

## **Strategies to Health Care Reform in New York**

**Statement by  
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Thank you, Commissioner Daines and Commissioner Dinallo, for conducting this series of public hearings to solicit input on the development of proposals for increasing access to health insurance coverage and moving toward universal coverage statewide. We commend Governor Spitzer and his administration for their efforts to address the difficult and unique challenges of transforming the healthcare system in New York.

I am John O'Neil, the Chief Executive Officer of Our Lady of Lourdes Memorial Hospital, a member of Ascension Health, located in Binghamton, NY. I also serve as Ascension Health's Market Leader for New York and Connecticut, providing strategic and operational direction for St. Mary's Hospital in Amsterdam, Seton Health in Troy, Mount St. Mary's Hospital and Health Center in Lewiston, and St. Vincent's Health Services in Bridgeport, Connecticut.

On behalf of Ascension Health, I am pleased to be here today to provide our thoughts on how to improve the quality and efficiency of the healthcare delivery system in New York and to determine ways to achieve universal coverage throughout the state.

As the nation's largest nonprofit healthcare system, with 65 acute care hospitals in 20 states, Ascension Health is committed to addressing one of the most important issues in healthcare today: 100% access to quality and affordable healthcare. We are also in a unique position in New York State because we sponsor 4 hospitals in very different markets across the state. I am proud to say our leadership efforts have contributed significantly to the well-being of many New Yorkers, especially in the rural areas we serve. For example, Our Lady of Lourdes Memorial Hospital has worked with United Health Services Hospitals and several other key health, human

service, and community partners to establish the Rural Health Network of South Central New York. Using funds made available by the New York State *Health Care Reform Act of 1996*, as well as funds from Ascension Health and a HRSA HCAP grant, the Rural Health Network developed creative programs to provide better healthcare to individuals and communities by using existing resources more effectively. This innovative partnership resulted in a better system of care, providing pharmaceutical assistance, dental initiatives, transportation assistance, and vision programs for thousands of needy citizens, regardless of economic or geographic barriers. In addition, the beginnings of a community-wide Electronic Health Record were initiated which in the future will reduce duplication and lower the cost of providing most needed services.

New York's healthcare crisis did not develop overnight and it won't be solved overnight. Finding a solution is the shared responsibility of the government, providers, employers, payers, and consumers. The breadth and depth of the questions raised in the public hearing notice illustrate the complexity of this issue. We believe that there are several key questions that must be considered in the development of any reform measure.

I'd like to begin by addressing the destination. We believe that any healthcare reform proposal must clearly state its aim; that is to provide 100% access and coverage for all persons.. One without the other is not true healthcare reform and will lead to fragmentation. The milestones to obtaining universal access and coverage may be staged, but the goal must be clearly stated. The Spitzer Administration and New York State Legislature have already begun to reform the state's healthcare delivery system to increase access to coverage, to improve the quality of healthcare, and to control the costs. However, true reform will provide adequate reimbursement or we will have a system of coverage and no access. Ascension Health supports the State's initiatives to expand eligibility under the Child Health Plus program to 400% of the federal poverty level, to simplify enrollment for Medicaid, to allow employers to participate in the Family Health Plus program, to reallocate Medicaid spending to follow the patient, and to control the growth rate of Medicaid spending.

Second, it is essential that coverage for all is combined with a delivery system that is safe and efficient. Evidenced-based medicine proves that safer care is less costly care. Ascension Health

is committed to designing a system that provides clinically excellent, cost-effective, streamlined patient care throughout the continuum of services. In July, 2002 Ascension Health set an ambitious goal of no preventable injuries or deaths by July, 2008. We are well on our way to reaching our goal in slightly more than 200 days. By way of example: Ascension Health birth trauma rate is 61% lower than the national average; neonatal mortality rates are 65% lower than national average; falls with serious injuries are 54% lower than the national average; pressure ulcers are 93% lower than the national average. Healthcare reform should demand safe care for all.

We are here today to discuss steps and components needed to achieve true healthcare reform. I will focus on four areas: benefits, vulnerable populations and coverage gaps, insurance reforms, and economic viability and sustainability.

### *Equitable Benefits*

We believe strongly that every person is interested in having health insurance benefit package that mirrors the package that their neighbor and their co-workers enjoy. This means no one should fear the fine print in an insurance package, nor be surprised when ill to learn their insurance did not cover an essential service. We advocate for assuring that the most vulnerable have a choice of a benefit package that is similar to the one commonly selected by others in their community. Moreover, benefits should be designed to encourage disease prevention and health promotion as well as timely access to needed services.

### *Attention to Vulnerable Populations and Coverage Gaps*

Ascension Health's mission calls us to attend to those most vulnerable. We believe it is imperative to pay particular attention to these populations. Our assessment of any healthcare reform proposal will carefully consider the implications for those who are poor or near-poor. The plan must address all vulnerable populations and not leave gaps for individuals in our community nor in essential services, such as mental health, dental services, and prescription drugs.

All too often healthcare gaps exist because individuals either lack healthcare insurance altogether or are inadequately insured and cannot afford to cover the out-of-pocket costs or are unable to find a provider willing to treat them. The latter problem is especially true for those who rely on Medicaid for their coverage. For more than a decade, our Seton Health facility in Troy has worked to help fill coverage gaps by collaborating with other providers in the region. For example, we provide dental care to adults and children who are on Medicaid or have no insurance at all. In Binghamton, Lourdes Hospital's dental program which began in 2004 has served nearly 10,000 patients through three dental programs, and while we treat 150 new patients each month, we still have a waiting list.

In addition, with a grant from Ascension Health, Seton Health in Troy served as a catalyst in establishing a prescription assistance program called "Rensselaer Cares." This collaborative effort of Seton Health, Samaritan Hospital, Whitney Young Jr. Health Center and the Medical Society of Rensselaer County dispensed nearly \$482,000 in prescription assistance to nearly 500 people in the first 9 months of 2007 alone.

We've also found that we can improve patient outcomes by providing services needed by these vulnerable populations. In an effort to fulfill the needs of the elderly in Fulton and Montgomery counties, St. Mary's Hospital has implemented its Mobile Geriatric Program. By providing regularly scheduled nursing and case management service to elderly clients in their homes, this program has significantly reduced the number of emergency room visits and placements in nursing homes and assisted living facilities. In addition to at-home service, the Mobile Geriatric Program staff of three, two nurses and a case manager, provides care to patients in 13 facilities in the two-county area, including assisted living facilities, nursing homes, and hospitals.

### *Insurance Reforms*

One of the most challenging issues in achieving coverage for all is transforming the private insurance market so that insurance is accessible and affordable and works to encourage the provision of excellent healthcare. The regulatory environment in which private insurance operates today is complex, involving laws and regulations at the state and federal levels. To achieve the broadest possible pooling of risks, reforming the private insurance market is likely to

involve both the states, which are primarily responsible for the regulation of the business of insurance, including issues of solvency, market conduct, consumer protections, and, of course, underwriting and rating, and the federal government, which currently regulates private sector group health plans through ERISA and provides for federal minimum standards affecting the availability and portability of health insurance more generally.

Over the decades, ERISA has played a role in encouraging employers to self-insure and today 55% of employees with health insurance nationwide have a self-insured plan. From an employer's perspective, self-insurance offers certain advantages, such as greater flexibility to design benefits that meet their employees' needs. However, ERISA also helps to fragment the insurance pool and its federal preemption of state laws complicates state efforts to include employer financing initiatives to expand health care.

In 1993, New York established community rating and guaranteed issue requirements for insurers selling to individuals and small groups. These reforms have made insurance policies more widely available and affordable for those individuals most in need of insurance—those who are older, sicker, or otherwise considered high-risk. In this regard, New York has been a leader and we commend you for that. We also commend the state for carrying these market rules forward into the Healthy New York program, which has helped to expand coverage to the working uninsured.

We will continue to advocate for additional reforms that will help to ensure that coverage is also affordable. To this end, we believe that a critical guiding feature of any healthcare reform proposal should include continued market movement towards an insurance pool that spreads health care costs broadly and does not allow for adverse selection.

#### *Economic Viability and Sustainability*

Finally, there must be a shared responsibility to ensure the economic viability of affordable, high-quality care for all. The challenge to achieving universal access and coverage should be met by the public and private sector – individuals, employers, providers, and the state and federal

government. Together, we can work toward universal coverage and access in the State of New York.

There are already efforts in place to create these shared opportunities. For example, Ascension Health, across the country, has led the way in encouraging private physicians to voluntarily accept uninsured patients into their practices, providing those patients with permanent “medical homes”. In Binghamton, since 1992 Our Lady of Lourdes has led a key access initiative by developing an extensive primary care network now delivering care directly to local communities through 16 locations with 85 physicians and mid-level providers. This network boasts more than 300,000 patient visits a year. However, the reimbursement currently available is not adequate to cover the cost of providing care to all patients regardless of ability to pay and again, may lead to a fragmented system lacking access.

As I conclude today, I would like to reframe the questions raised in the hearing notice to something a bit simpler:

- Is the system easy to navigate?
- Will I get the best care I need to stay healthy or recover when I am sick?
- Can I get health insurance? Can I keep it? And, can I afford it? Will it be there tomorrow?
- Is my coverage decent? Is it similar to that of my neighbors?
- And, perhaps most importantly, who will be left behind?

Any plan that can answer these basic human questions is a step in the right direction.

On behalf of the more than 110,000 Ascension Health employees, including the 3,500 employees in New York, thank you again for giving me the opportunity to comment on the development of a healthcare delivery system that is fair and compassionate to all New Yorkers. We would be more than happy to provide any additional information on our national experiences and perspective on this critical issue and we offer to be resource if you will be convening any advisory panels to provide further advice on this issue. I will be happy to answer any questions you may have.