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CRAIN'S HEALTH pulse

A daily newsletter on the business of health care

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Wednesday, February 14, 2007

TODAY'S NEWS

CABRINI TRIES A BLOCK

Cabrini Medical Center in Manhattan disclosed yesterday that it received a state Department of Health letter telling it to close by June 30, 2008, and that it had filed a motion to halt that order. In documents filed in State Supreme Court in Albany, the hospital asks for a Feb. 26 hearing to argue that its services are essential. Lawyers also charge that the process used to set up the Berger commission is unconstitutional and deprives the hospital's owners of their rights.

SELLING CALEDONIAN

Newmark & Co. has begun efforts to sell Brooklyn Hospital's Caledonian campus, at 123 Parkside Ave. The company sent an e-alert to developers this week and expects to hear from those interested in turning the old hospital into condos, says Newmark President James Kuhn. "The buildings are in pretty good shape," he says. "It'll either be residential or another hospital, but I guess that's pretty unlikely." The 200,000-square-foot parcel faces Prospect Park.

HEALTH PLANS

Consumer-driven health plans continue to be a way for employers to cut costs. Fifty

PULSE EXTRA: This week's edition lists efforts to deal with the uninsured. To read *Pulse Extra*, scroll to Page 2.

Albany witnesses dissect budget

Health care groups testified yesterday at the legislative budget hearing on the executive budget. The New York State Coalition of Prepaid Health Service Plans said the governor's call for greater health insurance coverage for children and initiatives to simplify renewal in Medicaid and Family Health Plus would "go a long way in expanding quality care and containing costs."

The Primary Care Coalition testified that it was encouraged by the governor's respect for the role of primary care, noting it can slash the cost of Medicaid and address the rising cost of chronic illness. CHCANYS urged lawmakers to restore

\$121 million for health care services and infrastructure improvements—largely in the areas of health information technology—and to restore funding for diagnostic and treatment centers and capacity-building initiatives for community health centers.

GNYHA submitted a 31-page analysis of how the proposed budget harms the state's hospitals and nursing homes. The state's Chain Pharmacy Association testified that Medicaid pharmacies are reimbursed for generic drugs at a level at least 33% below their cost to acquire those drugs and asked lawmakers to reject the governor's proposed reimbursement cuts.

percent of employers surveyed in 2006 by Sibson Consulting said they plan to offer the plans in 2007, up from 36% last year. But because of the risk involved, the plans remain unpopular with employees. The consulting firm suggests that the only way for employers to sell the CDHP option is to make it the only one. The firm says that companies can "ride out the likely negative response over several months." Eventually, "employees will lose focus on the issue."

EMPLOYERS AND HEALTH

HHS Secretary Michael Leavitt meets today with local employers in the New York

Business Group on Health to discuss the promotion of value-driven health care. HHS has been pushing employers to make value-driven health care a priority in purchasing health care services for employees.

AT A GLANCE

WHO'S NEWS: Hackensack University Medical Center named Peter Gross senior vice president and chief medical officer. An internist and specialist in infectious diseases, Dr. Gross was HUMC's chairman of internal medicine.

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CRAIN'S pulse

A special report on health care in New York

extra

This edition of *Pulse Extra* contains data from a recent report commissioned by The Commonwealth Fund that examines various efforts states have instituted to deal with the problem of the uninsured. The boldest state initiatives aim for comprehensive coverage, while others focus on incremental approaches, such as providing coverage for children. Below is a listing of public-private partnerships that have been created.

KEY FEATURES OF STATE REFORMS

STATE	INITIATIVE	KEY FEATURES
Arkansas	ARHealthNet	<ul style="list-style-type: none">● Safety Net benefit package● Provided through private insurers● Open to businesses with 2–500 employees that have not offered insurance within last 12 months● Subsidy provided for workers with incomes below 200% of federal poverty level
Montana	Insure Montana	<ul style="list-style-type: none">● Purchasing pool with a subsidy available to previously uninsured firms (2–9 employees) that have not offered insurance for 24 months● Employer and employee premium subsidies● Tax credit available for currently insured small firms (2–9 employees)
New Mexico	State Coverage Insurance	<ul style="list-style-type: none">● New subsidized insurance product delivered by Medicaid managed care organizations● Available to low-income, uninsured, working adults with family income below 200% FPL● Individuals may enroll through their employer or as self-employed persons● Premium paid by employer/employee contributions and state/federal funds
Oklahoma	Oklahoma Employer/Employee Partnership for Insurance Coverage (O-EPIC)	<ul style="list-style-type: none">● Premium assistance voucher available for small firms (2–50 employees) that offer a qualified plan and income-eligible employees with incomes below 185% FPL● Individual plan available to uninsured workers whose firms do not offer insurance and to self-employed who earn less than 185% FPL
Rhode Island	WellCare	<ul style="list-style-type: none">● New health plan expected to be 25% below market rates● Helping low-income small businesses save an additional 10% through reinsurance pool (legislation passed, but no funding approved)● Making health care cost and quality data more transparent● High-risk pool● Certificate-of-need reform
Tennessee	CoverTN	<ul style="list-style-type: none">● New affordable health insurance product for working uninsured and small firms that do not offer coverage● At least two statewide private plans● Cost limited to \$150/month, split by employer, employee and state● High-risk pool
Utah	Utah Premium Partnership for Health Insurance (UPP)	<ul style="list-style-type: none">● New premium assistance program under the primary care network● \$150 subsidies for low-income workers enrolled in employer-sponsored insurance● Subsidies up to \$100 for employee's children

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