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### Aetna, Continuum Impasse

Aetna is no longer negotiating with Continuum Health Partners, the hospital chain reported yesterday. In a memo to doctors, Continuum's Ruth Levin said, "We continue to believe that Aetna's clients want, and need, the Continuum hospitals and their affiliated doctors as part of their network." She said Aetna's position in the negotiations has been that a smaller network without Continuum and its doctors will help control costs. But the contract termination will actually increase clients' costs "as employees will be diverted to higher-cost hospitals for elective procedures, while we will be paid 100% of charges for emergencies."

### Approval for LI Med School

Hofstra University and North Shore-LIJ Health System received necessary approvals from state and national accrediting bodies to open a medical school. The School of Medicine venture will be the first new college of allopathic medicine in New York in 40 years, though Touro opened a school of osteopathic medicine in Manhattan in 2007. The first class enters next summer. The school's academic home will be the former headquarters of the New York Jets football training camp, known as Weeb Ewbank Hall. It has undergone a \$12.5 million renovation, including the building of a lecture hall that seats 100. North Shore-LIJ Chief Executive Michael Dowling said becoming an academic medical center is not a huge leap for the system. "We've been training doctors for many years," he says.

### CIR Vote at St. Barnabas

The National Labor Relations Board ruled in favor of medical residents at St. Barnabas Hospital, agreeing that they have the right to join a union. In a decision last week, the NLRB denied the hospital's request to review a year-old decision that said the doctors were employees, and not students, as the hospital had contended. The doctors are attempting to join the Committee of Interns and Residents/SEIU. In the May 22, 2009, ruling that now stands, the labor board's regional director said the hospital had attempted to downplay the time the residents spend in patient care. "There is no question but that a very significant amount of the resident's time is spent with patients providing medical services," she wrote. The hospital will evaluate its options after the vote is revealed in a few days. A spokesman noted that a new NLRB member is former SEIU lawyer Craig Becker, and that one member of the three-member NLRB panel dissented.

## Prior approval passage dismays biz group, elates others

Monday's budget extender was a dream come true for supporters of prior approval—and a surprising development for the policy's detractors. Health Care For All New York co-founder Elisabeth Benjamin called the move "to re-regulate out-of-control insurance rate hikes a desperately needed state lifeline while we wait for the fruits of federal health reform."

Citizen Action of New York praised the bill for raising the medical loss ratio to 82% for all markets, individual and small group, up from 75% for small groups and 80% for the direct-pay market.

But other groups had swift criticism for the state's action. "Enacting bad public policy like 'prior approval' and claiming savings in budget extenders will only leave the next governor, state Legislature and taxpayers with a bigger fiscal crisis next year," Kenneth Adams, president and CEO of the Business Council of New York State, said in a statement.

The Business Council and the Health Plan Association of New York State have for months labeled the \$70 million that the Paterson administration says it will save from prior approval "phantom" savings. "It's a bogus number," an HPA spokeswoman says. "We don't believe that \$70 million will actually materialize."

Their one hope: The extender bill doesn't say how prior approval will be implemented, so insurers may be able to influence a separate bill.

Ironically, on Monday CMS announced the availability of \$51 million in Health Insurance Premium Review Grants. New York could be eligible for a \$1 million grant if it successfully submits a plan for how it will use the money to develop or enhance its process of reviewing, approving, disapproving or modifying premium requests.

## At A Glance

**CLINIC:** The New York Walk-In Medical Group opened a new site at the Duane Reade Pharmacy at West 42nd Street and Eighth Avenue. It is the sixth clinic in the chain; more than 50,000 New Yorkers have visited the centers since the first opened in 2007. The medical practice is affiliated with Beth Israel Medical Center and St. Luke's-Roosevelt Hospital Center. The DR walk-in medical centers are managed by Consumer Health Services, a provider of physician-directed consumer health centers.

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