



**Dr. Donald M. Berwick**

*President Emeritus and Senior Fellow,  
Institute for Healthcare Improvement*

**Pamela S. Brier**

*Senior Advisor, Hunter College, and Visiting  
Senior Fellow, The New York Academy of Medicine*

**Dr. Jo Ivey Boufford**

*President, The New York Academy of Medicine*

**Dr. Rosa M. Gil**

*President and CEO, Comunilife, Inc.*

**David R. Jones, Esq.**

*President and CEO, Community Service Society*

**Dr. Rafael A. Lantigua**

*Professor of Medicine, Columbia University  
Medical Center, and Medical Attending,  
New York Presbyterian Hospital*

**James R. Tallon, Jr.**

*President, United Hospital Fund*

**Javier H. Valdes**

*Co-Executive Director, Make the Road New York*

Commission on Health Care for  
Our Neighborhoods Issue Brief:

# Executive Summary

Recommendations on  
NYC Health + Hospitals' Transformation

**March 2017**

## Seizing the Opportunity

NYC Health + Hospitals' central mission is to provide patient-centered, high-quality, and efficient care to all New Yorkers, including the most underserved and vulnerable residents of our City. From emergency care for the homeless when temperatures drop, to routine diabetes monitoring by providers as diverse and multilingual as the communities they serve, to its groundbreaking adult sickle cell program, our treasured public health care system has always operated with open doors for anyone in need. Reflecting the values and promise of the vibrant city it serves, and with a commitment to both excellence and equity, NYC Health + Hospitals delivers more care to the uninsured than any other health care system in the City. These services not only help individual patients, they keep our city and our communities healthy.

As detailed in [One New York: Health Care for Our Neighborhoods: Transforming NYC Health + Hospitals](#), our vital public health care system is at a critical juncture, facing a looming financial deficit projected to total \$1.8 billion by 2020 that threatens its ability to fulfill its mission. This crisis is being fueled by a \$1.2 billion reduction in traditional state and federal safety-net funding, reduced demand for inpatient services faced by all delivery systems, and the aging system's struggle to keep up with rapid changes in how and where care is delivered to best serve patients and communities. Anticipated policy changes regarding the replacement of the Affordable Care Act are likely to compound this crisis. Currently, more than 90 percent of NYC Health + Hospitals patient revenues come from public coverage programs, and some of those programs, most notably Medicaid, could see dramatic cutbacks in federal support and onerous new participation requirements for patients that will likely increase the number of uninsured New Yorkers.

Addressing these challenges head on is essential to sustaining NYC Health + Hospitals' mission and to preserving and strengthening the provision of high-quality health care services to all who need them, especially for those who have nowhere else to turn. While New York City has increased its financial support of the system – from an average of \$1.3 billion over the past four years to \$1.8 billion annually through 2020 – City funding alone cannot solve this crisis. Our treasured public health care system is at perilous risk.

Crisis also creates opportunity. Today we have a chance not only to preserve NYC Health + Hospitals' mission and sustain its financial stability, but also to upgrade and modernize our system because all New Yorkers deserve high-quality and accessible health care regardless of insurance coverage, immigration status or ability to pay. Building off the strategic goals outlined in NYC Health + Hospitals' Vision 2020, the organization has begun to implement a number of transformation strategies to stabilize funding, rationalize services, improve operational efficiency, expand community-based care, and promote excellence in care for all of its patients throughout the system.

## The Commission's Charge

The Commission on Health Care for Our Neighborhoods was convened by First Deputy Mayor Anthony Shorris and Deputy Mayor for Health and Human Services Dr. Herminia Palacio to provide recommendations, which, consistent with the “Triple Aim” of improving the patient experience, improving the health of populations, and reducing the cost of care, inform NYC Health + Hospitals’ efforts to transform into a sustainable, high-performing system that keeps New Yorkers healthy throughout the course of their lives. Over six months, the Commission reviewed information about NYC Health + Hospitals’ work today and its plans for the future, and provided insights and recommendations regarding transformation strategies.



## Commission Issue Briefs

The Commission's findings are summarized in three issue briefs, [NYC Health + Hospitals' Transformation: Reenvisioning Clinical Infrastructure](#); [Building Clinical Partnerships](#); and [Sustaining the Safety-Net](#). The recommendations in these briefs were developed through consensus by Commission members, based on information and analyses provided by NYC Health + Hospitals. Key findings and recommendations from the issue briefs are summarized below.

### NYC Health + Hospitals' Transformation: Reenvisioning Clinical Infrastructure

**NYC Health + Hospitals' findings:** A system-wide examination of NYC Health + Hospitals' current clinical service utilization shows that the current configuration of acute, ambulatory and post-acute care services at NYC Health + Hospitals must change to meet evolving patient needs. Inpatient utilization is declining, and most inpatient service use at NYC Health + Hospitals is low-acuity. The resulting low reimbursement is inadequate to cover NYC Health + Hospitals' cost structure. Ambulatory care volume is declining overall, and there is extreme variation in outpatient utilization among existing ambulatory care sites. This leads to high volumes and long wait times at some facilities while others are underutilized. In addition, NYC Health + Hospitals provides high-quality post-acute services for Medicaid and uninsured patients, but these services are not fully integrated with the larger NYC Health + Hospitals system.

#### Commission Recommendations:

- **Significant restructuring of clinical services, including new investments to expand ambulatory care services, is necessary to ensure NYC Health + Hospitals' financial sustainability and to strengthen the system's ability to provide high-quality services for all New Yorkers, including the uninsured and underserved.** The Commission believes that the current inpatient configuration of NYC Health + Hospitals needs to be consolidated and reduced substantially for improved financial sustainability, quality, and patient experience. In order to meet the community need for expanded access to ambulatory care, NYC Health + Hospitals must redirect its health care resources to provide more appropriate, convenient and coordinated care in more efficient outpatient settings accessible to patients, and at volumes that help ensure high quality. While public safety-net systems will always rely on government support, NYC Health + Hospitals must implement operational efficiency initiatives and aggressively reconfigure services where volumes are low, quality is subpar or facilities are inadequate, to ensure its limited resources provide efficient and high-quality care in settings more convenient for patients. Clinical restructuring should reflect thorough community assessment, taking into account geographic access and other patient needs, and include a process for community input and engagement.
- **NYC Health + Hospitals needs a visionary population health management strategy that includes long-term clinical partnerships and strategies to address the social determinants of health.** NYC Health + Hospitals must strengthen partnerships with other health and social service providers so that patients can seamlessly move across health care settings and receive needed supports to address the social determinants of health that impact health status and outcomes. One potential vehicle to increase linkages with local community based organizations (CBOs) is for NYC Health + Hospitals' subsidiary, OneCity Health, to contract with CBOs as part of care management infrastructure and associated activities.

- **NYC Health + Hospitals needs to balance a range of factors when making clinical restructuring decisions.** The decision-making framework is designed to guide NYC Health + Hospitals' clinical restructuring and emphasize operational efficiency, patient experience, and the health of communities. This framework was created in collaboration with the leadership of NYC Health + Hospitals and the City.

## Building Clinical Partnerships

**NYC Health + Hospitals' findings:** Clinical partnerships with other health care providers committed to serving all New York City residents, especially the uninsured and low-income New Yorkers, complement and support NYC Health + Hospitals' transformation. Given that patients, including the uninsured, currently receive inefficient and uncoordinated care across multiple health care systems, NYC Health + Hospitals can leverage its experience in operating a successful Medicare Shared Savings Program Accountable Care Organization to develop effective partnerships that coordinate care and generate savings. As payment for health services shifts to rewarding value and health outcomes, clinical partners will help NYC Health + Hospitals quickly achieve the patient volume necessary to effectively manage care and support investment in care management infrastructure.

### Commission Recommendations:

- **NYC Health + Hospitals should consider a range of possible clinical partnership models.** Pursuing multiple models tailored to variation in geography, community needs, and the capabilities of potential clinical partners may better serve NYC Health + Hospitals, patients and communities.
- **NYC Health + Hospitals should foster stronger partnerships with other hospitals and providers that support our public health care system's central mission to deliver high-quality and accessible care to all New Yorkers.** NYC Health + Hospitals must continue to evaluate existing clinical and academic relationships to ensure that they support a modern health care system including: more care in community-based settings, alternative payment arrangements, and delivering the right care at the right place at the right time. Better linking with local CBOs through contracting with OneCity Health will enhance NYC Health + Hospitals' ability to address the social determinants affecting the health of its patients.

## Sustaining the Safety-Net

**NYC Health + Hospitals' findings:** NYC Health + Hospitals plays a critical role in caring for the City's uninsured and other underserved populations, but anticipated changes in federal and state funding are undermining NYC Health + Hospitals' ability to serve its mission. Nearly half of all uninsured hospital stays and Emergency Department visits, and 80 percent of uninsured non-emergency hospital visits, occur within the NYC Health + Hospitals system. NYC Health + Hospitals is projected to experience a decline of nearly \$1.2 billion in traditional safety-net funding through fiscal year 2020. This is primarily because NYC Health + Hospitals is slated to bear the brunt of the federal Disproportionate Share Hospital (DSH) cuts statewide. The potential proposals to replace the Affordable Care Act currently under consideration in Washington will only widen the gap.

**Commission Recommendations:**

- **NYC Health + Hospitals should pursue multiple strategies to ensure adequate resources to fulfill its mission.** These strategies include preventing federal DSH cuts, ensuring state-level changes in DSH funding to ensure equity in its distribution, advocating to minimize unfavorable outcomes stemming from the potential repeal of the Affordable Care Act and federal changes to Medicaid, and creating an uninsured care program that ensures that uninsured patients at NYC Health + Hospitals access services in a similar way to those with health insurance.