



Dr. Ramon Tallaj
Founder and Chairman of the Board
rtallaj@somoscommunitycare.org
212.740.8294

New York Inner-City Doctors are Transforming Medicaid

By Mario Paredes

11/5/21

TRADITIONAL MEDICAID has a poor record. It is prone to waste and fraud, overall delivering at best a mediocre if not low level of health care. Moreover, the labyrinthine Medicaid system is hard to maneuver; it is a challenge, particularly for the poor, to book appointments with Medicaid providers, with an increasing number of doctors opting not to accept Medicaid patients because insurance payments are very low compared to payments by private insurance.

Another obstacle to quality health care for the neediest members of society is the fact that Medicaid pays providers for discreet medical services, such as check-up appointments or a particular test. These interventions often do not add up to comprehensive, holistic care, while no singular physician is aware of or coordinates the overall treatment package. The result is that the most vulnerable Americans receive subpar health care.

Medicaid's poor record was put on display in a recent column in *The Wall Street Journal*, which saluted this year's Nobel Prize winners in economics. Messrs. David Card, Joshua Angrist, and Guido Imbens were recognized for their work in "natural experiments," probing such areas as education, employment, and health care. One such experiment of note was a 2010 study in Oregon measuring the effect on the health of people who went on Medicaid, compared to a similar population that did not obtain Medicaid coverage. The overall result was that Medicaid had little effect on people's health.

The authors of the study concluded that the "randomized, controlled study showed that Medicaid coverage generated no significant improvements in measured physical health outcomes in the first two years." Health indices measured included blood-pressure, cholesterol, and glycated hemoglobin levels. Medicaid coverage had no "significant effect" "on the prevalence or diagnosis of hypertension or on the use of medication for these conditions."

The study did find that Medicaid coverage increased "rates of diabetes detection"—albeit without seeing a significant change in blood sugar levels—and "lower rates of depression."

A group of New York City doctors is demonstrating that, by contrast, smart spending on Medicaid is capable of delivering superior results through greatly improving the quality of health care provided to the poor. SOMOS Community Care is a network of 2,500 community-based physicians—most of them primary care providers—serving one million of the neediest patients in New York City. The patient population largely consists of people of color: Hispanic Americans, Asian Americans, and African Americans.



Dr. Ramon Tallaj
Founder and Chairman of the Board
rtallaj@somoscommunitycare.org
212.740.8294

SOMOS got its start and operated for five years under New York State’s Delivery System Reform Incentive System (DSRIP) program. DSRIP was driven by the Value-Based Payment (VBP) formula. That formula stipulates that, unlike traditional Medicaid that compensates per discrete medical services delivered, doctors are paid according to the longer-term health outcomes of their patients. The healthier the patient, the greater the doctor’s compensation. SOMOS doctors have wholeheartedly embraced VBP.

Better care is realized in a variety of ways; SOMOS Community Health Workers assist doctors by gathering intelligence about patients’ living conditions, identifying Social Determinants of Health—such as poor housing, unemployment, and poverty—that impact physical and mental health. Doctors call on Community Based Organizations to tackle patients’ social needs.

SOMOS practices are upgraded to become Patient-Centered Medical Homes, giving patients access to a full range of specialized care as needed, while state-of-the-art digital technology ensures the careful maintenance of Electronic Health Records (EHRs); EHRs allow doctors to keep track of and coordinate the entire trajectory of patient care. The system delivers optimal, comprehensive, holistic care, which is based on doctors intimately knowing their patients’ medical, behavioral and social needs.

The foundation of this model of care is a robust patient-doctor relationship, cemented by a bond of trust. SOMOS has reiterated, restored the role of the family of doctor old—the primary care provider as respected community leader. Patient and doctor of affinity is enhanced by the fact that most SOMOS doctors live and work in the same neighborhood as their patients, with whom they often share a cultural and ethnic background.

The impact on health outcomes has been spectacular. SOMOS doctors are treating and keeping in check diabetes, cardiovascular diseases, hypertension and obesity, among other conditions that, if neglected, land patients in emergency rooms and costly hospital beds. Under DSRIP, SOMOS doctors saved New York State taxpayers more than \$330M by reducing by more than 25 percent the number of unnecessary visits to the ER and the number of unnecessary hospital admissions.

It would be most valuable if a new natural experiment would measure the effect of Medicaid driven by the Value-Based Payment formula. Such a study could compare, over a significant span of time, the health of a sample of SOMOS patients with a sample of individuals and families of similar backgrounds who are, perhaps, are enrolled in traditional Medicaid. Such a study is bound to be an eye opener and speak volumes in support of significant Medicaid reform.

Mario Paredes is CEO of SOMOS Community Care, a network of 2,500 independent physicians—most of them primary care providers—serving close to a million of New York City’s most vulnerable Medicaid patients.