

New York City's Health System

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Prepared for the conference: *Access to Health Services and Care Coordination in New York and Montreal*, March 2016

The New York City (NYC) health care system shares two key characteristics with the health system in the United States. First, it is characterized by fragmented employer-based private health insurance and public health insurance coverage for eligible beneficiary groups such as elderly or severely disabled people (Medicare), very poor people (Medicaid), children whose parents' income does not meet Medicaid eligibility standards (SCHIP), and veterans (Veterans Health Administration). Since the Patient Protection and Affordable Care Act (Obamacare), there is also the option for all legal residents to purchase subsidized health insurance on regulated markets (Exchanges). Such health insurance must provide a standardized set of "essential benefits" with varying deductibles and co-insurance; but they are characterized by restricted networks of preferred providers, outside of which health care becomes even more expensive.

Second, most primary care physicians and specialists work in private office-based fee-for-service practices. Solo-based practices are becoming rare, large multispecialty groups and hospital-owned practices increasingly dominate the market, and new walk-in centers, e.g. retail clinics and urgent care centers are growing across the city, many in such corporate retail stores as CVS, Duane Reade, Walgreens. All of these practices share complex contracting arrangements with multiple payers. Also, there is a continually changing organization of safety net providers who care for Medicaid beneficiaries, the uninsured and the undocumented through hospital outpatient departments and community health centers rather than by private physicians.

New York City's Unique Challenges

Beyond the characteristics it shares with the United States, NYC's population has some distinctive characteristics. The rate of its foreign-born residents and immigrants is among the highest across cities in the U.S. Also, NYC has among the highest rates of older people (65 years and over) who, because of their recent immigrant status, have not met the eligibility

qualifications for Medicare. For these reasons, the rate of uninsured residents in NYC was historically twice that of the national average. Since implementation of the ACA, it has declined to less than the national average due largely to New York State's decision to expand the Medicaid Program and to its efforts to increase enrollments on the Exchange. Along with high rates of undocumented residents (compared to the national average), these population characteristics have contributed, over time, to the creation of a stronger safety net. The city's response to this need has resulted in the development of a large network of public and private not-for-profit community health centers and public hospitals that distinguish NYC from the nation as a whole.

Distinctive Health Care System Features

New York City's health care delivery system also differs from the U.S. First, the most visible difference is the presence of the largest public hospital system in the United States. The NYC Health and Hospitals Corporation (HHC) was created in 1969 as a public benefit corporation to replace the city's Department of Hospitals. HHC functions like a city agency, but it has a board of directors and is allowed to accept private revenues and funding. HHC operates 11 of the city's roughly 60 acute-care hospitals (the remaining acute-care hospitals are private, not-for profit) and is responsible for almost 20 percent of all admissions to acute hospital beds. HHC also provides an extensive network of primary care, as well as specialist services in its hospital outpatient departments and community care centers (six diagnostic and treatment centers, and more than 70 community-based [primary care](#) sites). In addition, HHC is responsible for a large share of the City's emergency room visits. In Manhattan, HHC's Bellevue hospital is known for its emergency room and trauma services. All HHC hospitals accept all patients and most have affiliation contracts with NYC's academic medical centers.

Second, NYC stands out because its academic medical centers have a strong influence over the provision of health care delivery while training the largest number of medical residents in the nation. Also, NYC is the home to one of the earliest and larger health maintenance organizations in the United States, the Health Insurance Plan (HIP) of New York. HIP, along with Group Health Incorporated, (GHI) are now part of Emblem Health, which provides health insurance and a network of services for its members.

Third, NYC is known for its Department of Health and Mental Hygiene (DOHMH), the

oldest, largest, and strongest health department in the nation. Since its establishment in the 1860s in response to a cholera epidemic, much has changed in NYC, but DOHMH's mission to protect New Yorkers against infectious disease remains strong following the AIDS and tuberculosis epidemics, the West Nile, SARS and Ebola scares, and post-9/11 concerns about the risks of bioterrorism, and more generally emergency preparedness. From the 1990s on, DOHMH has exercised its authority in containing tuberculosis, regulating smoking, more generally integrating its public health surveillance system, and developing community health profiles that have led to targeting high-risk areas of the city. DOHMH also improved its relations with the physician community so that most NYC physicians now communicate reportable diseases directly to the department, most hospital emergency departments participate in monitoring their patients' diagnoses, and the Emergency Medical System monitors patterns of complaints for a sample of 911 calls.

Since 2000, DOHMH has also adopted new regulations and programs to combat the rise in three chronic diseases: heart disease, colon cancer, and diabetes. In 2003, DOHMH formed the Citywide Colon Cancer Control Coalition to reduce colon cancer deaths through primary and secondary prevention. In 2006, it created a NYC A1C registry to help providers and patients improve diabetes care. Most laboratories in the city now report to DOHMH the results of A1C blood tests. DOHMH issues quarterly reports from the A1C registry to health care providers in an effort to help them manage diabetes and reduce complications associated with it. Finally, DOHMH's recent bans on smoking in public buildings, restaurants, and bars and on artificial trans fats in city restaurants were both designed to reduce rates of heart disease, the leading cause of death among New Yorkers.

Finally, NYC is an important part of New York State's Medicaid experiment with Delivery System Reform Incentive Payments (DSRIP). Since 2014, the federal government's Centers for Medicare and Medicaid Services (CMS) granted Medicaid DSRIP waivers to six states – California, Kansas, Massachusetts, New Jersey, Texas and New York. These waivers provide Medicaid funds to hospitals and certain other providers conditional on their achieving performance gains on an array of metrics linked to such targets as system redesign, clinical improvements, and enhancements of population health. New York State has developed a regional network approach which is led by twenty-five "safety net performing provider systems" within which 15 operate in NYC. The new partnerships among networks of hospitals and community

providers are responsible for most or all Medicaid beneficiaries in a given geographic area and will be paid based on measurable progress in reducing rates of avoidable hospitalization by 25%, building infrastructure and programs to improve population health, expanding access to services and more generally shifting the payment system from volume to “value.”