

# **Decent Health Care for All in Philadelphia: Local Leadership & Action**

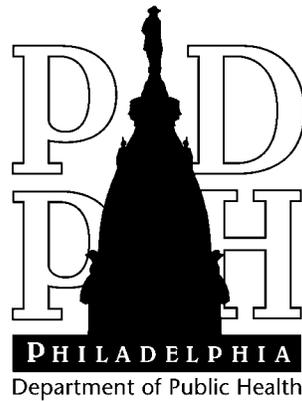
**Summary**

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**Prepared for:**

**The Philadelphia Department of Public Health  
City of Philadelphia**

**May 2005**

**John F. Street, Mayor  
Julia Danzy, Social Services Director  
John F. Domzalski, Health Commissioner**

**For a complete copy of the plan, go to:**

**[www. Phila.gov/HEALTH](http://www.Phila.gov/HEALTH)  
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# CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC HEALTH  
1101 Market Street - 8th Floor  
Philadelphia, PA 19107

JOHN F. DOMZALSKI  
Health Commissioner

This plan, "Decent Health Care for All in Philadelphia: Local Leadership and Action" was prepared by the Philadelphia Department of Public Health pursuant to the amendment to the Philadelphia Home Rule Charter approved by the voters in November 2003.

During my tenure as Health Commissioner, I have been increasingly concerned as the number of uninsured people in Philadelphia has continued to rise reflecting the national trend. In the past four years alone, nearly 50,000 adults have been added to the ranks of the uninsured.. While we work every day to promote and protect the health of all Philadelphians, and to provide a safety net to those most at risk, the Novem

I am deeply grateful for the sustained energy and devoted commitment of the Advisory Committee, whose collective experiences and knowledge have so richly informed this plan. I am also grateful for the hundreds of community stakeholders whose enthusiastic participation gave voice to the challenges faced every day by providers and patients alike.

I am indebted to David Grande, M.D., and his team from the Woodrow Wilson School of Public and International Affairs at Princeton University for developing a plan that is both practical and visionary. The plan draws upon the varied experiences of other cities and counties that have developed strategies to address the issues of the uninsured. The plan also provides an illuminating history of Philadelphia's long-standing efforts to address health disparities and the consequences of a national health policy that does not ensure decent health care for all.

I would be very remiss if I failed to acknowledge the energy and tireless effort devoted to this work by Carol Rogers. Without Carol's dedication and commitment all of the pieces necessary to complete this work would not have come together.

It is important to restate that we cannot solve the health care crisis without significant policy changes at the state and federal levels.

We can begin, however, to work together at a local level to implement the changes outlined in this plan, and to work, as mandated by the voters of Philadelphia, the promise of "decent health

May 2005

Dear Voters and Other Residents of Philadelphia,

Philadelphia is one of the great medical centers in the nation, attracting patients from all over the world. With four competing academic medical centers committed to provide the very latest that medical science makes possible, more than enough hospitals, physicians and other health resources are available to provide at least decent health care to every Philadelphian. These and other key facts are set out in this report which was commissioned by the Health Commissioner following a recent landmark change in the city charter in which 75% of the voters called for a plan for decent health care for all 2 366.24024

*(Signers of Advisory Committee Letter, continued)*

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*\*The organizational affiliations of Advisory Committee members are provided for identification purposes only and do not necessarily represent an endorsement of this report by their respective organizations.*



DELAWARE VALLEY HEALTHCARE COUNCIL  
*of The Hospital & Healthsystem Association of Pennsylvania*

April 5, 2005

Dear Commissioner Domzalski:

As a member of the Advisory Committee on Universal Health Care, we commend the efforts of the Philadelphia Department of Public Health and the team from Princeton's Woodrow Wilson School of Public and International Affairs for their analysis of the many challenges facing the health care system in Philadelphia. The report, developed by the Princeton team, in response to the 2003 amendment to Section 5-300 of the Philadelphia Home Rule Charter recommends the creation of a Health Leadership Partnership to mobilize and assist public and private sector leaders to develop a strategic plan to better coordinate and integrate health services in Philadelphia to guarantee "decent health care" for all, particularly underserved populations.

The report suggests that many Philadelphians are falling through the cracks of public and private health insurance coverage. Despite the growing numbers of uninsured, the federal and state governments are actively considering substantial cuts to Medicare, Medicaid and other health programs that reduce coverage and limit access to services for our most vulnerable populations. The magnitude of the reductions are such, that if enacted they will impair the ability of the delivery system to serve not only the poor and uninsured, but the entire community as well as increase health coverage costs for businesses already struggling to afford health insurance. In this context, it will be virtually impossible for Philadelphia, or for that matter any local jurisdiction, to make meaningful progress toward providing access to decent healthcare for all residents.

However, while we work to actively oppose these cuts, it is incumbent on all stakeholders at the local level to work together to enhance coordination and ensure effective use of the resources available to try to preserve access to care for the entire community. The creation of the HLP could help to foster that dialogue and provide an ongoing forum to coordinate our local response to these systemic challenges as well as ensure that we take advantage of any opportunities to enhance the systems necessary to create access to care for all Philadelphians. Although there are an enormous number of challenges facing our health care system, from our perspective the immediate focus of the HLP should be to help coordinate the region's opposition to federal and state budget cuts to Medicaid, Medicare and other health programs.

We support the creation of a properly focused Health Leadership Partnership. We look forward to working with you and the Partnership to develop an action plan for improving a

## **FOREWORD (ABRIDGED)**

Americans take it as an axiom that theirs is the best health system in the world. At its best, it probably is, and probably also on average, especially if one thinks mainly of health care delivery, as distinct from the financing of health care. Americans who are well insured or wealthy typically find their doctors and hospitals to be well trained, supported by advanced technology, as well as customer-oriented and caring. Once in the care of the American health system, a sick American's chance of surviving a serious illness arguably is as good as it is anywhere on the globe.

Unfortunately, the same cannot be said about the manner in which Americans finance their health care. Even for well-insured Americans, the fragmented, administratively complex and enormously expensive health insurance system is a source of endless perplexity and annoyance. Worse still, that system eclipses from coverage millions of low-income American families, including millions of children. The United States stands alone as the only industrialized nation without some form of universal health coverage for its citizens....

...Local initiatives thus have become the core of American health policy in the 21<sup>st</sup> century. Their result will be the "outcomes" by which the nation as a whole will be judged.

In November 2003, the voters of Philadelphia called for a plan that would permit everyone in need to obtain adequate health care, not as uninsured health-care beggars, but on dignified terms. The voters made this declaration in the face of rising numbers of uninsured in the city and growing health care access problems. Just over one year later, the situation has indeed worsened,

em. The report concludes by calling for local leadership and collaboration by the entire community, to assure access to decent health care for all. The principal vehicle would be a new, non-profit planning organization, the Health Leadership Partnership (HLP). The HLP would be charged with bringing together all elements of the local community to develop an overarching vision for a local health system that would guarantee dignified access to adequate health care for all Philadelphians. This planning agency would work with all sectors of the health system to develop better systems of coordinated care, especially for the most vulnerable citizens.

Although, in the end, the delivery of health care to the now uninsured will occur at the grassroots level, any plan to coordinate and finance that care must emanate from the level of the city's leadership – including the leaders of the city's health system -- and it must have these leaders' full and endorsement, along with adequate financial and administrative support. Here as elsewhere, the tone at the top will determine the outcome....

**Uwe E. Reinhardt, Ph.D.**

**James Madison Professor of Political Economy, Professor of Economics and Public Affairs  
Princeton University**

## EXECUTIVE SUMMARY

### **I. Introduction:**

*This report was developed in response to an amendment to Section 5-300 of the Philadelphia Home Rule Charter, the basic laws governing the city, approved by 75 percent of Philadelphia's electorate in November 2003. The amendment requires the Department of Public Health to prepare a plan for universal health care that permits everyone in the City of Philadelphia to obtain decent health care. Voters recognized the tremendous challenges to the health care system that are likely to further threaten access to decent care and induce a financial crisis within our local system.*

### **II. Key findings:**

**Philadelphia is one of the greatest medical centers in the nation and world with outstanding institutions committed to providing the best and the very latest that medical science makes possible. Despite Philadelphia's resources and the tireless effort of providers in both government and non-government health facilities, many residents in Philadelphia do not get decent health care.** Serious gaps in care and a lack of coordination persist for the underserved, leading to worse health outcomes and inefficient use of existing resources in the entire health system.

**A major reason Philadelphians have not been able to access decent health care is a lack of coordination and leadership in the system going back several decades.** The closure of Philadelphia General Hospital in the late 1970s, the 1998 bankruptcy of the Allegheny system, the near bankruptcy of the University of Pennsylvania Health System in the late 1990s, and the recent threatened closure of the Medical College of Pennsylvania Hospital all have failed to mobilize meaningful and effective city-wide leadership for health system planning.

**The generally accepted and optimal approach to achieving decent health care nationally is universal coverage. National reform is the ideal solution and will require significant changes to the financing of health care at the national level.** The standards adopted by Institute of Medicine have five elements, of which three can inform the local delivery of health care and of which two specifically involve insurance strategies. Philadelphia should be advocating for national insurance coverage and reform but cannot expect immediate results in the current political climate. Until then, it must confront the health care crisis and follow the three standards guiding health care delivery: that care be universal, continuous and affordable.

**A local initiative that engages all elements of the community, government and local health systems to develop their strategic plans to include involvement in coordinated systems of care is the most effective way for the City of Philadelphia to enhance quality, better utilize existing resources, and provide leadership for national reform.** The current political environment in Washington suggests that there is little hope for implementation of a national universal health care program at this time; in fact, at the

federal level, efforts may be underway to cut spending from existing programs. In the current environment, local community initiatives to develop care coordination programs and maximize existing resources offer the greatest opportunity to deliver decent health care to all Philadelphians.

**Health insurance and local economic trends indicate rapid growth in the number of uninsured, brisk increases in health spending, and slow overall economic growth, all of which suggest that the current problems in the health care system will worsen.**

Health spending and health insurance costs continue to grow at a rate that far exceeds economic growth. Similarly, the number of uninsured in Philadelphia is increasing as employer-based coverage erodes, with no slowdown expected for the foreseeable future. Most provider organizations provide safety net services, but financial pressures and lack of capacity challenge their ability to deliver care. All of these factors in combination are cause for alarm for community and health system leaders, and suggest that without major changes to the city's health system, access problems and already strained financial conditions are likely to worsen significantly in the coming years and potentially reach crisis proportions.

**The system of care for patients, especially uninsured, underinsured and other low- and moderate- income people, has major gaps and lacks an effective care coordination mechanism for patients moving through the health system, resulting in the inefficient use of existing resources.** Certain specialty services are virtually inaccessible to the uninsured and underinsured. No comprehensive system exists to coordinate care as patients move across various delivery sites, resulting in inefficiency, duplication and care being delivered at later stages of disease in more costly settings.

**Philadelphia is the largest city in the nation without a hospital owned by the local government. Philadelphia lags behind other cities that have experienced the closure or conversion of a county hospital in implementing programs to coordinate care for the uninsured and underinsured.** Of the six cities studied, all had implemented programs for the uninsured that provided some degree of care management across a spectrum of delivery sites that exceed the services available in Philadelphia. Detroit is illustrative of a city confronting a recent health care crisis by creating a health care coordinating authority focused on the needs of the uninsured.

### **III. Principal Recommendation:**

**Create the Health Leadership Partnership (HLP), a new non-profit organization that mobilizes and assists public and private sector leaders to develop their strategic plans to better coordinate and integrate health services in Philadelphia to guarantee decent health care for all, particularly underserved populations.**

#### **Mission Statement:**

*The Health Leadership Partnership will increase access to decent health care for all Philadelphians by engaging all elements of the community, government and local health system for collaborative planning and action to develop coordinated and integrated systems of care.*

**Health Leadership Partnership:** Selected leaders of the HLP should demonstrate a strong commitment to the HLP’s mission of decent health care for all, have influence in their respective fields, and exhibit dynamic leadership and the ability to achieve results. The leadership should be selected carefully from the private sector, government, foundations, non-governmental organizations and consumers.

The HLP will not duplicate the efforts of existing organizations but provide leadership for policy planning and collaboration. It will catalyze initiatives that require cross cutting leadership and serve as a credible convener for the community to address health system needs. The objectives of the HLP will ultimately be determined by the leadership after it becomes operational, but may include:

### **A. Objectives**

- Mobilize and engage public and private leadership from within the health system and community at-large to facilitate collaboration and citywide health system planning and coordination, focusing on health services for underserved populations
- Support meaningful public participation in health system planning through education and direct involvement in the HLP
- Develop strategies to improve the financing of care for vulnerable populations
- Facilitate efforts to integrate the health system and “safety net” to provide access to decent health care for all regardless of insurance status
- Conduct or commission research and evaluation of health services for underserved populations that provides feedback and improves services
- Be a strong force encouraging a more unified advocacy voice for Philadelphia’s health system and care systems for underserved populations

### **B. Implementation Steps**

- Health Commissioner identifies a prominent individual to serve as Chairperson
- Commissioner and Chairperson seat the HLP Development Working Group
- These aforementioned steps should be carried out in collaboration with the Advisory Committee for this report
- A one-two year development period consists of grant writing, establishment of a legal organization and structure, encouragement of early collaborative projects, continuous promotion of the mission of the HLP and seating of the Board of Directors

### **C. Financing and Start-Up of the Health Leadership Partnership**

Local stakeholders and the City of Philadelphia should contribute adequate funds and in-kind support to the HLP to sustain initial operations and an initial grant writing process. Long-term financing of the infrastructure of the HLP should come from a combination of contributions from stakeholders, city, state and federal government, foundation grants and other short-term project driven grants.

The one-two year development period should be dedicated to the challenging but achievable task of establishing a legal, viable and credible organization. The aggressive pursuit of a large foundation grant will be a high priority. The leadership will determine the long-term objectives and initiatives of the HLP, but through the process of conducting the research for this report, we identified a range of potential initiatives for the HLP:

#### **D. Potential Initiatives of the Health Leadership Partnership**

##### **1. Financing Care:**

**The HLP could pursue strategies to improve financing of the safety net delivery system. For example:**

*Maximization of Medicaid Funds:* Focus efforts on ensuring that Medicaid funds are appropriately and effectively applied through outreach and enrollment programs, future demonstration projects and adoption of best practices from other states.

*Capital and Economic Development Funds:* Develop targeted funding streams to finance the expansion or development of community health care centers, and link these efforts to existing economic development strategies.

*Health Care Provider Compensation Programs:* Facilitate the creation of reliable and transparent funding sources for care for the uninsured.

*Coverage Incentives:* Create incentives that encourage businesses to offer health insurance; avoid rewarding businesses that do not.

##### **2. Philadelphia Care Coordination and Management Program**

The HLP could support the creation and implementation of a care coordination and management program that links providers to more efficiently and effectively deliver decent health care to the uninsured. This system would lower uncompensated charity care costs and optimize patient health by focusing on prevention and proactive health management.

##### **3. Research**

The HLP could form a research division to support the organization's mission by carrying out in-house studies and working in collaboration with existing institutions. The research division could study the effects of proposals by the HLP, collect and analyze data about health services for the uninsured, and study long-term policy options for sustainable health services for vulnerable populations.

#### **4. Advocacy**

The HLP could form an advocacy division to bring currently disjointed voices together in their work for a strong health care system for all in Philadelphia. In addition to providing a new forum for collaborative action, the advocacy division would be responsible for advancing the HLP's proposals and creating a mechanism to organize and educate consumers.

The City of Philadelphia, the Health Leadership Partnership and local leaders would advocate for fundamental, national health care reform that achieves universal coverage and study plans that move the city towards that goal. The criteria proposed by the Institute of Medicine should be the primary consideration:

- Health care coverage should be universal.
- Health care coverage should be continuous.
- Health care coverage should be affordable to individuals and families.
- The health insurance strategy should be affordable and sustainable for society.
- Health insurance should enhance health and well being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered and equitable.

#### **IV. Conclusion**

The lack of national leadership for health care reform compels Philadelphia to find local solutions that best address the goals put forth by the Institute of Medicine (IOM). Philadelphia can make significant progress based on the IOM's first three goals: health care should be universal, continuous and affordable to individuals and families. The City may not be able to focus on an insurance strategy; however, it is fully capable of better coordinating the vast resources in the health care system to more effectively organize and deliver decent health care to all its citizens. Entitlement programs and policies influencing private insurance coverage typically occur at the state and federal level, but coordinating community initiatives to better organize the care system is a local responsibility. It can bring dramatic improvements to the provision of health services for all Philadelphians. Moreover, local action may be the only way to bring about national reform and set the stage for Philadelphia to respond rapidly and effectively to changes at the state and national level.