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Today's News Wednesday, October 19, 2011



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Salient Wows MRT

One portion of the Medicaid Redesign Team's Oct. 5 meeting turned into a love fest for a software company, Salient Healthcare. The Albany-based company is now turning the MRT meeting into a marketing opportunity—and justifiably so. Salient's product has been used by the state's Office of the Medicaid Inspector General for about a year. But the state Department of Health recently became a fan, too, of the number-crunching software. Greg Allen, director of financial planning and policy at the Office of Health Insurance Programs, ran a demo of Salient's Medicaid visual data mining tool in his presentation on waste, fraud and abuse. At one point, Health Commissioner Dr. Nirav Shah told the audience that using Salient's software was "a way that hospitals can dive down and see what they're paying for readmissions and sepsis and central-line infections, and make a difference in real time and track it over real time. ... We should all take it upon ourselves ... to use this tool." Medicaid Director Jason Helgerson called the product "a very positive thing for public discourse," adding that "you don't have to be a rocket scientist to be able to use it." A marketer's dream come true? Little wonder that Salient packaged the MRT's rave reviews at www.salienthealthcare.com.

National Pay Trends for Docs

Physicians can expect somewhat smaller pay increases next year, according to the Hay Group's 2011 Physician Compensation Survey. Salary increases will slip to 2.5% next year from 2.7% in 2011. Doctors in group practices can expect to see pay hikes of 3.2% in 2012, but those in hospital settings can expect 2.5%. Specialists employed by hospitals can expect a 2.4% salary increase next year, well below the 4.5% raise for specialists working in group practices. Hospital-based primary care physicians can anticipate a 2.9% salary hike, while those in group practices can expect a 3.3% base salary increase. Nearly one in four providers has not implemented annual incentive plans linking pay to performance measures, the survey said.

Strategies for Most Needy

The Commonwealth Fund Commission on a High Performance Health System has pinpointed eight strategic approaches the group said could "ensure that health care reform will help achieve equity in the U.S. health care system." But few of them are simple or cheap. The report found that creating more willing Medicaid providers is essential, a task that also means recruiting a larger workforce and increasing Medicaid funding. Next up is stabilizing health insurance coverage and limiting out-of-pocket costs for patients. New funding to strengthen safety-net services and better coordination of care also are on the list. The report is at www.commonwealthfund.org.

For Brooklyn's Interfaith, a goal to thrive as a community hospital

The Medicaid Redesign Team's Brooklyn task force meets today, and members will examine the financial health of hospitals such as Interfaith Medical Center.

The Brooklyn hospital will lose a projected \$38 million this year and will need to cut \$10 million or more "to get to positive cash flow in the fourth quarter," said Interfaith's chief executive and president, Luis Hernandez.

But from 2005 to 2009, Interfaith enjoyed far more financial stability. "We were doing fantastic," Mr. Hernandez said. The hospital made a \$125 million investment in a new building and other improvements that impressed task force members who recently toured Interfaith. They called it "a beautiful facility," he recalled.

What changed Interfaith's financial picture so radically? In October 2009, a new reimbursement mechanism triggered a 40% drop in Medicaid payments. Medicaid covers 65% of Interfaith's patients, many of whom treat Interfaith's emergency department as a primary care provider.

Since September 2010, Interfaith laid off about 190 full-time workers. It expects to lay off 30 to 40 more as part of Mr. Hernandez's plan to cut the \$10 million. Earlier this month, he said he would share "a proposal" with the MRT, although he declined to provide details. "Our goal is to be a community hospital at this time," he said. "We feel in addition to the significant mental health services we provide, we just want to be a community hospital that serves the community."

At A Glance

WHO'S NEWS: Dr. Andrew Sama, an emergency physician from Manhasset, L.I., was elected president of the American College of Emergency Physicians, a post he assumes in December. "Medical liability reform is a top priority for physicians who practice in emergency departments," said Dr. Sama, who is senior vice president of emergency services for the North Shore-LIJ Health System.

EXTRA: The first of two *Pulse Extras* on medical malpractice trends.

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