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To the Members of the 149th General Assembly

RE: DNA supports Senate Bill 199

The Delaware Nurses Association (DNA) hereby announces its support for pending Senate Bill 199, which makes several amendments to Delaware Code to mandate improved insurance coverage for primary care services delivered by practitioners in the areas of family medicine, pediatrics, internal medicine, obstetrics and gynecology, and psychiatry.

We agree with our colleagues at the Medical Society of Delaware (MSD) that primary care is the essential backbone of an efficient and patient-centered healthcare delivery system. Primary care is crucial to maintaining a healthy state populace and is the most efficient and effective means to provide safe and economical healthcare to all.

We also agree with MSD that, for many complicated reasons and because of competing interests, the primary care segment of Delaware's health care system is failing. Our members experience firsthand the decline and fear the not-so-distant potential demise of the primary care segment of the Delaware healthcare marketplace. Decreased incentives to enter or maintain a primary care practice, increased patient loads, and - most problematic - dramatic decreases in reimbursement for primary care, are all factors driving this trend. If nothing is done, we will inevitably have a more-fractured, more expensive, and less efficient specialty-care based healthcare delivery system. At risk is continuity and coordination of care.

At a recent hearing at Legislative Hall, several independent primary care physicians gave impassioned testimony that they are being squeezed out of business by increasing costs and decreasing revenues. Unlike in other states, insurers currently pay Delaware primary care practitioners significantly less than even the suggested "benchmark" Medicare fees for service.

Several of those providers said they cannot go on like this for much longer and face one of three alternatives: sell their practice to a hospital, turn their practice into a concierge practice (at a higher cost to consumers), or quit, relocate or retire.

On its face, that first alternative - selling out to a hospital or large system - seems as though it should be consumer-neutral. That has not proven to be the case, as even those practices are struggling with decreased revenues and increased patient loads. It appears as though so-called “value-based care” is feasible (for now) for only the largest of systems and groups who can (for now) financially afford to absorb the risk.

The loss of these practices directly affects nurses and consumers. A nurse practitioner testified that she lost her job in a primary care practice last year because the physician converted the practice to the concierge model. But even with the higher fees demanded of consumers in such a model, that physician was still unable to retain this nurse practitioner and another office nurse due to dramatic decreases in reimbursement.

There was also testimony about how more and more nurse practitioners and physician’s assistants are “migrating” towards in-hospital practices and away from primary care. The same is true of newly graduated primary care resident physicians who are becoming hospitalists instead.

Some suggest that you table the Bill to allow stakeholders to further study the issues. However, it is evident to the DNA, the MSD and others that the situation has reached crisis proportions and can no longer be put off; these independent primary care practitioners simply cannot survive on the paltry care coordination and “quality” incentives they are currently paid by insurers in lieu of a more sustainable “fix” such as that proposed by this Bill.

DNA implores the General Assembly to pass Senate Bill 199 during this session. Stakeholders have talked about this problem for years but this is the first real proposition that has been put forward. DNA totally agrees that stakeholders have valid questions and valid reasons to oppose this Bill. However, as we see it, there is sufficient time for the stakeholders to come together and craft an acceptable bill before the General Assembly adjourns on June 30th.

Also, DNA sees two necessary amendments to the Bill as currently written. The definition of primary care should include “gero” or gerontological primary care, and “psychiatry” should be changed to “mental health” to recognize all primary care providers of mental health not simply psychiatrists (physicians).

Senate Bill 199 is no panacea. Rather, it is a stopgap measure to arrest the decline of independent primary care practices. According to the MSD, health insurers in Delaware are currently directing only 3-4% of their total “spend” on primary family medicine, internal medicine, or OB/GYN; whereas the national average for these runs at about 8%. One of the key provisions of Senate Bill 199 mandates that insurers gradually increase the portion of their total spend on primary care to 12% by 2025. Similar legislation passed in Rhode Island and Oregon and seems to be working well.

The allegation that Senate Bill 199 would “open the door” for the General Assembly to start allocating percentages of healthcare spending (reimbursement) towards a specific spectrum of the healthcare marketplace is without merit. We acknowledge the truism that in healthcare, services follow dollars. However, the Bill affords flexibility in allocation of those dollars to ensure that we meet the needs of all patient populations. Moreover, it is unlikely in the foreseeable future that any other specific segment of healthcare (such as surgery, for example) would need this type of governmental intervention simply to survive.

Another key provision of Senate Bill 199 mandates that the rates that insurers pay for primary care not fall below the corresponding or “benchmark” Medicare fee for service. Currently, some insurers pay as low as 60-70% of the corresponding Medicare reimbursement rate. Every day, primary care physicians and nurses provide excellent care that should be reimbursed at 100%, not 85% as mandated by Medicare. This Bill cannot correct that inequity but it can ensure that primary care providers be compensated at no less than the (85%) Medicare rate. Anything less is simply not economically viable nor is it fair.

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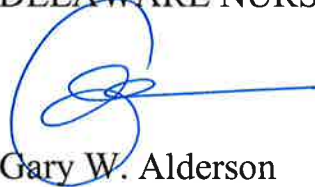
A key function of DNA is to advocate for better and more economical healthcare for all Delawareans. We raise our voice in support of Senate Bill 199 because doing so is consistent with that goal. It is up to us to advocate for patients and consumers who cannot otherwise speak up and speak out for themselves.

DNA believes this issue cannot be put off any longer and that this Bill should be passed now. Too much is at stake for all of us if you do otherwise.

DNA intends to spread this message to all of its members, urging them to contact their respective legislators that they support Senate Bill 199.

Sincerely,

DELAWARE NURSES ASSOCIATION



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