



From the desk of the CEO
Mario J. Paredes

**On the need for a bipartisan formula for responsible, equitable healthcare reform
*An experiment in New York State may point the way***

By Mario J. Paredes

THE AFFORDABLE Care Act (ACA) is back in the news as Republicans and Democrats are battling yet again over the fate of the ACA, with—at the extremes—one side seeking a complete repeal Vs. efforts to entrench the legislation. It is obviously a highly complex challenge to fix our nation’s publicly-funded healthcare system. However, regardless of all the technicalities involved, the number one priority for our political readership should be well-being of the country’s most vulnerable patients.

In short, the process underway to determine the fate of ACA, and Medicaid in particular, should not be driven by purely political or ideological motives and objectives. That, of course, is precisely what is happening and what makes for such a sad spectacle. Common sense suggests a workable compromise must be found that will ensure quality, affordable healthcare for hundreds of millions of the most vulnerable Americans who look to their government for adequate protection.

Whether ACA will be partially reformed or be completely dismantled remains to be seen; what matters is that legislators and the Administration pursue the development of healthcare policy in a manner that is free from preconceived ideological straightjackets. Our leadership must pursue service to the common good and respect the right of all its citizens to quality healthcare. It is high time the US joins other developed nations in coming up with a model that ensures universal healthcare coverage; the Canadian, or Swedish, or German publicly-funded healthcare systems are not without their weak spots—but no one in these nations must do without access to affordable healthcare. The American way to achieve such a comprehensive system will be its own unique animal, likely featuring a mix of for-profit and non-profit elements, with a role for insurance companies and other commercial entities working in close alliances with state and federal government.

In fact, New York State has for the past four years financed a highly innovative and exciting experiment in Medicaid reform that holds great promise as a very smart investment of Medicaid dollars. It is called the Delivery System Reform Incentive Payment System or DSRIP program. DSRIP has mandated 25 so-called Performing Provider Systems (PPSs) to deliver superior, holistic and comprehensive care to Medicaid patients—care of such quality that it is keeping many people from ending up in emergency rooms and costly hospital beds. And that translates into tremendous savings for New York State taxpayers.

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Under DSRIP, the traditional Medicaid fee-for-service, transactional compensation system for doctors—which is prone to waste and fraud—is replaced by the Value-Based Payment (VBP) or Pay-for-Performance formula. In a recent letter to President Trump and Seema Vera, the administrator for the Center for Medicaid Services, Dr. Ramon Tallaj, co-founder and chairman of SOMOS Community Care, one of the 25 PPS mandated by DSRIP in New York State, explained the model as follows:

“DSRIP allows New York to put the state’s Medicaid dollars to better use by holding health care providers accountable for the services they provide for their patients. The better these doctors maintain their patients healthy, manage chronic conditions, address behavioral health, and keep them away from unnecessary hospital visits, the better reimbursements they receive from the state.”

In his letter opposing cuts in Medicaid as detrimental to the success of DSRIP that has just entered its fifth and final year of its initial mandate, Dr. Tallaj reports that, in the past three years, among the 700,000 patients served by 2500 providers in the SOMOS network, the number of “preventable hospital readmissions” have been reduced by 36 percent; preventable visits to the emergency room have dropped 34 percent, while “preventable behavioral health” visits to the emergency room have been cut by a “whopping 37 percent.”

In launching DSRIP, the New York State Department of Health (NYSDOH), had the objective of unnecessary hospitalizations being reduced by 25 percent after five years for a savings of some \$12B in Medicaid spending. At the start of year five, reported NYSDOH DSRIP Program Director Peggy Chan, the 25 PPSs across the state have succeeded in helping “reduce potentially avoidable [hospital] admissions and potentially avoidable readmissions by 21 percent and 20 percent.”

Ms. Chan spoke in terms of “enhancing diverse provider networks into ‘communities of care’ for our Medicaid members.” The ‘community’ dimension of DSRIP—the notion of various entities working together for the good of the patients—has particular meaning for SOMOS. Many of its doctors—most of them primary care providers—work in the very communities they serve; they often share the ethnic and cultural background of their patients, who are largely Hispanics, Asians and African-Americans living in some of the poorest neighborhoods of New York City.

Plus, SOMOS Community Health Workers (CHW) assist doctors and their practices in monitoring patients sticking to their medical regime and keeping their appointments with their physicians; CHW’s are the eyes and ears of SOMOS doctors, enabling them to really get to know their patients and their circumstances. What’s more, Community-Based Organizations, moreover, are involved in tracking the so-called social determinants of health that impact patients’

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physical and mental health, such as housing conditions, employment status and educational issues.

The SOMOS “community of care” enables providers to reassume the role of neighborhood-based family doctors, trusted figures who are committed to establish authentic relationships with their patients and their families. That personal bond—guarantor of comprehensive, quality care—is at the heart of the Value-Based Care model. “Often forgotten communities are receiving the highest quality of primary and specialty care,” Dr. Tallaj wrote to the President.

SOMOS has earned Value-Based Payment Innovator status from NYSDOH, which puts it in a great position to negotiate contracts with Managed Care Organizations and insurance companies—creating new vital links between non-profit and for-profit realms. What’s more, SOMOS is laying the groundwork to continue both on a for-profit and non-profit basis once the DSRIP mandate draws to a close.

SOMOS, along with other PPSs in New York State, is a shining example of what innovative health-care reform might look like—a model that benefits all stakeholders: the patients, the physicians and taxpayers. May our President and political leadership take note!

Mario Paredes is CEO of SOMOS Community Care, Inc., one of 25 Performing Provider Systems operating under the mandate of New York State’s Delivery System Reform Incentive Payment (DSRIP) program.

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