



PRIMARY CARE

New York's Healthcare Home

TESTIMONY TO THE MEDICAID REDESIGN TEAM BY THE NEW YORK STATE PRIMARY CARE COALITION

FEBRUARY 4, 2011

I am Ronda Kotelchuck and I am here today wearing two hats. I am the Executive Director of the Primary Care Development Corporation, a nonprofit organization that provides capital financing and performance improvement services expand and improve primary care into underserved communities. I am also representing the Primary Care Coalition, made up of five statewide primary care organizations, PCDC, the Community Health Care Association of New York State, the Area Health Education Centers, and the New York chapters of the American College of Physicians and the American Academy of Family Practitioners.

I understand that you are focused primarily on ideas that will save money and that can be used to abate what are likely to otherwise be grievous Medicaid cuts in this fiscal year.

We are facing a growing tide of chronic illness such as diabetes, asthma, heart disease and stroke, accounting for some 75 percent of health care spending. These conditions are largely preventable or primary care manageable. In the absence of good primary and preventive care at the heart of a coordinated, accountable healthcare system, however, patients with chronic illness deteriorate, go into crisis and end up calling on our most expensive resources--emergency rooms and hospitals.

We know that billions of dollars can be saved and we can improve health for the most underserved and sickest patients if we had a strong, effective primary care sector that truly incentivized the right care in the right place at the right time, but today we are living with the legacy of decades of primary care underinvestment and misaligned incentives. This helps to explain why New York has the highest rate of avoidable hospitalizations in the nation. Without a strong front end on the system, consisting of primary care, we are helpless in the face of soaring costs.

Fortunately, this is beginning to change. The last administration began to shift resources into primary care and recognize the potential of organizing primary care into new models like the Patient Centered Medical Home. As a result of the State's Medical Home Medicaid incentive program, for instance, more than 2,500 primary care physicians in 427 practices are now NCQA PMCH recognized – a third of all recognized providers nationwide.

But change must happen more rapidly to truly lower Medicaid costs while improving care for patients.

We are very encouraged that Governor Cuomo is making Medicaid redesign a top priority, and he has made strong statements in support of primary care, such as in his Urban Agenda last October, which said: "The current lack of access to primary care and the dramatic increase in the number of insured

New Yorkers under Federal Health Reform necessitate a significant effort by the State to expand access to primary care in New York.”

The bad news is that we will not be able to turn around a legacy that was decades in the making in time for savings in the FY2012 budget or without significant investment. The good news is that we’ve made a good start at rebuilding and reforming our primary care sector, and we have unique opportunities and resources through the Affordable Care Act to make the changes that will put us on the course for lower costs and better health.

The Coalition presents to you the following three items which we think will be of help to you.

- (1) “The Primary Challenge: How New York Can Save Billions by Investing in Primary Care,” a study we published last spring that brings together our best knowledge about the savings that can be expected if New York were to build a robust primary care sector.
- (2) Our Five-Point Agenda which includes:
 - reforming the payment system to incentivize good primary care;
 - preserving and expanding primary care workforce capacity;
 - building New York’s primary care infrastructure;
 - transforming the current model of care into a patient-centered medical home; and
 - aggressively promoting the use and adoption of health information technology.
- (3) And finally, understanding that substantial investment may not be possible in the coming year, we have developed a set of recommendations that we believe will be low or no cost but which will nevertheless helpful move us toward the kind of health system we need. They are:
 - Making primary care expansion an Administration priority and creating a Primary Care Office at the Department of Health;
 - Enacting legislation to facilitate the expansion of Patient-Centered Medical Homes, including making available technical assistance for PCMH implementation and reforming regulations that have prevented meaningful collaboration among and between providers and payers. Around the country, PCMH projects are showing substantial cost savings and reduced hospitalizations and ER visits of 20-40%;
 - Using the remaining, already-appropriated HEAL funds to leverage private sector capital and build primary care infrastructure;
 - Rapidly training and deploying primary care providers to underserved communities in time to make full use of the major primary care Medicaid reimbursement increases in 2013-14;
 - Making changes to redesign the health care system as a whole—not just Medicaid, because all of us suffer from the current system;
 - And taking full advantage of historic resources and opportunities made available by the Affordable Care Act.

We stand ready to work with you as we reshape New York’s health system to use its resources wisely to meet the most urgent health care needs of its population.

Thank you.

Contact: Ronda Kotelchuck, 212-437-3917, rkotelchuck@pcdcny.org