



## Legislation Text

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Authorizing the Committee on Labor and Civil Service to hold hearings investigating ways that targeting medical resources can help the City of Philadelphia improve the quality and reduce the cost of providing health care services to its employees and citizens.

WHEREAS, Health care expenditures represent more than 17% of the nation's gross domestic product, with costs predicted to continue increasing in future years; and

WHEREAS, The City of Philadelphia plans to spend close to \$400 million on health care benefits for its employees and more than \$120 million on health-related services to its citizens this year; and

WHEREAS, In the ten-year period from Fiscal Year 2002 to Fiscal Year 2011, City spending for employee health benefits increased \$183.3 million - this over 80% increase is more than three times greater than the 25.1% rate of regional inflation during this period, as measured by the Consumer Price Index; and

WHEREAS, The fee-for-service payment structure that is standard in most health care plans creates few incentives for health care providers to reduce costs or to improve the quality and efficiency of care provided to patients; and

WHEREAS, A January 24, 2011 article in *The New Yorker* by Dr. Atul Gawande titled "The Hot Spotters: Can we lower medical costs by giving the neediest patients better care?" highlighted two innovative examples in New Jersey, one in Atlantic City and one in Camden, whereby health care costs are being reduced and health outcomes improved by targeting resources and outpatient care to patients with high, recurrent medical costs; and

WHEREAS, In 2007, the Atlantic City casino workers' union and the AtlantiCare Medical Center, both of which are self-insured and account for the two largest groups of employees in the city, partnered together to open the Special Care Center. Union members and hospital employees who had, or were identified as likely to have, high recurrent medical costs were invited to become patients of the Special Care Center - approximately 1,200 chronically ill patients elected to join; and

WHEREAS, The union and hospital piloted an innovative care-delivery model at the Special Care Center, key components of which included: (1) paying a monthly flat fee per patient rather than paying per patient visit, thereby saving the Center significant administrative costs associated with billing; (2) allowing patients unlimited access to the Center without co-payments or insurance bills; (3) using an "open access" scheduling system to ensure that ill patients were able to get same-day appointments; and (4) holding daily staff meetings to discuss the patients with appointments scheduled that day and ensuring that all patients who came to the office for a sick visit the day before received a follow-up phone call; and

WHEREAS, Perhaps the most important innovation at the Center is the staffing model, which includes doctors, nurses, a social worker, and eight full-time "health coaches" - laypeople without prior clinical experience who director Dr. Rushika Fernandopoulle "recruit[s] for attitude and train[s] for skill." The health coaches' primary responsibility is to make at least bi-weekly contact with their patients to help them achieve

their health care goals (e.g., taking prescribed medicine, making changes in diet and exercise, monitoring chronic conditions) - a level of care and connection that patients attribute to their being able to successfully achieve those goals; and

WHEREAS, After just one year, the Center had delivered both reduced costs and improved health outcomes for its patients. Preliminary analysis by an independent economist indicated that the health care costs for the Atlantic City casino workers had fallen by 25% in comparison to those of a similar group of high-care-cost casino workers in Las Vegas. With respect to health outcomes for the Center's entire patient population at the one-year mark, emergency room visits and hospital admissions were down 40%, surgical procedures were down 25%, the blood pressure of 501 of the 503 patients with high blood pressure was under control; and of patients who smoked and had health and lung disease, 63% had quit smoking; and

WHEREAS, Dr. Fernandopulle has already established a Special Care Center for Boeing workers in Seattle and is developing one for casino workers in Las Vegas; and

WHEREAS, A similar effort is underway across the Delaware River in Camden, where local physician Jeffrey Brenner founded the Camden Coalition of Healthcare Providers to focus on "super-utilizers" - the 1% of patients (approximately 1,000 people) who account for 30% of health care costs in Camden and whose frequent emergency room visits and hospital admissions represented, to Dr. Brenner, "failures of the health-care system" to deliver preventive, timely, and effective care; and

WHEREAS, The Coalition, which is grant funded, delivers patient service through home visits and phone calls and works with patients on issues ranging from medical crises to unfilled prescriptions to housing stability. Since 2007, the Coalition has provided care to more than 300 "super-utilizers." The Coalition has measured the long-term effect of its care model on the first thirty-six "super-utilizers" it worked with: for this patient group, emergency room and hospital visits have declined 40% and hospital bills have been reduced 56%; and

WHEREAS, These innovative health-care models have the potential to improve health outcomes for City employees and citizens, while also resulting in significant fiscal savings; and

WHEREAS, Pursuant to the Rules of Council, the Committee on Labor and Civil Service shall hear, inter alia, "[a]ll matters relating to labor relations, work flow processes, reinventing government, efficiency and productivity of the labor force, customer service, [and] the Civil Service Commission"; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Labor and Civil Service is authorized to hold hearings investigating ways that targeting medical resources can help the City of Philadelphia improve the quality and reduce the cost of providing health care services to its employees and citizens.