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Adirondack centers caught up in health care tangle

Higher payment rates termed only a temporary patch for network

By PAUL GRONDAHL
Staff Writer

Thousands of patients in remote North Country communities in danger of losing their only health care option won a temporary reprieve when private insurers agreed this week to raise reimbursement rates.

The stop-gap measure for **Hudson Headwaters** Health Network - a not-for-profit system of community health centers across the Adirondacks that provides primary care to 60,000 patients in an area twice the size of Rhode Island - is not a cure for more systemic problems.

"We are still in distress," said Dr. John Rugge, **Hudson Headwaters** CEO. "This is health reform in motion and the outcome is uncertain."

For Rugge, his staff and patients, the situation is not the hypothetical scenario contained in white papers of presidential candidates such as Sen. Hillary Rodham Clinton.

"This is about whether our patients have health care on Jan. 1," Rugge said.

Rugge faced a \$1.5 million shortfall on a \$30 million annual budget because reimbursement rates from private insurers are up to 30 percent lower than what Medicaid and Medicare pay for primary care services. So he went on the offensive.

He demanded higher payments from four large insurers covering about half of Hudson Headwater's patients: CDPHP, Empire Blue Cross, MVP and Blue Shield of Northeastern New York. The first two have agreed to increase reimbursement rates and Rugge is hopeful the other two will follow suit.

"CDPHP recognizes the unique challenges associated with providing health care in rural communities," said Ellen Boyle, a CDPHP spokeswoman. "We are committed to be part of the solution, by ensuring our members get the care they need, while we endeavor to keep premiums affordable for our employers."

The renegotiated rates followed an August summit dubbed "a Boston Tea Party" that drew 100 physicians, health care administrators, government officials and business leaders to Lake George.

The summit was called to address a critical lack of primary care physicians in the Adirondacks, where rural doctors are leaving in growing numbers for more lucrative pay and fewer on-call hours. Recruitment efforts to fill the thinning M.D. ranks have been largely unsuccessful.

"The level of awareness has been raised, but this is only the first phase of this campaign,"

said Stephen Acquario, executive director of the state Association of Counties and a summit organizer.

"This was clearly an act of desperation by Dr. Rugge," Acquario said of the battle with insurance companies. "Without his health network, patients would end up in emergency rooms in Glens Falls and Albany and that doesn't make sense to the insurers in terms of health care economics."

Rugge said renegotiating higher reimbursement rates bought him some time as he continues to meet with state health officials about how to address other problems.

"We're looking for ways to continue to provide quality primary care to these underserved populations, but Gov. Spitzer is determined that the state will no longer subsidize private insurance companies and their profit margins," Rugge said.

"There's a looming disaster if we don't figure out how to reorganize the dollars in the system," Rugge said.

The Harvard Divinity School graduate, who felt a calling to serve the rural poor, said he feels uncomfortable in the middle of a political scrum over health care reform.

"I feel like the anvil of health policy with everyone pounding on us trying to reshape the system," Rugge said.

"I've kept this health network going for 30 years, but it's become harder and harder," he said. "If somebody can come in and run it more efficiently and more cheaply, they're welcome to it."

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