

EXPANDING ACCESS, IMPROVING OUTCOMES

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# THE ESSENTIAL ROLE OF PRIMARY CARE



Healthcare Association  
of New York State

MARCH 2009

**44 MILLION**  
hospital *outpatient*  
visits in 2006

**2.6 MILLION**  
*inpatient stays*

## INTRODUCTION

**T**he Healthcare Association of New York State (HANYS) is a strong supporter of enhancing access to primary care in New York State. Primary care can reduce unnecessary hospitalizations, help eliminate health disparities based on race and ethnicity, and reduce complications due to chronic illness.

In 2006, hospitals provided more than 44 million outpatient visits, including care in outpatient clinics, ambulatory surgery centers, referred ambulatory, and emergency departments—compared to 2.6 million inpatient stays. Still, our hospital emergency rooms continue to care for far too many patients who have non-emergent conditions that could be more effectively treated elsewhere, while other patients feel forced to delay their care until their conditions worsen to the point where they need inpatient care.

Yet, our current payment systems, both public and commercial, undervalue primary care and the non-clinical, supportive services that help patients lead healthier lives.

Of course, the increased number of uninsured may exacerbate access problems at all levels of care. People without health insurance tend to be sicker, die younger, and lack a consistent physician.

New York's hospitals and health systems support current efforts to increase investment in primary care. The availability of significant federal Medicaid relief in the economic stimulus package makes that investment achievable.

HANYS has been working with stakeholders for years to support primary care reform that would broaden access to primary care, build partnerships that encourage efficiency, and ensure that providers are reimbursed for the true costs of care provided, especially safety net services such as care for Medicaid beneficiaries or those with no insurance.

For example:

- HANYS backs efforts to encourage public and private payers to support “medical homes” for all New Yorkers by compensating providers who truly coordinate and manage the care for their patients.
- HANYS supports the development of efficient, effective models of care coordination that emphasize primary care. Providers serving on the front lines of health care should be supported and encouraged to create local partnerships and systems to best meet the needs of patients. Public and

private payers should recognize the costs of clinical care and other supportive services to make a comprehensive, coordinated care model a sustainable reality.

- HANYS supported an across-the-board reduction in inpatient Medicaid payments in 2008 to allow a comparable increase in hospital-based clinic rates that had not been increased in more than 15 years, and for increases in emergency department and ambulatory surgery rates.
- In 2008, HANYS supported an investment in Medicaid physician fees; primary care physicians had been paid just \$30 per visit for years.
- HANYS supported a major change in payment mechanisms for ambulatory care in 2008 called Ambulatory Patient Groups (APGs), which bundle payments to account for differences in patient condition and services provided. This major change affects not only hospital-based ambulatory care but also community health centers.

## WHY HOSPITALS AND HEALTH SYSTEMS SUPPORT PRIMARY CARE



Hospitals and health systems in New York State offer primary care services in their communities, often at a financial loss, because they understand the importance of this kind of care. They know that primary care leads to better patient outcomes, more efficient use of health care resources, and healthier communities.

Primary care is common sense: identifying and treating diseases and medical conditions early means better patient outcomes and fewer hospitalizations. That is why New York's hospitals and health systems support the expansion of access to primary care.

Hospitals also have a stake in a renewed investment in primary care simply because they are major providers of primary care and wellness programs. Especially in under-served urban and rural communities, hospitals have stepped in to employ primary care physicians, physician assistants, and nurse practitioners to ensure access to these services for all patients, including Medicaid recipients.

Hospitals are providers of millions of primary care visits each year through their school-based health clinics, mobile health and dental vans, outreach to senior centers, and affiliated community health centers. Patients have grown to depend on these services, while they may not even know the practitioners caring for them are employed by or supported by the local hospital.



- **Hospitals and health systems are major providers of primary care, especially for Medicaid and uninsured populations.**
- **We support investing in primary care.**
- **However, because inpatient revenue subsidizes primary care, the net impact of the Governor's budget cuts and taxes will be a loss for hospitals and health systems, which will be forced to curtail primary care.**

According to a 2007 report by the Primary Care Development Corporation, half of full-time primary care physicians in private practice in New York serve virtually no Medicaid patients and three-quarters serve virtually no uninsured patients. Those patients rely on hospitals and their affiliated clinics for their care.

Hospitals have committed to primary care despite the financial drain on their operations, losing billions of dollars on this care. Hospitals currently lose more than \$2 billion annually on the delivery of Medicaid outpatient services. Clearly, primary and other outpatient care services need investment.

## HOSPITALS ARE MAJOR PROVIDERS OF OUTPATIENT CARE

Hospitals are major providers of outpatient care in New York State. While hospitals are viewed as primarily providers of inpatient care, the fact is that the volume of outpatient visits outweighs inpatient admissions nearly 17-fold.

Hospitals in under-served urban and rural areas of the state are often the only source of primary care to the communities they serve. These hospitals are the hubs for health care services and form the safety net for those communities. Although in many cases those hospitals are the sole providers of care for Medicaid beneficiaries and uninsured patients, they face the toughest challenges in recruiting practitioners. In its efforts to expand primary care, New York State must better recognize this fact.

## NEED FOR PRIMARY CARE AND PRIMARY CARE PRACTITIONERS

More than 4.4 million of New York's citizens rely on the Medicaid program for their health services. The current economic recession will force those numbers to grow. In fact, New York State projects growth in coverage and enrollment in the 2009-2010 fiscal year will create a 4.6% increase in costs to the Medicaid system.

As the proportion of New York's population suffering from chronic illnesses increases, the demand for primary care will also increase. The need to create medical homes for these patients, where their overall care needs can be managed, is critical. However, primary care physician supply and funding support are inadequate to meet this growing need.

**73%**  
reported a shortage  
of primary care  
physicians in 2008  
compared to  
**61%**  
in 2007

Source: HANYS' 2008 Physician Advocacy Survey



The supply of primary care physicians is declining. General practitioners are retiring or nearing retirement in many New York communities, especially in rural areas. Fewer medical students are choosing the primary care field because specialty fields can be more lucrative and offer a better quality of life compared to the long hours that primary care physicians work.

In fact, according to HANYS' 2008 Physician Advocacy Survey, the need for primary care has grown. Seventy-three percent of respondents indicated a shortage of primary care physicians, compared to 61% in the previous year. Respondents to HANYS' survey indicated a need for more than 1,400 physicians, with nearly 40% of that need in primary care.

The difficulty in recruiting primary care practitioners in New York, particularly to non-metropolitan areas, is worsening. Incentives are limited in New York State and practice in other areas of the country can be more attractive. While the Doctors Across New York loan forgiveness and practice support grants are steps in the right direction, New York must create more incentives to attract the number of primary care practitioners required to meet the needs of the state's residents. In many communities across the state today, it is impossible to attract new primary care practitioners unless they are employed by local hospitals. Employment by hospitals also ensures those practitioners will provide care to Medicaid recipients. This fact is largely unrecognized outside the hospital community.

## CUTS TO HOSPITAL REIMBURSEMENT UNDERMINE PRIMARY CARE

Governor Paterson proposes to cut hospital inpatient reimbursement and shift only a portion of those funds to pay for outpatient services. Hospitals have been forced for many years to subsidize outpatient service losses. They have done this by taking revenue from more profitable service areas and funneling it into outpatient services. The Governor's proposed budget would significantly reduce funds available to support outpatient services, even at current levels. The Governor's proposal would result in the curtailment of outpatient services.

The Governor's proposal assumes that investment today in outpatient care will reduce the need for inpatient care. It will take years for the results of outpatient investment to produce substantial returns through reduction in demand for inpatient services. That is a reality that Governor Paterson and legislators must recognize. The level of inpatient services must be maintained to meet current needs, and primary care practitioners must be developed, recruited, and retained.

Additional investment must be made in primary and outpatient services, but not cuts to inpatient services.

## SEIZE TODAY'S OPPORTUNITY TO CREATE LASTING REFORM

In 2008, HANYS was an active participant in efforts to redesign the way ambulatory care is provided in New York. The association participated in extensive education efforts to transition to the new APG payment system, which bundles Medicaid payments for outpatient visits, moving New York away from the archaic system that paid one rate for an outpatient visit, regardless of the array of services provided. HANYS also supported other payment reform that shifted Medicaid dollars from the inpatient setting to invest in emergency department care and physician fees.



This year, with the billions of additional federal Medicaid matching dollars coming to New York as a result of the national stimulus legislation, more than enough money will be available to eliminate the Governor's proposed budget cuts to health care and to reinvest in primary care and outpatient reform.

The increase in Medicaid funds from Washington must be used to offset the Governor's proposed Medicaid cuts and taxes on health care providers and to make the needed investments in the health care system.

The amount of federal relief is four times the amount needed to reject all of the Governor's proposed cuts, taxes, and redistributions of funding on health care providers. Federal relief funds from the stimulus package extend beyond one year. The increase is for 27 months and is retroactive to October 2008.

To improve access to primary care in New York, the state must take advantage of the opportunity provided by the federal Medicaid stimulus funding. Hospitals and health systems are already leaders in the provision of primary and outpatient care. These federal funds should be used to continue to support those efforts and to provide adequate reimbursement needed to properly reform outpatient service payment to allow it to thrive and grow to meet increasing primary care needs.

In addition to eliminating the Governor's proposed cuts, the federal funds should be invested in health care reform and improvement initiatives, including efforts to enhance primary care for all New Yorkers.

The federal stimulus funding offers a unique opportunity to enact meaningful reform of primary care in New York State. This starts with proper provider reimbursement, but must also include measures to assist with practitioner recruitment in under-served areas, developing better models of coordinated care, clinical integration, and removing the barriers to partnerships that drive innovation and efficiency in care delivery.

# WE ARE MORE THAN JUST TALK . . . WE ARE ON THE FRONT LINES OF PRIMARY CARE

*Examples of New York Hospital and Health System Leadership in Community-Based Primary Care and Prevention*

## Every hospital and health system in the state offers services such as these.

**Glens Falls Hospital** is expected to provide 165,000 primary care visits in 2009. The facility's outpatient care services constitute more than 50% of its revenue. The hospital employs many providers to ensure the availability of primary care throughout the region, where an acute care hospital recently closed.



**Lutheran Medical Center's School Health Program** consists of 14 school-based health centers (SBHCs) throughout Brooklyn. As of October 2007, the program's enrollment was 8,425 students. SBHCs provide comprehensive care, from acute care for those with chronic illness to primary care for those students without insurance and/or no other medical home. Immunizations, physical examinations, dental screenings, lead testing, health education, and mental health counseling are also provided. All services are offered at no direct cost to the students. This program has lessened the burden on area emergency rooms and reduced the need for parents to miss work and for children to miss school.

**Our Lady of Mercy Medical Center's Reaching Out** program provides access to free screenings and educational materials to improve community health in the Bronx. More than 9,500 residents have participated in *Reaching Out* initiatives, with 4,800 people participating in cholesterol, glucose, blood pressure, and cancer screenings. More than 850 received follow-up care because of the screenings, while more than 300 influenza shots were provided free of charge.

**Woodhull Medical and Mental Health Center's Geriatric Outreach Program** collaborates with community-based senior citizen centers and senior housing complexes in Brooklyn to provide health education, prevention, and psychological/social support to the elderly in comfortable and familiar surroundings. The program has conducted 95 health screening events, serving 7,440 seniors since 2004. More than 1,250 seniors have been referred to follow-up care and connected to a primary care provider. During the same period, the *Geriatric Outreach Program* provided 409 workshops and presentations, serving 17,031 seniors.

Social work home assessments resulted in increased adherence to initial outpatient follow-up care and ongoing adherence with primary care visits.

**Mount St. Mary's Hospital** provides a *Health Ministry* program at the Heart and Soul Food Pantry/Soup Kitchen in Niagara Falls. The program serves an average of 150 people each day. Many of the clients are uninsured or under-insured. Clients receive a health screening, are assessed by a nurse, and follow-up referrals are made for appropriate care. The program is part of one of the hospital's strategic goals: "Health Care That Leaves No One Behind."

**Rochester General Hospital's** Clinton Family Health Center, located in a predominantly Hispanic area of the northeast section of Rochester, redesigned its delivery system to address the enormous obstacles that residents of this area face, including poor health. The redesign involved five major areas of change over a two-year period: team formation, open access, instituting a chronic care model, group medical visits, and data tracking. The redesign increased the "show rate" for scheduled appointments from 50% to above 95%, decreased all emergency room visits by 24%, and decreased the number of patients going to the emergency room for non-urgent care by 30%.

**Champlain Valley Physicians Hospital Medical Center**, as part of the *North Country Diabetes Project*, established a formal American Diabetes Association-recognized education program to address poor health outcomes and decreased quality of life. The medical center serves a rural, medically under-served community with high rates of diabetes diagnosis, complications, and hospitalization. Through a formal diabetes education program and outreach activities, measurable health care outcomes and quality-of-life indicators improved for the 136 participants.

**Catholic Health System** in Western New York has established the *CHAMP (Choosing Healthy Activities Through Mentoring and Play)* program to focus on the prevention of childhood obesity.



The program provides services in schools to stimulate better nutrition, promote exercise and physical activity, and improve self-esteem. The program started with children in grades six through eight and was recently expanded with a pre-*CHAMP* segment for children in the third, fourth, and fifth grades.

The *Leading, Integrating, Networking for Kids (LINK)* collaborative at **St. Joseph's Hospital Health Center** in Syracuse is a children's mental health program housed within a local school district through which St. Joseph's provides clinical services including group therapy, family therapy, case management, psychopharmacology, planning with school personnel, and crisis management. Non-clinical activities such as basketball, arts and crafts, music lessons, and field trips help to build relationships that reduce the stigma involved with participation in mental health activities. The Central New York community has a dearth of certified children's mental health counselors and professionals. The *LINK* program grew 650% during its first six years; more than 60 families now participate. St. Joseph's is in the process of opening a second *LINK* location.



The **St. Peter's Hospital Dental Program** improves access to oral care and treatment for the poor, disabled, elderly, and under-served populations in the Albany area. Operating two dental clinics and a Ronald McDonald Care Mobile van serving inner-city children, the *Dental Program* works collaboratively with other community organizations, filling gaps and enhancing the work of others dedicated to improving the health and well-being of patients. The program also provides dental services to residents of two skilled nursing facilities, accounting for more than 1,200 visits annually to a frail, elderly population.

**South Nassau Communities Hospital's Heart Outreach Study Tract (HOST)** program increases access to care and raises awareness about cardiac disease and prevention among residents in the hospital's medically under-served communities. Educational sessions are held for knowledge and understanding of cardiac risk factors and prevention.



Last year, all of the nearly 200 at-risk participants were tested before and after the educational session, and participants demonstrated a 24% gain in their understanding of cardiac prevention measures. Participants also attend a community cardiac risk factor screening, which includes blood pressure, body mass index, weight, cholesterol, and a personal risk assess-

ment with a physician. Patients with elevated risk factors are referred to "Level II" screenings, which include electrocardiogram, cholesterol and blood glucose levels, and a medical examination.

*Baby Love* is a community-based outreach program of the **University of Rochester Medical Center's Strong Memorial Hospital** that is designed to engage at-risk women in early and continuous prenatal care. *Baby Love* is a home visit program designed to reduce infant mortality, premature births, and low birth weight rates, and foster care placement in poor inner-city neighborhoods. Recent evaluation of the program revealed that high-risk pregnant mothers who participated in the program had significantly fewer neonatal intensive care admissions for their babies.

**Orange Regional Medical Center's Healthy Heart** program was created to increase awareness of heart disease and improve the cardiac health of the community through education, prevention, and improved access to health care services. The program provides free cardiac screenings for under-served, low-income and minority residents and focuses on increasing the availability of both primary and specialty cardiac services in the region. Since its inception in April 2005, the *Healthy Heart* program has screened more than 2,000 community members. The program holds a 25% follow-up rate to support participants in their goals and health improvement.



**Little Falls Hospital's Healthy Women's Program** provides preventive health screenings to women with little or no insurance coverage. The screenings cover important women's health concerns including breast examinations, mammography, pap smears, and instruction on doing breast self-exams. The hospital's enhanced charity care program makes available free follow-up care to those in financial need. The hospital also offers numerous free programs at schools to reduce the rates of teen pregnancy and to encourage early prenatal care for pregnant teens to reduce infant mortality.

**Morgan Stanley Children's Hospital of the NewYork-Presbyterian/Columbia University Medical Center**, in collaboration with the Division of Community Pediatrics of Columbia University, launched the *Healthy Schools Healthy Families* initiative in 2004 to reach medically under-served children in northern Manhattan. The program serves nearly 5,000 children in seven elementary schools in Washington Heights, West Harlem, and East Harlem. The school-based program partners health professionals with school staff and community organ-



izations to assess the needs of children and families. The program seeks to cultivate healthy lifestyle behaviors, including physical fitness, good nutrition, and regular doctor visits among school children and their families. The program helps to improve the health of children by facilitating access to preventive, primary, and specialty care; health insurance; and social services.

**Winthrop-University Hospital** on Long Island leads the *Partnership for Healthy Moms and Babies*, which involves community and faith-based organizations in programs to eliminate disparities in birth outcomes for Hispanic women in medically under-served communities impacted by higher rates of many diseases, who must cope with adverse social and economic conditions. During this three-year program, 175 prenatal education classes were held in the community and the average test score increased from 49% before the class to 87% after the class. The Partnership also held 243 facilitated enrollment events, during which 1,354 people were assisted in obtaining health insurance coverage.

To promote heart health, **Lockport Memorial Hospital** and **Inter-Community Memorial Hospital** collaborate to provide free lipid profile screening to the community. The annual program is promoted throughout the community and conducted over a three-day period, including a Saturday to accommodate those unavailable during the workweek. The program helps increase awareness of the factors contributing to heart disease, identifies people at risk, and makes preventive services available to the uninsured and under-insured.

The *Convenience Care* mobile health program sponsored by **Catholic Health System** brings primary care services to the neighborhoods of Buffalo and Western New York. For many families, transportation is often a barrier to obtaining health care services. Using a mobile health van with two examination rooms, *Convenience Care* is staffed by a nurse practitioner or physician assistant and a registered nurse who offer physicals and health education free of charge to the uninsured. *Convenience Care* is frequently requested by church groups and community centers to help the growing number of under-served. The program also provides information on low-cost or no-cost insurance options for children and families.



The *Wellness Center* at **Kings County Hospital Center** in Brooklyn is a hospital-based fitness center that provides patients with free, supervised programs of exercise training. The center targets diabetics and those suffering from the insulin-resistance syndrome and its related comorbidities, as well as overweight and obese adolescents. The goals of the center include limiting the progression of disease severity, increasing functional capacity, reducing risk factors for cardiovascular disease, and encouraging individuals to lead a more physically active lifestyle. The *Wellness Center* recorded 3,400 patient visits in one year alone.

**Unity Health System's Rochester Health Start Center** facilitates a comprehensive, integrated array of services for pregnant and/or parenting women and their children through a single point of access in a culturally sensitive and family-oriented setting. Ongoing community involvement and provider commitment have made the *Center* successful in improving birth outcomes for participants and reducing disparities in birth outcomes for women of color, including fewer pre-term births and very low birth weight babies.



**Nyack Hospital** and the Rockland County Breast Health Partnership have a community outreach program that promotes comprehensive education, screening, diagnosis, and treatment for breast and cervical cancer at no cost to women who are uninsured or under-insured. The program screened more than 1,300 women in each of the last two years. Through the program, 87% of the people screened who needed further care received clinical follow-up.

**HEALTHCARE ASSOCIATION OF NEW YORK STATE**

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