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OMIG Bills Advance

Despite the shakeup at the Office of the Medicaid Inspector General, advocates for hospitals are pushing for laws to rein in what they see as unfair tactics used in OMIG audits. Yesterday, the Assembly passed A.5686, sponsored by Richard Gottfried, D-Manhattan, and earlier this week, the state Senate passed a companion bill, S.3184, sponsored by Betty Little, R-Glens Falls. The Senate bill would sharply limit recoveries of money triggered by technical and procedural errors, and would limit how much the state could collect while appeals are pending. It would prohibit OMIG from reauditing matters already settled, and from applying new regulations retroactively. The office would also be required to "provide timely and detailed explanations of extrapolation methods." HANYS and GNYHA backed the bills, which are now awaiting the governor's signature.

Generic Drugs Win Labeling Dispute

The U.S. Supreme Court yesterday rejected attempts by trial lawyers to sue generic drug manufacturers in state courts over claims that product safety warnings were inadequate. At issue were three cases, later combined into one, where the manufacturers of a generic drug, metoclopramide, were sued by plaintiffs who said their labeling did not adequately warn of side effects. The digestive drug allegedly caused neurological ailments. Actavis Group, headquartered in Morristown, N.J., was the defendant in two of the cases. In a release, the company hailed the 5-4 court decision as an "important step forward for consumer safety and the continued availability of affordable generic medicines." The manufacturers argued that their only labeling requirements were to match the FDA-approved labeling for the branded version of the drug, which they had done.

AMA Prez Is a Local Doc

Dr. Peter Carmel, a pediatric neurosurgeon who lives in Manhattan and practices in Newark, was sworn in Tuesday as the 166th president of the American Medical Association. He works at the New Jersey Medical School, where he is currently chairman of the Department of Neurological Surgery and co-medical director of the Neurological Institute of New Jersey. The Brooklyn native, who spent 31 years at Columbia-Presbyterian Medical Center before taking his Newark position, used his inaugural address to speak of doctors as heroes. "I can't recall a day in my life when I did not admire doctors, did not want to be a doctor, or doubted I would one day become a doctor," he said. But politics, of course, was also a theme. He said doctors feel "burdened by administrative and technology requirements, confused by new delivery models, and terrified at the prospect of increasing patient loads." The top two priorities of the AMA would be to fight for "the ability to treat patients free of red tape and bureaucracy" and "true, meaningful medical liability reform."

Consensus reached on NY health exchange bill

A slimmed down, less restrictive version of Sen. Kemp Hannon's insurance exchange bill, S.5849, was agreed upon by the Cuomo administration and the state Legislature. The New York Health Benefit Exchange Act calls for setting up the exchange as a public benefit corporation with nine unpaid directors, seven of them gubernatorial appointees and two legislative. It leaves unsettled several key policy questions, but sets an April 1, 2012, deadline for resolving them.

Among the unresolved issues: how to finance certain benefits' costs, and rules for extending certain benefits required under state law but not federal law to people who buy insurance in the exchange.

A spokeswoman for the New York Health Plan Association said the trade group saw much to like in the bill. Insurers are pleased about changes, such as the creation of five regional advisory committees instead of a central advisory board. "Our concern was that the exchange not become another regulatory body," she said.

The local focus means less centralization of power. The rules also allow insurance industry representatives to serve on those committees, unlike California's law, which forbids that participation as a conflict of interest. Insurers' remaining objection is that the bill requires the health plans to submit justification for rate increases.

"We have some concerns with that," the spokeswoman added, but in general the consensus bill "is certainly an improvement over the last one."

The Business Council said the bill has a "proper approach in establishing the governance structure, identifying areas of policy upon which further study and data are required, and will allow for broad stakeholder input and participation."

The Health Care for All New York Coalition called the bill "a first step," and said that while the bill has shortcomings and leaves work undone, it could bring in \$100 million in new federal funding.

At A Glance

MERGER: Briarcliff Pediatric Associates, a four-doctor practice in Sleepy Hollow, N.Y., joined the Children's and Women's Physicians of Westchester.

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