Planning Committee

State Hospital Review & Planning Council

September 18, 2008

Remarks of Fran Weisberg
Executive Director, Finger Lakes Health Systems Agency

I am Fran Weisberg, Executive Director of the Finger Lakes Health Systems Agency. Chairman Kennedy and Vice Chair Berliner, thank you for inviting me here today to provide input into your evaluation of the Certificate of Need process.

During my remarks, I'll provide some background on FLHSA, talk about an innovative CON review process we recently completed that can serve as a statewide model, and suggest some additional reforms that could further enhance the CON process.

FLHSA is an independent, regional health planning organization that serves nine counties in the Rochester and Finger Lakes region. We trace our roots back to the invention of community health planning in the early 1960s.Over the decades, FLHSA has provided local and regional input into the state's review of thousands of CON applications.

FLHSA also provides technical assistance to the Community Technology Assessment Advisory Board, which reviews local projects and makes

recommendations to area health insurers about the services they should cover. CTAAB is a locally based and controlled decision-maker. It *extends* the state's capacity planning efforts, without expanding regulatory authority or the CON process. It is a model to keep in mind as this committee does its work.

Part of our role in the review process is to collect and analyze data from multiple sources — payers, providers and government — that are then used to inform state decision-makers. But as one of only two health planning agencies remaining in the state, FLHSA takes on broader responsibilities.

- Our agency deals with all aspects of cost, quality and access to health care.
- Our professional analysts help stakeholders interpret health data to make informed decisions that improve community health.
- We provide a "community table" where key stakeholders in the region can come together to address the critical issues facing the health care system.

Shortly after I became Executive Director two and a half years ago, my board and I took on the challenge of developing a new strategic plan. Our goal was to review our mission and create a new, 21st century model of community health planning.

Under our new model, FLHSA is continuing to do the work of capacity management, through CON reviews and groups like CTAAB. But, as you know, capacity planning is just a tool. We are expanding our mission beyond this "supply side" work. We've added a focus on community engagement, which lowers the demand for hospital services. Our objective is to facilitate a regional health care system that:

- Focuses on patients who are more personally accountable for their own health.
- Informs patients with the knowledge they need to make better decisions.

- Reduces demand for expensive inpatient care through prevention and primary care.
- Uses information systems technology to help providers effectively manage preventive care and chronic illness.
- Is built on commitment and collaboration from multiple community stakeholders from inside and outside the health care system.

This approach is in perfect synch with the Department of Health's commitment to a patient-centered, high-performing health care delivery system. In fact, a renewed commitment to partner with the state is central to our strategic plan. It's all about giving people the right care, in the right place, at the right time. The state plays an essential role in setting policy, managing system capacity through the CON process and supporting access to care. Effective regional planning agencies like FLHSA can also play a pivotal role. We help to inform state decisions and tailor solutions that fit the unique health care needs of our local and regional communities.

As we look at the CON process and discuss possibilities for reform, it is essential that the Empire State continue to have a CON process of some kind. The process isn't perfect, but it works – and it is far preferable than to having no check at all on market forces in regulating the supply of essential medical services. As the calamities in the financial markets are unfolding this week, I've noted most Republicans and Democrats seem to agree that a little regulation can be a very good thing.

Through the CON process, as you know, hospitals and health care systems put forth their proposals for equipment, services and facilities. Communities provide local input into the state's decisions. And the state health department conducts its review and gives the final say in the proposals, informed by the community's comments.

In our region, FLHSA and the state Health Department have a symbiotic relationship. While DOH officials collect statewide data on health and disease, FLHSA interprets the data based on our community knowledge. We help to craft solutions that meet local needs – even, for example, earning exceptions to state policies when we can demonstrate that they adversely affect our local populations. One reform that would strengthen the CON process statewide is to support an expansion of regional and local health planning across the state.

Today's discussion is timely, because I can share a real-life example that was acted on today. FLHSA recently reviewed CON applications from Monroe County's three major hospitals, Rochester General, Strong and Unity. Each hospital is important to our community, and each made a strong case for modernizing out-of-date facilities. Each proposal was excellent, from the institution's perspective. But collectively, the three proposals would have added 278 beds to our community – an increase of more than 22 percent in capacity of medical-surgical beds.

To assist in our analysis, we convened the Community Health System 2020 Commission. The group's purpose was to look at the hospitals' CONs through a community lens, examining what our region needed and could afford. The 2020 Commission was composed of 17 community leaders who offered diverse health care perspectives. They enhanced our staff-level review, and ensured involvement by all stakeholders in the review process.

The group's unique approach was to support the "supply side" need for facility modernization and expansion, while requiring hospitals to support community initiatives to reduce demand for acute-care beds.

The 2020 Commission can serve as model for CON reform in the future. It transformed the CON process from its typically *reactive* mode to a more *proactive* effort. It shifted the conversation from a bricks-and-mortar discussion into a comprehensive, community-wide dialogue about what is needed for a high-performing health care system for the region.

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Our local process - which informed the state DOH's recommendations to SHRPC's Project Review Committee - truly was historic.

- The three Monroe County hospital CONs were batched and assessed on their collective impact to our community, as well as their individual impact on each hospital.
- An important principle for the 2020 Commission was to have three strong Monroe County hospitals while not jeopardizing the survival of the regional community hospitals.
- The review process was a highly collaborative effort among the state Health Department, the FLHSA, the hospitals, key stakeholders, and the community.
- Commissioners conducted a transparent public process. Input was solicited from the CON applicants, physicians and nurses, the business community, regional community hospitals, and minority communities.

Ultimately, the 2020 Commission reached unanimous consensus on its data-based recommendations. They supported facility modernization at each hospital, while reducing the collective request for new beds by nearly 50 percent.

The Monroe County hospitals will collaborate with other stakeholders – including payers, community hospitals in outlying counties, physicians, and other providers – to improve the measurable elements that quantify the health system's effectiveness. FLHSA will facilitate the collaborations and monitor progress.

The metrics that we'll be monitoring will help to focus initiatives to improve the health of our community while reducing the demand for care. They include:

- PQI-related hospitalizations;
- Emergency room utilization;
- Code Red frequency;
- The supply of primary care physicians;
- And lengths of stay.

These recommendations include a trigger mechanism for streamlined expansion of the applicants' inpatient capacity if demand increases beyond our projections, despite improvement in these areas. The linkage is clear in the recommendations – hospitals are being encouraged to modernize and expand based on data-driven projections, but they must also engage with the community to improve system performance.

How successful was this process? Neil Benjamin, Director of the Division of Health Facility Planning, described our process as "new, exciting and innovative."

As the state looks to ways to reform the CON process, it can hold up the 2020 Commission as a model. This process worked so well because it was community-driven. It examined individual proposals as one community solution, there was input from many community sectors. And it benefited from support and guidance from the state every step of the way.

The 2020 process showed how local communities can – and should – have a very strong voice in state decisions that impact their local health systems. There are areas, however, where we believe the current CON process can be enhanced.

Possible changes worth exploring include:

- Strengthening the role of regional health planning. The state should not make decisions affecting local communities without direct input from, and dialogue with, those communities.
- As I said, the state recommendations were virtually identical to those of the 2020 Commission – the only significant difference was approving 12 more beds at one hospital, out of the total 278 requested. But there are some on our commission who felt – given the rigorous process and strong community buy-in – that it would be preferable not to change the recommendations at all unless there is more community input.
- Finally, the role of data in the process needs to be thought through carefully. Our data analysts have very specific suggestions about how to ensure consistent, high-quality data and projections. Rather than go into that level of detail today, I've attached these suggestions to your written copies of my remarks.

The state CON process and the need for regional health planning remain as relevant today as they have ever been, especially in light of the Berger Commission experience.

That Commission was created because market forces alone had failed to control health care system size and costs. In the end, the Commission's work was seen as just the beginning. The Berger Commission's report concluded: "The speed of change in health care, driven by changing technology, populations and finance, makes it essential that the work of reforming the system and the regulatory framework be continuous."

FLHSA looks forward to working in partnership with the state Health Department and others in the state to make reform happen. Together, we can enhance regional health planning and control costs, while delivering a health care system that provides the right care, at the right time, and at the right place.

Thank you again for inviting me to speak before you today. I'd be happy to take any questions at this time.

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The community health fulcrum.

CON Reform - Data for Community Health Planning

Below are suggestions from the Finger Lakes Health Systems Agency regarding the role of, and the need for, specific data in local and regional health planning:

NYS Department of Health Role

- Collect and "clean" in a timely manner record level and facility level data from health care providers (i.e. SPARCS inpatient discharge records, institutional cost reports) and public health organizations (i.e. Death certificates).

- Link data for individuals across components of the care system (i.e. Acute and Long Term Care, Mortality and Epi, inpatient and OASAS detox, patients using both mental health and OASAS services, community vs. institutional populations) so that flows and interrelationships among the various care sectors can be modeled.

- Create de-identified files for research by local health planning organizations to use as they "drill down" to identify health status and service utilization of particular population cohorts, model flows among care sectors, and identify root causes of problems and successes.

- Develop, administer, and tabulate surveys that capture health and healthcare information not readily available from administrative records (i.e. BRFSS) with sufficient response rates for local areas and population cohorts to permit analyses by local communities.

- Develop and enforce data analyses standards for organizations using de-identified record level data for local health planning. Administer the Data Protection Review Board process for organizations that require PHI variables for their research.

- Develop comparable health status, health care utilization and outcome indicators for communities across the state to use as benchmarks of progress in relation to similar communities.

- Respond in a timely manner to local requests for specialized tabulations, particularly for communities that do not have local planning organizations or communities that do have data processing and analytic expertise available.

Local Health Planning Organizations

- Analyze in a timely manner data from de-identified health care files to inform local health care system planning efforts to address emergent health care crises. For example, the immediate responses needed to the gap in services created by the abrupt closings of the Genesee Hospital and more recently DePaul's detox services. There are often issues that require an immediate quantification of the problem and then iterative analyses to identify specific subsets of the populations served to ensure that the service gap or emerging health care issue is addressed before there is a public health crisis.

- Ensure that analyses of data for the local community are accurate. While NYS DOH tries to ensure accuracy, only those familiar with the local community can identify systemic inconsistencies in the data and adjust analyzes for them. For example, in the analysis of detox data, it was discovered that one of the hospitals is using the exempt unit indicator field incorrectly. Only a local organization would have noticed that the specific hospital in question did not have that exempt unit and would have made the adjustment in the analyses.

- Apply local understanding of systems and processes to appropriately frame research questions and data analyses to inform the planning process. For example, in investigating the code red ED issue that was impacting emergency health services in Monroe County, one of the key factors was the delay in processing of chronic care Medicaid applications for hospital inpatients. Straight forward analyses of ED and even inpatient data would probably have focused on diagnoses and procedures rather than payers and disposition of inpatients. It was only through local discussions that potential barriers were identified and that the appropriate data analyses were designed to prove or disprove local suppositions.

- Work with local task forces and community groups to “drill down” to dispel or confirm local perceptions of health care issues. “Drilling down” is an iterative process that requires analyses of data from multiple perspectives - i.e. age, sex, race/ethnicity, payer. Often only by presenting and refining analyses with input from local groups can the potential root causes of a problem be discerned, explored, and confirmed or disproved.

- Each region (even county) within the state has a different mix of services, providers and payers. It is only at the local level with the knowledge of the local service system(s) that flows and interrelationships among the various care sectors can be modeled accurately and misalignments that result in delays in timely access to appropriate care identified.

- Small area population-based analyses often result in small cell sizes. The local planning group with the knowledge of local geography, rational service areas, and population groups is in the best position to determine how data should be combined to protect confidentiality without jeopardizing the value of the analyses.