How Do State Policies Affect Safety-Net Hospitals in Your Community? Feb. 10, 2021

Amanda Dunker, Senior Health Policy Associate
Community Service Society of New York

Lois Uttley, Director
Women's Health Program, Community Catalyst

Hospitals serve individual *and* communities (Lown Institute)

- How can we think about hospitals as members of their communities while being mindful of the challenges they face?
  - Community benefits measures
  - Collection practices and prevalence of medical debt
  - Amount of financial assistance provided under New York's hospital financial assistance law compared to support received for that assistance
  - Inclusivity (how well does their patient mix match the community they serve?)
  - Examinations of where hospitals are expanding, closing, or merging compared to community health care needs

Policies can encourage or inadvertently discourage community investment

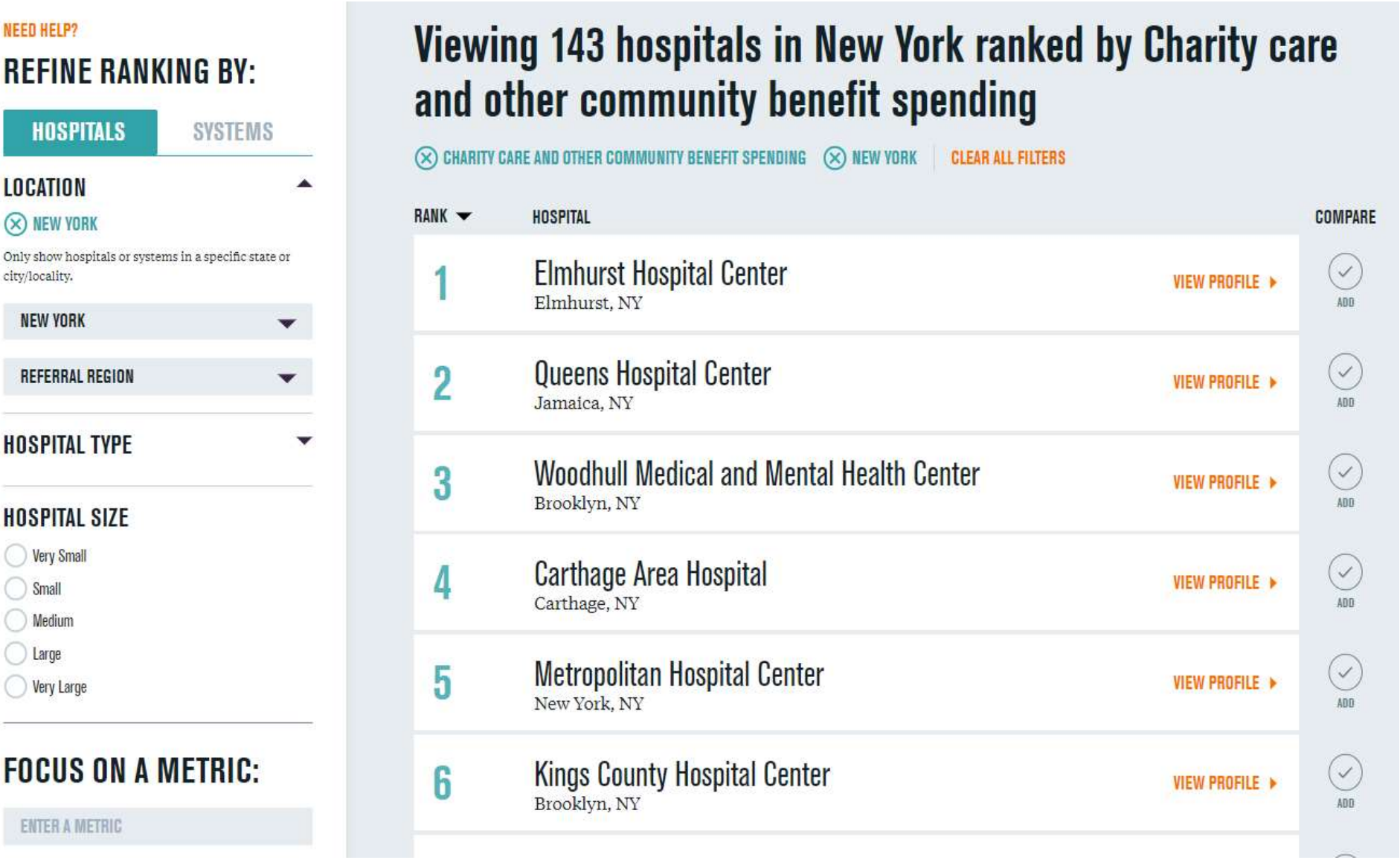
- All hospitals in New York are 501(c)(3)s: Exemption from state and federal taxes, worth an estimated $2 billion in 2018
- Financial support from federal, state, and local governments:
  - Direct payments including over $1 billion in indigent care pool funding each year and capital grants ($3.8 billion between 2013 and 2018)
  - Payments through public health coverage programs like Medicaid
- Requirements to provide community benefits and to follow New York's hospital financial assistance law
- Safety-net designations
- Required to undergo certificate of need process when expanding, merging, or closing

Bill Hammond, "Profit Potential: Revisiting New York's Restrictive Hospital Ownership Laws," The Empire Center, May 2018; Haught et al., "How Will Medicaid Work Requirements Affect Hospitals' Finances?," Commonwealth Fund, March 2019

Community benefits

- Non-profits are legally required to invest the health of their surrounding community and provide financial assistance to uninsured or low-income patients
- There is lots of variation in levels of community benefit spending and lots of argument about how to define community benefit
- Lown Institute community benefit star rankings:
  - Hospitals' reported community benefit spending plus their spending on charity care
  - Medicaid revenue as share of patient revenue

Garber, J., Brownlee, S., Saini, V. Ranking Hospital Community Benefit Investment. Brookline, MA: The Lown Institute. 2020. DOI: https://doi.org/10.46241/LI.TCNB3345


NEED HELP?
REFINE RANKING BY:
HOSPITALS
SYSTEMS
LOCATION
NEW YORK
Only show hospitals or systems in a specific state or city/locality.
NEW YORK
REFERRAL REGION
HOSPITAL TYPE
HOSPITAL SIZE
Very Small
Small
Medium
Large
Very Large
FOCUS ON A METRIC:
ENTER A METRIC
Viewing 143 hospitals in New York ranked by Charity care and other community benefit spending
CHARITY CARE AND OTHER COMMUNITY BENEFIT SPENDING
NEW YORK
CLEAR ALL FILTERS
RANK
HOSPITAL
COMPARE
1 Elmhurst Hospital Center Elmhurst, NY VIEW PROFILE ADD
2 Queens Hospital Center Jamaica, NY VIEW PROFILE ADD
3 Woodhull Medical and Mental Health Center Brooklyn, NY VIEW PROFILE ADD
4 Carthage Area Hospital Carthage, NY VIEW PROFILE ADD
5 Metropolitan Hospital Center New York, NY VIEW PROFILE ADD
6 Kings County Hospital Center Brooklyn, NY VIEW PROFILE ADD

Inclusivity

- Lown Institute measure: zip code demographics (income, education, and race) of patients relative to the demographics of the hospitals' catchment area
- Discharge data is available by race for all New York hospitals through the SPARCS dataset:

	Hospital A	Hospital B
White	85%	47%
Black	8%	32%

Saini, V., Chalmers, K., Brownlee, S., Garber, J. Measures of Inclusivity at Hospitals in the United States. Brookline, MA: The Lown Institute. 2020.DOI: https://doi.org/10.46241/LI.FKAL3278; SPARCS discharge data.

Inclusivity based on type of coverage

SPARCS discharge data also shows whether or not hospitals in the same areas are serving patients with similar types of coverage:

	Overall	Hospital A	Hospital B
Private	26%	55%	7%
Medicaid	31%	2%	67%
Medicare	38%	41%	20%
Self-Pay	2%	1%	6%

Hospital financial assistance

- A requirement in New York for uninsured patients below 300% of the federal poverty level, but not provided equally
  - Application approval rates ranged from 42% to 100% in 2018
  - Not easy to tell whether the numbers of applications make sense: the number of applications submitted at hospitals with 100% approval rates ranged from 11 to over 22,000

Indigent care pool

- Over $1 billion distributed to New York hospitals every year related to the numbers of low-income and Medicaid-covered patients
- Unlike every other state, New York distributes these funds across all hospitals, not just safety-nets which results in windfalls for many hospitals:

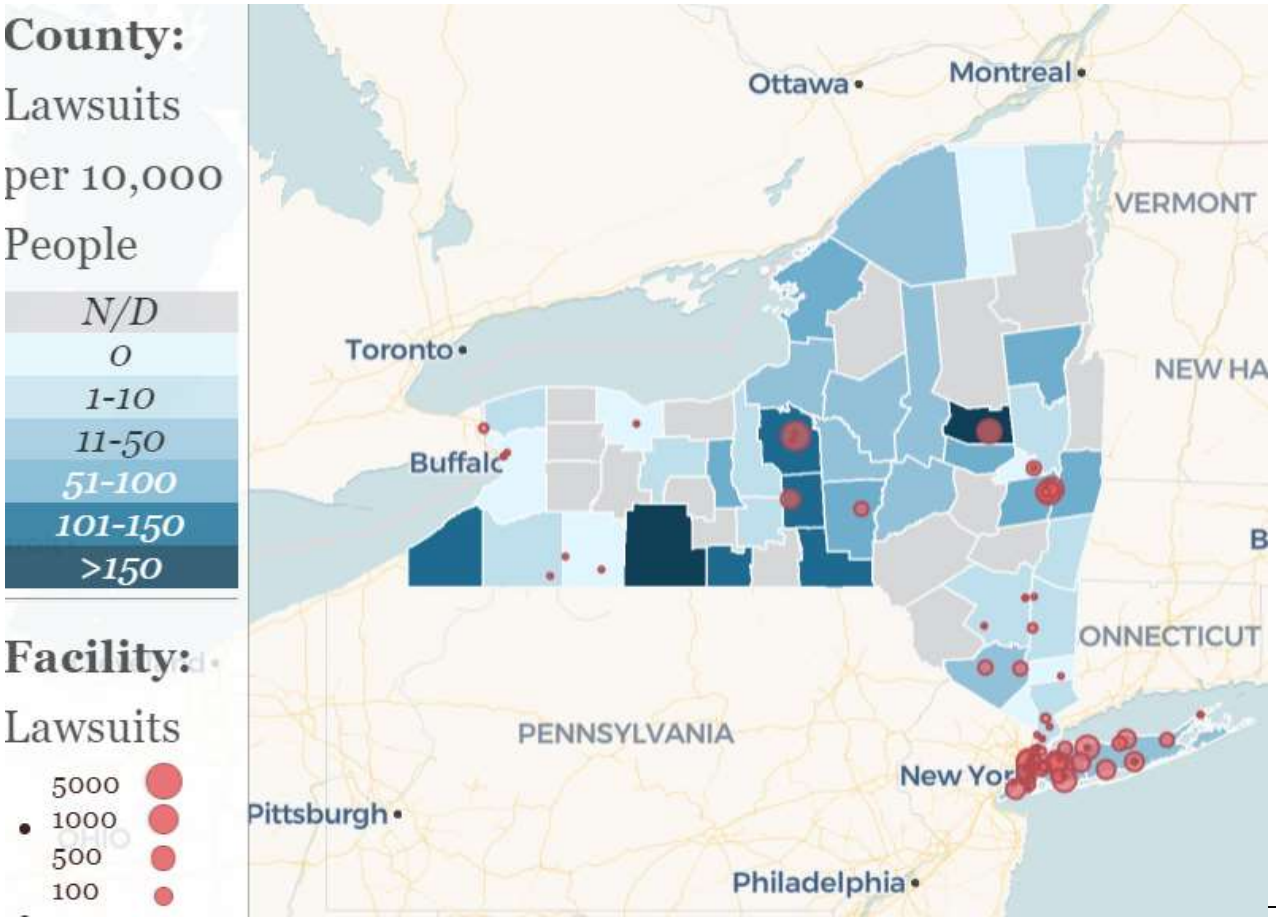
	Hospital A	Hospital B
Uncollected amounts from eligible patients	$9.2 million	$1.2 million
ICP distribution	$21.0 million	$4.6 million
Difference	$11.8 million	$3.4 million

Collections practices: lawsuits

- Over 50,000 New Yorkers sued since 2015
- Some hospitals continued suing during the pandemic: ~4,000 filed between March and November
- Not a universal strategy, some hospitals never sue

Amanda Dunker and Elisabeth Benjamin, "Discharged Into Debt: How New York's Nonprofit Hospitals are Suing Patients," March 2020 and "Discharged Into Debt: A Pandemic Update," January 2021, Community Service Society of New York.

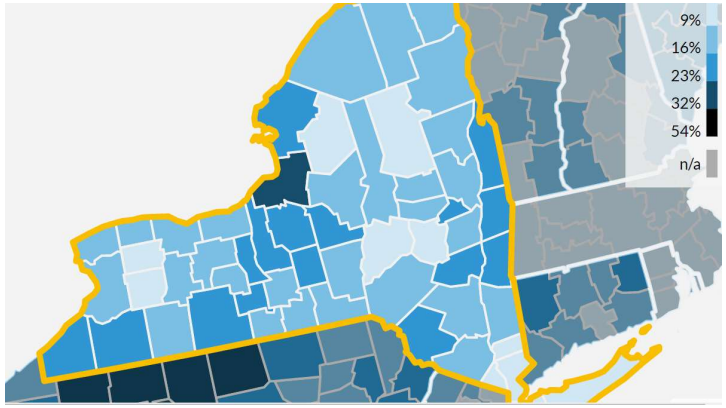
Lawsuit hotspots



Major hotspots include Fulton, Cortland, Onondaga, Rensselaer, Chenango, Albany, Nassau, and Suffolk Counties

Source: Mapping How New York's Hospitals Sue Vulnerable Patients | Community Service Society of New York (cssny.org)

Prevalence of delinquent medical debt on credit report



Counties	Overall	White Communities	Communities of Color
Onondaga	20%	14%	41%
Monroe	11%	7%	26%
Albany	12%	10%	26%
Erie	10%	8%	22%
Schenectady	16%	14%	28%

Urban Institute, Debt in America: An Interactive Map (urban.org)

Executive budget proposal includes an ICP cut for public hospitals

- The budget excludes public hospitals from ICP funding
- This would mean a $139 million cut to public hospitals and SUNYs in all parts of the state

Medicaid cuts disproportionately affect some hospitals

Safety-net hospitals should not be subject to across-the-board Medicaid cuts:

- The Medicaid cap forces cuts to the program even in the middle of an unprecedented health and financial crisis
- These cuts (1.5% across the board last year and a proposed 1% across the board this year) fall hardest on the safety-net hospitals that serve lower-income communities
- Providers that meet the Enhanced Safety-net definition (Public Health Law §2807-c (34) should be protected from these cuts

Patient Medical Debt Protection Act (S2521A/A3470A)

- In Executive Budget Proposal:
  - Cut interest rates on court judgments from 9% to 1 year treasury rate (PPG VII)
  - Hospitals have sued over 50,000 New Yorkers, interest can add thousands of dollars to those judgments
- A next step: pass S2521A/A3470A in its entirety to:
  - **Standardize financial assistance applications and appeals processes so everyone gets the help they are eligible for**
  - Hold consumer harmless in surprise bill cases caused by misinformation
  - Ban on facility fees when insurance is not covering them
  - Standardize financial liability forms
  - Itemized and timely medical bills
- Last year the bill won 55 co-sponsors!

COVID-19 has hit NY hospitals hard

Inside a Brooklyn hospital that is overwhelmed with Covid-19 patients and deaths

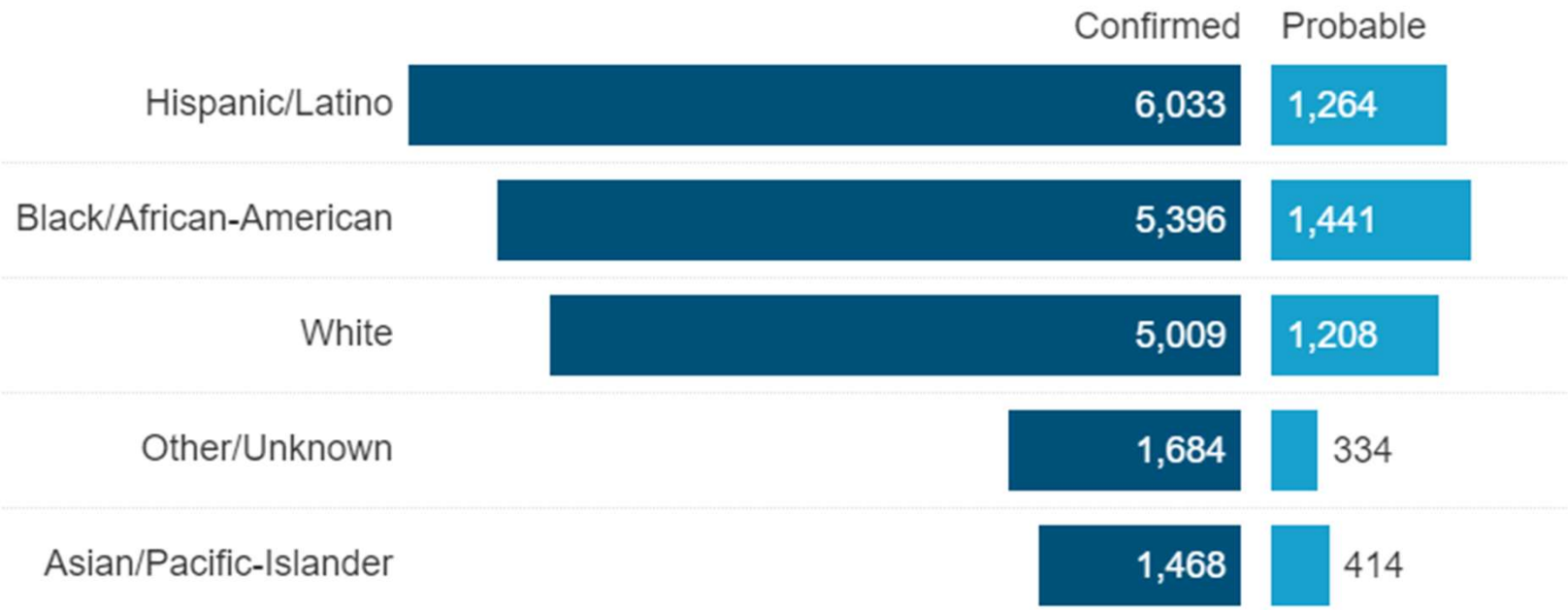
New York City's hospitals are filling with coronavirus patients as the pandemic hits the city.

More Than 4,300 COVID-19 Patients Sent to New York Nursing Homes

On shift in a New York hospital overwhelmed by coronavirus patients

CVHSA Community Voices for Health System Accountability

NYC COVID 19 deaths by race, ethnicity



NYC population is 42.7% white, 29% Latinx, 24% Black, 14% Asian

What did the pandemic expose about NY's health "system"?

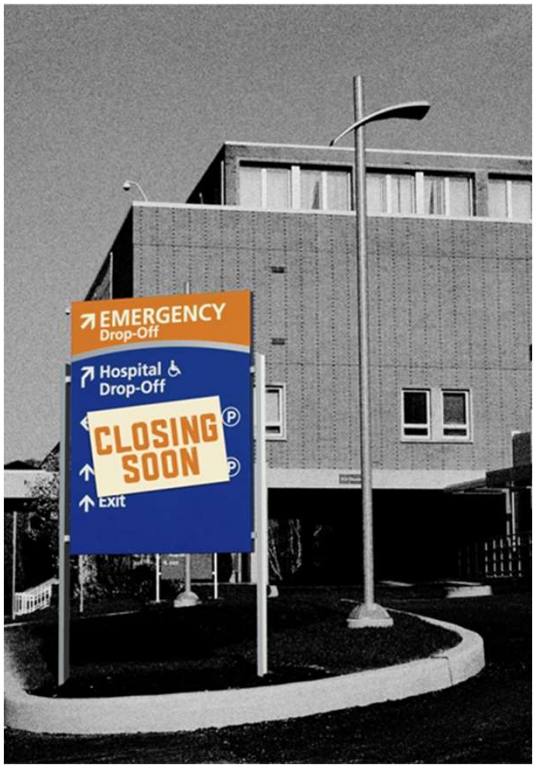
- Inequitable distribution of hospital beds across geographic regions of the state.
- Disproportionate impact on people of color who live in the very areas where there are too few hospital beds.
- Lack of any real health system planning in New York State.

Too few hospital beds in hardest hit places

Borough	Bronx	Brooklyn	Manhattan	Queens	Staten Is
Population	1,432,132	**2,582,830**	1,628,701	**2,278,906**	476,179
Acute care hospitals	7	**14**	16	**9**	2
Beds per 1,000 pop.	2.70	**2.20**	6.40	**1.50**	2.50
COVID19 hospitalized	11,911	**14,712**	7,823	**16,625**	5,187
% confirmed COVID 19 cases	22%	**28%**	13%	**30%**	7%

How did we get here?

- 41 acute care hospitals have closed across NYS over the last 20 year. Others have downsized, closing ERs, ICUs, maternity units.
- Market-driven health care and structural racism combine to prompt health systems to abandon low-income communities of color.
- Rural communities have also suffered loss of hospitals.



Current hospital ICU/COVID19 stats show continuing capacity problems

Hospital	COVID patients	Available ICU beds	ICU occupancy
Woodhull Medical Center, Brooklyn	43	0	107%
Brookdale Hospital, Brooklyn	65	0	100%
Queens Hospital Center, Jamaica Queens	47	0.6	97%
Bronx-Lebanon Hospital Center	104	2	96%

Inequities would be worsened by pending hospital actions

- **Mount Vernon Hospital** is threatened with closure, even though that city had the 3rd highest rate of COVID19 cases in Westchester County. The city is 64% Black.

Meanwhile, **Lenox Hill Hospital** in the affluent, white Upper East Side of Manhattan would get a $2 billion upgrade by the Northwell Health System to create a luxury destination hospital.

Who decides how many hospital and nursing home beds are needed, and where?

- Big health systems and corporate owners of nursing homes are the primary initiators of proposed changes.
- There is no system of regional health planning to forecast the need for beds and encourage/reward proposals that meet those needs.
- State health officials largely respond to what health systems and owners propose. State review occurs through a Certificate of Need (CON) process.

Grassroots campaigns can help expose inequities and delay closures, but ….

Thousands Sign Petition Against Lenox Hill Hospital Expansion

Upper East Siders are petitioning elected officials to oppose the plan, which hasn't even been submitted for review.

Brendan Krisel, Patch Staff
Posted Thu, Nov 21, 2019 at 3:53 pm ET

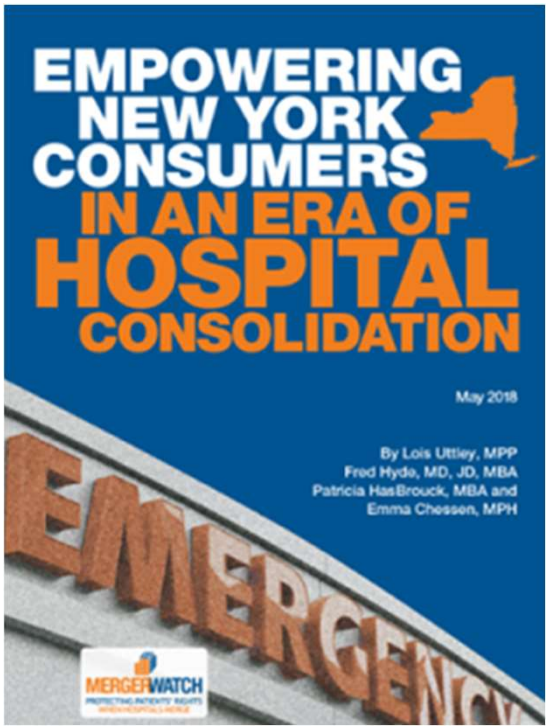
Like 56 Share Reply

- Press coverage
- Op-eds
- Community forums
- Contact with legislators

CVHSA Community Voices for Health System Accountability

Stronger state oversight is needed, with consumers at the table

- State oversight of consolidation through the Certificate of Need (CON) process **lacks transparency and consumer engagement.**
- Consumers have **little or no notice or say** when their local hospitals are downsizing, closing or joining large systems. Or when nursing homes change owners.
- Representatives of big health systems dominate state review board (Chair is VP of Northwell Health System)



CVHSA Community Voices for Health System Accountability

COVID-19 has shown state oversight must be reformed

- We need a **moratorium on hospital downsizing, closing and new construction** while we re-evaluate community needs, especially when pandemics strike.
- We need to **give consumers and communities a greater voice,** including more seats on the state review board.
- We need to **restore health planning** with an eye to addressing health inequities and ensuring fair distribution of hospital and nursing home beds.

What can we do?

Step 1: Add **more consumer representatives** to the state Public Health and Health Planning Council.

- A Gottfried/Hoylman bill backed by HCFANY and CVHSA would have added two more consumer seats to the current 1 seat under Public Health Law.
- Sponsors reached agreement with the Governor on a compromise: 1 more seat, but keeping the qualification we thought were critical – representing a statewide or regional consumer health advocacy group, and having expertise in the health needs of low or moderate-income people.

What can we do?

- **Step 2:** Add a **Health Equity Assessment** requirement to all CON applications by hospitals and other health providers.
- Require applicants to explain how their proposed project would affect medically-underserved people, defined this way:
  - low-income people; racial and ethnic minorities; immigrants; women, lesbian, gay, bisexual, transgender or other-than-cisgender people; people with disabilities; older adults; persons living with a prevalent infectious disease or condition; people living in rural areas; people who are eligible for or receive public health benefits; people who do not have third-party health coverage or who have in adequate third-party health coverage: and other people who are unable to obtain health care.

Health equity assessment bill has been introduced and passed the state Senate!

- **A191/S1451** requires applicants to **demonstrate how their proposed transaction would affect health equity.**
- **For downsizings and closings**, requires applicants to demonstrate how and where affected consumers would be able to continue to get needed services.
- Assessment must be prepared by an independent entity, with **meaningful engagement of affected communities,** especially medically-underserved people.
- Assessment must be posted on the NYS DOH website within 2 weeks of filing (allowing public scrutiny).

Factors that must be addressed

- The extent to which medically-underserved people use the hospital's services now, and extent to which they will if the project is approved.
- The amount of indigent care, both free and below cost, that will be provided if the project is approved.
- Access to health services by public and private transportation.
- Means of assuring communications with limited English-speaking consumers and those with disabilities.

Appendix: Sources for learning about lawsuits in your area

- Ecourts searches
  - By geographic area or by plaintiff hospital
  - Provides case index numbers for further research
  - A way to see how common lawsuits are but nothing about amounts or outcomes
- Court clerk websites (outside of NYC)
  - Wage garnishment documentation and case outcomes
- Casefiles at your local county clerk's office
  - Information about how defendants were served, answers from patients, proof if any submitted about the charges