

# The Berger Commission: *10 Years On*



November 29, 2016

# Background

## **A Plan to Stabilize and Strengthen New York's Health Care System**



**FINAL REPORT  
of the  
COMMISSION ON HEALTH CARE  
FACILITIES IN THE 21ST CENTURY**

- Created in April 2005 to “review and strengthen New York State’s acute and long term delivery systems”
- Empowered to make two types of recommendations:
  1. Facility level recommendations using the “Base Closing Model”
  2. Non-binding policy recommendations

# Base Closing Recommendations

- Final report delivered on November 28, 2006 contained **57** facility recommendations for New York State, **36** of which pertained to acute care facilities, including **12** for New York City
- Implementation to be carried out by the New York State Department of Health by end of 2009

# Implementation of NYC Hospital Recommendations

Facility/Facilities	Recommendation	Impact on Certified Beds	
		Recommended	Actual
Victory Memorial	Close	(243)	(243)
Parkway Hospital	Close	(251)	(251)
Westchester Sq.	Close	(205)	(205)
Cabrini Med.	Close	(474)	(474)
St. Vincent's Midtown and Manhattan	Close Midtown; Manhattan add 12 beds	(238)	(238)
NY Methodist and BK Comm. Hospitals	Full asset merger and downsize	(100)	21
Peninsula and St. John's Episcopal	Merge and downsize	(180)	(180)
NY Downtown	Downsize	(74)	(74)
Manhattan E, E, T	Downsize	(150)	(150)
North General	Merge w/ Mt. Sinai	0	0
Queens Hospital	Add 40 Med/Surg	40	40
Beth Israel Petrie	Convert beds	0	0
	Net Reduction in Beds	(1,875)	(1,754)
	Percent Decline	-6.4%	-6.0%

# Changes in the Hospital System Have Been More Dramatic than Commission Anticipated

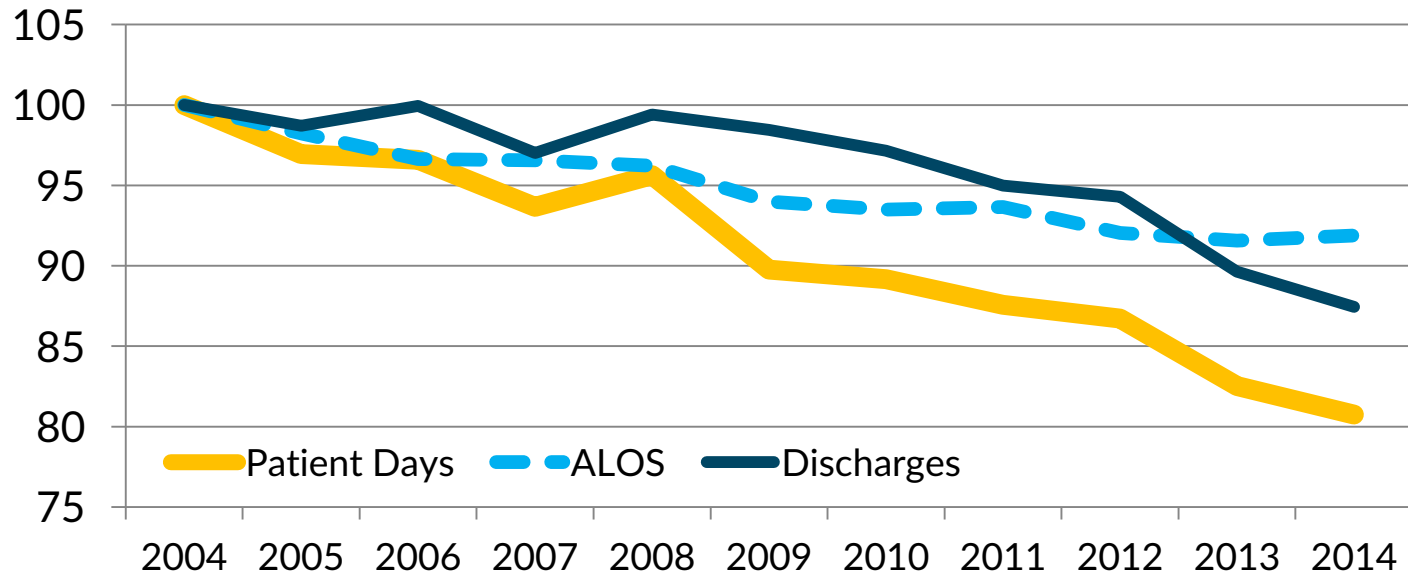
- Acute inpatient capacity has shrunk beyond commission recommendations
- Acute inpatient demand has dropped rapidly, meaning excess capacity remains despite downsizing
- Acute inpatient capacity has been consolidated into large coordinated systems

# Acute Inpatient Capacity Shrunk Beyond Commission Recommendations

	2004 (actual)	Commission Recs	2009 (actual)	2014 (actual)
Total Certified Bed Capacity	29,230	27,355	26,226	23,467
<i>Certified Beds per 1,000 Residents</i>	3.7	3.3	3.2	2.8
Percent Decline from 2004	NA	-6.4%	-10.3%	-19.7%

# Acute Inpatient Demand Has Also Declined Rapidly – Leaving Occupancy Rates Unchanged

Patient Days, Average Length of Stay and Discharges NYC,  
2004-2014  
(Indexed to 2004)



## Occupancy Rates

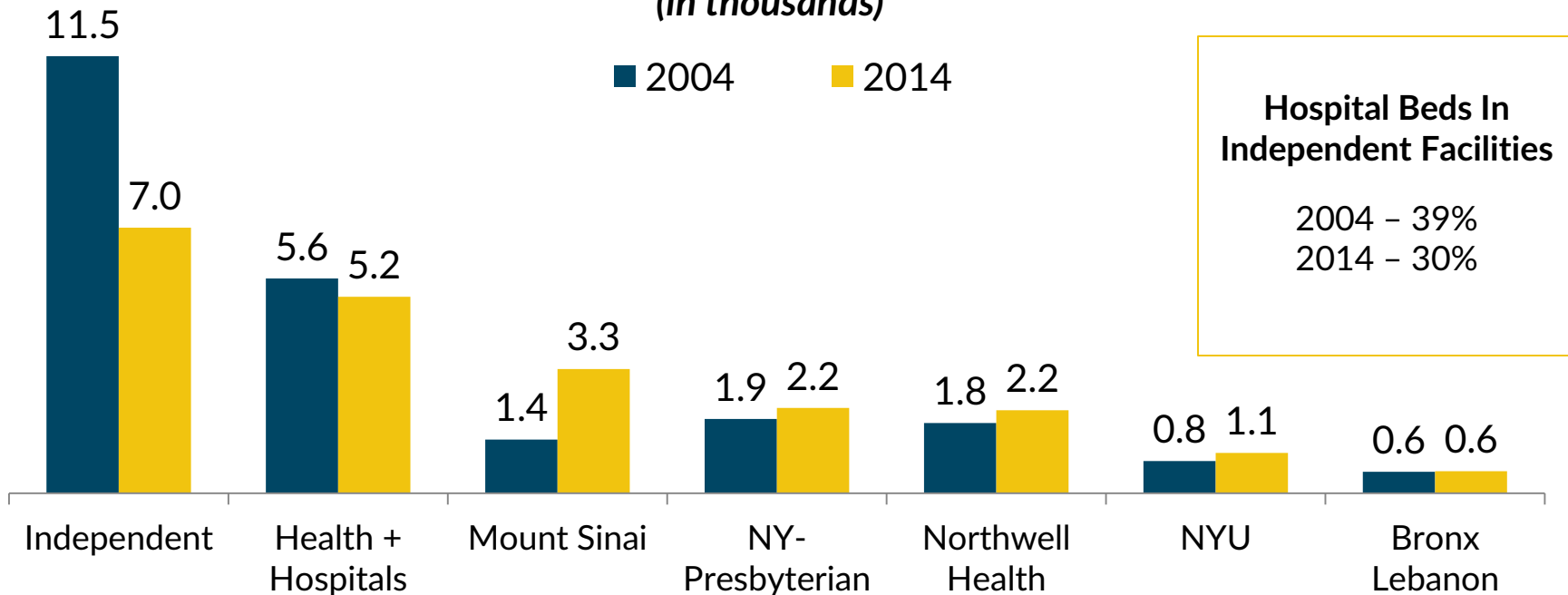
2004 - 72.5%

2009 - 72.5%

2014 - 72.9%

# Remaining Capacity Has Been Increasingly Consolidated into Coordinated Systems

Inpatient Beds by Hospital System, 2004 and 2014  
(in thousands)



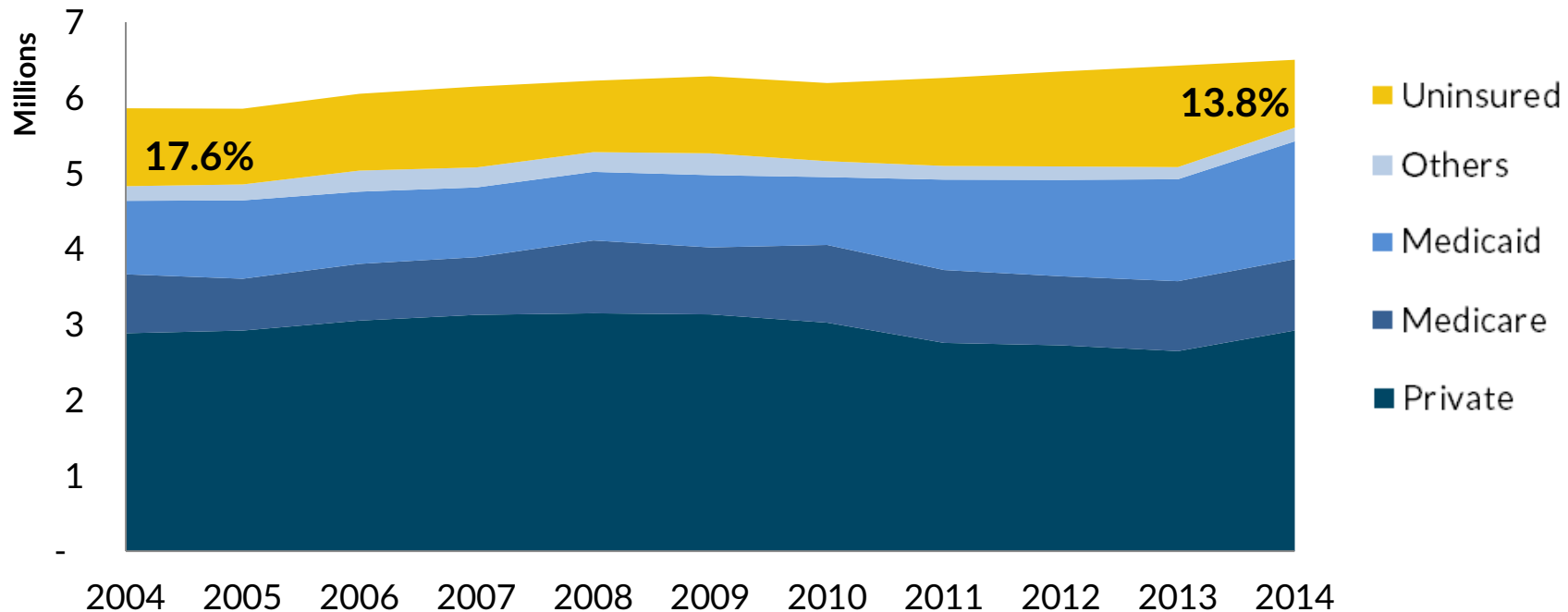


# Beyond Beds: Re-Routing Resources from 'Sick Care' to 'Health Care'

## Non-Binding Policy Recommendations

- Expand access to health care through **insuring the uninsured**
- **Invest in primary care** workforce and infrastructure and develop new delivery models
- **Align patient, payer and provider incentives**
  - Medicaid reimbursement reform
  - New payment models
- Invest in **Health Information Technology** infrastructure

# The ACA and Medicaid Expansion Have Reduced NYC's Uninsured Adult Population

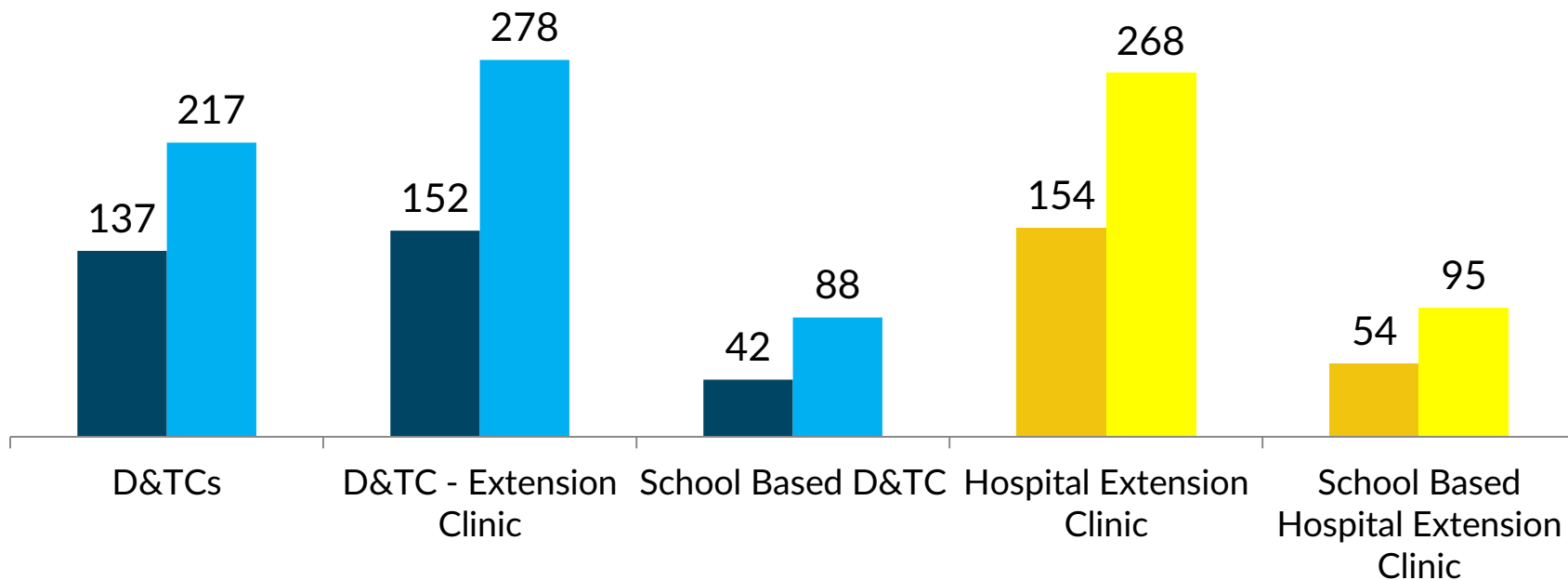


Notes: Includes New York City population age 19 years and older

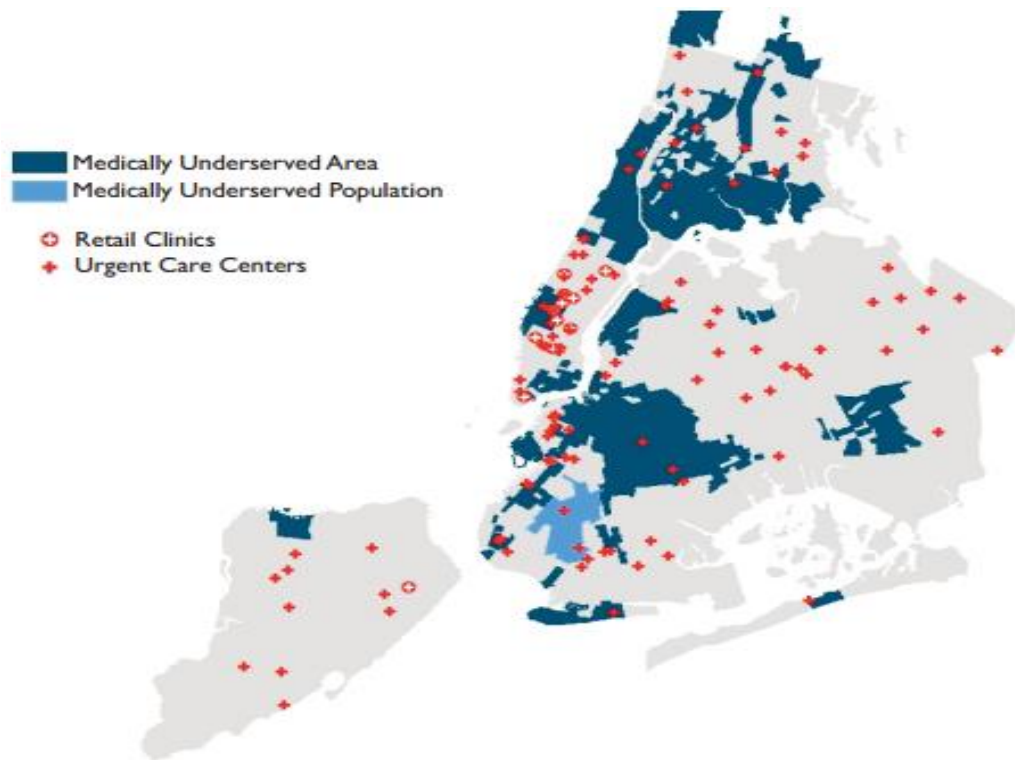
Source: New York City Community Health Survey, NYC Department of Health and Mental Hygiene, 2004-2014

# NYC Ambulatory Care Services Are Expanding

Growth in Outpatient Facilities - 2004 vs 2016



# Growth in Retail Clinics and Urgent Care Centers



Source: United Hospital Fund, *Convenient Care: Retail Clinics and Urgent Care Centers in New York State*, February 2015

# Developing New Delivery Models

Accountable Care  
Organizations

NYC: 9

NYS: 38



'Health Home' Primary  
Care Providers

NYC: 11

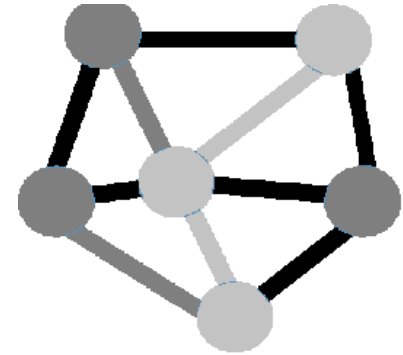
NYS: 32



Performing Provider  
Systems

NYC: 11

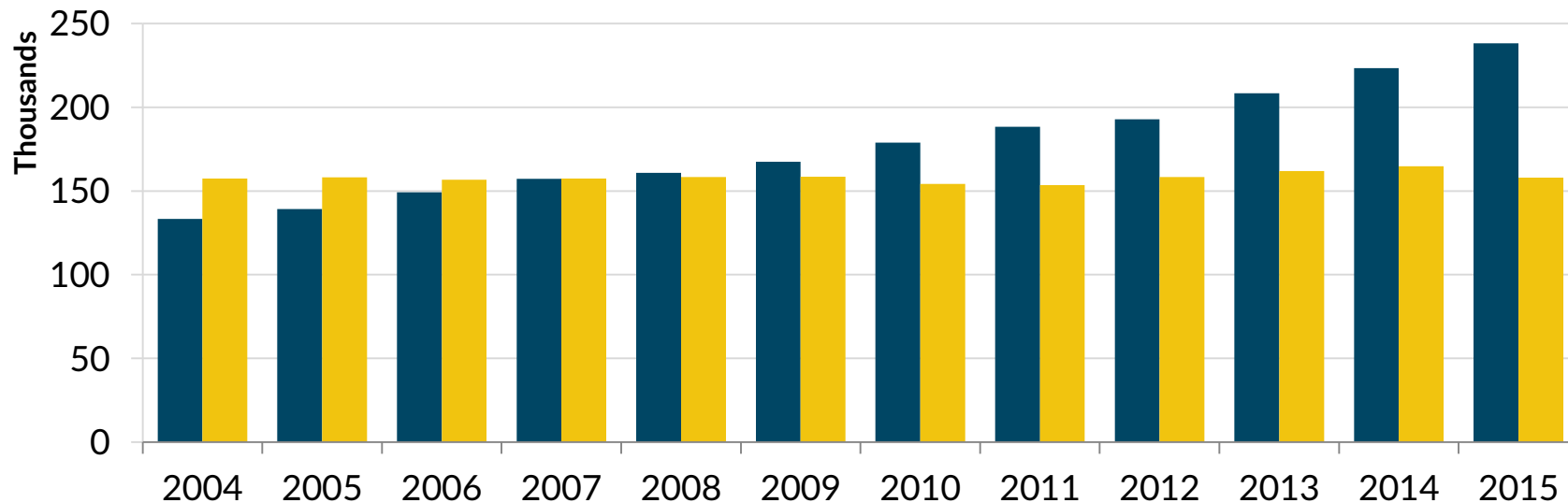
NYS: 25



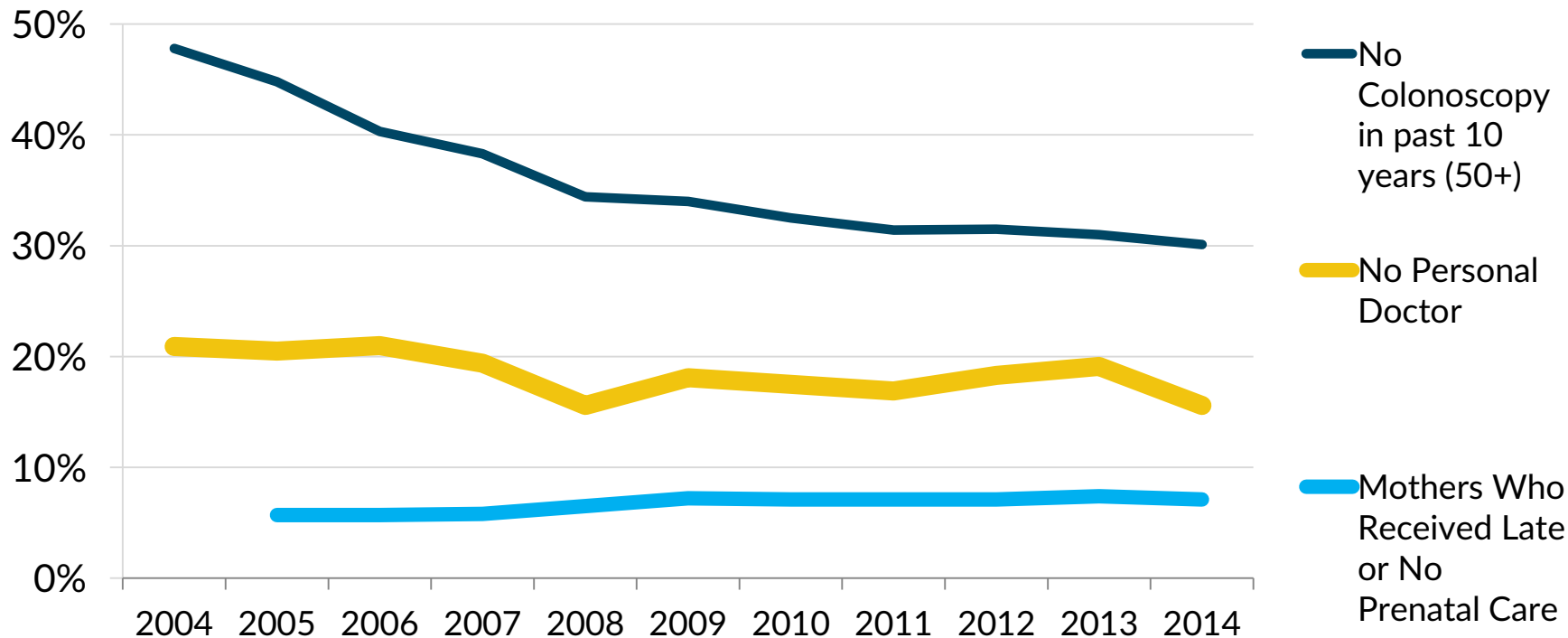
# Employment in Ambulatory Care Settings Has Overtaken Hospital Based Employment

Annual Average Employment - Ambulatory and Hospital Settings,  
New York City, 2004-2015

■ Ambulatory Health Care ■ Hospital

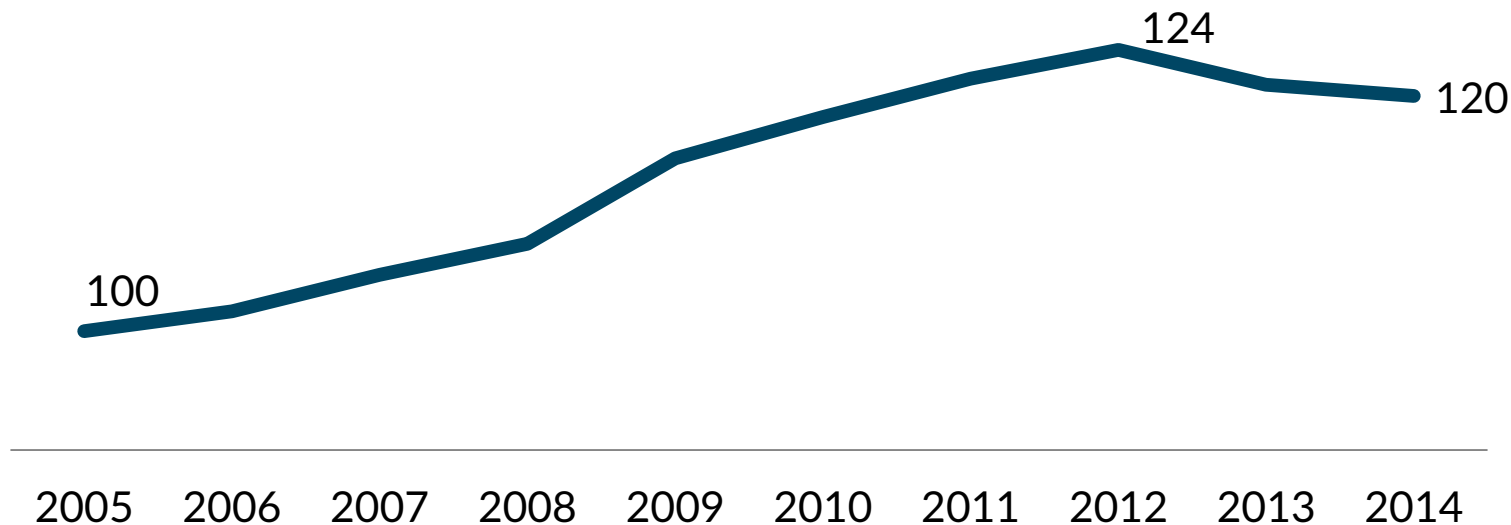


# There is Mixed Evidence That People are Accessing These New Resources



# Increasing Emergency Department Use Suggests Inadequate Outpatient Provision/Utilization

NYC ED Encounters per 1,000 Residents  
(Indexed to 2005)



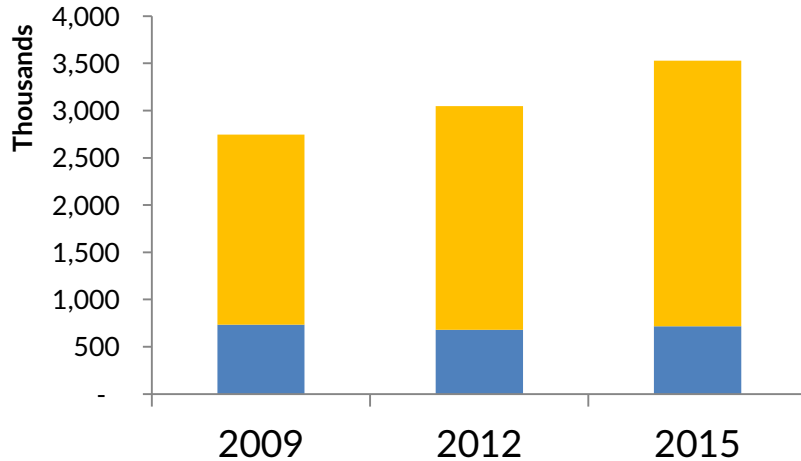


# Progress is Being Made in Aligning Provider and Payer Financial Incentives

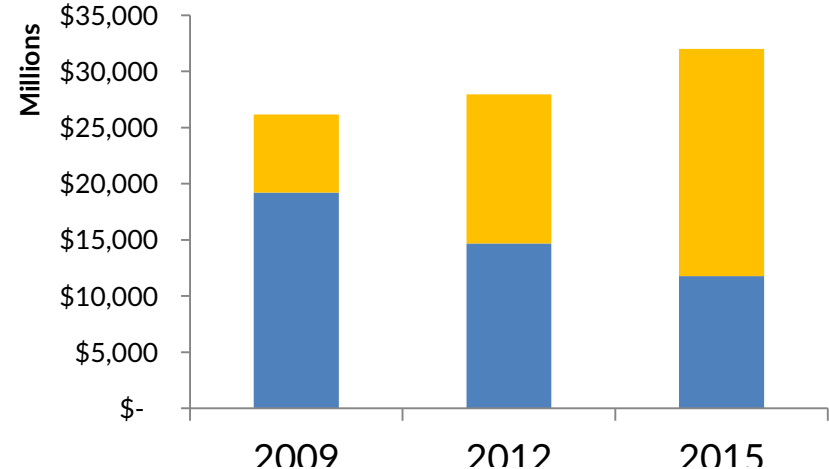
## Moving Medicaid from Fee-for-Service to Managed Care – New York City

■ MMC ■ FFS

### Enrollment



### Expenditure

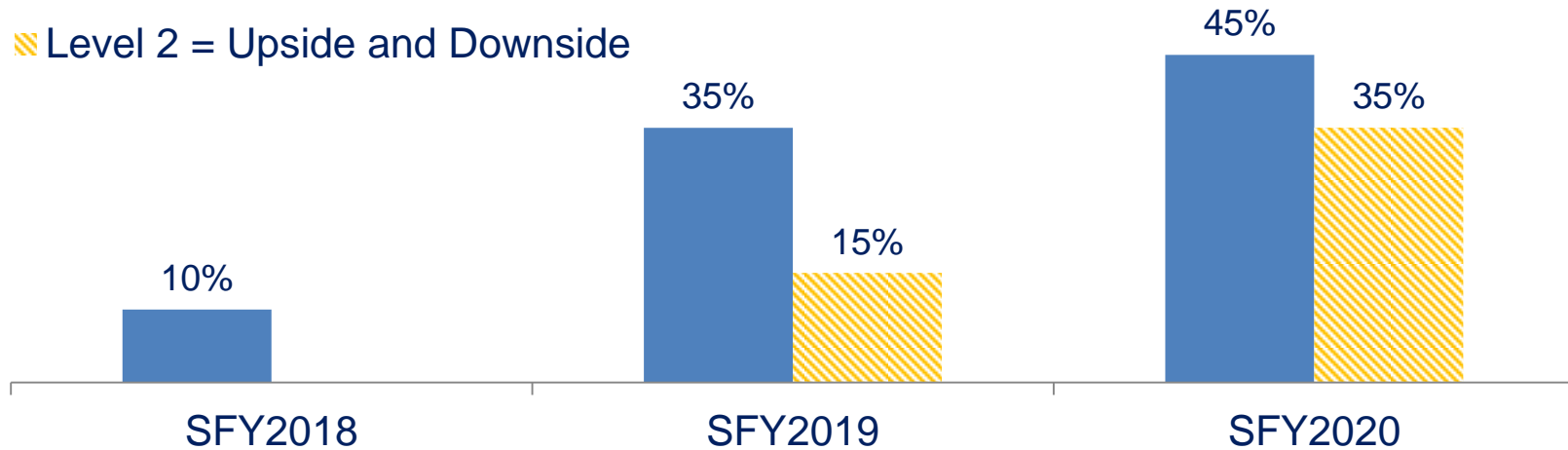


# The State Aims to Go Further Through Expanding Use of Value-Based Payments

## Minimum Goals for Value-Based Payments as a Share of Total Payments from MCOs to Providers, Levels 1 and 2

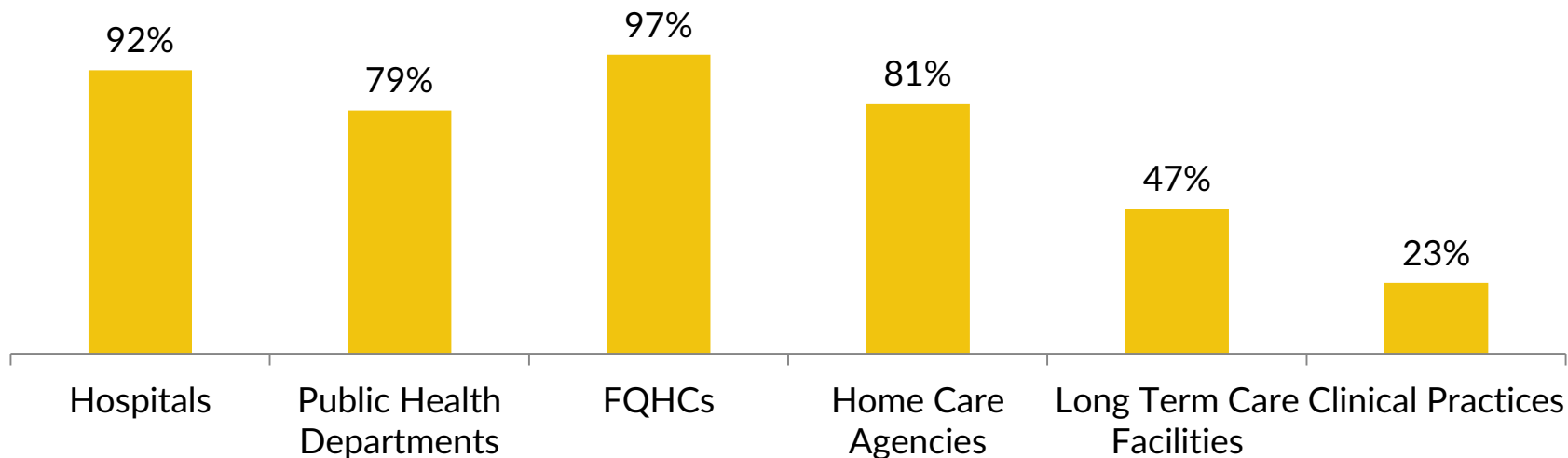
■ Level 1 = Upside Risk Only

▨ Level 2 = Upside and Downside



# Infrastructure Buy-In Is Robust, But Issues Remain

Statewide Health Information Network for New York Stakeholder  
Adoption by Provider Type  
New York State – Sept. 2016



# Takeaways

- The Commission got the direction of change right, but it underestimated the pace of change;
- The policy responses proposed were the right ones, but have yet to be fully implemented; and
- More work needs to be done ensuring that outpatient care is replacing inpatient and emergency department care, not adding to it.

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