



THE HOSPITAL & HEALTHSYSTEM
ASSOCIATION OF PENNSYLVANIA

Testimony

Submitted on behalf of The Hospital &
Healthsystem Association of Pennsylvania

Clinics and the Underinsured

Before the

Senate Majority Policy Committee

Presented by:

Brian Eury
Regional Director, Legislative Services
The Hospital & Healthsystem Association of Pennsylvania (HAP)

Harrisburg, PA
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Chairman Erickson and members of the Senate Policy Committee, I am Brian Eury, Regional Director, Legislative Services, of The Hospital & Healthsystem Association of Pennsylvania (HAP). HAP represents and advocates for the more than 250 acute and specialty care hospitals and health systems in the commonwealth, as well as for the patients and communities they serve. I appreciate the invitation to present the hospital community's views on hospital clinics which provide care for low income and uninsured Pennsylvanians.

Our testimony will examine the following issues:

- Access to medical care and the stressors on the current health care system.
- The role of hospital clinics in the new health care delivery system.

Access to Medical Care

There are a number of factors challenging the health care delivery system in Pennsylvania, all of which impact on access to care.

First, Pennsylvania faces the potential for a significant shortage of physicians. Physician workforce levels in Pennsylvania are not nearly sufficient to meet the increase in demand for physician services that will result from our aging population. With the entire nation facing a shortage, that makes the challenge for Pennsylvania even greater.

To further highlight this problem, the Pennsylvania Department of Health's report on physician workforce – which has a 96 percent response rate and is based on questions physicians must answer to obtain license renewal – presented the following key findings:

- Nearly 20 percent of the physicians who practice primary care say they will leave Pennsylvania in five years or less.
- Despite being home to almost 12 percent of the state's population, only about 7 percent of the state's physicians practice in rural counties.

- There are statewide physician shortages, especially in family practice, internal medicine, obstetrics/gynecology, general surgery, orthopedic surgery, radiology, cardiology, emergency medicine, and pediatrics.

This shortage has already placed tremendous strain on our health care delivery system. Most noteworthy is the dramatic rise in hospital emergency department visits. Nationally, emergency department visits increased to an all-time high of 136 million in 2009, a 10 percent increase from the 2008 number of 123.8 million.

Pennsylvania hospitals provided **\$891 million in uncompensated care** in fiscal year 2009-2010. Over the past five years, **uncompensated care has skyrocketed by 48 percent**. In Pennsylvania, the number of uninsured **increased 16.0 percent from 2008 to 2009**. These patients frequently seek care in emergency departments.

In Pennsylvania, hospitals evaluate 5.8 million patients in their emergency departments each year. Emergency departments provide much of the medical care for patients without medical insurance, or for patients whose physicians are unavailable evenings and weekends. Emergency departments are safety nets for those with behavioral health problems, a safe haven for communities in times of disaster, and many are designated trauma centers prepared to treat the most serious and complex health care emergencies. In addition:

- Emergency departments are used more frequently than physician offices by Medicaid, self-pay, and charity care patients.
- People without health insurance access the emergency department for health care and they often wait until they are very sick before turning to the emergency department for help.
- Elderly patients with worsening chronic conditions use the emergency department because of ongoing needs.
- Driven by the closure of state psychiatric hospitals, a decline in inpatient psychiatric beds, and low reimbursement rates for mental health services, a growing number of seriously mentally ill patients are going to emergency departments.

Clearly, many of the patients who present in emergency departments could and should receive care in more appropriate settings, and receive preventive care that would eliminate the need for emergency visits. This is a role that hospital health clinics should play in the new health care delivery system.

Hospital Clinics

One of the most important goals under health reform is in developing a more efficient, patient-centric care model that emphasizes prevention and wellness, as well as smooth transitions through the continuum of care. Health care providers strive to provide the right care, in the right setting, at the right time. For many patients with limited or no insurance, transportation constraints, no family support, and other economic challenges, hospital clinics can play a significant role in their care.

Hospital clinics have historically been located in low-income urban neighborhoods and rural areas, but that demographic is changing as community needs for alternative settings grow. These clinics are an overlooked and critical component of the health care system going forward.

These facilities serve as medical homes that emphasize a partnership among the patient, physician, nurses, and clinic staff. These health clinics become the place where patients are known, recognized, and supported; where they find a centralized base for medical care and connection to other medical and supportive community services.

Many hospital-run health clinics embrace this comprehensive approach to health care and share a commitment to the community and ensuring quality care for the underserved. These clinics recognize the following:

- Too many low-income families lack a connection to a primary care physician or medical home.
- Emergency Department care is costly, episodic, and not equipped to provide patient follow-up.
- Access to primary care during non-traditional office hours, such as weekends and evenings is too limited.
- Health care needs to begin with increased prevention and wellness services.
- Low-income families face multiple challenges and need a holistic, community-based approach to effectively improve health care access and outcomes.

Hospital clinics provide high-quality and cost-effective health care regardless of patients' insurance status or ability to pay. Hospital clinics generate substantial benefits for patients, communities, and private funders, as well as state and local governments. Hospital clinics help to reduce the use of costly hospital emergency visits, and avoidable hospital admissions.

In 2014, the new health insurance coverage expansion begins. One-third to one-half of the additional 32 million people estimated to be among the newly insured by 2019 will get coverage by expanding Medicaid programs. We need a health care delivery system that is able to sustain care for this newly covered population, in the appropriate setting, efficiently, and with the right work force delivering care.

What Needs to be Done?

Especially during these difficult economic times, HAP stands ready to work with the Commonwealth to strengthen our health care delivery system to ensure that low-income, newly insured and uninsured Pennsylvanians all have access to quality medical care. A key step in this effort will be to reduce emergency department over-crowding, and to make prevention and wellness the foundation of community health care. In addition, we are asking the General Assembly and the Governor to support public policy initiatives that will:

- Provide public and private financial support of hospital clinics;
- Return the Act 49 MA Modernization assessment to 2.95 percent and make no further cuts to any form of state aid for hospitals;

- Update state hospital regulations to replace 30-year old standards and allow the Commonwealth to recognize national accreditation as a means of compliance with state licensure requirements;
- Retire the Mcare fund and its unfunded liabilities and extend Mcare abatement so that new physicians are not burdened with the possibility of paying the unfunded liabilities of the Mcare fund;
- Increase incentives for new physicians and allied health professionals to practice in Pennsylvania by expand loan forgiveness programs to assist them with their student loan debt; and
- Make Pennsylvania a leader among states in the delivery of high-quality health care services through the use of health information technology such as electronic medical records and computerized order entry systems.

Conclusion

In cities and towns throughout Pennsylvania, hospitals are the cornerstone of the health care delivery system, providing healing, health, and hope, and responding to the health care challenges in their communities. We are in the midst of significant change as our patient population changes and the requirements of health reform unfold. In order to respond we must be willing to restructure our system, and hospital clinics can play a key role in this process.

Thank you again for the opportunity to provide testimony on these critically important issues.

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