

Crain's Health Pulse



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Today's News Tuesday, April 07, 2009

TPA Tax Dead

Call it a victory for the administrators of 1199 SEIU's benefit funds, but a loss for the union's hospital workers. The final version of the state budget does not include a proposed tax that would have been placed on third-party administrators of self-insured funds. The original Executive Budget proposed a tax of \$1 on every claim above \$20, which would have cost 1199 SEIU's affiliated benefit funds millions of dollars. But taxing the TPAs also would have raised more money for the state to protect union hospital jobs—an estimated \$63 million in this fiscal year and \$126 million in the next. The New York Health Plan Association lobbied heavily against the proposed TPA tax, which a spokeswoman labeled “a nightmare to administer.”

Biz Group Alarmed by Study

The New York Business Group on Health is concerned that a recent article in *JAMA*, which identified an uncomfortable wrinkle in the Leapfrog Group's “Safe Practices Survey” (*Pulse*, April 6), could hurt the employer group's efforts to sign up hospitals for the program. “We hope hospitals still see a value in participating,” says Marilyn Wolff

Diamond, NYBGH's director of quality initiatives. The *JAMA* study showed that scoring well on the hospital safety-practices survey doesn't necessarily mean that a hospital will see lower-than-average death rates. There are 130 New York hospitals enrolled in Leapfrog. Ms. Diamond points out that the *JAMA* researchers looked only at death rates and not at whether overall care improved. In a press statement, Leapfrog said it uses “a ‘training wheels’ approach” that gives hospitals credit for starting to change their practices. Leapfrog might amend that, requiring hospitals to fully adopt practices in order to score high on the survey.

Primary Care Grants Announced

The New York State Health Foundation awarded \$800,000 in grants for primary care services at three health centers in New York City and Yonkers: the Joseph P. Addabbo Family Health Center, the Callen-Lorde Community Health Center and Hudson River HealthCare. Callen-Lorde, the city's only primary health care center specializing in serving the lesbian, gay, bisexual and transgender communities, received \$300,000 to create an on-site pharmacy. Hudson River, which operates 14 clinics, got a \$250,000 grant to take over two health centers slated for closure by St. John's Riverside Hospital. The Addabbo clinic received a \$250,000 grant to help continue services at St. Dominic's Health Center, which it recently took over from Caritas. St. Dominic's is operating at 30% of capacity and will use the grant to triple volume in five years.

Pricing squabbles heard in LICH takeover talks

Negotiations are continuing between SUNY Downstate and Continuum Health Partners over the fate of Long Island College Hospital. A deal could be hammered out within a month, says one source, although the still-fragile talks could also fall apart at any time.

A deal is in the hands of lawyers, who are squabbling over how much Continuum, which owns LICH, will be paid for the Cobble Hill, Brooklyn, hospital, given its liabilities. LICH has a potential \$95 million worth of medical malpractice losses, a liability that makes setting a price difficult.

“Continuum just wants to dump it and let someone take over the med-mal liability, and the state is pushing for Downstate to be that someone,” says a source briefed by state officials on the issue.

Spokespeople for LICH and Downstate confirm that discussions are “ongoing.”

One potential stumbling block is a political fight from 1199 SEIU. If LICH converts to a public entity, like SUNY Downstate, it would fall under the control of unions for state workers, not 1199 SEIU. There are some 2,000 workers at LICH whose union affiliation would be at stake.

At A Glance

SAFETY: The Association for Healthcare Risk Management of New York, in collaboration with the National Patient Safety Foundation, is hosting a program today on “Advancing Patient Safety and Avoiding Adverse Events.” The event will take place from 8 a.m. to 4 p.m. at St. Vincent's Hospital, in the Cronin Building. For details, see www.ahrmny.org.