Testimony of the United Hospital Fund to the Council of the City of New York, Committee on Hospitals: Oversight — Examining the Status of "One New York: Health Care for Our Neighborhoods": What Progress Has Been Made and What Challenges Lie Ahead?

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The United Hospital Fund (UHF) is an independent nonprofit organization dedicated to building a more effective health care system for every New Yorker. Since 1879 UHF has helped solve vexing problems in the health care system, collaborated on addressing critical health care issues facing New York, and along the way facilitated the creation of many of the organizations and institutions that today help define the city's health care landscape. Our current priorities include promoting quality and efficiency in a changing health care delivery system; ensuring universal, affordable and comprehensive access to coverage and health care services; and fostering collaboration between the health care delivery system and community-based social services to improve health and well-being.

We thank the Council for the opportunity to testify. UHF has always been concerned with the sustainability of the health care safety net, all the way back to our original roots organizing charitable support for voluntary, nonprofit hospitals in New York City. A thriving NYC Health + Hospitals (H+H) is vital to the overall success of the health care delivery system in New York. However, due to federal, state, and local pressures, as well as the rapidly changing health care environment, H+H is currently facing one of the most challenging times in its history. UHF's recent work in Medicaid, health insurance, primary care transformation, quality improvement, and clinical-community partnerships provides unique insights for the Council to consider as it assesses the issues *One New York Health* was designed to address.

The Changing Landscape of Coverage and Access

More New Yorkers have health insurance now than ever before due to the Affordable Care Act, but there are still more than one million uninsured across the state, a large majority of which reside in New York City. Theoretically, the growth in coverage should have been a boon for H+H, increasing the number of patients served that have insurance, thereby reducing the amount of charity care and associated uncompensated costs. However, because Medicaid hospital

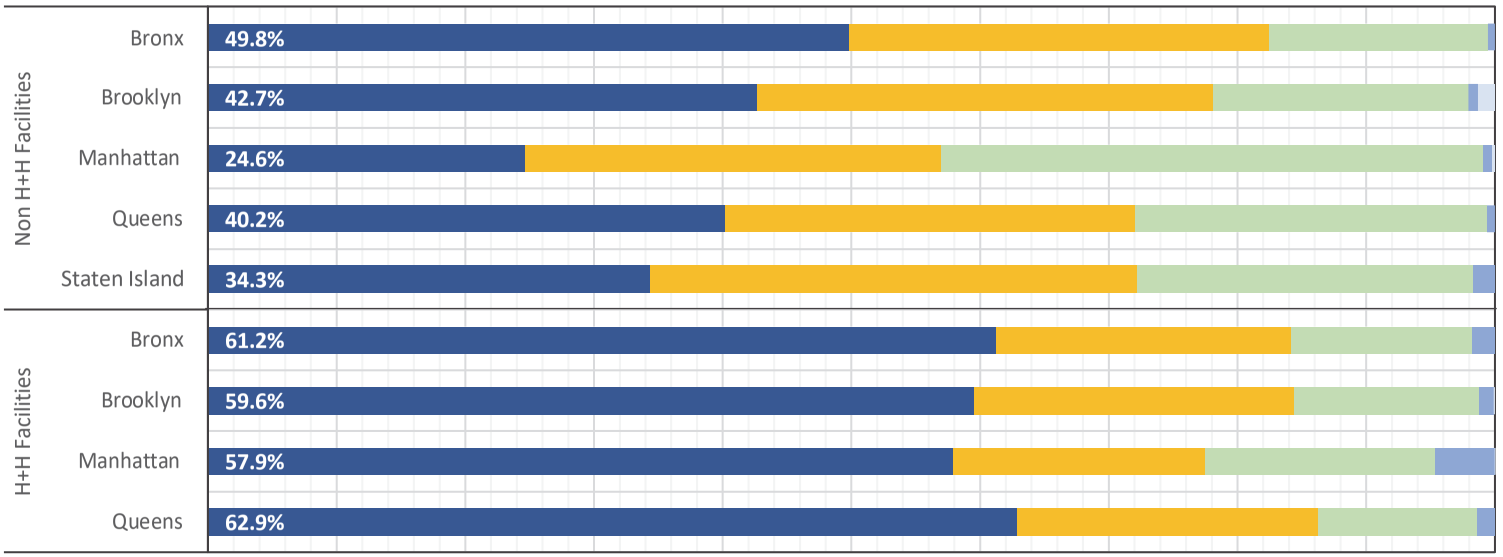
reimbursements do not fully cover the cost of providing those services, an increase in Medicaid payer-mix alone would be insufficient even with reduced uncompensated care costs. The data suggests this is what has happened at H+H.

UHF analyzed the payer-mix of hospital discharges at H+H facilities compared with all other hospitals in the city. The 2016 data presented in Figure 1 below show that a much higher percentage of discharges at H+H facilities were covered by Medicaid than at other hospitals across the city. The difference in Manhattan was particularly stark, with Medicaid making up 57.9 percent of discharges at H+H hospitals compared with 24.6 percent at all other Manhattan hospitals. When comparing 2016 discharges by payer for H+H facilities with the same data from 2013 (not shown) in all boroughs, the percentage of discharges covered by Medicaid increased for H+H hospitals while the percentage of discharges covered by commercial insurance decreased. Despite the overall decrease in the number of uninsured New Yorkers (which did decrease the uncompensated care represented in the "other" category for H+H between 2013 and 2016), the overall payer-mix and high percentage of Medicaid patients remains a fiscal challenge for the system.

Part of the strategy for *One New York Health* is to enroll eligible individuals in coverage when they touch the H+H system. Through UHF's work with H+H on its Options charity care program,[1] we know that the historical connection of patients to coverage has varied greatly across H+H facilities. While there is likely still room for improvement enrolling eligible patients in coverage, most of this enrollment would be in Medicaid, so these efforts alone are unlikely to turn the financial tide for H+H. Increasing the number of Medicare and commercially insured patients that choose H+H facilities may be a valid future goal, but achieving that goal is likely dependent on the success of many other strategies elucidated in *One New York Health.*

[1] H+H Options is a payment plan to help individuals and families who have no other health insurance options, reducing fees to an affordable amount based on family size and annual income. In 2015 and 2016, UHF provided grant funding to H+H to assess and consider opportunities for improving H+H Options. Throughout the grant period, UHF was engaged in helping H+H understand its current Options program, uninsured utilization, and costs. During the process it became clear that efforts to connect patients with available coverage and the Options program varied across H+H facilities. UHF has not followed any process improvements made by H+H as a result of our grant-funded work that may have improved enrollment in available coverage since 2016. The decrease in "other" payers (mostly uninsured) between 2013 and 2016 could be a combination of H+H operational improvements and broader coverage outreach associated with the Affordable Care Act.

Figure 1. Inpatient Discharge Payer Mix for H+H Facilities versus Non-H+H Facilities by New York City Borough, 2016



	H+H Facilities				Non H+H Facilities				
	Queens	Manhattan	Brooklyn	Bronx	Staten Island	Queens	Manhattan	Brooklyn	Bronx
Medicaid	62.86%	57.93%	59.56%	61.21%	34.35%	40.15%	24.63%	42.69%	49.83%
Medicare	23.39%	19.54%	24.85%	22.99%	37.85%	31.94%	32.39%	35.42%	32.64%
Commercial	12.38%	17.90%	14.42%	14.08%	26.11%	27.29%	42.08%	19.84%	17.01%
Other	1.37%	4.63%	1.10%	1.72%	1.68%	0.61%	0.76%	0.73%	0.52%
Unknown	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.14%	1.32%	0.00%

Percent of Inpatient Discharges per Payer

Source: UHF Analysis of All Payer Hospital Inpatient Discharges by Facility (SPARCS De-Identified): Beginning 2009. Accessed February 20, 2018: https://health.data.ny.gov/Health/All-Payer-Hospital-Inpatient-Discharges-by-Facilit/ivw2-k53g/data

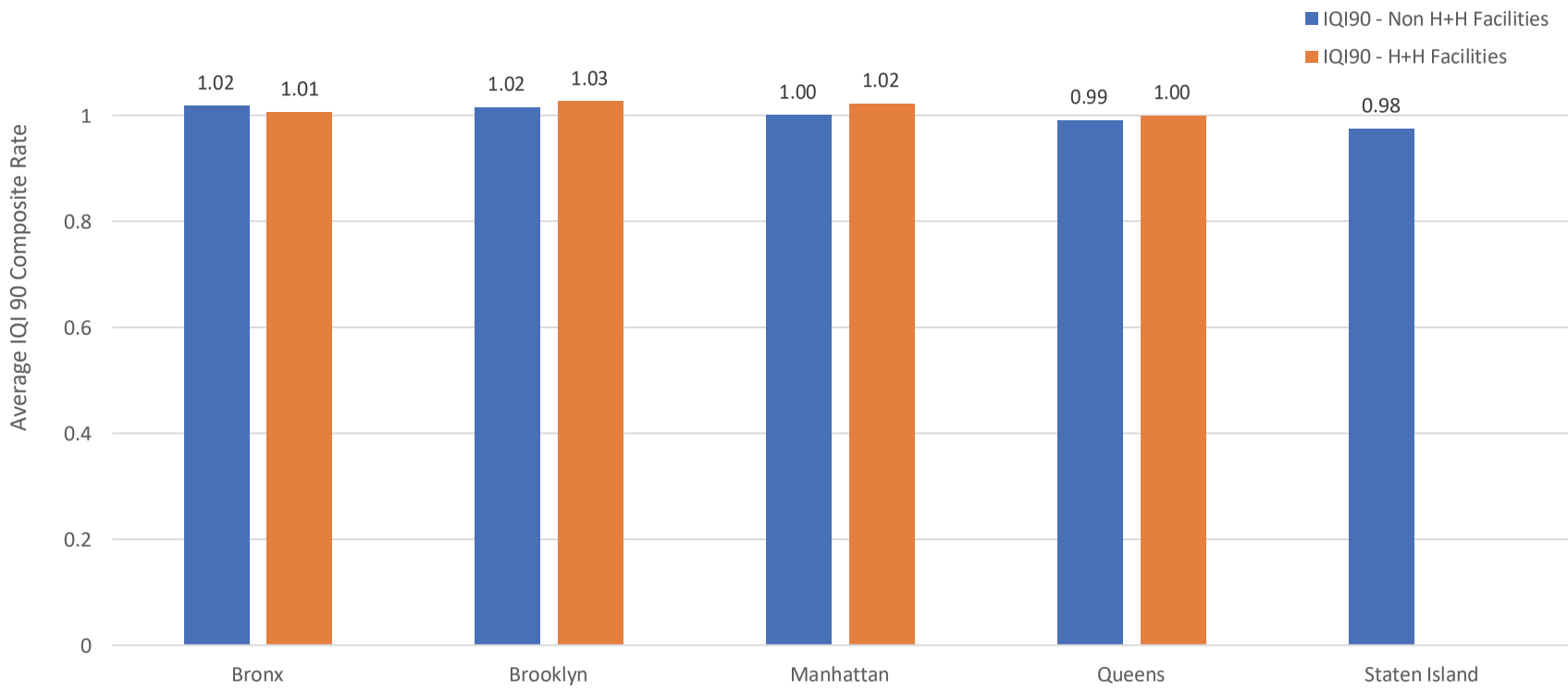
On the H+H as insurer side, there are also pressures making it difficult to deliver on the *One New York Health* strategy to maximize revenue through MetroPlus. Enrollment in MetroPlus' mainstream managed care plans decreased from 385,900 to 380,600 from January 2017 to January 2018. Nonprofit mainstream Medicaid managed care plans in New York City (inclusive of MetroPlus) also recorded losses of over $153 million on their Medicaid lines of business in 2016, evidence of another potentially disturbing trend following much smaller losses (only $22 million) in 2015. Given enrollment and profit pressures on the large portion of MetroPlus business that comes from mainstream Medicaid managed care, the revenue maximization strategy faces significant head winds. That said, the relative profitability of the Essential Plan, Marketplace, and Medicare Advantage lines of business still provide opportunities to make progress on this strategy.

Quality as a Prerequisite for Long-Term Performance

Many of the goals and strategies in *One New York Health* will impact the quality of care at H+H facilities. It is important to understand from the outset that while quality obviously varies across facilities, H+H generally performs as well as other hospitals and systems in the city and across the state on a key composite measure of inpatient quality, mortality outcomes for common inpatient procedures. Figure 2 below shows that, on average, H+H performance was comparable with other New York City hospitals in 2015. There was no statistically significant difference in individual H+H facility performance for this composite measure when compared to statewide performance, but no H+H facilities were among the six hospitals in New York city that did perform statistically significantly better than the statewide rate that year.

There remains room for improvement on individual measures at various facilities, and there is reason to believe the capacity exists at H+H for additional quality improvement. For years H+H leadership and staff have been active participants in UHF quality initiatives, especially our Clinical Quality Fellowship Program conducted in partnership with the Greater New York Hospital Association. Capacity-building programs like this have long-term effects in participating organizations, as former fellows become quality improvement champions in their own organizations, creating the culture of improvement necessary to drive high inpatient quality composite scores.

Figure 2. Average Inpatient Quality Indicator Composite (IQI 90) for H+H Facilities vs. Non-H+H Facilities by New York City Borough (Oct. 2014 - Sept. 2015)



Note : IQI composites summarize quality metrics across multiple IQIs, and IQI 90 composites compile mortality rates for selected procedures like CABG mortality rates or hip replacement mortality rates. They are the weighted average of the observed-to-expected ratios for the selected IQIs calculated using a multistep process. ***Lower rates represent better results.***

Source: UHF Analysis of All Payer Inpatient Quality Indicators (IQI) Composite Measures by Hospital (SPARCS): Beginning 2009. Accessed February 26, 2018: https://health.data.ny.gov/Health/All-Payer-Inpatient-Quality-Indicators-IQI-Composi/ba3n-bkk4

Unfortunately, similar universal measures for outpatient quality at the individual practice level do not exist, but we do know from the hospital discharge data that there are many inpatient stays for ambulatory-sensitive conditions citywide that could arguably be avoided through better, more coordinated outpatient care.

MetroPlus also performs well in comparison to its peers, at least for its Medicaid line of business. In 2016 MetroPlus was one of three plans in the top performance tier of the Medicaid Quality Incentive program. Its perfect score of 100 on the 33 core quality metrics was unique among plans across the state, meaning it was in the 90th percentile of plan performance for each of the measures. MetroPlus still has room for improvement in its patient satisfaction scores, and on prevention quality indicators measuring hospital admissions that could likely have been avoided through high-quality outpatient care.

Shifting Care Delivery Trends Suggest Appropriate Focus on Primary Care

For the year ending January 2017, nationwide hospital spending grew 3 percent, down from 5.7 percent growth in 2016. At the same time, ambulatory physician and clinical services grew 5.3 percent. This may be the first real sea change in the data reflecting the long-awaited reality that more and more services and spending going forward will happen outside the four walls of hospitals. Advances in surgical techniques, the broad availability of ambulatory imaging and labs, and patient desire to get care in clinics close to home all play a role in this trend. Given this growing reality, it makes sense that many of the goals and strategies in *One New York Health* recognize the need for improved ambulatory services, both in specialty care clinics and the primary care network.

In 2016 UHF collaborated with the Department of Health and Mental Hygiene to lay out a strategy for improving primary care in New York City. In short, it suggests the need for movement toward a medical home model of care, especially in high-need communities. Figure 3 below identifies high-need communities based on several population health indicators. The communities identified (most of the Bronx, Harlem, central Brooklyn, Coney Island, Staten Island's north shore, Jamaica, and the Rockaways) are well known pockets of poor health.

Figure 3. Figures from: ***A Strategy for Expanding and Improving the Impact of the Medical Home Across New York City***

Figure 1. Map of New York City's Community Districts by Health Zone

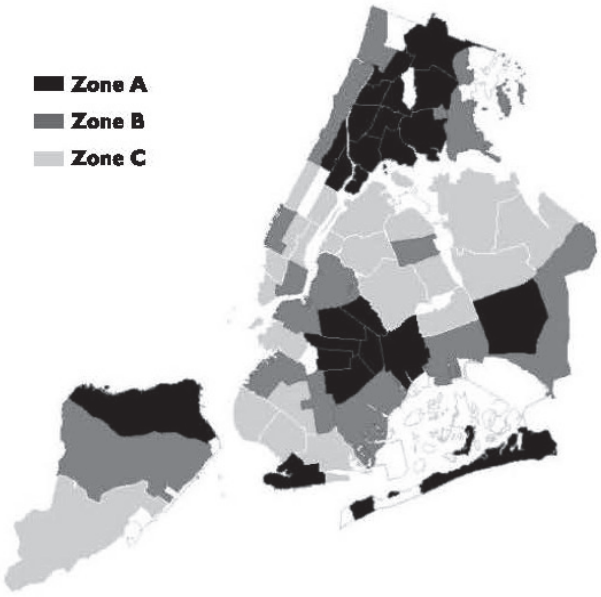


Figure 2. New York City "Health Zones" by Population Health Indicators

	Zone A Mean (min, max)	Zone B Mean (min, max)	Zone C Mean (min, max)	NYC Total Mean (min, max)
Disease Prevalence *(CHS 2013)*				
% Asthma	15.6 (9.2, 20.6)	12.3 (7.3, 15.6)	9.6 (5.5, 14.2)	12.6 (5.5, 20.6)
% Hypertension	33.8 (30.1,37.9)	27.6 (18.7, 32.6)	24.0 (16.6, 31.9)	28.7 (16.6, 37.9)
% Obesity	31.2 (26.8, 35.4)	23.4 (10.4, 34.3)	17.2 (8.3, 30.2)	24.2 (8.3, 35.4)
% Diabetes	13.8 (9.5, 17.7)	10.7 (3.7, 15.2)	7.4 (3.4, 13.8)	10.7 (3.4, 17.7)
Avoidable Hospitalizations *(SPARCS 2012)*				
Asthma (per 100,00)	484.1 (217.2, 785.9)	198.2 (114.2, 280.8)	106.0 (45.6, 230.6)	276.8 (45.6, 785.9)
Hypertension (per 100,00)	178.0 (115.5, 316.7)	98.3 (64.9, 136.4)	60.1 (20.4, 101.2)	115.8 (20.4, 316.7)
Diabetes (per 100,00)	532.8 (334.8, 748.1)	273.7 (155.9, 381.4)	151.2 (54.5, 314.1)	331.1 (54.5, 748.1)
Social Determinants of Health *(ACS 2013)*				
% Foreign-born	34.6 (19.0, 55.0)	36.7 (20.0, 66.0)	37.7 (15.0, 63.0)	36.2 (15.0, 66.0)
% Limited English Proficiency	22.0 (8.0, 46.0)	23.1 (9.0, 53.0)	23.0 (6.0, 48.0)	22.7 (6.0, 53.0)
% Below FPL	30.3 (17.0, 44.0)	19.5 (9.0, 30.0)	14.0 (6.0, 32.0)	21.8 (6.0, 44.0)
% Black or Hispanic	82.6 (30.0, 98.0)	49.7 (17.0, 78.0)	23.0 (8.0, 70.0)	53.0 (8.0, 98.0)
% with Less than HS Diploma	28.0 (16.0, 45.0)	20.0 (5.0, 42.0)	14.0 (3.0, 31.0)	20.9 (3.0, 45.0)
Behavioral Health *(SPARCS 2013)*				
Psychiatric Hospitalizations (per 100,000)	986.0 (554.0, 2016.0)	592.5 (385.0, 989.0)	415.5 (259.0, 891.0)	682.9 (259.0, 2016.0)

Transforming primary care isn't easy, especially in high-need communities, but H+H appears to be leveraging available resources to make positive strides. The Medicaid Delivery System Reform Incentive Payment (DSRIP) program provides incentives for OneCity Health to move its associated primary care practices toward a medical home model. The integration of behavioral health services in primary care is also a project OneCity Health is pursuing under DSRIP, which is one of the most important components of creating high-functioning medical homes. Given the map and health indicators noted above, it would make sense for H+H to consider targeting efforts in those communities first.

Becoming a Broader Force for Community Health

"Social determinants of health" may be the latest buzz word in the health care system, but as a public hospital with inherent connections to so many other public programs, H+H has the unique opportunity to address social determinants in a way that broadly improves community health. Over the past year pediatric clinics at Gouverneur and Coney Island hospitals have participated in UHF's Partnerships for Early Childhood Development program. Through this effort they have started screening young children and their families for social needs that could impact healthy early childhood development. Working with partner community-based organizations, the clinics have ensured that the children and families get connected with services to address those social needs. This effort, along with certain DSRIP projects, and a strategic decision to focus on population health, bodes well for H+H to make exponential progress in this space over the next few years.

H+H is currently pilot testing social determinants screening tools in three hospital-based clinics, to get a better understanding of the resources necessary to integrate these screens into practice workflows and the social needs of their patients. If successful, the screening approach would be ripe for spread to the entirety of the ambulatory system at H+H. Understanding the coming need for a broader connection to community-based organizations to help address identified social needs, H+H is also testing the use of a new technology tool called NowPow, that makes it easier for practices to "prescribe" social services for their patients and make direct referrals to those services. Eventually, the technology could be used to conduct referrals, track the social services provided, and provide information back to H+H practices on what services patients received in

the community. Success will depend greatly on getting community-based organizations connected with and trained on the technology, which is why H+H's coordination with other health systems using the same tool in their DSRIP programs is a very positive sign.

Addressing social determinants will not be easy. We know from our work with pediatric clinics that there are substantial challenges, not the least of which is sharing information electronically. Developing partnerships with community-based social service providers is time-consuming and requires a personal touch and understanding of each other's goals, capacities, and challenges. An electronic connection, no matter how good, cannot replace the need for people talking with one another for the specific purpose of trying to meet the needs of a patient or group of patients.

As H+H embarks on this journey toward the social determinants of health, it must take advantage of many of the agencies and other resources across the city that are working toward the same goal. The DOHMH, NYCHA, DHS, DFTA and many others should be partners in this work. This requires thoughtful and efficient collaboration on all sides, focused on the shared goals of improving community health and well-being, and getting beyond the turf battles associated with "my people" or "my programs" thinking. The Council can play an important role in helping to break down the silos and encouraging collaboration across the programs it oversees that can be helpful to the ultimate success of the whole of the *One New York* strategy.

Conclusion

The goals and strategies of *One New York* are consistent with how UHF sees the health care delivery system moving over the next decade. As the shift toward value-based payment and away from paying for volume continues, it will be necessary to deliver wholesale on those goals and strategies in order to prove value to payers and patients alike. While this is no small task, there are many positive signs that H+H is on the right path, but substantial challenges remain. In addition to the operational realities, there are also major externalities (e.g., uncertain federal policy pressures) that may add new challenges moving forward. UHF encourages the Council to remain data-driven in its assessment of progress and ongoing challenges. It is always important to remember, however, that the public hospital system in New York City provides a unique

public good that benefits all citizens and hospitals, and can't always be measured in services provided, or dollars and cents.

Thank you again for the opportunity to testify. Moving forward, UHF hopes to be a trusted and independent source of information for the Council on many issues coming before this newly formed Committee.