

North Coast Health— 9/8/15 Statement to City Council in Support of Pursuing the LOI Proposal

Jay Carson, North Coast Health Secretary and Executive Committee Member, and Lakewood Resident, 13938 Lake Ave.

Madame Chair, Members of Council;

As most of you know, North Coast Health is a faith-based charitable clinic in Lakewood, which has provided primary health care services to the uninsured, underinsured, and the medically-underserved community for nearly thirty years. Last year alone, North Coast Health served 2,331 patients, 36% of them from Lakewood. North Coast Health provided 5,351 onsite primary care visits, 213 offsite primary care visits, and 4,348 additional services, including prescription assistance, medication pick-up, nurse visits and lab testing.

North Coast has met the rigorous requirements to obtain certification as a patient centered medical home. And of the approximately 1,200 free or charitable clinics across the country, North Coast Health is proud to be one of the 12 that received a four-star rating from Charity Navigator, an organization that evaluates charities based on their efficiency, transparency, and the results they deliver to those they serve.

When this discussion began, North Coast Health, like all Lakewood residents, was saddened. We, like everyone here, wished that Lakewood Hospital was able to continue to operate as it had, as a full-service inpatient hospital.

Yet as a primary care practice, North Coast Health has experienced first-hand—and in fact championed—the movement towards population health, with its focus on prevention and chronic disease management, and the resulting decline in inpatient admissions. These changes, by and large, represent positive developments in reducing costs and improving outcomes. But all change brings disruption, and these changes have made the old model of delivering care unsustainable.

Like many in Lakewood, North Coast Health has recognized for years that these trends meant that Lakewood Hospital would eventually have to change, and that the most responsible course of action was to guide that change to maintain the services that were most vital—like an emergency department—while shedding costly, and in many cases, redundant inpatient services. For those reasons, as our director, Lee Elmore, told Council early in the process, North Coast Health endorsed and continues to support the plan outlined in the Cleveland Clinic Foundation's letter of intent.

In light of recent developments, North Coast's Board and Executive Committee has asked me to reaffirm and amplify North Coast Health's support of the proposal outlined in the letter of intent, and to speak to a few issues where North Coast's experience may add value to the debate.

First, some voices in the community have raised fears that the proposed transformation will adversely and disproportionately affect the poor. If this were the case, it would be of tremendous concern to North Coast Health. Nearly half of North Coast Health's patients have annual household incomes of less than \$10,000. Our average patient has an annual household income of less than \$12,000.

Indeed, North Coast Health was founded on the belief that all people are created in God's image, and that our faith obligates us to provide care to the most vulnerable members of our community. Our mission can be summed up by Jesus's words in Mathew 25:40: "Inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me."

Fortunately, the facts do not support the claims that the proposed transformation for Lakewood Hospital would adversely affect lower income residents. A study conducted by Harvard Cardiologist and advisor to the Department of Health and Human Services, Dr. Karen Joynt, from 2003 through 2011 found that hospital closures had no discernable impact on community mortality rates.

Other studies have shown that to the extent that closures have any effect on health results, this occurs in rural areas where there is simply no other care available, or in situations where emergency departments have been closed. In our case, however, we are blessed—overly blessed, in fact—with other hospital facilities. No one in our community will go without care for lack of facilities.

And most importantly, one of the keystones of the LOI—something that North Coast would consider a *sine qua non* in any proposal—is the construction of new 24/7/365 state of the art emergency department.

North Coast Health cannot speak—and does not claim to speak—for all lower income or medically underserved residents. But having served the medical needs of our most vulnerable for three decades, North Coast Health believes that the proposed transformation would, in fact, be of tremendous benefit to the patients we treat.

Over 80% of our patients are treated for chronic conditions such as diabetes and hypertension. Approximately 50% have multiple chronic conditions. These patients do not need more inpatient hospital beds. They need greater access to the primary and outpatient care which will allow them to manage their conditions. Indeed, the primary metric by which North Coast Health measures its success is how many ER visits and inpatient admissions it is able to *prevent*.

Second, Council has discussed what impact the proposed \$32 million community foundation will have on community health—whether it will “move the needle” on health outcomes in Lakewood. In the interest of full disclosure, should the foundation be created, North Coast Health will seek funding from it, because it is entirely consistent with our mission and would allow us to provide more care to more patients. But regardless of whether North Coast Health is a direct beneficiary, the types of intervention, education, and prevention programs it could fund will make a tremendous difference to the patient base that we serve.

North Coast Health's experience—borne out by reams of medical literature—is that money spent in disease management and prevention yields a significant return on investment, both in terms of better health outcomes and lower costs. A few hundred dollars spent on smoking cessation or weight management programs today can prevent tens of thousands of dollars spent treating acute heart conditions ten years from now.

The return on investment is not just anecdotal; it is quantifiable. Last year, North Coast Health, in conjunction with Dr. Stephen Zyanski of Case Western Reserve University medical school, conducted a study based on a random sample of 74 new patients to test North Coast's impact on hospital utilization. The study found a reduction in cost of \$319,000 for the combined 74 patients studied, for an average of \$4,311 savings to the health care system.

If these savings are extrapolated to North Coast Health's entire patient population, the result is a savings of \$10,454,732 in health care costs—costs which would have been borne by the hospital system as charitable write-offs, or by the taxpayers, and private insurers. I don't have the study results to conclusively tell you for sure whether an ounce of prevention is actually worth a pound of cure, but it's pretty close.

We want Council and the community to understand that the proposed foundation will create real results by fund these type of education, prevention, and management programs that will pay tremendous return on investment—in the form of better health, greater productivity, and all around lower costs for our patient base and the community at large.

Finally, the proposed Charter Amendment has imposed a new urgency that requires North Coast to speak up for its patients. The proposed amendment may have been well-intentioned, but its practical effect will be to lock Lakewood Hospital into its current spiral of mounting losses and eventual closure. It will waste the valuable community resources that would be available for a foundation. As the Huron report showed, while the hospital might be able to survive for a little while on its investment portfolio, once that money is gone, it's gone.

Worse still, the passage of the Charter Amendment will doom Lakewood Hospital by preventing any type of adaption or new partnerships. And without a qualified partner to run it, Lakewood Hospital will not survive in any form.

North Coast Health understands the desire to save the hospital. We applaud and take inspiration from those citizens, who, in good faith, are seeking to save it. Lakewood Hospital has been a valuable partner throughout North Coast Health's existence and we feel this loss as keenly as anyone. But health care delivery has changed, and will continue to change, regardless of how we feel about it.

Those changes necessarily bring some sadness, but they also bring opportunity. North Coast Health urges Council, and the residents of Lakewood, to seize this opportunity to retain and improve the services that are most needed, and to invest in a healthier future.

These remarks should not misconstrued to say that the City should simply accept whatever is offered. Negotiate with the Clinic—in consultation with the public—over the

details and the most needed services. Drive a hard bargain. But move forward. Losing the hospital, as we have known, it is sad. But losing this opportunity will be tragic.