

# Healthier outlook in Adirondacks

Doctors to get extra pay in exchange for reaching care targets under landmark deal

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Adirondack doctors have struck a groundbreaking deal with health insurers to bring more money into their starving medical practices while at the same time improving the care they deliver.

Six major insurance companies have agreed to give North Country doctors extra payments in return for the doctors' agreement to adopt electronic records and set targets for improving the health of their patients. If it works, doctors will earn more money as hospitalizations are reduced, lowering the overall cost of health care in the Adirondacks.

The landmark project, which will be launched with a news conference today in Lake George, comes two years after the medical community convened an emergency summit to deal with the rapid loss of primary care doctors in the park. Between 2001 and 2005, while the number of physicians statewide grew by 5 percent, the Adirondacks lost 20 primary care doctors for an 8 percent decline, according to the Center for Health Workforce Studies at the University at Albany. The area has the worst doctor-to-patient ratio in the state.

Hospitals, outpatient clinics and solo doctors in the park are losing money; some are in danger of going out of business.

Under this agreement, doctors will receive an extra \$7 per patient every month. Dr. John Rugge, CEO of Hudson Headwaters Health Network, said that boost adds up to \$8 million to \$10 million annually.

"It's not a trivial number but it's not an enormous investment, either," he said.

As the issue of health reform absorbs Washington, D.C., the Adirondack experiment will provide a real-world test of several concepts being debated across the nation.

First, it emphasizes preventive care and effective management of chronic diseases such as asthma and diabetes to reduce unnecessary hospitalizations.

Second, the initiative includes global payments to help doctors coordinate care, alert patients when they are due for checkups, and encourage electronic tracking of patients -- activities that are not reimbursed under traditional fee-for-service care.

And third, doctors must show they are improving the health of their patients by hitting specific benchmarks.

Under the Adirondack benchmarks, caregivers must lower the rate of hospital readmissions, in which discharged patients return to the hospital because of complications or poor follow-up care. Doctors must also show better management of diabetic patients' blood-sugar levels, have no more than 35 percent of patients with a blood pressure of 140/90 or worse, and begin using computers to write prescriptions.

The initiative, called the Adirondack Regional Medical Home Pilot, will track patients' health; surveys will measure whether patients report higher satisfaction and easier access to preventive care.

"All the literature suggests that by doing this kind of work patients don't end up as sick, they don't end up in hospitals, they don't end up in emergency rooms," said Dr. Dennis Weaver, president of Eastpoint Health, a consulting firm that helped design the project. "And they don't only get better care: It turns out financially it's more cost-effective."

The Adirondack experiment may be the first of its kind in the nation, said Weaver, who is based in Kansas City and consults across the country. Most other demonstration projects of this type involve a couple of insurers and a single health system -- like Kaiser Permanente in California, the Mayo Clinic in Minnesota and Intermountain Healthcare in Utah. Those initiatives focus on a single "accountable care organization," which is one large provider that takes responsibility for the health of its members and is paid higher rates when it improves health outcomes.

But the Adirondack experiment does not have a single provider. The project encompasses 40 medical practices, 124 doctors and six health insurers, including private and public plans.

"I don't know any other place in the country that has taken this approach," said the state's health commissioner, Dr. Richard Daines, who has championed the project.

The initiative -- which involves health providers in Clinton, Essex, Franklin and Hamilton counties -- will likely shape the national reform movement.

"It means we can protect health care in our small towns," Ruge said. "It means we can have a shot at improving the care that we are already giving, and (show) other regions and other people far away that this is how you go about it. This is health reform on the ground."

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Who is participating?

The primary care providers: CVPH Medical Center and physicians in the Plattsburgh area, Elizabethtown Community Hospital, Adirondack Medical Center, Trudeau Health System, Hudson Headwaters Health Network, Inter-lakes Health and the Smith House Health Care Center. CVPH, AMC and Hudson Headwaters have contributed \$7 million to help pay for the technology needs of doctors.

Private insurers: Empire Blue Cross, CDPHP, Fidelis Care, MVP Healthcare and United Healthcare. Organizers are still negotiating with Blue Shield of Northeastern New York and Excellus, but doctors have agreed to drop health plans that do not participate.

Public insurers: Medicaid, the state program for the poor and disabled, and the New York State Health Insurance Program, the plan that covers state and municipal workers. The state's contribution is \$3.2 million in additional reimbursements annually. The state is also providing nearly \$10 million in grants to help doctors buy electronic record systems. Medicare, the federal program for the elderly, does not yet participate, but organizers believe it will.