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Today's News Friday, February 12, 2010

Saint Vincent: Wage Cuts, and CFO Leaves

After just a few months on the job, the chief financial officer at Saint Vincent Catholic Medical Centers is leaving. Last fall, SVCMC replaced its CFO, Domenic Segalla, with Lowell Johnson. Now Mr. Johnson is out. Separately, the hospital yesterday announced pay cuts for non-union jobs. They include a 25% pay cut for managers at the vice president level and above, and for medical staff leaders. Directors, managers and physicians will take a 20% hit, while other non-union personnel will take a pay cut that is being negotiated. All restructuring advisers were asked to take a voluntary 15% fee reduction.

Health Reform and Immigrants

Non-citizens—including legal immigrants—get short shrift under proposed federal health reform, according to a new study. Funded by the NYS Health Foundation and released by New Yorkers for Accessible Health Coverage and the New York Immigration Coalition, the report says these residents will continue to face major barriers to health coverage. The finding is particularly important to New York state, where non-citizens make up 12% of the population but 29% of the uninsured. Immigrants often work for small firms without health plans. They also may not be eligible for Medicaid, or are fearful of jeopardizing green card applications by applying. Language also is a barrier. But the study finds that even when these obstacles are overcome, agencies charged with helping people get coverage they are entitled to may not themselves understand or follow eligibility rules. One Medicaid worker, for example, inaccurately told an applicant she needed a Social Security number to apply for Medicaid, which is untrue. The study is at www.NYIC.org.

NJ Hospital Cuts

New Jersey Gov. Chris Christie yesterday called New Jersey's financial situation a "state of fiscal emergency" and vowed to close a \$2.2 billion budget gap, in part with a \$25 million cut to the state's hospitals. The amount includes a cut (\$12.6 million) in the \$605 million hospitals got last year for charity care, and another \$12.6 million in lost federal matching funds. The New Jersey Hospital Association expressed "disappointment." Since these are midyear cuts, the governor does not need legislative approval. "We are essentially stuck with them; we respect the budget problems," says an NJHA spokeswoman. More cuts could come next month, when Mr. Christie announces the 2010-2011 budget, she adds. The projected gap for that year is \$11.1 billion.

Governor drops hospital charity care reform

New York's powerful hospital lobby prevailed in pushing Gov. David Paterson to drop a reform of charity care payments from his proposed budget, say consumer health advocates. In a "seemingly ill-considered move," the governor retracted his call for accountability on how charity care payments are allotted to hospitals, charges the Health Care for All New York coalition.

"We are now mystified as to why he would pull back from that effort when it comes to spending nearly \$1 billion that should be directly tied to patient care, not providers' costs of doing business," says Bob Cohen, policy director at Citizen Action of New York.

Charity care payments have long been a target for reform by advocates. The governor seemed to agree, at least before he issued his 21-day amendments.

The current system lets hospitals estimate their uncompensated care costs, and the state does not verify that charity care payments actually are tied to treatment.

A spokesman for the governor said the move was "to give hospitals a greater opportunity to adjust their operations in light of proposed state savings actions."

Hospitals argue that by dropping the reform, the governor avoided unnecessary chaos with redistributions that would have produced no state budget savings. According to a GNYHA analysis prepared for Pulse (linked here), Montefiore would have gotten \$20.8 million less before the governor backed off on the reform, while New York Hospital Queens would have gotten an additional \$5.7 million.

But advocates say there are inexplicable variations in charity-care figures. New York-Presbyterian's allocations, for example, fell from \$59.8 million to \$35.5 million over a single year, while North General Hospital, with a high volume of indigent care, got one-fifth the amount of Beth Israel.

"That \$847 million is going out the door unaudited is a travesty in these fiscal times, when the number of uninsured is rising," says Elisabeth Benjamin, vice president of health initiatives at the community service society.

At A Glance

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