



THE HOSPITAL & HEALTHSYSTEM  
ASSOCIATION OF PENNSYLVANIA

## Testimony

Submitted on behalf of The Hospital &  
Healthsystem Association of Pennsylvania

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## Clinics and the Underinsured

Before the

### Senate Majority Policy Committee

Presented by:

Ed Pitchford  
President and Chief Executive Officer  
Charles Cole Memorial Hospital

Harrisburg, PA  
October 25, 2011

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**Statement of  
CHARLES COLE MEMORIAL HOSPITAL  
Before the  
State of Pennsylvania  
Senate Majority Policy Committee**

**October 25, 2011**

**Presented by  
Ed Pitchford  
President and Chief Executive Officer**

Good morning. My name is Ed Pitchford and I serve as the President and Chief Executive Officer of Charles Cole Memorial Hospital in Coudersport, Potter County. In addition to being a CEO, I am an advocate for rural health care. I serve on the Board of Directors of The Hospital & Healthsystem Association of Pennsylvania and its Public Payer Policy Committee. I also serve on the American Hospital Association Regional Policy Board for New York, New Jersey and Pennsylvania. Finally, I have been active with the National Rural Health Association participating in its Rural Fellowship program in 2009.

I am pleased to be with you this morning to provide you with a perspective of a community-based health system, which sees as its core mission the provision of the highest quality of care possible to the residents of rural, north central Pennsylvania consistent with the resources available to us and consistent with sound public policy.

We believe we are charged with the responsibility to appropriately make available to the citizens of our region—the right care, at the right place, and at the right time. Certainly, as a small rural hospital with very limited resources, our focus is on primary health care services including physician, nurse practitioner, physician assistant, and nurse midwifery services in ambulatory clinics.

Charles Cole Memorial Hospital serves Potter County and portions of Cameron, McKean, and Tioga Counties. We estimate that our primary and secondary service area population is approximately 45,000 residents. We are classified by Medicare as a Critical Access Hospital (CAH) which essentially means that we are small, remote, vital to the communities that we serve, and in need of a different government payment system that recognizes the unique aspects of operating smaller, rural hospital systems. As a CAH, we are paid by Medicare 101 percent of our reasonable costs to care for Medicare enrollees in the hospital, as opposed to fixed fees-for-services provided. (In the State's fiscal year ending June 20, 2009, a supplemental Medicaid payment program was funded to assist CAHs much the same way that the Medicare program does.)

The area that we serve is generally older and poorer than most other regions in the state. Consequently, our system today serves proportionately more government-sponsored patients. Having the financial benefits of the CAH program and provider-based rural health clinics has helped to stabilize our health system after several very difficult financial years, enabling us to provide reliable and consistent access to care.

A large portion of our service area is mountainous, forested, or farm land, and served only by secondary roads. There are no multi-lane highways in this area. The nearest hospital to Charles Cole in any direction is one hour distant, and the nearest tertiary service hospital (one that provides more high end services such as cardiac surgery, neurosurgery, neonatal services, etc.) is two hours distant. Because of our remoteness, no other health care system is present with the exception of the Keystone Rural Health Consortium, a Federally Qualified Health Center (FQHC), which is based in Emporium, Cameron County. We are, in our opinion, the most remote rural area of Pennsylvania and for the citizens who live in proximity to us; we are their health care system.

In order to provide basic primary health care professional services as close to home as possible for the residents of this region, our health care system operates 11 provider-based rural health clinics (RHC) in nine communities with Medicare and Medicaid recipients constituting in excess of 50 percent of all patients. It is the goal of these RHCs to make primary health care accessible close to home and to decentralize the delivery of primary care from the hospital setting the emergency department to a more convenient and cost-effective location. I am proud to report that our health care system opened the first “provider-based” RHC certified by Medicare in the United States. The clinic is located in Emporium, Cameron County, a county without a hospital and remains open today.

This year, we expect to provide over 70,000 office visits in our primary care clinics. And, over the past three years, emergency room visits have increased only 4 percent.

These remote primary care clinics, which span 65 miles from one end of our service region to the other, are the health care anchors in these very small communities. We are able to provide a variety of primary care services including physician services, home health, x-rays, laboratory, physical therapy, mental health, fitness centers, and traveling specialists. Unfortunately, we are not able to provide all of these services at all of our sites, nor are we able to constantly sustain these services due to the lack of resources, most notably physicians.

We have, using the RHC model, constructed a health system which provides excellent primary care with a high level of access. Simply stated, this is a primary care system which works. Its most obvious flaw is that it was created in furtherance of a specific governmental objective: to provide access to care to the elderly and impoverished population of rural America, and its continued existence is completely dependent upon the continuation of favorable public policy, adequate funding, and the federal and state-administered systems of reimbursement upon which it was built.

I understand this committee has a continuing interest in the use of hospital emergency departments. Because our clinics have, at most, one physician, it is difficult to provide extended hours in the evenings or weekends and to maintain service during vacations and holidays. To help address this issue, we launched a physician assistant-led and staffed evening clinic at our primary care clinic in Coudersport which we refer to as Charles Cole Express Care. Instead of using the emergency department, waiting until they can get an appointment in their primary care physician office, which may or may not be the next day, or going without care, patients can access primary care at this walk in clinic without an appointment. Patients and their families are very satisfied with this service – but this clinic is not designed or intended to take the place of the primary care provider or what we refer to as the patient’s medical home. And, while this clinic serves an average of 14 patients over a four-hour period Monday through Friday, it does not completely eliminate the need for our emergency department to provide backup physician services for our RHCs. Consequently,

our primary care network relies on our community-based RHCs, Express Care, and the hospital emergency department to sustain a comprehensive and reliable system of primary care 365 days a year.

We are at an important moment in the history of our hospital and health system. It is a time when the hospital's ability to sustain the breadth and depth of its services, including these clinics, is at its greatest peril and uncertainty. Economic uncertainty at the federal and state levels is a threat to the continuation of services in rural Pennsylvania and across smaller communities in the nation.

Beyond the financial realities, the greatest threat to continuing our primary care network is our inability to recruit and retain primary care physicians—there simply are very few family medicine and pediatric candidates available and willing to locate in rural Pennsylvania. Consequently we are adapting out of necessity by becoming increasingly more reliant on physician assistants and certified registered nurse practitioners to staff our primary care clinics with only the part time presence of a supervising physician. This adaptation has generally been accepted by the residents in this area, and we think it will be successful over time.

In addition to the lack of physicians, we always feel uneasy about the potential threat of changes in public policy and continuing public funding decisions affecting the hospital or our rural health clinics.

I am proud that our regional health system nearly 20 years ago created, and is sustaining today, a vibrant working system of primary care through provider-based RHCs in northern Pennsylvania. The system is fragile and, as in other older and poorer rural communities, it cannot be sustained through employer-based health insurance resources because they simply are insufficient or do not exist. Commercial insurers are not easily persuaded to recognize RHCs, and instead insist on using traditional volume-driven payment systems as though these clinics existed in more urban, higher volume areas. And, of course, there are patients to care for who are not covered by any insurance program. Within the Charles Cole primary care system, no patient is turned away because of an inability to pay.

Small rural hospitals play a unique and vital role in the well-being of the counties of northern Pennsylvania. Rural hospitals serve as one of the cornerstones of small towns in sparsely populated places such as Potter County. The same is true in many rural counties in the state and the nation. These are institutions which the citizenry and potential employers look to as a measure of their community's strength and stability. Therefore, I submit to you that it is sound public policy to sustain these institutions through carefully constructed and maintained government-supported programs such as CAHs, RHCs, FQHCs, clinic supplemental programs, loan forgiveness programs, and other incentive programs for health care providers to locate and remain in rural Pennsylvania.

Thank you for the opportunity to speak with you about the realities of providing primary care services in rural Pennsylvania and I will be happy to answer your questions.