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Codman Square
Health Center

September 25, 2013

Mr. David Seltz, Executive Director
Commonwealth of Massachusetts
Health Policy Commission
Two Boylston St.
Boston, MA 02116

Re: Health Care Cost Trends 2013 (HPC, OAG, CHIA)
Submitted Via: Email HPC-Testimony@state.ma.us

Dear Mr. Seltz:

I am pleased to submit testimony regarding health care costs and cost trends in the Commonwealth and the experiences of Codman Square Health Center (CSHC). Thank you for this opportunity to provide evidence from the community health center perspective during this time of transformative work on both the delivery side of health care as well as the cost and financing aspect as set forth by new regulations in the Commonwealth of Massachusetts.

Codman Square Health Center Background:
Codman Square Health Center (CSHC) is a community-based, outpatient health care and multi-service center in the heart of Dorchester. We opened our doors in 1979 with a dream: to build the best urban community in America. As part of this dream, we recognized that though health care begins by alleviating sickness, the journey to a true "culture of health" is achieved through the health of the whole person and the whole community. Our two-physician staff that summer of 1979 may have been small, but our mantra was not: while disease is a lack of health, health is not simply a lack of disease. Today, we are home to a staff of 280 multi-lingual and multi-cultural expert clinicians, medical staff and employees, most of whom reside in the neighborhoods near Codman Square. We provide over 100,000 visits each year, and have developed an astounding depth and breadth of community programs, as well as strong partnerships with other organizations in order to meet our mission most efficiently.

CSHC's portfolio of health care services includes: Primary Care in adult, pediatrics and family medicine, including well-child visits and immunizations as well as medical group visits; Urgent Care and Walk-in services; Chronic disease management including HIV/AIDS, Asthma, and Diabetes; Nutrition and WIC services; Case management services including clinical and social services and outreach; Health screening services, clinics and programs; Women's health services including family planning, gynecological care, pre/perinatal care, and obstetrical care; Behavioral health services for children, adolescents, and families, including substance abuse counseling; Dental and Eye Clinics; a 340B Pharmacy; Radiology services including x-rays, mammograms and ultrasound; and Diagnostic Laboratory services. CSHC also provides extensive support and enabling services including Financial Counseling, Insurance Services, Interpreter

Services, Domestic Violence, Parent-to-Parent Programs, Boston Healthy Start Initiative, a Food Pantry and Community Health Education and Outreach.

We serve over 20,000 patients each year, 97% of whom live below 200% of the Federal Poverty Level. The racial/ethnic composition of our patient population is 82% Black, 7% Latino, 4% White, 1% Asian, 1% American Indian, and 5% unreported. More than 70% of our patients are on government assisted insurance products. CSHC also manages a school-based health clinic at the nearby Tech Boston Academy and a community outreach center about a mile from the main health center where most of the community programs take place. Codman Square Health Center is a Federally Qualified Health Center (FQHC) and receives federal support through its designation as a Section 330 community health center. We are licensed through Boston Medical Center and are accredited through the Joint Commission.

In the spring of 2010, CSHC joined the Safety Net Medical Home Initiative (SNMHI), a nationwide demonstration project supported by The Commonwealth Fund, Qualis Health and the MacColl Institute for Healthcare Innovation, embarking on a three-year journey to transform into a Patient Centered Medical Home (PCMH). In January, 2013, CSHC received the Level 3 PCMH designation – the highest level. PCMH transformation has become the unifying roadmap for quality improvement at the Health Center and ties into our mission of providing for the physical, mental and social well-being of our community.

Our partnership with the Codman Academy Charter Public School (CACPS) is the only one of its kind in the country - a school within a health center. CACPS not only prepares students to enter college, but to succeed in college and beyond. This is accomplished with an extended school day and additional time on Saturday. There is an added emphasis on health careers and health professions with CSHC staff regularly providing students with instruction on health topics as well as a formal student internship program which provides experiences for students in our various departments. 100% of Codman Academy's students are accepted to college and most will be the first in their family to attend. The completion of our building expansion added two floors to our school. We are planning additional programs on our shared campus. We believe this model of health care and education is replicable on a national scale, and in fact the White House Office of Social Innovation recently visited to learn more about this potential.

Our partnership with *Healthworks for Women at Codman* allows for physicians to write "prescriptions" for free memberships to patients who have been prescribed exercise to treat diabetes, obesity, hypertension, and mood disorders

1. Chapter 224 of the Acts of 2012 (c.224) sets a health care cost growth benchmark for the Commonwealth based on the long-term growth in the state's economy. The benchmark for growth between CY2012- CY2013 and CY2013-CY2014 is 3.6%.

a. What are the actions your organization has undertaken to reduce the total cost of care for your patients?

Over the past year, we have restructured DotWell, our management organization, to save $700,000. We have also outsourced our billing at a savings of $350,000. Additionally, we believe that our Patient Centered Medical Home (PCMH) model will allow us to provide quality care and reduce health care delivery costs. This model of service delivery allows us to provide comprehensive services to our patients and allows early intervention and preventative care.

b. What are the biggest opportunities to improve the quality and efficiency of care at your organization? What current factors limit your ability to address these opportunities?

The PCMH is our biggest opportunity. CSHC has also recently opened the William J. Walczak Health and Education Center, which added 22 new exam rooms and three group rooms to health center. The additional space will allow us to increase market penetration and serve an additional 5,000 patients. The increased use of group visits will also improve the quality and efficiency of care for the patients we serve. Current factors that limit our ability to address and maximize these opportunities are that:

- *The current reimbursement system is still mostly fee for service. As we transition to global payment, we need to be careful that we do not over develop systems before the new payment arrangements are finalized.*
- *Multiple payers have different requirements, which create inefficiencies in registration and billing. Health centers spend too much time and effort addressing these rules and requirement. It would be ideal spending time in delivery of services. Additionally, all the data currently available is claims data. Denial data is not included in any statistic. This can cause bias in payer data statistics.*

c. What systematic or policy changes would encourage or help organizations like yours to operate more efficiently without reducing quality?

System and policy changes that encourage population (whole health) management versus episodic care are needed. If we provide health care in an integrated manner, we can reduce the cost and improve the quality of care. Additionally, primary care needs to be more valued in the system as a whole. Primary care clinicians' work needs to be reimbursed at rates that cover costs. Standardization around payment requirements is necessary for improved efficiency. It may also help to be a part of a larger accountable care organization which would allow us to share resources and infrastructure.

d. What steps are you taking to ensure that any reduction in health care costs is passed along to consumers and businesses?

We are a federally qualified community health center. Under the current fee for service model, we cannot generate sufficient billing revenue to cover our operating costs without relying on grants and donations. If we could increase access to funds from the reduction of costs, we could provide additional educational opportunities to our community to promote Health and Wellness. .

2. The 2013 Examination of Health Care Cost Trends and Cost Drivers by the Attorney General's Office found that growth in prices for medical care continues to drive overall increases in medical spending. What are the actions your organization has undertaken to address the impact of the growth in prices on medical trend and what have been the results of these actions?

The PCMH program allows us to provide care coordination between behavior health and primary care. There is also a strong emphasis on preventative care. We are still evaluating whether the PCMH model will lower costs. As a community health center, we work to contain costs at several levels. We serve populations subject to major health disparities. We often provide health care to patients who are turned down for care at private practices. We employ staff that reflective of our communities in order to engage people to enter care when a diagnosis is most treatable and less costly.

3. C.224 seeks to promote the integration of behavioral and physical health. What are the actions your organization has undertaken to promote this integration?

a. What potential opportunities have you identified for such integration?

As part of our commitment to families CSHC is participating in Project LAUNCH, a prevention and promotion program which screens and identifies families with young children in need of early childhood mental health (ECMH) services while supporting families through the process of short term intervention and referrals. LAUNCH at CSHC was initiated under a Substance Abuse and Mental Health Services Administration grant to the Boston Public Health Commission. Providers at CSHC routinely screen at each pediatric visit. We are able to bring a mental health provider into a clinic visit and immediately introduce a family to a family partner who continues to be their support, navigator and guide throughout the process. We refer patients not only to our in-house mental health providers but also to the child development resources at Boston Medical Center and in the community.

We are piloting a behavioral health intervention model for our patients age 16 and older. This is proving beneficial for our patients. The model co-locates a behavioral health clinician in the primary care departments who is available to address immediate mental health needs. We are exploring ways to sustain Project Launch and extend it to older children and move toward a community oriented pediatric medical home which would integrate behavioral and dental health screening and offer home visits to address social and developmental issues identified at well child visits.

b. What challenges have you identified in implementing such integration?

The single biggest challenge has been around payment methodologies and to break even financially on the provision of integrated care. Current policy does not support the payment of integration; as a result, we often provide these services at a loss to our bottom line.

c. What systematic or policy changes would further promote such integration?

Because Community Health Centers offer lines of service that promote integration, we have had to become experts in two very different financing worlds. Payment methodologies need to be more uniform in order to streamline health center billing and financial analysis.

4. C. 224 seeks to promote more efficient and accountable care through innovative care delivery models and/or alternative payment methods.

a. Describe your organization's efforts to promote these goals.

CSHC has been at the forefront of the nationwide effort to adopt and implement the Centering™ Pregnancy model since 2007. Centering™ Pregnancy is a unique model of group care that combines clinical visits with health education and support. Similar to other shared medical appointment models, Centering™ Pregnancy supports increased efficiency and productivity and Midwives, family physicians, social work, and case management are all involved in the group program ensuring that participants are receiving the full spectrum of services available at the Health Center. CSHC also offers Centering™ Parenting, group well-child visits that allow Centering™ Pregnancy participants to continue with group care. CSHC is one of only a handful of sites in the country who are implementing Centering™ Parenting. In the last year alone, CSHC ran over 100 Centering™ group visits, making it one of the most robust programs in the region. We are expanding this model to diabetes, pediatric well child visits and other chronic diseases.

b. What current factors limit your ability to promote these goals?

We lack depth in our traditional billing/financial departments to conduct the level of fiscal analysis necessary for managing payment reform. Some of our peers have engaged actuaries in order to accomplish this work. CHCs pride themselves in keeping administrative costs down. The availability of good quality quantitative and qualitative data limits our ability to perform the necessary fiscal analysis as well as the lack of robust evaluations systems.

c. What systematic or policy changes would support your ability to promote more efficient and accountable care?

The implementation of global payments that supports more holistic health care and sufficiently covers the cost of providing such care.

5. What metrics does your organization use to track trends in your organization's operational costs?

We use many metrics in the organization. For example, we use financial systems to track revenues and expenditures and clinical reports for visits and providers. Information is shared with senior staff and providers on a regular basis.

a. What unit(s) of analysis do you use to track cost structure (e.g., at organization, practice, and/or provider level)?

We track costs at both the organization and practice level. We track productivity at provider level. With our Board of Directors' Finance Committee, we track and review costs at the organizational level monthly, which we share with our executive team. At the practice level, we review income and expense, and we review monthly reports with all leadership and clinical staff.

b. How does your organization benchmark its performance on operational cost structure against peer organizations?

We use the benchmarks produced by the Massachusetts League of Community Health Centers to measure our performance. The Massachusetts League of Community Health Centers prepares a blinded report annually that measures participants against peer organizations. We have used this report to track ourselves against some of our CHC peers. Additionally, when our audit firm presents our annual data to the Board of Directors, they provide us with a peer comparison performance sheet.

c. How does your organization manage performance on these metrics?

We monitor the information, share it and develop strategies to address issues and bring revenues and expenses in line.

6. Please describe the actions that your organization has undertaken or plans to undertake to provide patients with cost information for health care services and procedures, including the allowed amount or charge and any facility fee, as required by c.224.

CSHC develops a sliding fee schedule, which is approved by the Board. The fee schedule is made available to patients. We also have enrollment staff who provide financial counseling to patients who may not have insurance.

7. After reviewing the reports issued by the Attorney General (April 2013) and the Center for Health Information and Analysis (August 2013), please provide any commentary on the findings presented in light of your organization's experiences.

After reviewing the Attorney General's report, we note that there is a clear trend toward increasing costs for medical services. In light of this, CSHC will continue to be cost conscious and seek to keep prices low as the health care system transitions to a global payment model. This should place us in a better position to ensure success in the changing health care environment.

The undersigned is legally authorized and empowered to represent Codman Square Health Center for the purposes of this testimony, and the testimony is signed under the pains and penalties of perjury.

Respectfully Submitted By:

Sandra Cotterell, CEO
Codman Square Health Center, Inc.