

VINCENT KEANE
CHIEF EXECUTIVE OFFICER, UNITY HEALTH CARE, INC.
STATEMENT BEFORE HHS MEDICAID COMMISSION MEETING

JANUARY 25, 2006

Governor Sunquist, Governor King, Members of the Medicaid Commission, thank you for the opportunity to offer public comment. My name is Vincent Keane, and I am the Chief Executive Officer of Unity Health Care, Inc., a Federally Qualified Health Center in Washington, DC that operates a large network of health centers providing needed health care services to more than 55,000 thousand patients, more than 9,000 thousand of whom receive their care through Medicaid. I also speak today on behalf of the more than 1,000 Federally Qualified Health Centers throughout the U.S. of which four (4) are in the District of Columbia.

I have over 15 years of experience serving the medically underserved in Washington, D.C., and I wish to briefly speak to you today about the unique value of a community health center in addressing the health care needs of those served by Medicaid.

Community health centers and the Medicaid program enjoy a special relationship, as twin pillars of a broad effort to improve health care for poor, minority, and underserved Americans. The two programs in fact are specifically designed to work in tandem with one another to make access to quality health care a reality for the nation's most vulnerable populations.

Recognizing the importance of this relationship, the Congress in 1989 made health center services a guaranteed benefit under the Medicaid program. And in 2000, a bipartisan majority of Congress again reaffirmed the importance of this relationship by creating the Medicaid Prospective Payment System (PPS). This payment system has given health centers like Unity Health Care the ability to provide and expand primary care and preventive services to more people in need, while promoting efficient operation of and ensuring adequate Medicaid reimbursement for these centers.

Today, community health centers help to form the backbone of America's health care safety net, providing quality health care to 15 million underserved individuals nationwide, nearly 6 million of whom are enrolled in Medicaid according to NACHC (National Association of Community Health Centers). In fact, Medicaid is currently the single largest beneficiary of health center services, as well as health centers' single largest source of financing.

But health centers are doing more than just providing affordable quality health care to and improving the health status of the nation's vulnerable populations. They are also delivering cost savings to taxpayers and to all payers of health center services. Health centers' cost rank among the lowest and they are effectively reducing the need for more expensive hospital in-patient and specialty care.

Indeed, dozens of studies over the past three decades have found that health centers save the Medicaid program 30 percent or more in total annual spending per beneficiary, compared to other providers, and that the cost of treating Medicaid patients through health centers is 26 to 40 percent lower for prescription drugs costs. Health centers not only focus on provider visits, but provide a host of "wrap around services" that foster patient compliance, better medication management and more intensive patient follow-up. One such system of care currently in operation at Unity is The Care Management System. This involves a team of "care givers"; provider, nurse, social worker and others who manage the care of the patient between provider visits. The team communicates with the patient and involves all elements of the patient's care to ensure better outcomes. This system has grown out of the Disease Collaborative model, begun by the Bureau of Primary Health Care (BPHC) within HRSA (Health Resources Services Administration) at HHS. It is particularly effective in the management of chronic illnesses such as diabetes. It leads to better outcomes, reduced costs, prevention of expensive episodic visits to emergency rooms and long term stays in hospitals for the chronically ill patient.

Thus, the fact remains that Medicaid plays an important role at health centers by providing patients access to comprehensive services beyond those available at the centers themselves. However, for all the successes that stem from this unique inter-relationship, challenges

undoubtedly exist. One of the greatest of these is the increasing number of efforts to cutback, among other things, Medicaid eligibility levels and benefits.

What's more is that these actions are occurring at the same time as employers are either shifting more of the rising cost of health insurance on to their workers or dropping the coverage altogether. As other health care providers have begun cutting back on the uncompensated or charity care they provide, the result is that health centers like Unity Health Care are serving an ever-increasing number of uninsured individuals who previously were covered under Medicaid or through their employers. It is worth noting that today Medicaid represents only 9% of private, office-based physician visits and that only half of physicians are willing to accept new Medicaid patients.

The reality is that while these and other dramatic changes in the health care system have put a tremendous strain on the overall health center program, health centers remained committed to providing access to care for everyone that walks through their doors, regardless of their health status, insurance coverage, or ability to pay for services. Put simply, health centers provide care for those whom other providers cannot or will not serve.

As the Medicaid Commission moves forward in considering ways in which to reform Medicaid, it is important for it to keep in mind and appreciate the integral role of health centers and other core safety net providers in Medicaid. Equally important to consider is that Medicaid is a program that is increasingly compensating for some of the failings of the health care system, and that "fixing" it cannot be achieved in a vacuum or by decreeing that costs will be cut. For sure, rising costs in Medicaid are not mostly due to any problem with the program itself. Rather, they stem from the growing ranks of the uninsured, the aging of the U.S. population and the rising costs of health care generally. The sooner we recognize this reality, the sooner we can start making this program better for the people it serves.

Thank you.

