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Testimony of the
New York State Nurses Association
Before the
Joint Legislative Public Hearing on
2012-2013 Executive Budget Proposal
Health/Medicaid

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New York State NURSES ASSOCIATION

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New York State NURSES ASSOCIATION Advocating for patients. Advancing the profession.

JOINT LEGISLATIVE PUBLIC HEARING ON 2012-2013

EXECUTIVE BUDGET PROPOSAL

HEALTH/MEDICAID

Good afternoon. My name is Winifred Kennedy. I am a clinical nurse specialist at Maimonides Medical Center in Brooklyn and also the President of NYSNA's Board of Directors. Joining me today is Shaun Flynn, the Director of Governmental Affairs at the New York State Nurses Association. The Nurses Association is the oldest and largest professional organization for registered nurses in New York State. It represents the interests of more than 270,000 registered nurses and serves as the collective bargaining agent for more than 36,000 RNs at 150 healthcare facilities. On behalf of our members and the patients they serve, we appreciate the opportunity to address the Governor's 2012-2013 Executive Budget Proposal as it relates to health and Medicaid.

Funding for Nursing Education

We applaud the Governor for recognizing the importance of supporting registered nurse education in New York. The Executive Budget Proposal maintains consistent funding for the SUNY and CUNY nursing programs. It also maintains support for the high-needs nursing programs at private schools of nursing, as well as maintaining funding for the Senator Patricia K. McGee Nursing Faculty Scholarship Program and the Nursing Faculty Loan Forgiveness Incentive Program. The Nurses Association urges the Legislature to accept these proposals and continue to support the essential work of educating registered nurses in New York.

Tier VI

The Nurses Association is deeply concerned about the Executive Budget proposal creating a Tier VI benefit plan for new state and local government employees. The new benefit tier, which when compared to Tier V includes a later retirement age, a longer service requirement for vesting, higher employee contribution rates, controls on final salary and the elimination of the option for retirement before the age of sixty-five for most workers, will pose a significant challenge for recruitment and retention of nurses at public healthcare facilities. The Tier VI benefit proposal does not bring public sector nurses' benefits into alignment with private sector nurses, as some have suggested. Rather, the creation of Tier VI and the continued lack of recognition of the physically-taxing nature of nursing work will serve to transform public sector nursing into a second-class employment option. Employed under the proposed benefit tier, public sector nurses

in the New York metropolitan area will have a higher retirement age as well as a higher contribution rate than their private sector counterparts. It will be more difficult to recruit nurses to public hospitals, particularly the increasing numbers of those who have pursued nursing as a second career and are closer to retirement age. Additionally, new, younger nurses, 41 percent of who plan to leave their first job within three years[1], will have less incentive to stay at their public sector employers if it will take them twelve years to vest. Our nurses, who daily seek to fulfill the mission of extending "... equally to all New Yorkers, regardless of their ability to pay, comprehensive health services of the highest quality in an atmosphere of humane care, dignity and respect,"[2] deserve more than this.

We urge the Legislature to reject the Governor's Tier VI proposal.

Safe Staffing

Nurses practice in demanding, stressful environments where proper decision making is a critical function. Inadequate staffing has resulted in nurses caring for more acute and more complex patients.

The Nurses Association encourages the Legislature to consider in your budget legislation, the establishment of acute care safe staffing ratios and the setting of minimum hours of nursing care in nursing homes. Safe staffing is essential to providing high quality, cost-effective care. Unsafe staffing contributes to adverse patient events, increased length of patient stay and increased nurse staff turnover.

Safe staffing ratios will help save lives and money in New York's healthcare delivery system. There is a direct relationship between patient morbidity and mortality, and staffing levels. Research funded by the Agency for Healthcare Research and Quality has demonstrated that hospitals with fewer nurses per patient have higher rates of pneumonia, shock, cardiac arrest, urinary tract infections and upper gastrointestinal bleeds; all leading to longer hospital stays, increased post-surgical 30-day mortality rates and to increased rates of failure-to-rescue.

The cost to care for a hospitalized patient who develops pneumonia while an inpatient increases by an average of $25,000, the length of stay increases approximately 5 days and the probability of death increases by roughly 5percent. High rates of nurse staff turnover cost facilities from $62,000 to $88,000 per nurse. Research demonstrates that "every percentage point increase in nurse turnover costs an average hospital about $300,000 annually [based on a hospital with 350

[1] Key Findings in General Work Life. Retrieved from RNWORKPROJECT.ORG
[2] Retrieved from http://www.nyc.gov/html/hhc/html/about/mission.shtml

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full time employee RNs]. Hospitals that perform poorly in nurse retention spend, on average, $3.6 million more than those with high retention rates."[3]

Safe staffing will improve the health of New York's residents, will ensure positive working conditions that attract and retain registered nurses as well as other healthcare workers and will contribute to lower healthcare costs.

We urge the Legislature to include safe staffing legislation in their budgets.

Safe Patient Handling

We also urge the Legislature to include language in your budget legislation that would establish state-wide safe patient handling polices. Safe patient handling is a comprehensive approach to reducing the manual movement of patients when lifting, transferring and re-positioning. Antiquated methods of manual patient lifting and repositioning leads to an increased incidence of injury for patients and staff and increases the cost of worker's compensation for healthcare facilities. Healthcare facilities realize a rapid return on their investment in equipment, often as soon as 18-24 months. Legislation to establish statewide policies and procedures for safe patient handling in all hospitals and nursing homes passed the state Assembly last session and if language were added to the one-house budget legislation, the work of reducing manual lifting, improving patient safety, reducing costs for healthcare facilities and reducing costs for the Worker's Compensation portion of Medicaid reimbursement, can proceed. New York State's patients and healthcare workers deserve the positive outcomes that result from the adoption of safe patient handling policies and practices.

To promote quality patient care and a safer work environment for healthcare workers, the New York State Nurses Association strongly urges action on the establishment of state-wide safe patient handling policies.

New York Health Benefit Exchange

The Governor has included language to establish the New York Health Benefit Exchange in the Executive Budget Proposal. The Health Benefit Exchange will create a marketplace where individuals and small businesses can compare and purchase health insurance; it will also provide a single location where eligibility for public insurance or subsidized health insurance can be determined. We must ensure that New York establishes a health benefit exchange in compliance with the federal health reform laws; one that will address the needs of our state's residents and small businesses. If New York does not enact legislation to establish the Exchange, a federally-operated exchange will be established for us by the U.S. Department of Health and Human

[3] PricewaterhouseCoopers Health Research Institute. (2007). What works: Healing the healthcare staffing shortage. http://www.pwc.com/us/en/healthcare/publications/what-works-healing-the-healthcare-staffing-shortage.jhtml.

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Services, making it much less likely that the needs of New Yorkers will be met. New York has already received millions of dollars in funding to support the establishment of an Exchange and has also already begun the process of engaging stakeholders in the development of a Health Benefit Exchange that will be uniquely qualified to serve the needs of New York. Towards this end, the Nurses Association recommends the Legislature consider stronger provisions addressing potential conflicts of interest of the Board of Directors and also make a commitment to the Exchange functioning as an active purchaser of high-quality, cost-effective insurance plans, rather than simply presenting all plans that meet a basic minimum requirement.

We urge the legislature to enact the New York Health Benefit Exchange.

MEDICAID REDESIGN TEAM

Primary Care Service Corps – Nurse Practitioners

One of the recommendations that emerged from Phase Two of the Medicaid Redesign Team and has been included in the Governor's Proposed Budget, is the creation of the Primary Care Service Corps Practitioner Loan Repayment Program. This program would provide loan repayment for non-physician providers who agree to serve in a medically underserved area of NYS for a designated period of time. Nurse practitioners are among those eligible for this program. This program will leverage federal funding and creates the opportunity for the deployment of much-needed healthcare practitioners to serve patients in underserved areas through the state.

There are, however, statutory and regulatory barriers to the full success of the Primary Care Service Corps Program due to the written practice agreement between a nurse practitioner and a physician that is required in New York, in order for the nurse practitioner to practice. The Medicaid Redesign Team accepted the proposal to remove this requirement, but that recommendation was not included in the Governor's Executive Budget Proposal.

Nurse Practitioners are independent healthcare practitioners who are accountable for the care they provide. The requirement of a written practice agreement creates a barrier to practice and adds excess costs to the system when nurse practitioners and health facilities must reimburse collaborating physicians for this service. Some nurse practitioners have found it difficult to obtain a physician who is willing to sign a practice agreement, thus limiting the ability of nurse practitioners to function to the full extent of their education and training.

The New York State Nurses Association urges the Legislature to accept the proposal of the Primary Care Service Corps Practitioner Loan Repayment Program, but to support its success, also include in your one-house budget legislation, the Medicaid Redesign Team's final recommendation to remove the requirement of a written practice agreement between a nurse practitioner and a physician.

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Health Care Delivery in Brooklyn

The Nurses Association has approximately 6,400 members working in Brooklyn healthcare facilities. The Brooklyn Health Systems Redesign Work Group of the Medicaid Redesign Team issued a final report that recommends fundamental changes to the healthcare delivery system in Brooklyn. These recommendations include merging and/or closing healthcare facilities, expanding the State Health Commissioner's authority over healthcare facility operators, establishing a Brooklyn Healthcare Improvement Board, providing financial support for facility restructuring, re-examining the distribution of federal disproportionate share (DSH) funds and the state Medicaid Indigent Care pools, integrating care delivery and supporting primary care providers. The Medicaid Redesign Team report maintains that it sets a path by which healthcare delivery in Brooklyn will be transitioned "into integrated and comprehensive systems aligned with community needs,"[4] but it is just a first step.

Senate Minority Leader John L. Sampson, in cooperation with many vital stakeholders including healthcare facilities, community organizations and primary care providers also conducted a review of Brooklyn's healthcare delivery system. The report from Senator Sampson's Brooklyn Healthcare Working Group was issued in October 2011. This report identifies the expansion of primary care services as a priority, emphasizing that they must be culturally competent and offered in such a way that Brooklyn residents can access them. The Sampson report also seeks to support high-quality, coordinated care by reforming payment methodologies to address the conundrum that emerges when providers are financially penalized because they have successfully mitigated avoidable hospital admissions and readmissions, unnecessary emergency department visits and duplicative care.

The delivery of patient-centered, high quality, coordinated care is one solution to addressing the challenging Brooklyn healthcare delivery system. The establishment of Medicaid Heath Homes and the expansion of patient centered medical homes in the private insurance market are encouraging signs of healthcare delivery evolution. Nurses play a critical role in this process, both as care managers and as leaders of provider teams.

Nurse-Managed Health Centers

Nurse-managed health centers are community-based health clinics that are managed by nurses; most are either independent non-profits or academically-based clinics that are affiliated with schools of nursing. Key components of nurse-managed health centers include that: clients have direct access to nursing services; advanced practice nurses diagnose and treat, and promote health and optimal functioning; services are client-centered; services are reimbursed;

[4] Retrieved from http://www.health.ny.gov/health_care/medicaid/redesign/docs/brooklyn_mrt_final_report

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accountability and responsibility for client care remains with the nurse; and overall accountability for the center remains with the nurse executive.

Nurse-managed health centers serve patient populations who are least likely to receive consistent, coordinated care. This includes vulnerable people across the age continuum who are uninsured or underinsured. As safety-net providers, nurse-managed health centers allow patients who are unable to pay for care, to be charged on a sliding scale or treated for free. As a result, nurse-managed health centers often struggle to remain fiscally sound.

Nurse-managed health centers also serve the population of advanced practice nursing students, as well as students in other healthcare professions. They provide workforce training opportunities in community-based, primary care. Opportunities for community-based clinical education pose significant challenges for the healthcare educational system and the issue has often been identified as one barrier to the development of an adequate healthcare workforce for the future.

A national collection of quality measures for nurse-managed health centers indicates that these centers meet or exceed national quality benchmarks, based on Healthcare Effectiveness Data and Information Set (HEDIS) outcome data. Most significantly, the National Committee for Quality Assurance (NCQA), in its 2011 *Standards for patient-centered medical homes,* includes nurse practitioner-led practices as practices or providers who are eligible for NCQA Recognition as a Patient-Centered Medical Home. This designation is a significant testament to the quality of care that is provided by nurse-managed health centers.

We encourage the Legislature to explore opportunities that will support both the healthcare workforce and the provision of quality care in New York.

Medicaid Managed Care Prescription Drug Carve-In

The final comment that we would like to make relates to the Medicaid Managed Care Prescription carve-in that was implemented towards the end of 2011.

Prior to the carve-in, NYSNA expressed concern regarding continuity of care, the interruption in medication regimens established by prescribers for their patients and potential harm to the health and well-being of Medicaid beneficiaries. We appreciate that some of the managed care plans (Plans) have made temporary provisions that enable access to some specific classes of medications (e.g. antipsychotics, immunosuppressants, antiretroviral therapy, anticonvulsants and antidepressants) for existing beneficiaries with existing prescriptions, but these provisions are not in place for new patients or for new prescriptions. These beneficiaries, and their prescribers, will be required to file for prior authorization, which is a plan's option to approve or not. The loss of the 'prescriber prevails' protection, which exists in fee-for-service and which

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would override the prescription restrictions imposed by the Plans, is deeply concerning to our Association.

We urge the Legislature to restore 'prescriber prevails' protections for prescription drugs for beneficiaries who are now included in Medicaid Managed Care.

IN CONCLUSION

As you continue your deliberations, we urge you to pass a budget that will protect the public health infrastructure, support the healthcare workforce and ensure access to quality healthcare for all of New York's residents.

Leadership during times of crisis requires government to make the tough choices, but it also the *right* choices.

Thank you for your time and consideration.

For more information, contact the New York State Nurses Association Governmental Affairs Department at **518.782.9400, ext. 283** or by e-mail.

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