

**Reporters**

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Today's News Tuesday, December 13, 2011

Peninsula Stays With Revival

The board of Peninsula Hospital voted last week to accept debtor-in-possession financing from Revival Funding Co., an affiliate of Revival Home Health Care. It negotiated with four lenders, three of which submitted financing offers—including one from board member Martin Oliner for \$5 million. In a court document, the bankrupt hospital's legal advisers said the board found the Revival loan “the least onerous of the three proposals.” The Revival loan is for as much as \$3 million, at 9% interest, with an origination fee of \$75,000 and a collateral management fee of \$20,000 a month. Without the loan, Peninsula “will have just enough cash to fund operations to December 26, 2011, at which time, if not sooner, [it] will be required to close.” Peninsula withdrew Revival's previous \$8 million DIP financing motion on Dec. 7, after it agreed to have an examiner appointed in the bankruptcy case. A hearing on the DIP loan is set for Dec. 15.

Vote 'No' on House Doc Fix

HANYS asked its members to set up a phone bank to reach out to members of Congress about the “doc fix” plan now before the House of Representatives. Member hospitals' chief executives are asking them to vote “no” today on H.R. 3630, the Middle Class Tax Relief & Job Creation Act of 2011. The CEO script emphasizes the fact that the bill would cut Medicare payments to New York hospitals by more than \$800 million over the next 10 years, hitting hardest those provider-based clinics that are operated by hospitals. The reductions are intended to partially offset the cost of a two-year delay of the cuts in fee schedules for Medicare physicians. HANYS's message is that the \$49 billion cost of the doc fix should not be paid for by cuts to hospitals and other providers.

Counties' Medicaid Costs Disparate

The Citizens Budget Commission analyzed counties' contributions to New York's Medicaid bill—\$6.5 billion statewide for counties in 2008—and found inequities in how that burden is distributed. Outside New York City, Sullivan County posted the highest per capita cost, an amount triple that of Putnam County. The commission also found that county lines create arbitrary distinctions: Medicaid costs per resident do not reflect the property values or incomes of the people shouldering the costs. The CBC calls for finding a new way to distribute Medicaid costs. Its report, at www.cbcn.org, lets users search costs by county. New York's reliance on county contributions is an anomaly, the CBC found; 27 states require a minimal payment, and 22 require none.

Home care groups blast state DOH regs

New York's home health care industry is fighting the new guidelines for care coordination models recently posted by the state Department of Health.

The Home Care Association of New York State, the New York State Association of Health Care Providers, LeadingAge New York and the Adult Day Health Care Council recently sent a letter to Health Commissioner Dr. Nirav Shah requesting that DOH immediately revise the care-coordination guidelines. They say the rules are “prohibitive” for existing provider-based groups that must now operate under the state's new requirement for mandatory enrollment. The rules, they maintain, are too narrow and provide for only one managed care model.

New York is gearing up to mandate that noninstitutionalized patients who need more than 120 days of care enroll in a CCM. But the organizations contend in their letter that the state's guidelines allow only insurance-type entities to become CCMs, “contrary to discussions of the MRT work group and the full MRT, the principles adopted by the MRT and the intent of the Legislature.”

The home care groups said existing models such as the Long Term Home Health Care Program already coordinate health care for the long-term-care population. The new guidelines, they said, set unrealistic timetables and will disrupt the care of some 30,000 LTHHCP enrollees.

The groups want the CCM guidelines revised to allow provider-based organizations—especially LTHHCPs and certified home health agencies—to qualify as CCMs, so that they can continue to serve patients needing more than 120 days of care. Otherwise, many CHHAs and LTHHCPs will not meet the new requirements and instead will have to subcontract with CCMs.

At A Glance

MRT: The Medicaid Redesign Team meets today to review the final recommendations from four MRT work groups: Affordable Housing, Basic Benefit Review, Payment Reform, and Workforce Flexibility/Change of Scope of Practice. The MRT's final report is due to Gov. Andrew Cuomo by Dec. 31. The live webcast can be viewed from 10 a.m. to 4 p.m. at www.health.ny.gov.

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