CRAIN'S
HEALTH PULSE
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NY workers' premiums, deductibles growing faster than wages
Plus:

- Bronx food program funded by DSRIP expands access
- Ryan Health plans Washington Heights location to serve unmet need
- Lawyers secure $1.7M in immigrant mental health cases

Potential out-of-pocket costs for New Yorkers with job-based coverage grew by nearly two-thirds in a 10-year span, rising faster than median income, according to a report published today by the Commonwealth Fund.

The report, which included national and state-by-state data, said that the average New York household's combined contribution to premiums and exposure to a deductible was $6,471 last year, a 64% increase from 2008. That represented 10.4% of the state's median income, illustrating the strain that health costs can put on a family's budget. Median income statewide increased by 33% during the 10-year period.

As employees are asked to pick up more of their health costs, they must weigh continuing to pay for coverage against competing costs, such as food and housing, said Sara Collins, vice president of health care coverage and access at the Commonwealth Fund.

"High deductibles may lead people to skip needed health care," she said.

The cost of family coverage in New York increased by 6.3% a year from 2016 to 2018. The average deductible seemed to hit a limit, falling 4.4%, to $2,489, last year compared to 2016.

The average cost of a job-based plan, including an employer's contributions, was $7,741 for an individual and $21,904 for a family in New York. Those annual premiums cost more than the national averages by 14% and 11%, respectively.

That trend runs contrary to Commonwealth Fund data from May, which showed New Yorkers' actual spending on premiums and deductibles was below the national average.

Officials from the Commonwealth Fund explained that discrepancy, noting that the May report surveyed consumers, but this report polled employers. This survey also measures potential spending by asking about employees' full deductible exposure; the earlier report focused on actual spending. That could mean New Yorkers have high deductibles but don't end up spending out-of-pocket for care.

"On average, most people have very low out-of-pocket spending," said Sara Collins. "The deductible sits out there, but that doesn't mean everyone will meet it. It does act as a disincentive for people to get health care."

When people do need treatment, the rising prevalence of high-deductible plans presents a problem for hospitals, said Dr. David Blumenthal, president of the Commonwealth Fund.

"On the whole, it will be unfortunate for hospital finances because it will discourage utilization and add to bad debt," he said. "When people with high-deductible health plans use their deductibles, they go home [from hospitals] with unpaid bills that have to be collected and often can't be."

Potential out-of-pocket costs made up at least 10% of median income in 42 states in 2018, compared with seven states in 2008. The burden was highest in areas where wages are lower but employers aren't particularly generous in covering health costs, such as the South.

States have several options for holding down health prices, such as setting price limits and organizing employer groups to drive prices lower.

The Trump administration has introduced regulations to make hospitals' negotiated prices with insurers public, with the aim of helping consumers shop for care.
Blumenthal is skeptical that the federal approach will result in lower health costs.

"The administration is betting if you make prices visible and knowable, people will shop for lower prices," he said. "That remains to be seen. Employers have never been effective at using market power to negotiate down prices." —Jonathan LaMantia

Bronx food program funded by DSRIP expands access

OneCity Health, the New York City Health + Hospitals performing provider system under the Delivery System Reform Incentive Payment program, said Wednesday that its Bronx-based nutrition program has helped address food insecurity and has been cost-effective while doing so.

The program—led by Manhattan-based nonprofit Public Health Solutions—has provided screening and navigation to community resources for food-insecure patients at H+H's Jacobi and Lincoln campuses. By incorporating food security specialists in health care settings, OneCity Heatlh said, the program can connect patients with nutrition services without the fragmentation and lack of coordination that often impede such efforts.

During a 10-month period that began last November, Public Health Solutions helped to register 871 families for nutrition services, OneCity Health said. Nearly 60% of participants screened were enrolled in one or more services such as the Supplemental Nutrition Assistance Program and the Special Supplemental Nutrition Program for Women, Infants and Children. The proportion of families in need of emergency food resources who were able to access those resources increased to 56% from 6%.

OneCity Health said that based on research, the average estimated savings associated with SNAP enrollment is about $1,400 per enrollee per year, and more than $9,000 per year when associated with medically tailored home-delivered meals.

"Because the social safety net is very fragmented and often uncoordinated, we really wanted to make sure there was an effective connection between the health and the community resources that were available," said Zach Hennessey, vice president of neighborhood health at Public Health Solutions.

Public Health Solutions received about $704,000 from the $5 million total allocated for OneCity Health's innovation fund. The fund's goals include implementing programs that target DSRIP priorities such as reducing avoidable hospitalizations and addressing social factors associated with poor health, OneCity Health said.

"This is a powerful program," said Israel Rocha, CEO of OneCity Health and vice president of H+H. It's representative of the change in the way health care works that has been envisioned in DSRIP, he added.

Collaboration on the program is something OneCity Health hopes to replicate with expansions into additional H+H facilities and measurement of clinical care outcomes, Rocha said.
Other partners in the program include BronxWorks, God's Love We Deliver, the Food Bank for New York City and Healthfirst. —Jennifer Henderson

Ryan Health plans Washington Heights location to serve unmet need

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Manhattan-based federally qualified health center Ryan Health is planning a primary care clinic in Washington Heights to help address an unmet need in the neighborhood.

The roughly 3,000-square-foot clinic—slated to open next summer—will have seven exam rooms, a consultation room and support spaces, and will be certified for primary care and other specialty services.

Brian McIndoe, president and CEO of Ryan Health, said the neighborhood has the greatest unmet need for health care in Manhattan. For instance, it has one primary care physician for every 12,000 residents, though the Health Resources and Services Administration recommends one primary care physician for every 3,000 residents.

Additionally, he said, the occurrence of diabetes, cardiovascular disease and cancer is disproportionately high in the neighborhood, and the average income is about 40% below the boroughwide average.

McIndoe said Ryan Health is excited to help address the need. Though it has 18 locations throughout Manhattan, including six primary care clinics, the Washington Heights location marks its first primary care clinic north of Harlem.

By the new clinic's second year of operation, Ryan Health expects to serve about 3,500 patients, representing more than 14,000 visits per year, McIndoe said. The clinic will employ 18 staffers when fully operational, including 11 employees who are 1199SEIU members and several who are bilingual.

Though primary care will be the focus, the new clinic is expected to expand into offering specialty services, such as podiatry, on an as-needed basis.

About 75% of Ryan Health's patients are Medicaid beneficiaries or uninsured, McIndoe said. The organization expects a similar payer mix in Washington Heights.

The clinic is being funded through a $3.5 million grant from the Afia Foundation. Additionally, Ryan Health has allocated $600,000 in cash equity to fund any contingencies that arise during its build-out of the leased space. —Jennifer Henderson

Lawyers secure $1.7M in immigrant mental health cases

New York Lawyers for the Public Interest has secured settlements topping $1.7 million after Immigration and Customs Enforcement discharged two immigrants into the city without planning for their ongoing mental health needs.

Both instances resulted in serious health consequences and hospital admissions.

Specifically, Michelet Charles, who had been diagnosed with bipolar and schizoaffective disorders, was discharged into Lower Manhattan in 2015 with only his identification, NYLPI said.

He required two months of psychiatric hospitalization to recover.

And Carol Small was released in below-freezing temperatures without any medication or treatment plan for her diagnosed paranoid schizophrenia. She checked herself into an emergency room in Manhattan just days after her release.

NYPLI, along with pro bono counsel at Simpson Thacher & Bartlett, sued the United States under the Federal Tort Claims Act to hold ICE accountable for its discharge planning failures as well as Orange County for its deliberate indifference to serious medical needs, the nonprofit legal group said.

Attempts to have the cases dismissed were rejected before settlements were reached.

"For people with serious health conditions, there is really no safe way to exist in immigration detention," said Hayley Gorenberg, legal director of NYPLI. "It damages people's health further and can even kill them."

Though the settlements are "rough justice," for Charles and Small, Gorenberg said, they should be "a real deterrent" for the government. —J.H.

AT A GLANCE

WHO'S NEWS: Gene McKenna is now head of performance and analytics at Blink Health, the digital health company that offers discounts on prescription drugs. McKenna formerly was vice president and general manager at Groupon, where he oversaw about $1 billion in sales.

VAPING DEATH: The state Department of Health said a Manhattan man in his 30s died from a vaping-associated illness, the second such death the state has confirmed. A statement from the governor did not clarify whether the man had been vaping nicotine or THC, which has been linked to other respiratory illnesses around the country. It also did not specify the type of device the man was using.

FEDERAL FUNDING: The House of Representatives voted to delay $4 billion in cuts to the Disproportionate Share Hospital program until Dec. 20 as part of a short-term bill to fund the government, Modern Healthcare reported. The funding, which has been saved from cuts numerous times, helps sustain New York hospitals that treat large numbers of Medicaid and uninsured patients.