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## Statewide Parent Advocacy Network, Inc.

### Comments of Family Voices-New Jersey at the Statewide Parent Advocacy Network on the Governor's Commission on Rationalizing New Jersey's Health Care Resources

Submitted 7/30/07

We are commenting on the Governor's Commission on Rationalizing New Jersey's Health Care Resources and its Interim Report. Family Voices is a national network that advocates on behalf of children with special healthcare needs; our New Jersey Chapter is housed at the Statewide Parent Advocacy Network, our state's federally funded Parent Training and Information Center. In addition, SPAN is the Family-to-Family Health Information Center for New Jersey and New Jersey chapter of the Federation of Families for Children's Mental Health. SPAN's foremost commitment is to children with the greatest need due to disability; poverty; discrimination based on race, sex, or language; geographic location; or other special circumstances. Any time health care is "rationalized," we are concerned for the impact on our most vulnerable children and families.

We realize that 25% of hospital revenue includes Medicaid/FamilyCare and charity care. We suggest outreach efforts be increased by hospital personnel for uninsured families as there are still far too many eligible families not yet enrolled in FamilyCare. Conversely, retention and outreach must be addressed as 30,000 people (3000 adults, 27,000 children) were terminated from FamilyCare from May-July due to missing information, renewals, or inability to pay the premium (average \$18/month). Increased enrollment and retention will result in decreasing charity care. Increases in Medicaid/FamilyCare coverage will also decrease emergency room usage of uninsured families; access to routine healthcare decreases costly procedures due to earlier diagnosis, and most importantly results in better health outcomes for families.

We are concerned that due to the managed care environment, outpatient procedures are being performed which were previously done in hospitals and that even when patients are hospitalized, stays are shortened. Partly due to this, New Jersey has a higher rate of hospital closures than the national average (17% in our state vs. 7% nationally) although the population served mirrors the U.S. population. It is particularly distressing that "7 New Jersey hospitals have long-term debt to capitalization ratios of 100%, which means that their activities are entirely funded by debt." We also agree that hospitals should be reimbursed due to intensity of services rather than by case. We disagree with charging private insurers and particularly self-pays higher rates; there must be some sort of standardized cost schedule for services rendered. We agree with the Governor's recommendation of an addition \$5 million for Medicaid reimbursements for services to children.

We agree with examining geographical regions for healthcare access. We concur that it must be determined "whether all services are accessible elsewhere in the region", and that

consideration must be given to “travel time” as well as “public transportation.” Actual sites rather than address listings need to be verified. For example, in the Trenton area there are four acute care hospitals listed. However, RWJ is physically located in Hamilton, and St. Francis is on the outskirts of Trenton in the Chambersburg area. Further, Capital Health System is considering moving one of its two facilities to Hopewell specifically to have more patients who have financial means and/or insurance. We would also like to see consideration given to hospitals that are the sole providers in their area, particularly in rural areas.

We agree with the criteria for “essentiality,” particularly the inclusion of emergency care for designated trauma centers. We also concur that essentiality is defined by the “provision of care for financially vulnerable populations.” We agree with the 3 criteria including looking at hospital discharge rates, being a source of primary care, and dual eligibility for this population. Determining “whether a financially distressed hospital at risk of closure is essential in its market area for maintaining access to hospital care” is a good balance between essentiality and financial viability factors. We would suggest additional data on serving immigrant/undocumented populations, as this is a particularly underserved population. Another good addition to the criteria would be if the institution were also a teaching hospital.

State funding must absolutely be contingent upon “performance indicators that include quality and efficiency measures”. Yet financial viability must be balanced by essentiality in providing care to vulnerable families.

Thank you for the opportunity to comment on the Governor’s Commission on Rationalizing New Jersey’s Health Care Resources.

Sincerely,

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Our Mission: To empower families and inform and involve professionals and other individuals interested in the healthy development and educational rights of children, to enable all children to become fully participating and contributing members of our communities and society.