

Testimony: James Donnelly on behalf of UPMC Kane

Across the United States, more than 100 rural hospitals have closed over the past ten years. Delays in receiving emergency medical care can have life or death consequences. Minutes are crucial to the survival and functional status of an individual suffering a heart attack, stroke, or serious illness. Currently, more than 80% of rural communities in America are medically underserved.

The citizens of Kane, Pennsylvania and McKean County have the same type of medical emergencies and healthcare crises that individuals in large urban centers face. Access to advanced emergency care services is critical to meeting the public health needs for this region. In 2019, the UPMC Kane Board of Directors and the UPMC Enterprise faced a pivotal dilemma; the hospital's financial performance was resulting in more than three million dollars in losses per year. The hospital's viability as an acute care provider was not sustainable and the hospital would need to undergo significant change or close its doors.

At the time the hospital had an average daily census of three to four inpatients and the Emergency Department was providing care to about 15-20 patients per day. Physician staffing had become a significant challenge and the cost of recruiting and retaining a high-quality medical staff was an impediment to sustaining operations and achieving financial viability. The main hospital building was under-utilized, and the hospital's primary care offices were scattered throughout the community. Given McKean County's terrain and inclement winter weather, travel to another emergency room could take 40 minutes or more.

Fortunately, UPMC Kane was one of the original six hospitals to join the Pennsylvania Rural Health Model (PAHRM). The PARHM was conceived as an alternative payment model designed to address the financial challenges faced by rural hospitals by transitioning them from fee-for-service to global budget payments. This strategy aligned incentives for providers to deliver value-based care and provide an opportunity for rural hospitals to transform their care delivery model to better meet community health needs. Under this model, the state paid hospitals and health systems a fixed amount to cover care for a defined population. The organization was then responsible for transforming their operations while continuing to provide care for their local community. By ensuring a predictable revenue stream, this program represented UPMC Kane's best opportunity for transforming itself to deliver high quality acute care via a financially sustainable model.

In January 2020, UPMC Kane submitted a revised plan that detailed a radical transformation of the hospital's care delivery model. This revision was part of the annual update to the Rural Health Model and held promise that the community of Kane would have ongoing and reliable access to emergency care. The plan described a new *hybrid-micro acute care hospital model* (H-MACH Model) designed to ensure that UPMC Kane retain its status as a CMS approved acute care hospital, provide access to emergent or acute health care services, contain costs, and keep care local for the residents of the Kane region.

The H-MACH Model would maintain the current Emergency Department (ED) infrastructure (of seven treatment rooms) and staff the ED with Advanced Practice Providers (APPs) who would have a collaborative agreement with emergency medicine physicians at UPMC Hamot via a telemedicine link. This change would result in a cost reduction of one million dollars while improving the quality of care by introducing board certified emergency medicine physicians into the UPMC Kane ED treatment

team. Prior to implementation of the H-MACH Model, the UPMC Kane APPs would complete a training program on-site at UPMC Hamot's ED.

The UPMC Kane acute-care infrastructure would be reconfigured to include 10 licensed inpatient beds. This would include repurposing the hospital's five ICU beds into med-surg beds and maintaining 5 licensed inpatient beds immediately adjacent to the former ICU beds. This change would localize all acute care into the most updated acute care rooms which are located on the second floor right above the ED. Similar to ED care, inpatient care would be delivered virtually by the UPMC tele-hospitalist service. This change would result in a cost reduction of one hundred thousand dollars while improving the quality of care by introducing board-certified internal medicine physicians specializing in hospital care into the UPMC Kane acute care treatment team.

To keep care local, the H-MACH Model was designed to maintain the current surgical services; at UPMC Kane. This service-line consists largely of low-risk ambulatory procedures. Surgeries are limited to minor general surgery cases, minor orthopedic cases, endoscopy procedures and pain management procedures. Anesthesia would remain a service provided by a certified registered nurse anesthetist, who practices under the direction of the operative surgeon.

Finally, vacant space on both the first and second floor of the hospital will be transitioned into hospital-based primary care and specialty clinics. A select group of specialty providers will be available on-site, and many more advanced specialists will be available through a telemedicine clinic service. Consolidating healthcare services to a single campus would enhance convenience and reduce costs, while preserving emergency and acute care services in Kane. The new model was designed to optimize quality, convenience, and efficiency.

In summary, the H-MACH Model essentially replaces the traditional hospital model to improve access, create new efficiencies and prepare UPMC Kane for the future. This H-MACH Model will house the ED, inpatient care, imaging, lab services, and outpatient primary and specialty care clinics in a single location. Patients requiring higher levels of care would be transferred to UPMC Hamot or other neighboring UPMC tertiary care facilities. To facilitate this transfer process, ambulance services at UPMC Kane will be augmented to provide for a more rapid and seamless transfer process.

Following approvals from PHARM, PA-DOH, CMMI and CMS, UPMC Kane has moved forward with implementation. To date, the Tele-Hospitalist service and the Tele-ED service have been implemented with great success. UPMC Kane's surgical service-lines have been maintained and plans are being finalized to relocate the primary care offices and specialty clinics to the main campus. The transformation plan to date has resulted in an increase in ED and inpatient admissions as other institutions in the region have decreased services. Financial performance is markedly improved and UPMC Kane is on a course to solidify a high-quality low-cost acute care delivery model for rural communities that can be replicated across the state.