P. MICHAEL STURLA, CHAIRMAN
414 MAIN CAPITOL BUILDING
P.O. BOX 202096
HARRISBURG, PENNSYLVANIA 17120-2096
(717) 787-3555
FAX: (717) 705-1923

HOUSE DEMOCRATIC POLICY COMMITTEE
WEBSITE: www.pahouse.com/policycommittee
EMAIL: policy@pahouse.net
@PADemPolicy

House of Representatives
COMMONWEALTH OF PENNSYLVANIA

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING
Topic: Hospital Closures
American Legion Post 366-Corp. John Loudenslager – Philadelphia, PA
July 22, 2019

AGENDA

3:00 p.m. Welcome and Opening Remarks

3:10 p.m. Panel One:
- U.S. Congressman Brendan Boyle
  Pennsylvania's 2nd Congressional District
- Chris Woods
  Executive Vice President, District 1199C
- Maureen May, RN
  President, The Pennsylvania Association of Staff Nurses and Allied Professionals

3:40 p.m. *Questions & Answers*

4:10 p.m. Panel Two:
- Dr. Marc Hurowitz
  CEO of Jeanes Hospitals and CEO of Temple Physicians, Inc.
- Bill Ryan
  Assistant Vice President of Government Relations and Public Affairs, Einstein Health Network

4:30 p.m. *Questions & Answers*

5:00 p.m. Welcome and Opening Remarks

TEMPLE HEALTH

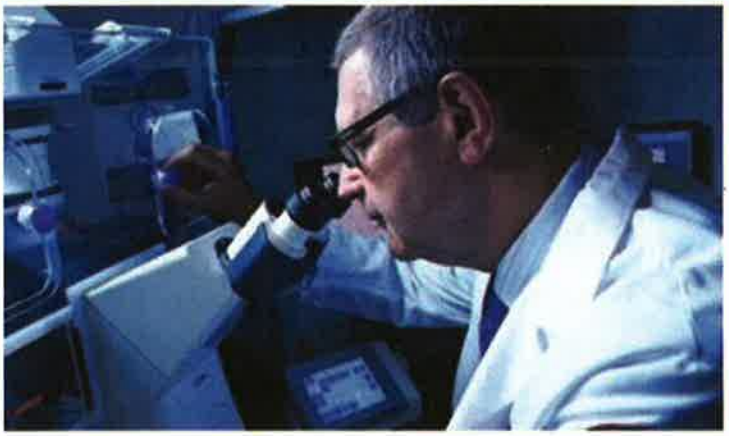
Statement of Marc Hurowitz, D.O., MBA, FAAFP

President & Chief Executive Officer Jeanes Hospital

President & Chief Executive Officer Temple Physicians, Inc.

Before the Pa. House of Representatives Democrat Policy Committee

Monday, July 22, 2019



Good afternoon Chairman Sturla, Representative Boyle and members of the Pennsylvania House of Representatives Policy Committee. Thank you for calling today's hearing on this very important issue. While the topic of this hearing is "hospital closures," I think the real crux of the issue is, "*Maintaining Access to Essential Hospital and Physician Medical Care.*"

My name is Marc Hurowitz. I am a Family Physician and Chief Executive Officer of Jeanes Hospital, the community hospital of Temple University Health System. I also serve as Chief Executive Officer of Temple Physicians, Inc., our network of community-based physicians. In my dual role, I am involved in strategic planning for all Temple Health hospitals, including the integration of care across our five hospital campuses, our community based physician practices and our faculty practice plan.

In my previous role as Chief Medical Officer of Northeastern Hospital, I was tasked with the orderly closure and transition of services at that hospital. It was a very difficult time for the community, hospital staff and local physicians. Located in Philadelphia's Port Richmond neighborhood, Northeastern served Philadelphia's lower Northeast "riverward" communities of Fishtown, Port Richmond, Kensington and Bridesburg. Today it remains open as an ambulatory care facility of Temple University Hospital, comprised of our *ReadyCare* urgent care center, Chemotherapy infusion center, Endoscopy Unit, full Radiology services, outpatient Woman's Health services and a mix of outpatient medical and surgical practices. Although the decision to close Northeastern as an inpatient facility was difficult, steady financial losses, reliance on uncertain government payments, and an inability to keep pace with changes in technology and consumer expectations, made it inevitable.

While the closure stoked passion among employees, physicians and community members, we ultimately worked together to ensure continued access for care at Temple University Hospital, its Episcopal Campus and at other facilities in close proximity. We were also diligent in efforts to preserve as many jobs as possible within the Temple Health family and with other area healthcare providers.

With the recent filing in United States Bankruptcy Court by Philadelphia Academic Health System, our region is suddenly faced with the imminent closure of Hahnemann University Hospital and the uncertainty around the future of St. Christopher's Hospital for Children. Let me speak first about St. Chris.

As you might have heard in media reports, Temple Health, along with Einstein, Jefferson and the Philadephia College of Osteopathic Medicine, have formed a consortium to preserve St. Chris' mission of caring for the children of Philadelphia's underserved community. While I am not nuanced on Bankruptcy Court proceedings, we are optimistic that we will emerge with a plan that will ensure that the children served by St. Chris will have continued access to high quality medical care along with the social services they need to live healthy, productive lives. We also expect that jobs will be preserved for those who provide the excellent care and social services for which St. Chris is known.

Far more challenging, I realize, are issues surrounding Hahnemann. With rigorous planning underway, I am confident that Temple University Hospital, its affiliated hospitals and physicians, as well as neighboring hospitals will ultimately be able to respond to the medical needs of the patients served by Hahnemann. Along with other area hospitals, we are actively recruiting Hahnemann's medical professionals at all levels. In fact, we have 80 residents scheduled to begin this week and are in the process of recruiting an additional 40 employees from Hahnemann. We recognize the difficulty in placing all affected employees, and deeply regret that there will be some who are left without the security of a family-sustaining position in their chosen profession.

Let me return now to my experience of 10 years ago with the closure of Northeastern Hospital. Although Northeastern was a community hospital with about half the number of beds and employees as Hahnemann, they were alike in certain aspects. Both had active Emergency Departments, which the community relied on for both emergency and non-emergent care. Both had active obstetrical departments, serving a diverse population that often neglected pre-natal and post-natal care. Both had aging facilities with limited funds to invest in capital improvements. Both served a high volume and percentage of patients covered under Pennsylvania's Medicaid program.

It is this last point that gives me pause. At the time of its closure, nearly 50% of Northeastern patients were covered by Medicaid, and many others dually eligible for both Medicare and Medicaid. These were very low-income patients, from diverse racial, ethnic and cultural backgrounds, who were exposed to a variety of social risk factors related to housing, violence, education, substance abuse, food access and other elements connected with poverty.

Similarly, at the time of the closure of St. Joseph's Hospital, about 60% of its patients were covered by Medicaid. As Hahnemann prepares to close, we understand that about 40% of its patients are covered by Medicaid. This is a startling trend that calls for the attention of policy makers at all levels of government.

While we can all acknowledge that Philadelphia hospitals are over-bedded, we do not see the same closure trend among hospitals with a more affluent payer-mix. As we consider issues related to hospital closures, we must first and foremost be focused on stabilizing those hospitals that truly serve as major safety nets for their communities, and on preserving access to care for the vulnerable patients they serve.

Similar to Hahnemann and St. Joseph's hospitals, approximately 86% of Temple University Hospital's patients are covered by government health programs: 46% by Medicaid and 46% by Medicare. With the pending closure of Hahnemann, we are preparing for an influx of new patients who reside north of Callowhill Street, especially in our emergency, obstetric and psychiatric units. It is significant that among patients discharged last year from Hahnemann, more than 60% reside north of Callowhill and about half live in Temple University Hospital's immediate service area, including zip codes most affected by the closure of St. Joseph's Hospital. These neighborhoods largely overlap with the City of

Philadelphia's North, Lower North and Riverward planning districts. Residents of these neighborhoods are in the poorest health and have the lowest life expectancy among all Philadelphians. They suffer the highest incidents of cardiovascular disease, HIV, and mental health illness. Furthermore, the rates of infant mortality, homicide mortality and cancer mortality rates in these neighborhoods are the highest in the city.

And these patients are beginning to come to Temple, even as Hahnemann remains open. We are seeing more patients in our Emergency Department, trauma unit, and in-patient psychiatric unit. Our labor & delivery unit is seeing more women who were scheduled to deliver at Hahnemann, including some who presented to our Emergency Department in active labor. Women are increasingly transferring their prenatal care to Temple providers, so we expect our infant deliveries to increase.

While we are planning for the additional volume that will come, we recognize that we have limited capacity due to our aging infrastructure and limited ability to invest in new equipment. Our emergency department, psychiatric unit, Maternity, newborn and neonatal units are all in need of facility upgrades to maintain care quality and ensure patient and employee safety. We also need new beds, fetal monitors, baby-warmers, diagnostic imaging and other moveable equipment. Temple is Pennsylvania's largest safety-net provider. Given your role shaping public policy, we implore you not to expect us to operate below the safety-line.

As the Commonwealth considers how to direct disproportionate share and supplemental payments that would otherwise go to Hahnemann, we ask that it direct them to those hospitals that are serving overlapping populations, that already fill the role of a public hospital, and that are vulnerable to shifts in government payments. Again, these payments would not require new general fund dollars, as they can be financed through state general revenue funds historically directed to Hahnemann. This will help ensure that payments to hospitals serving North Philadelphia are sufficient to ensure that Medicaid-enrolled patients have access to a comparable array of quality services as are available to the general population of Southeast Pennsylvania.

While some hospitals and health systems limit exposure to patients covered by Medicaid, Temple embraces our role serving on the front-line of healthcare delivery in one of Pennsylvania's most underserved communities. Virtually all of our physicians, whether community or faculty based, accept Medicaid in both inpatient and ambulatory settings. Temple University Hospital is an indispensable healthcare provider in America's largest city without a public hospital. Among Pennsylvania's full-service safety-net providers, Temple treats the highest volume and percentage of patients covered by Medicaid. It does so effectively, efficiently and compassionately.

We appreciate the strong support that the General Assembly provides for Pennsylvania's safety-net hospitals, their affiliated physicians and the patients we serve. Again, thank you for holding this hearing to discuss the important issue of hospital closures. I am happy to answer any questions you might have.