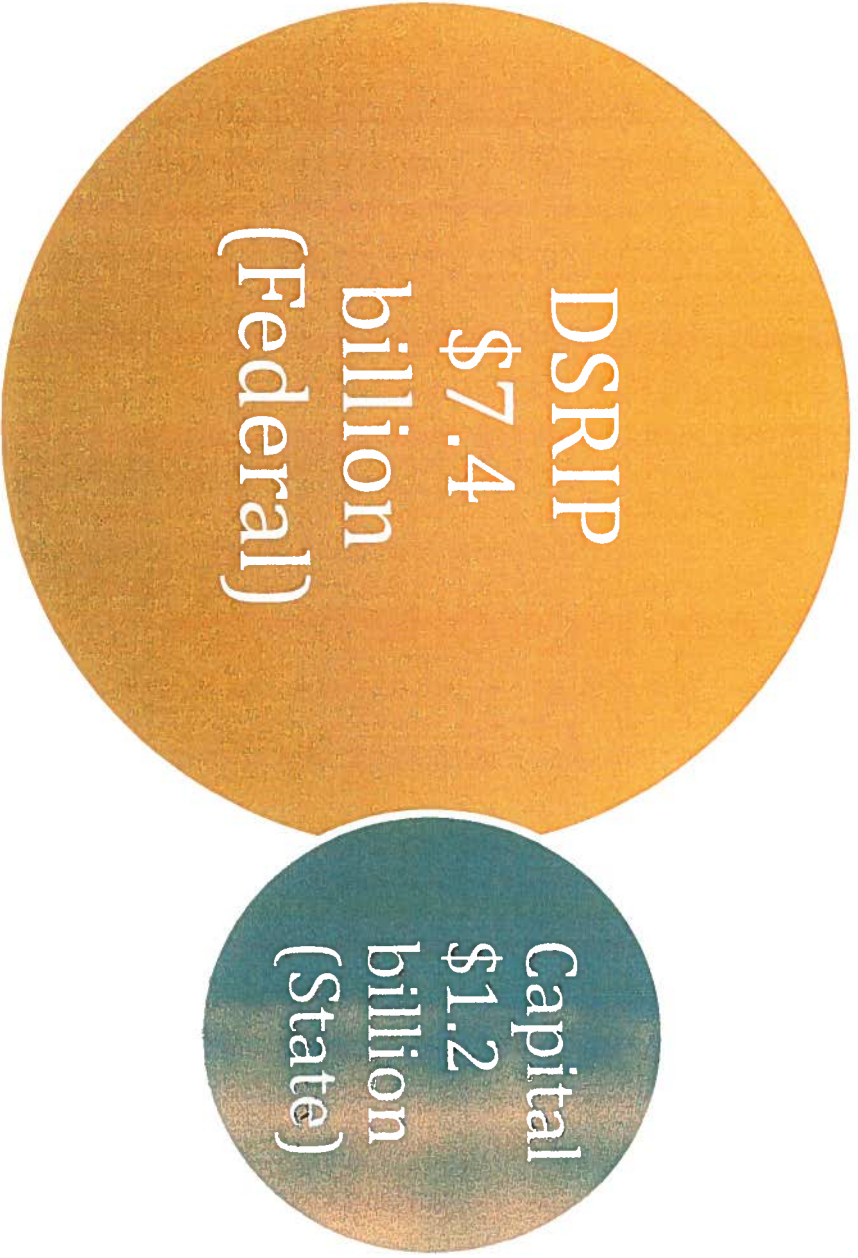
No “bailouts” for struggling facilities

Facilities will have to show measurable improvement in the health of their patient populations to receive funds

Major focus on reducing avoidable hospitalizations

- *Will necessitate downsizing of institutions while building primary care infrastructure*
- *The Governor’s proposal for a \$1.2 billion capital fund will help provide the funding for capital restructuring*

State Capital Funds Complement Federal System Reform Incentives



DSRIP = Delivery System Reform Incentive Program

Delivery System Reform Incentive Program Examples

Expand access to primary care and support services to reduce hospitalizations

Integrate mental health and substance abuse services into primary care practices to reduce hospitalizations

Develop community-based health navigation services and out-of-hospital outreach to reduce avoidable hospitalizations

Increase access to mental health care to reduce hospitalizations

Medicaid: Long Term Care

Caps case mix index growth at 2% in a six-month period, \$43 million impact on nursing homes

- Concern: disincentivizes nursing homes from taking sicker patients and from reducing hospital readmissions

Provides \$300 million in gross Medicaid funding to home health agencies to afford living wage requirement

- Funding is critical for home health agencies to afford mandate