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HEALTH PERSPECTIVES

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EXEMPT ORGANIZATION

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HOSPITAL REIMBURSEMENT RATES

A COMPARISON OF INPATIENT PER DAY REIMBURSEMENT RATES MADE TO HOSPITALS IN NEW YORK CITY, NASSAU AND WESTCHESTER COUNTIES BY BLUE CROSS, MEDICAID AND WORKMEN'S COMPENSATION.

Hospital rates since 1967 have increased at the fantastic rate of 13 to 16 percent **per year**. Health consumers and purchasers of hospital services have watched hospital rates soar to over \$200 a day in some hospitals, to an average of over \$100 a day for all hospitals. The hospital cost spiral has shocked health consumers and purchasers of hospital services. Most people are overawed by hospitals and lack detailed information concerning the complex billing of hospital costs. As a result, consumers and purchasers have not been able to document their protest over soaring hospital costs.

In this issue of **Health Perspectives**, the Consumer Commission on the Accreditation of Health Services makes available to its subscribers detailed information on rates paid to hospitals by the Blue Cross, Medicaid and Workmens Compensation programs.

This is the first time this information has ever been made available to the public and represents a determined effort on the part of Consumer Commission to remove the "information curtain" between hospitals and consumers.

For decades health consumers have had to face a criti-

cal lack of factual information on hospital costs, quality of care and the availability of services provided by the hospitals. Hospitals have been a world unto themselves. Patients generally enter a hospital at a point of acute illness and feel that they are in no position to ask questions. Too often, patients do not know what questions to ask!

An important aspect of all hospitals is the per day reimbursement rates paid by third-party payment plans or payers. Reimbursement rate means the rate charged to a plan such as Blue Cross, or in government, Medicaid. It is a per day hospital rate and covers the services agreed upon between the hospital and the payer. Blue Cross, Medicaid and Workmens Compensation are often referred to as third-party payment plans, programs or payers.

All plans develop a formula which determines their reimbursement rate. Not all reimbursement rates are the same for a given hospital. The rates vary according to the factors that are included or excluded in the formula and the services that are covered and not covered. Table I shows the services covered and not covered by the Blue Cross, Medicaid and Workmens Compensation programs.

Factors that determine the difference in reimbursement rates include such items as bad debt, community service, depreciation, etc. Another important factor used to determine reimbursement rates is the method by which each hospital sets up its accounting procedures.

For our subscribers, reimbursement rates to hospitals made by Blue Cross, Medicaid and Workmens Compensation for ambulatory and inpatient nursery services will be made available along with periodic updates of the rates which are subject to change.

The Consumer Commission offers a wide range of information and services to subscribers.

For more information complete this postcard.

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Continued from page 1

When one third-party payment plan places a maximum on its inpatient reimbursement rates, there are accounting techniques that the hospitals can use to assign more of its costs to other plans. In Table II, the inpatient per day rates paid to hospitals by these plans are shown. The absence of a rate indicates that the hospital does not participate in that program.

The range of reimbursement rates made to hospitals in New York City and Nassau and Westchester Counties is:

	High	Low
Blue Cross	\$ 230.08	\$ 64.10
Medicaid	\$ 226.89	\$ 58.41
Workmens Compensation	\$ 230.00	\$ 67.00

The range of reimbursement rates for selected hospitals is:

	Blue Cross	Medicaid	Workmens Compensation
Brooklyn Eye & Ear	\$ 114.08	\$ 114.85	\$ 141.00
Interboro General	\$ 98.26	\$ 102.29	\$ 133.00
Peninsular	\$ 121.56	\$ 114.71	\$ 147.00
Mount Sinai	\$ 165.94	\$ 167.35	\$ 202.00

Patients not covered by third-party payers are billed for **each** service at the hospital's posted charges. Hospital bills for these patients are usually 20-50% higher on a per day basis than the third-party reimbursement rates.

Many health care purchasers and professionals have studied the effects of reimbursement rates based on costs and per day payment. They have concluded that present reimbursement methods are ineffective to control costs and deter hospital efficiency. It has been suggested that hospitals adopt standard accounting procedures, make full public disclosure of their finances, be paid on the basis of projected budget costs (rather than their real costs over the previous year) or be paid a flat rate per admission; these rates being fixed by the age, sex and diagnosis of the patient.

In future issues, we will publish pre-operation and post-operation lengths of stay by selected diagnosis and hospital and average lengths of stay by diagnosis. This information will be useful to estimate and control the total hospital bill for each admission.

EDWARD T. GLUCKMANN

Executive Vice President, Consumer Commission

"The emergence of active, participating, informed consumers in health affairs will mark the turning point in one of the most neglected areas in the consumer movement in the United States -- the \$83 billion health industry."

Edward Gluckmann, who holds this view, is Vice President of the Consumer Commission on the Accreditation of Health Services, the nation's first independent health consumer organization on health and hospital delivery services. Mr. Gluckmann is one of the country's leading spokesmen in the rapidly growing health consumer movement.

The Consumer Commission selected Mr. Gluckmann to head the consumer organization in 1972. Prior to his appointment as Executive Vice President of the Consumer Commission, Mr. Gluckmann played a leading role in the development of consumer councils in the Health Insurance Plan of Greater New York. At present, there are 27 HIP consumer councils in New York and Long Island.

Mr. Gluckmann served as the first Chairman of the Joint Consumer Council, the coordinating body of the consumer councils in HIP. Mr. Gluckmann is the current Chairman of the Queens Boulevard Consumer Council of the LaGuardia Medical Group, P.C. Mr. Gluckmann's organizational skills and contributions to the health consumer movement were recognized when he was selected to serve as consumer representative on the HIP Board of Directors. At the annual meeting of the HIP Board of Directors in May, 1973, Mr. Gluckmann was elected to serve on the Executive Committee of the Board.

Mr. Gluckmann was born in New York City in 1944 and received his undergraduate degree at City College. Mr. Gluckmann attended the Columbia University School of Public Health and Administrative Medicine and received a master's in health administration. He served a one year administrative residency at Long Island Jewish Medical Center and during his residency

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CONSUMER COMMISSION ON THE
ACCREDITATION OF HEALTH SERVICES INC.
4 West 58th Street
New York, N.Y. 10019

The Commission is proud to announce the election of Mr. T. Roland Berner, Chairman and President, Curtiss-Wright Corporation to our Board of Directors last June.

visited numerous health institutions and studied on-going health programs and medical facilities throughout New York State. Mr. Gluckmann served as Assistant to the Vice President, Case Operations and Hospital Relations, Associated Hospital Service of New York (Blue Cross) and later served as Assistant to the Vice President for Medical Affairs, the Health Insurance Plan of Greater New York.

In his position as Executive Vice President of the Consumer Commission, Mr. Gluckmann is responsible for developing research programs, publishing **Health**

Perspectives, visiting medical facilities and institutions and dealing directly with a large number of community agencies, government programs, health and welfare funds and other institutions that are large purchasers of health services.

Mr. Gluckmann is a strong advocate of the open dissemination of information on the \$83 billion health industry in the United States and strongly feels health consumers must do their "homework" in order to be active consumer participants in the field of health.

TABLE 1

Services covered and not covered by Blue Cross, Medicaid & Workmens Compensation Programs

BLUE CROSS - COVERED SERVICES

1. Bed and board, including special diets
2. General nursing service
3. Use of operating, cystoscopic and recovery rooms and equipment
4. Oxygen and use of equipment for administration thereof
5. Drugs and medications for use in the hospital which, at the time of admission to the hospital, are listed in the U.S. Pharmacopeia or National Formulary or are commercially available for purchase and readily obtainable by the hospital
6. Sera, biologicals, vaccines, intravenous preparations and visualizing dyes
7. Use of blood transfusion equipment, administration of blood or blood derivatives if administered by a salaried employee of the hospital
8. Dressings and plaster casts
9. Anesthesia supplies and use of anesthesia equipment; administration of anesthesia if administered by a salaried employee of the hospital
10. Use of physiotherapeutic and hydrotherapeutic equipment; physiotherapeutic and hydrotherapeutic treatments if rendered by a salaried employee of the hospital
11. Basal metabolic examinations
12. Use of cardiographic equipment
13. Laboratory examinations
14. X-ray examinations and therapy
15. Radium and radioactive substances

BLUE CROSS - NOT COVERED SERVICES

1. Blood, blood plasma or blood derivatives
2. Physician services
3. Private or special nurses

MEDICAID - COVERED SERVICES

All hospital services

MEDICAID - NOT COVERED SERVICES

None

WORKMENS COMPENSATION - COVERED SERVICES

1. Bed
2. Board
3. Routine nursing
4. Intensive care
5. Operating, plaster, cystoscopy, dental oral surgery, and oxygen rooms
6. Oxygen therapy machines and inhalation
7. X-rays and other radiologic services and therapy
8. Anesthesiology
9. Laboratory work
10. Physiotherapy
11. Dressings
12. Drugs
13. Crutches, mechanical splints and appliances
14. Blood banks including cost of blood and administering transfusions
15. Any and all other services and supplies furnished by the hospital and its various units

WORKMENS COMPENSATION - NOT COVERED SERVICES

1. Ambulance services
2. Special duty nurses
3. Cost of anesthesiology, physiotherapy, laboratory and radiology may be excluded from the per day rate. The costs of these services may be billed separately by their independent providers. If the costs of these services are excluded there is a notation next to the Workmens Compensation hospital rate in Table II.

*Standard Blue Cross Contract, variations may occur due to group contract provisions and riders.

TABLE 2

In patient per day reimbursement rates made to hospitals in New York City, Nassau & Westchester counties by Blue Cross, Medicaid and Workmen's Compensation

NEW YORK CITY

HOSPITAL	BLUE CROSS	MEDICAID	WORKMEN'S COMPENSATION*
Adelphi	\$ 85.18	\$ 94.70	\$ 92.00 †
Astoria General	90.56	92.31	102.00 †
Bay Ridge	92.72	93.32	104.00 † ‡
Beekman-Downtown	109.24	113.40	135.00 †
Bellevue	111.24	129.62	143.00
Beth Israel	164.94	167.86	192.00 †
Bird S. Coler	111.24	129.62	71.00
Booth Memorial	117.86	125.75	141.00 †
Boulevard	88.64	89.50	94.00 †
Bronx-Lebanon Hospital Center			
Fulton Division	129.68	138.90	150.00 †
Concourse Division	129.68	138.90	150.00 †
Bronx Eye Infirmary Division	87.34	93.42	150.00 †
Bronx Municipal	111.24	129.62	143.00
Brookdale	163.36	162.78	185.00 †
Brooklyn Eye and Ear	114.08	114.85	141.00 †
Brooklyn-Cumberland Medical Center			
Brooklyn Hospital	132.84	137.07	161.00 †
Cumberland Hospital	111.24	129.62	143.00
Brooklyn Women's	111.14	136.89	130.00 †
Caledonian	90.08	89.79	96.00 †
Catholic Medical Center of Brooklyn & Queens			
Hospital of the Holy Family	130.96	142.03	165.00
Mary Immaculate	130.96	142.03	165.00
St. Mary's	130.96	142.03	165.00
St. John's-Queens	130.96	142.03	165.00
City Hospital-Elmhurst	111.24	129.62	143.00
Columbus	103.98	113.07	135.00 †
Community Hospital of Brooklyn	96.00	93.08	105.00 †
Coney Island	111.24	129.62	143.00
Deepdale	88.46	89.40	94.00 † ‡
Doctors-New York	117.92	119.11	149.00 †
Doctors- Staten Island	89.94	90.61	103.00 †
Flatbush General	91.30	94.43	104.00 † ‡
Flower & Fifth Avenue	155.46	166.43	198.00
Flushing	111.56	111.75	122.00 †
Fordham	111.24	129.62	143.00
Francis Delafield	111.24	129.62	143.00
French & Polyclinic Hospitals	106.52	111.14	135.00 †
Goldwater	111.24	129.62	71.00

HOSPITAL	BLUE CROSS	MEDICAID	WORKMEN'S COMPENSATION*
Gracie Square	\$ 102.14	\$ 88.51	\$ 103.00
Greenpoint	111.24	129.62	143.00
Harlem	111.24	129.62	143.00
Health and Hospital Corporation (New York City Municipal Hospitals)			
Hillcrest General	99.18	99.79	106.00 †
Hospital for Joint Diseases	134.08	133.20	149.00 †
Hospital for Special Surgery	150.16	153.89	172.00 †
Hospital of the Holy Family	130.96	142.03	165.00
House of St. Giles the Cripple	64.78	65.50	70.00
Interboro General	98.26	102.29	133.00 †
Italian	87.92	86.55	101.00 †
Jamaica	115.34	121.33	144.00 †
Jewish Hospital	111.96	110.54	125.00 †
Jewish Memorial Hospital	121.98	122.00	145.00 †
Kew Gardens General	109.68	107.42	121.00 † ‡
Kings County	111.24	129.62	143.00
Kings Highway	96.88	97.42	116.00 †
Kingsbrook Jewish	130.18	140.87	155.00 †
Knickerbocker	82.78	98.86	105.00 †
LaGuardia	124.68	117.81	125.00 †
Lefferts General	89.74	98.22	101.00 † ‡
Lenox Hill	162.16	165.62	206.00 †
LeRoy	104.58	109.68	122.00 †
Lincoln	111.24	129.62	143.00
Linden General	73.00	80.14	81.00 †
Long Island College			
Main Division	131.64	137.86	162.00 †
Prospect Heights Division	131.64	137.86	162.00 †
Long Island Jewish-Hillside			
Medical Center	168.82	164.96	187.00 †
South Shore Division	117.04	122.30	136.00
Lutheran Hospital	95.08	103.85	116.00 †
Lutheran Medical Center	111.36	109.96	132.00 †
Madison Avenue	96.42	107.08	136.00 †
Maimonides	138.12	147.55	172.00 †
Manhattan Eye, Ear & Throat	119.94	115.55	139.00 †
Mary Immaculate	130.96	142.03	165.00
Medical Arts	99.30	103.85	110.00 † ‡
Memorial Hospital for Cancer and Allied Diseases	230.08	226.89	230.00
Methodist Hospital-Brooklyn			
Main Division	128.62	133.90	154.00 †
Carson C. Peck	128.62	133.90	154.00 †

(All City Hospitals
are underscored)

BLUE CROSS RATES EFFECTIVE 1/1/73 TO 12/31/73 - MEDICAID RATES EFFECTIVE UNTIL 12/31/73
WORKMENS COMPENSATION EFFECTIVE 7/1/73 TO 6/30/74

New York City Continued

HOSPITAL	BLUE CROSS	MEDICAID	WORKMEN'S COMPENSATION*
<u>Metropolitan</u>	111.24	129.62	143.00
Midtown	93.32	93.54	105.00 †
Midwood	91.16	92.58	104.00 † ‡
Misericordia	114.70	114.30	133.00 †
Montefiore Main Division	180.90	177.44	212.00 †
Albert Einstein Division	180.90	177.44	212.00 †
<u>Morrisania</u>	111.24	129.62	143.00
Mount Eden General	89.70	105.39	98.00 † ‡
Mount Sinai	165.94	167.35	202.00 †
New York Eye & Ear Infirmary	107.68	105.09	125.00 †
New York Hospital	175.00	166.61	204.00 †
New York Infirmary	114.44	121.53	135.00 †
Nine East 91st Street	102.08	114.20	132.00 †
Park East	101.26	98.97	91.00 † ‡
Park West	88.22	No Rate	94.00 † ‡
Parkchester General	84.34	90.47	99.00 † ‡
Parkway	105.34	105.26	116.00 † ‡
Parsons	85.26	86.45	89.00 † ‡
Pelham Bay General	89.56	95.45	99.00 † ‡
Peninsular	121.56	114.71	147.00 †
Physicians	96.58	78.95	99.00 †
Presbyterian	146.18	143.57	164.00
Prospect	87.82	87.51	98.00 †
<u>Queens Hospital Center</u>	111.24	129.62	143.00
Richmond Memorial	71.68	73.96	78.00 †
Roosevelt	146.22	149.69	168.00
Royal	98.74	100.39	109.00 †
Samaritan	92.70	93.65	104.00 †
<u>Sea View</u>	111.24	129.62	143.00
South Shore	117.04	122.30	136.00
St. Barnabas for Chronic Diseases	126.92	90.70	105.00 †
St. Clare's Main Division	103.72	110.95	119.00 †
St. Elizabeth Division	103.72	110.95	119.00 †
St. John's Episcopal	101.48	107.36	117.00 †
St. John's-Queens	130.96	142.03	165.00
St. Luke's	154.28	151.91	169.00 †
St. Mary's	130.96	142.03	165.00
St. Vincent's-New York	138.12	141.92	170.00 †
St. Vincent's-Staten Island	108.56	113.24	133.00 †
State University Hospital- Downstate Medical Center	138.36	160.33	226.00 †
Staten Island	108.48	105.89	122.00 †
Swedish	75.60	64.31	89.00 †
<u>Sydenham</u>	111.24	129.62	143.00
Terrace Heights	81.90	85.61	88.00 †
Trafalgar	98.98	97.10	105.00 †
Union	89.08	89.37	103.00 †
Unity	94.56	99.01	116.00 † ‡
University Heights	91.38	79.61	97.00 † ‡
University (New York University Medical Center)	182.02	172.66	212.00 †
Victory Memorial	76.32	79.27	81.00 †
Wadsworth	91.24	87.10	107.00 †
Westchester Square	81.10	86.34	93.00 † ‡
Whitestone General	90.02	91.59	94.00 †
Williamsburgh General	95.28	96.52	107.00 † ‡
Wyckoff Heights	103.44	105.80	127.00 †

WESTCHESTER COUNTY

HOSPITAL	BLUE CROSS	MEDICAID	WORKMEN'S COMPENSATION*
Cross County	\$74.26	\$77.65	\$82.00 †
Dobbs Ferry	88.24	79.89	110.00 †
Grasslands	**	129.30	188.00
Lawrence	101.44	103.63	115.00 †
Mount Vernon	92.72	92.11	107.00 †
New Rochelle	112.42	115.07	132.00 †
Northern Westchester	103.74	100.80	109.00 †
Peekskill	93.12	88.83	102.00 † ‡
Phelps Memorial	112.16	104.50	134.00 †
St. Agnes	105.78	103.48	130.00 † ‡
St. John's Riverside	112.98	113.61	120.00 †
St. Joseph's-Yonkers	98.06	98.92	116.00
United	102.72	102.17	115.00 †
White Plains	99.74	102.74	118.00 †
Yonkers General	96.90	97.84	119.00 †
Yonkers Professional	80.82	103.41	91.00 †

**1973 rate has not been established

NASSAU COUNTY

HOSPITAL	BLUE CROSS	MEDICAID	WORKMEN'S COMPENSATION*
Central General	\$102.96	\$104.29	\$123.00 †
Community Hospital- Glen Cove	120.84	118.57	137.00 †
Doctors Hospital-Freeport	99.04	99.04	109.00 † ‡
Franklin General	103.00	101.94	115.00 †
Hempstead General	102.22	99.48	120.00 †
Long Beach Memorial	111.48	107.38	126.00 †
Long Island Doctors	64.10	58.41	67.00 † ‡
Manhasset Medical Center	112.18	106.32	115.00 † ‡
Massapequa General	101.98	102.92	108.00 † ‡
Mercy	112.54	113.88	122.00 †
Mid Island	104.04	103.03	118.00 † ‡
Nassau County Medical Center	109.44	142.30	173.00
Nassau Hospital	107.72	104.89	122.00 †
North Shore	136.22	130.58	157.00 †
St. Francis	163.48	136.84	175.00 †
South Nassau Communities	106.64	110.70	134.00 †
Syosset	111.30	106.14	123.00 †

New York City Municipal Hospitals are underscored

*Where noted, the costs of (†) anesthesiology and/or (‡) physiotherapy have been excluded from the Workmens Compensation per day rate. The costs of these services may be billed for separately by their independent providers.

BLUE CROSS RATES EFFECTIVE 1/1/73 TO 12/31/73
 MEDICAID RATES EFFECTIVE UNTIL 12/31/73
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