

Primary Health Care Services In Ulster County-2013

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Primary Care Health Care Services: Ulster County 2013

Executive Summary

Ulster County's primary care delivery system in 2013 reflects an adequate supply of pediatricians and a shortage of approximately **25 adult primary care physicians (PCPs)** when applied to national standards and adjusted for county demographics and historical patterns.

Helping to meet this shortage are out-of-county providers, non-physician primary care providers, ERs and outpatient centers, public providers like Planned Parenthood and the county's four (4) urgent care centers.

The number one factor behind the strength of the county's primary care delivery system today can be traced back to the establishment of the Mid-Hudson Family Practice Residency Program by home-grown pioneers in 1978. This has led to the development of the county's largest primary care group practice (Institute for Family Medicine with four clinics and 22 PCPs) which provides important access to quality health care services for Medicaid recipients, at risk populations and private patients. Twenty-eight (28) or **17.3% of its 162 graduates** remain practicing in Ulster County today (32% of all adult PCPs).

There are a total of **97** primary care physicians in practice today: **11** pediatricians (11%), **16** general internists (17%) and **70** family practice physicians (72%). Supporting the practices are 32 mid-level practitioners (PAs & NPs). Most surprising, **45% of practices** have no mid-level practitioners on staff. Unique to Ulster County, **83% of all adult PCPs** are family practice physicians versus the national average of 48%.

Fifty-seven (57%) of practices in the county remain locally owned or controlled and **43% of practices are now out-of-area controlled** (Institute for Family Medicine is a local/out-of-area hybrid). The Mid-Hudson Medical Group is the most aggressive out-of-area group and has announced expansion plans to a professional office complex in the Town of Ulster.

The Health Alliance of the Hudson Valley does not appear to have any **direct** involvement in the primary care delivery system nor does any regional HMO or managed care organization.

Primary care practices in Ulster County are preparing for the future. Over **80% of practices** have or will soon have electronic medical records (nationwide 58% of all office-based physicians ended 2011 wired), three practices are part of a CHP pilot initiative (expanded case management for Medicare patients) and practices are becoming more specialized (i.e. addictive behavior; chronic pain; Worker's Compensation; natural health).

The two major determinants that will impact primary care demand in the future is the county's aging population and the Affordable Care Act that mandates expanded benefit coverage, will increase the Medicaid eligible population by over 10% and will require most residents to purchase health insurance directly, through a regional cooperative or pay a fine.

According to the US Bureau of Health Professions, an average community should anticipate a need for 14% more primary care physicians by 2020 and should anticipate a 60% nationwide increase in the number of **licensed** non-physician primary care providers. Adjusting to the unique characteristics of Ulster County, it appears that there will be a need for one pediatrician and at least **30 adult primary care physicians to meet Ulster County's primary care needs by year 2020.**

With experts predicting that the US will be short 40,000 primary care physicians by the year 2020, there is little chance that Ulster County will meet its future primary care needs through traditional sources. Instead, a **greater focus must be on the recruitment of non-physician primary care providers and the creation of new models and partnerships for the delivery of primary care services.**

In addition to Ulster County's primary care challenge, a bigger challenge may be maintaining an adequate specialty care network and **retaining a locally-controlled inpatient institution that isn't forced to merge with a stronger out-of-area integrated health care system.**

Primary care medicine in Ulster County in 2013 is at a crossroads. If few changes are made, it is inevitable that private practices will continue to merge with expanding out-of-area controlled health systems as physicians look for more predictable salaried positions or early retirement options.

If Ulster County wishes to have its **own integrated health care system** to best plan for its future, the time to move is now. One initiative that could become successful starts with the county's independent primary care physicians leading

the way. First, they organize themselves and partner with the Institute for Family Medicine. Then they negotiate a long-term affiliation agreement with the Health Alliance and think outside-the-box by inviting non-physician primary care providers, urgent care centers and qualified primary care **support providers** to join the network.

When ready, they strategically incorporate specialty care medicine, referral services and begin discussions with regional health care systems and managed care organizations for **multi-year risk-based contracts** that reward performance for reducing health care costs while improving patient outcomes.

The impact of health care to our local economy and employment base is powerful. The health of our community depends on policy and business decisions that are made today. Ulster County's history as a leader in family medicine and progressive thinking, can serve well to counterpoint the growing institutionalization of medicine and the challenges of health reform.

An Ulster County health care system in 2020 controlled by powerful out-of-area competing health systems' is risky business.

Primary Care Health Care Services: Ulster County 2013

Scope of Review:

- Identify the composition, structure and trends of primary care health care services throughout Ulster County today
- Evaluate the impact of the Mid-Hudson Family Practice Residency Program in improving health care services in Ulster County since it's inception in 1978
- Identify the future needs and opportunities for primary care services in Ulster County

Background:

Ulster County, New York is a Mid-Hudson Valley semi-rural community with a 2011 estimated population of 182,448. Although the county has experienced a significant migration from the urban south over the past decade, population growth has remained flat since 2010.

The county population is highly educated, 88% white, aging (15.3% 65 years and over (13.7% NYS) and 4.8% of residents are under age 5 (6% NYS). The county's number one asset is its natural beauty and rich cultural and artistic history. Its economy is driven by the service industry, tourism and public employment.

The county's health care system has two hospitals in its central city of Kingston (consolidation pending) managed by an umbrella parent organization Health Alliance of the Hudson Valley and one small hospital in the southern community of Ellenville. The county has no integrated health care delivery system(s) and no in-county system is pending.

Primary Care Services Today In Ulster County

There are 97 practicing primary care physicians (PCPs) in Ulster County today. Of the 97, 11 or 11% are pediatricians, 16 or 17 % are general internists (IM) and 70 or 72% are Family Practice (FP) / (DO) physicians. Assisting the primary care physicians, are 32 Mid-Level Practitioners (Physician Assistants (PAs), Nurse Practitioners (NPs) or Certified Mid-Wives (CMW)).

The distribution of primary care services in Ulster County can be broken down as follows:

- Out-Of-Area Controlled Practices
- Local Group Practices
- Local Solo or Individual Practices

Out-of-Area Controlled Practices:

The largest primary care provider in the county is the highly successful **Institute for Family Medicine** with federally-qualified, not-for-profit, Community Health Centers (FQHC's) in Kingston, New Paltz, Port Ewen and Ellenville. The four centers are staffed by 22 primary care physicians and 5 mid-level practitioners.

Although technically listed as an out-of-area controlled practice, the health centers were established by the home-grown Mid-Hudson Family Practice Residency Program and only **merged with the New York City-based Institute for Family Medicine in 2007.**

The 50 year old Dutchess County- based **Mid-Hudson Medical Group** has been the most aggressive network to expand into Ulster County. The for-profit, 100 member regional multi-specialty medical group now has a network of 13 primary care physicians and 4 mid-level practitioners in Ulster County. Plans to re-locate and expand services within a large Professional Arts Building on Rt. 9W in the Town of Ulster have been announced.

The largest Mid-Hudson Valley integrated health care system **Health Quest** (Vassar, Northern Dutchess and Putnam Hospitals) has only a modest presence in Ulster County with 5 primary care physicians and one mid-level practitioner (offices in Kingston and Highland).

St. Pete's health care system in Albany (via its multi-specialty group practice Primacare) has expanded south with 2 primary care physicians in New Paltz.

The NYC-based non-profit **Community Health**, Hudson River Health Care (HRH Care; CHC) has a clinic in New Paltz with 1 PCP and one mid-level practitioner.

In total, out-of-area controlled organizations account for 41 primary care physicians and 10 mid-level practitioners in Ulster County.

Local Group Practices:

There are 11 well-established group practices operating in Ulster County that account for a total of 37 primary care physicians and 11 mid-level practitioners. The two largest groups are the 30 year old Kingston-based Grand Street Medical Associates and Hurley Ave. Family Medicine with offices in Kingston and Saugerties. One group is blended within an urgent care facility (First Care Medical Center).

Two groups that provide a hint at the future of primary care practices are Maverick Family Medicine and DeLeo Family Medicine with a mid-level practitioner/PCP ratio of 4/3 and 3/1 respectively.

Local Solo or Individual Practices:

There are 18 solo or individual primary care practices with 11 mid-level practitioners operating in Ulster County. Most are well-established, many have been in a group practice in the past and most do not have adequate capital to incorporate electronic medical records within their practice.

In total, Ulster County's primary care delivery system in 2013 is 57% locally-controlled practices and 43% out-of-area controlled practices.

Of special note:

A number of practices are increasing their focus on **Specialty Medicine**. Two primary care physicians have decided to limit their practice to the treatment of addictions. Seven providers have become certified to legally dispense the drug Suboxone which helps opiate-dependent patients with withdrawal. Others have increased their patient mix to include greater emphasis on Geriatric Medicine, Travel Medicine, Worker's Compensation, disability claims, natural health, medical spas or sources of income that give them a niche in the marketplace.

The Health Alliance of the Hudson Valley doesn't appear to have any **direct** involvement in the delivery system nor does any regional HMO or managed care organization. On the positive, many independent primary care physicians have developed a positive **relationship with the Health Alliance**.

Adding to the delivery system is a network of non-physician primary care providers (podiatrists, chiropractors, optometrists, acupuncturists, naturopaths).

In addition, primary care services are provided by Planned Parenthood, SUNY at New Paltz Student Health Service, hospital emergency rooms/outpatient centers and four established urgent care facilities:

1. Emergency Care (Kingston)
2. EmUrgent Care Walk-In Medical Facility (Saugerties)
3. First Care Walk-In Medical Center (Highland)
4. Express Pediatrics (Highland)

Ulster County's Need for Primary Care Medicine:

The demand for primary care services in a community is the outcome of decisions made by consumers, physicians providing the services, and other entities involved in the health care system such as insurers.

The major determinants of need are population growth and aging, changes in medical insurance coverage and type, economic growth, the growing role of non-physician providers, advances in science and technology, changing public expectations, the price of services, and government policy.

For Ulster County, the two major determinants that will impact demand the most is it's **aging population** and the **Affordable Care Act** that will expand coverage for prevention and wellness services and provide insurance coverage to 10-15% of the community that currently are underinsured or medically uninsured.

Assessing primary care need starts by looking at the number of full-time equivalent (FTE) primary care providers that are practicing within a community (a mid-level practitioner is quantified as a 0.5 FTE).

According to the US Bureau of Health Professions, the **average community of 100,000 residents would need 113 FTE primary care physicians** to meet its health

care needs. Adjustment to this average need is then made for urban versus rural communities, age of community and related factors such as historical patterns of where patients normally received their health care services.

Applying this formula to Ulster County and then adjusting for a flat, aging, reduced under age 18 and semi-rural population, the ability of family practice physicians to provide services to all ages, the migration for primary care services to Dutchess and Orange Counties and the propensity of many new residents from NYC and the south to maintain their existing provider relationships,

Ulster County would project a need in 2013 for about 140 FTE primary care physicians: 10 FTE pediatricians and 130 FTE adult or family practice physicians.

In actuality, Ulster County's primary care delivery system in 2013 reflects 113 FTE primary care physicians: 11 pediatricians; 16 internists; 70 family practice/DO physicians and 32 mid-level practitioners.

Discounting this number would be the amount of time spent by the Institute for Family Health physicians teaching versus direct care services and by primary care physicians providing specialty care services.

Adding to this number would be care received from non-physician primary care providers, Planned Parenthood, a student or public health clinic, alternative care provider or an ER, outpatient clinic or urgent care facility.

In sum, Ulster County in 2013 appears to have an adequate supply of qualified pediatricians to serve its population and a shortage of at least 25 FTE adult primary care physicians.

Primary Care Needs for Tomorrow

As with many communities across the nation, Ulster County is experiencing a rapid increase in its elderly population especially as the leading edge of its baby boom population approaches age 65. Using national projections (United States Census Bureau), the population age 65 to 74 is projected to grow by about 71% and the age 74 and older population is projected to grow by about 26%.

Unique to Ulster County, its growing baby boomers tend to be highly educated, supportive of the arts and innovation and appear to reward a health care system built around prevention and wellness. This progressive thinking and demand for quality services will only continue as more residents from the south re-locate full time to the county.

Future projections of primary care physician needs will depend on:

1. Population growth that results from a regional economic recovery or a catastrophic event like 9/11
2. Impact of the Affordable Care Act that will increase the number of Medicaid recipients by 10-15% and the number of residents receiving some level of private insurance coverage by 8-10%
3. The patterns of health care **use** especially the migration of residents in the southern part of the county to use services in Dutchess and Orange Counties
4. Changes in utilization by technology, income or one's ability to pay, benefit increases or limitations, governmental policy changes or mandates such as no copayments for preventative and wellness services or increased demands from the expanding aging population
5. The access and availability of primary care , specialty care and tertiary care services resulting from retirements, relocations, changing delivery systems (mergers, acquisitions , affiliations) or loss of funding by a major care provider (i.e. Institute For Family Health)
6. The level of development of integrated health care systems that establish the platform for generating income and profit outside of traditional fee-for-service medicine

7. The growing role of traditional and alternative non-physician providers to meet the needs of consumers in a less expensive, more compassionate and holistic manner
8. The impact of the Affordable Care Act, NYS regulatory changes and the growing strength of government and managed care organizations to **reduce the margins** for the successful operation of a primary care practice

According to the US Bureau of Health Professions, an average community in America should anticipate a need for about **14% more primary care physicians** by the year 2020 and should **assume a 60% increase in the number of licensed traditional non-physician primary care providers**.

Applying this formula to Ulster County and assuming a 2% net growth in population, a continuing flat need for pediatric services and a continuing aging population, it is estimated that Ulster County would need no more **than 1 or 2 pediatricians and at least 28 adult FTE primary care physicians to meet its needs by the year 2020**.

With experts predicting that the United States will be short 40,000 primary care physicians by the year 2020, there is little chance that Ulster County will meet its future primary care needs through the traditional sources of foreign physicians and economic incentives to medical school graduates. Instead, **a greater focus must be on the recruitment of non-physician primary care providers and the creation of new models and partnerships for the delivery of primary care services**.

Trends to Watch

Mid-Hudson Family Practice Residency Program:

Arguably, the establishment of the New Paltz-based **Mid-Hudson Family Practice Residency Program** has become the most powerful driver of primary care medicine in Ulster County.

Established in 1978 by home-grown pioneers to address the shortage of primary care physicians in the Hudson Valley the program has graduated a total of 162 family medicine physicians and 30 students are active residents in 2013 (2011 federal teaching grant expanded program by 4 students each year; grant is renewed annually).

Most impressively, the hope that many of the graduates would remain in Ulster County after graduation has been achieved. **Of the 162 graduates, 28 or 17.3% remain in Ulster County and now account for 32% of all practicing adult primary care physicians.**

Even more interesting is the respect and platform for the specialty of family practice medicine that has developed in Ulster County. **Family practice physicians are the norm in Ulster County and account for 82% of all adult primary care physicians. According to the US Bureau of Health Professions, 52% of primary care physicians nationwide in 2010 were general internists and 48% were family practice physicians.**

The tension between these two specialty groups in Ulster County during the 1980's is long gone.

In the future, the number one potential source for meeting the county's primary care needs will be the graduates of the Mid-Hudson Family Practice Residency Program. **Economic incentives should be created by the private and public sectors to make this goal a sustaining reality.**

The Residency Program and its clinics could also enjoy economic benefits under the Affordable Care Act and the National Health Service Corps will continue to help by re-paying up to \$120,000 in student medical school loans in return for four years of service at a federally-qualified Community Health Center.

Will the Mid-Hudson Family Practice Residency Program and the Institute for Family Medicine remain relatively isolated or will they expand their voice as national and regional health reform progresses?

Out-Of-Area Controlled Practices:

Ulster County's primary care network is now 43% controlled by out-of-area entities or expanding integrated health care systems (removing the Institute for Family Health, the percentage drops to 12.6%).

The pressure to sustain successful practices will increase especially for solo or individual practices. ***Will the independent practices organize themselves into a county-wide network to help with economy and attraction of new income sources (i.e. Patient Medical Homes)?***

Will there be any partnerships or leadership activities driven by the Health Alliance of the Hudson Valley? Will the expanding out-of-area integrated health care systems be able to demonstrate a superior cost model for the delivery of health care services in today's competitive marketplace? Will the weight of falling margins and increased bureaucracy accelerate practice sales to the out-of-area integrated health care systems?

Ready For Reform

Ulster County's primary care network has been highly successful in migrating to electronic medical records. **Over 80% of practices are now wired and sending e-scripts to pharmacies.** As expected, solo practices are having the biggest challenge justifying the capital investment.

Nationwide, 58% of all office-based physicians ended 2011 with electronic medical records up from 36% in 2010 (SureScripts). With most physicians' part of some type of group practice, the actual number of patients with an electronic medical record in the United States today could now exceed 70%.

Electronic medical records are the first key element to being ready for new income sources. With over 50% of all revenue now coming from Medicare, Medicaid and related public funding sources, the alliances that develop to successfully compete in this next chapter of health reform will be interesting to watch.

Who will be the early regional leaders to develop an Accountable Care Organization (ACO)? Will Crystal Run HealthCare out of Orange County expand north up the Hudson Valley? Will the Capital District health systems expand more aggressively south? Will New York City or Westchester-based networks expand north? Will stand-alone, private, provider networks like the Mid-Hudson Medical Group begin to dominate? Will not-for-profit networks begin to gain a competitive edge? Will HMOs reinvent themselves? Will national insurance companies accelerate merger activities? Will employers start to get aggressive after years of double-digit premium increases?

We have entered a new chapter of health care reform in our country. Like it not, the public sector is now the dominate player in the arena and its influence will only be growing.

Will Ulster County have its Own Integrated Health Care System?

Locally, the opportunity of a family medicine led initiative to establish an in-county or home-grown integrated delivery system is very real.

Ulster County at one time was a national leader in defining family medicine as a true specialty. It can now move to the next level and help **expand the definition of family medicine** as a specialty that can best reduce health care costs while improving patient outcomes.

While the formation of most integrated health systems start from the inpatient side, why not reverse the pyramid and start with the primary care side. That's Ulster County's strength and its population is supportive of innovation and change.

Why not use these strengths to drive our future health care system?

To do so, a network of group and solo independent primary care physicians in partnership with the Institute for Family Health could think outside the box and invite non-physician providers and both traditional and non-traditional support providers (pharmacists, mental health professionals, physical therapists, message therapists, etc.) to join the home-grown initiative as partners. Strength comes with numbers. Passion comes from inclusion.

Once this core team was in place and a communication system established, a long-term affiliation agreement could be negotiated with the Health Alliance and integration of specialty providers and services could begin. When ready, discussions with regional health care systems and managed care organizations would lead to multi-years risk contracts that reward the initiative for demonstrated performance.

An innovative and successful local primary-care driven integrated health care system would showcase Ulster County, once again, as a leader in family medicine and a model for other communities to follow.

The provision of health care services is very important to the Ulster County community. The impact to our economy and employment base is powerful and the health of our community depends on policy and business decisions that are made today.

Trying to keep a local voice in our health care future is worthy of our consideration. **A local health care system controlled by out-of-area competing health care systems' is risky business.**

Acknowledgment:

This report was prepared by **Wellness Rx**, a local initiative committed to demonstrating how the profession of pharmacy can help reduce health care costs while improving patient outcomes.

Wellness Rx's principal Edward A. Ullmann is a practicing pharmacist and founder of the local HMO Wellcare. Mr. Ullmann was selected as INC Magazine's "Entrepreneur of the Year" in Health Care, Southern New England District in 1994 and testified on behalf of rural HMOs in America before the US Senate Finance Committee during the 1995 health reform debate.

Mr. Ullmann was a National HMO Fellow at Georgetown Medical School, received an MPA degree in health care from the Maxwell School at Syracuse University and is a graduate of Albany College of Pharmacy, Union University.

For further information contact Ed Ullmann at wellnessrxceo@yahoo.com

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