The Human Services Sub Committee - Testimony by Arvind Shaw, Feb 22nd 2013, Generations Family Health Center

Good evening,
My name is Arvind Shaw; I am the CEO of Generations Family Health Center one of Two Rural Federally Qualified Health centers in the State of Ct. Generations Family Health Center serves the Northeast part of the state, with 19,945 unduplicated patients annually, with 74,933 visits in 2012.
In 2011 across Connecticut the CHC's collectively served 329,755 patients with 1,620,667 visits.

Saving Lives Saving Money

Two proposals for saving the safety net in Connecticut in 2013

1) **Emergency room visits in Connecticut**

According to the Office of Health Care Access (OHCA), in 2009, 47 % of emergency room visits in Connecticut were for non-urgent care. The U.S. Department of Health and Human Services has documented that each emergency room visit in Connecticut has an average cost of $1,452. . The total cost to Connecticut's health system in 2009 for non-urgent emergency room visits was $1,102,825,769. Medicaid paid for approximately 30% of this amount, or $330,847,730. When this is extrapolated over the years I conclude that these funds could be reprioritized to strengthening the primary workforce and reducing Healthcare access problems. The return of savings to the state would be beneficial within the fiscal year.

Using January- to Nov 2012 data using scaled back projections by addressing the Emergency room frequent flyers in the Medicaid program, a revamped system with safeguards for care, administrative, and fiscal oversight would result in better outcomes and have a positive effect on the budget.

Emergency room diversion can save initially between $60,160,027 and $120,320,055 annually by strengthening primary care at FQHC's by paying the cost for providing these services, approximately $20,000,000.

2) **Acute care coordination**

The Medicaid patients in the State of Connecticut, who are acutely ill, do not have a formal organized system of case management and acute nursing. As a result there is an extraordinary amount of duplication, re-hospitalizations, unsafe poly pharmacy, and wait times for specialty care.

By hiring 300 mobile nurses and Care coordinators for 5,000 patients this care can improve outcomes and save costs. The State would be matched by Federal participation dollars, and good jobs would be created in the community. *These systems are the state of the art in the private insurance sector, and are absent in the Medicaid program in Connecticut, where we have some of the sickest patients.*

Acute care coordination can save at a minimum an additional $68,962,811 by developing acute care coordination for 5,000 patients at a cost of $20,000,000

DSTHS CareAnalyzer

Risk Assessment
ACG Risk Adjusted
Current Reporting Period: 12/1/2011 - 11/30/2012

ranking of FQHC Patients shows Windham has the greatest expense and unmet Medicaid need

Avg RRS Rank (Highest to Lowest)	Group	Member Count	Current Avg Local RRS	Predicted Avg Total RRS	% High Cost	% Chronic	% Psy Soc	Total Cost	Current Total Cost PMPY	Predicted Total Cost PMPY
1		1,816	2.04	1.90	3.47	81.00	72.91	17,969,884	9,895	11,230
2	223158253 - GENERATIONS FAMILY HEALTH CENTER	6,659	1.81	1.69	3.26	73.06	62.40	59,017,439	8,863	10,011
3		31,261	1.51	1.47	2.76	64.78	50.19	244,481,674	7,821	8,688
4		13,862	1.41	1.43	3.20	62.13	46.16	112,635,450	8,125	8,466
5		3,597	1.35	1.30	2.70	56.46	48.46	26,899,378	7,478	7,727
6	62,433	5,238	1.30	1.21	2.06	55.29	40.74	35,744,335	6,824	7,149
7		8,882	1.17	1.12	1.70	58.93	37.42	52,628,164	5,925	6,661
8		8,010	1.17	1.17	1.94	54.42	35.17	54,360,305	6,787	6,926
9		1,562	1.13	0.94	1.02	56.98	32.14	8,705,385	5,573	5,573
10		8,252	1.09	1.07	2.00	50.97	34.94	44,136,781	5,349	6,348
11		22,084	1.02	1.02	1.75	45.74	27.52	131,316,127	5,946	6,026
12		13,047	1.02	0.94	1.39	52.46	31.00	69,745,280	5,346	5,584
13		5,687	0.99	0.95	1.88	43.26	23.58	30,553,899	5,373	5,646
14		7,207	0.94	0.87	1.21	48.52	29.42	34,822,894	4,832	5,141

Total **137,164** **923,016,995**

46% of Medicaid members (62,433) are above average cost = $6,729 **$ 6,729**

Median cost is $5,925 **$ 5,925**

Savings

Positive Budget estimate impact of Emergency room diversion $ 60,160,027

Positive Budget estimate impact of Acute care coordination is $ 68,962,811

Positive Budget estimate impact of integrated PCMH ?

Column Definitions:
Avg RRS Rank: Groups ranked highest to lowest based on the Current Avg Local RRS
Member Count: Number of members attributed to the group during the reporting period. Includes both active and termed members
Current Avg Local RRS: Current Relative **Risk Score**. Compares the group's case-mix (illness burden) to the total population. Higher than 1 is a sicker population
Predicted Avg Total RRS: Predicted total relative risk score. Measures prospective risk used to forecast total costs 12 months following the reporting period
% High Cost: Percentage of members with a 40 % or greater probability of high cost (defined as the 95th percentile) in the 12 months following the reporting period.
% Chronic: Percentage of members in the group with at least one chronic condition.
% Pyschosocial: Percentage of members in the group with at least one psychosocial condition.
Total Cost: The sum of total allowed dollars from paid claims during the current reporting period.
Current Total Cost PMPY: The sum of the total allowed dollars in the current reporting period divided by the member count
Predicted Total Cost PMPY: The predicted total allowed dollars per member per year for the 12 months following the reporting period

PCMH ER Report - January 2012 - November 2012

PCMH/FQHC/Glide Path	PCMH	Adult ER Members	Adult Member Visits	Child ER Members	Child Member Visits	Total Members	Total ER Visits	ER Members per MM	ER Visits per MM
	Group 1	1,341	4,279	155	321	1,496	4,600	0.0567	0.1742
Generations Family Health Center	**Group 2 ***	2,816	9,467	661	1,456	3,477	10,923	0.0513	0.1613
	Group 3 *	883	2,785	61	190	944	2,975	0.0486	0.1532
	Group 4	718	2,028	21	37	739	2,065	0.0470	0.1313
	Group 5 *	9,548	30,444	5,745	11,310	15,293	41,754	0.0477	0.1302
	Group 6 *	919	2,773	813	1,661	1,732	4,434	0.0465	0.1191
	Group 7 *	4,485	12,965	1,706	2,976	6,191	15,941	0.0434	0.1117
	Group 8 *	2,083	6,323	1,478	2,692	3,561	9,015	0.0433	0.1095
	Group 9 *	1,893	5,588	4,547	9,097	6,440	14,685	0.0478	0.1090
	Group 10	302	769	8	15	310	784	0.0429	0.1085
	Group 11 *	1,423	4,167	712	1,312	2,135	5,479	0.0413	0.1060
	Group 12 *	2,509	6,748	1,526	2,890	4,035	9,638	0.0436	0.1042
	Group 13	400	1,114	273	485	673	1,599	0.0402	0.0956
	Group 14 *	4,464	12,612	4,917	9,123	9,381	21,735	0.0409	0.0947
	Group 15 *	2,033	5,168	1,483	2,639	3,516	7,807	0.0424	0.0942
	Group 16	724	1,587	431	765	1,155	2,352	0.0372	0.0757
	Group 17	467	1,200	752	1,419	1,219	2,619	0.0340	0.0729
	Group 18	504	1,087	808	1,452	1,312	2,539	0.0369	0.0714
	Group 19 *	967	2,399	1,064	1,739	2,031	4,138	0.0345	0.0703
	Group 20	172	413	8	11	180	424	0.0293	0.0691
	Group 21	4	23	814	1,623	818	1,646	0.0341	0.0687
	Group 22	360	985	1,027	1,798	1,387	2,783	0.0324	0.0650
	Group 23 *	223	517	299	530	522	1,047	0.0322	0.0645
	Group 24	42	94	237	389	279	483	0.0357	0.0618
	Group 25 *	1,140	2,379	1,343	2,229	2,483	4,608	0.0330	0.0612
	Group 26	2,705	6,380	3,715	6,339	6,420	12,719	0.0308	0.0609
	Group 27	468	930	782	1,256	1,250	2,186	0.0315	0.0550
	Group 28	18	28	-	-	18	28	0.0353	0.0549
	Group 29	16	21	1	1	17	22	0.0420	0.0543
	Group 30	3	7	129	228	132	235	0.0271	0.0482
	Group 31	3	6	109	177	112	183	0.0283	0.0462
	Group 32	43	95	81	151	124	246	0.0230	0.0456
	Group 33	3	6	99	160	102	166	0.0270	0.0439
	Group 34	2	3	331	514	333	517	0.0277	0.0429
	Group 35	1	1	202	301	203	302	0.0288	0.0428
	Group 36	3	5	663	1,069	666	1,074	0.0257	0.0414
	Group 37	13	24	-	-	13	24	0.0206	0.0380
	Group 38	-	-	33	45	33	45	0.0246	0.0335
	Group 39	-	-	106	152	106	152	0.0199	0.0285
	Group 40	2	5	157	236	159	241	0.0184	0.0278
	Group 41	18	35	65	90	83	125	0.0174	0.0262
	Group 42	6	7	7	8	13	15	0.0216	0.0250
		43,724	125,467	37,369	68,886	81,093	194,353	0.0406	0.0974
					194,353				

Non emergent visits= 44%

2010 emergency room average $1407 cost/ visit = **$ 120,320,055**

Emergency Room Frequent Flyer Cost estimation

Opened Dec 15th 2011
Cost $13,996,000
40 Mansfield Avenue,
Willimantic, CT

Opened July 2012
Cost $4,500,000
202 Pomfret Street
Putnam, CT

Nationally
It is well documented that the Nation is facing a physician shortage, and this shortage is painfully felt by the patients who rely upon the Community Health Centers for their primary care. The lack of a Physician Workforce is already playing itself out in the disparities in access to primary healthcare in Connecticut that have been documented by the Ct. Health Foundation's report of March 2005 which states that from 1999 to 2001 African Americans lost 11,028 years of potential life and Latinos lost 6,806 years of potential life and the white population lost 5,687 years of potential life. 23,521 person years lost every three years is an awful price to be paid by any community.
The emergency room is not the place for people to receive proper primary care. It's too late by then. We have been building our healthcare system in the wrong place, the highest cost, at the wrong time, when we should have our focus on prevention and chronic disease management. We need to have a strong initiative for the state to *remap its resources to reflect the needs of the population*. Our Community is in need for the strengthening of the safety net by ensuring a committed and dedicated workforce.

Federal Stimulus Package: Through the American Recovery and Reinvestment Act (ARRA), federal funding for the health centers included "New Access Points," "Increased Demand for Services" and money for construction, renovation, equipment and acquisition of HIT. Four Connecticut Health Centers received funding for "New Access Points" totaling $5,025,000—Norwalk CHC, Generations Family Health Center, Community Health & Wellness Center of Greater Torrington and Danbury. These grants are projected to serve 17,030 new patients.

CT's health centers received a total of $3.7 million in a one-time federal grant for "Increased Demand for Services," which was to cover spikes in the uninsured population.
All fourteen FQHCs in Connecticut received Capital Improvement Program (CIP) grants totaling over $ 10 million. $16 Million in Facilities Improvement Program (FIP) grants were awarded to 2 Connecticut FQHCs.

For Obamacare to be effective the FQHC's need to double their capacity so that prevention savings from access to primary care can be achieved.

State of Connecticut

1) **The reimbursement rates for FQHC's** were based in 1999-2000-2001 rates- in the "last Century " and do not reflect current costs. Generations has requested that its rates be rebased because of the doubling of its services. Currently Medicaid reimbursements cover 75% of Medical costs, 66% of Dental, 64% of Behavioral costs.

2) **FQHC Federal grants** are meant to subsidize the sliding fee scale for uninsured patients, and are a fixed amount annually. By the rates being frozen in the last century costs and the rates remaining unadjusted for Risk, more federal funds are being subsumed by the Medicaid Program. The uninsured patients and the Medicaid patients are relying upon the emergency room for access to services at 15 times the cost.

3) **DSS required us to become PCMH and induced us** with improved rates to make huge investments in EMR. Generations invested $1.5 million. DSS then cut these rates citing that our rates were currently cost based. *PCMH costs are not included in the reimbursement methodology and the Health Centers are now saddled with these costs.*

For Obamacare to be effective the Medicaid program must keep maintenance of effort, and pay for the cost of its care.

Windham County is the poorest county and has the worst health rankings in the state.

1) **The Highest concentrations of Dual eligible adults are in Windham**. The average health care costs for the dual eligible population is greater than $55,000 per year. The re-hospitalization rates for patients are the worst in Windham.

2) **The physician shortage and workforce/ demand imbalance** in Windham County has the lowest ratio of Primary Care Physicians in the state (1,333:1) and is almost double the national benchmark (613:1) and the Connecticut average (729:1). 8 primary care doctors have left Putnam in the last year alone.

3) **The local Windham Medicaid prenatal provider has terminated** services to Medicaid Patients. Senators William and Prague asked if Generations would provide the service. Windham Hospital and Generations partnered in this initiative and need to subsidize Medicaid and uninsured patients to keep these doors open in Windham

4) Windham Hospital requested that all emergency room patients be referred to Generations for follow up because they had no one else to turn to.

5) **The Governor's midyear rescissions** and the cut to PCMH funding and the continued underfunding of Medicaid costs were unsupportable.

Generations had to restructure operations and cost cutting, eliminating 5,000 visits in addition to the existing primary care shortage.

6) **Medicaid Medical rates** that are paid to FQHC's need to be rebased to allow risk to be weighted so that chronic shortages and gaps in care are addressed to strengthen the Primary Medical foundation on which the system is dependant.

7) **Medicaid Dental rates for dentures are significantly lower for Community Health Centers** than it is for the rates for private providers and still the private providers do not meet the service demand of these patients. This service is very expensive, but is an essential service for employment and health, and that is why these rates should be increased to meet the rates paid to the private sector

8) **Medicaid Mental health-rates paid to FQHC's need to be Risk Adjusted.** We need to be competitive and pay for Psychiatry services to meet the mental health needs that have been neglected for decades.

The Medicaid healthcare system will only be as efficient as its weakest link, and if we continue to allow primary care to be weak then - uncoordinated, duplicative and expensive care will be the result of the design of that system.

The Demand for Generations services: The Willimantic and Putnam projects are the reason why we have doubled our capacity and are asking for increased funding. Today the results from Generations Health Center are saving dollars, taxpayer dollars every day, and keeping patients from suffering needlessly.

Years	2007	2008	2009	2010	2011	2012
Patients	12,639	14,806	15,238	16,835	18,517	19,945
Total Visits	41,820	51,461	53,621	61,394	64,836	74,933
Medical visits	33,021	38,832	40,993	46,518	48,867	52,814
Dental visits	8,799	12,629	12,088	12,003	12,238	16,745
Behavioral visits	-	160	559	2,873	3,731	5,374