



Statement by Lehigh Valley Health Network

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Health Care Deserts
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Good afternoon Chairman Bizzarro and members of the Democratic Policy Committee. I appreciate the opportunity to testify about our shared goal to increase access to health care in communities throughout the commonwealth.

My name is Tammy Torres and I am President of Lehigh Valley Hospital (LVH)–Hazleton in Hazleton, Pa. I am responsible for the overall operations of the LVH–Hazleton hospital facilities and collaborate with my leadership colleagues at our other Northwest Region hospitals, LVH–Schuylkill and LVH–Carbon, which are among 14-hospital campuses that make up Lehigh Valley Health Network based in Allentown. LVHN operates 28 health centers; numerous primary and specialty care physician practices; 21 ExpressCARE locations, including two Children's ExpressCAREs throughout eastern and northeastern Pennsylvania, and also provides specialty care for cancer, cardiac, neurosciences, orthopedics and surgery at five institutes. In previous roles at other health care organizations in Pennsylvania and New Jersey, I served as Chief Executive Officer, Chief Operating Officer and Chief Nursing Officer—and I am a registered nurse. For more information about LVHN and our services I invite you to visit LVHN.org.

When assessing a community's access to health care, it's important to look at not just specific types of providers and services but the strength of the entire health care continuum. Reduced access to any essential services along the continuum strains the remaining parts. Multiple stress points put the entire system at risk.

When patients do not have adequate access to primary care or early intervention services for behavioral health, their symptoms can escalate into crises. Hospitals throughout the commonwealth are strained as we see more and more patients presenting with more complex health issues. Especially in communities where access to providers and services is already a challenge, it is becoming increasingly difficult to find appropriate placements for behavioral health or post-acute care, which further strains access to hospital care.

Reimbursements for behavioral health services have long lagged behind other physical health payments. Payment parity is a dream unrealized. As a result, the number of providers choosing behavioral health is less than other specialties and many of the existing providers prefer to only accept private pay in large urban areas. It's extremely hard to recruit providers to behavioral health deserts with inadequate Medicaid payments as the primary source of funding.

It's not unusual for medically complex patients with behavioral health co-morbidities to remain in the hospital for weeks or months after they have been medically cleared for discharge as there are very few facilities willing to accept these patients. When we can't discharge a patient who needs ongoing, long term care or follow up services, not only does the patient suffer, but the cost of healthcare increases for everyone. Without an appropriate disposition out of the hospital, hospitals become an extremely expensive "hotel room" for the very vulnerable populations of patients that can't find access to continuing care. This often includes aggressive and difficult to handle behavioral health or intellectually disabled patients, homeless patients, the patient in need of long term addiction services and the chronic, medically ill aging population. All of these patients are at risk. This will continue to be a problem as the nation struggles with the behavioral health crisis and as state governments get out of providing long term placements for a unique subset of patients who may never be able to live independently. Given the closing of many skilled nursing facilities and units since COVID this problem has only gotten worse.

Another area where access challenges have been particularly visible is maternal health. A 2023 March of Dimes report identified five Pennsylvania counties as maternity care deserts and another 12 as having only moderate access to obstetric care. More than 12 percent of Pennsylvania women—and more than 47 percent of women in rural counties—live more than 30 minutes from a birthing hospital. On average, 180 babies a year are delivered by Pennsylvania EMS teams enroute to the hospital. This is not safe for baby or mother.

Low volume hospitals need to provide coverage with obstetricians, nursing, anesthesia, pediatrics at all times even if they are only doing a few hundred deliveries per year. That's non-reimbursable overhead creating losses. New payment models that potentially pay for the necessary coverage and not just for the episodes of the birth could be helpful.

PA first recognized the OB crisis in 2008 when Governor Rendell initiated Medicaid supplemental payments for OB NICU providers. LVHN has been fortunate to receive these supplemental payments at our Lehigh Valley, Hazleton, Schuylkill and Pocono campuses. Unfortunately, the line item was reduced twice and has not seen an increase in 10 years which clearly doesn't keep up with inflation, let alone the cost of care. This line item brings a federal match making it doubly beneficial. Including a generous increase to this line item in this year's budget would help protect against further closures.

There are many factors contributing to health care deserts and access. One in particular stands out. I will highlight challenges and opportunities related to health care workforce shortages and the sustainability of services throughout the continuum.

Workforce Crisis

While there is a national health care workforce emergency, Pennsylvania faces particular challenges as the commonwealth ages.

Of the commonwealth's 67 counties, 62 have been entirely or partially designated Health Professional Shortage Areas (HPSA) for primary care and 53 are a full or partial HPSA for mental health. Pennsylvania will need an estimated 1,000 or more additional primary care physicians within the next six years. A projection by Mercer found that by 2026, Pennsylvania will have the largest shortfall of registered nurses in the nation (20,345) and the third largest shortfalls of mental health professionals (6,330) and nursing support staff (277,711).

A survey released earlier this year by The Hospital and Healthsystem Association of Pennsylvania (HAP) found that hospitals statewide have reduced turnover for direct-care professionals by 28 percent over the past year by working hard to develop, recruit, and retain health professionals. Nearly every hospital is increasing base pay, offering flexible work schedules, providing tuition reimbursement and professional development, and partnering with educators to grow the pipeline into health careers.

The Lehigh Valley Health Network Joseph F. McCloskey School of Nursing in Pottsville has worked to more than double enrollment and add an alternative evening and weekend program to accommodate more students and second career adults interested in pursuing a career in nursing. The school is growing from the Class of 2024 graduating class of 20 to 100 students

enrolled in a freshman class which will graduate in 2027. Over \$6 million was invested for a larger location, and more will be needed to continue expansion. Funding infrastructure, faculty, preceptors, and minimizing student debt are goals of the school which could be enhanced through statewide investments. To facilitate the expense of higher education, and ensure local retention of students, LVHN waived the tuition costs for students who agreed to employment at a local LVHN facility.

The Healthcare Academy team was created to bring healthcare career pathway programs into school district curriculums, offering exposure to possible healthcare professions before college decisions are made. LVHN has programs in the following rural school districts: Bangor, Lehigh, and Wallenpaupack, and an Emerging Health Professionals program out of Schuylkill Training and Technology Center. Additionally, we have partnered with the local Area Health Education Center (AHEC) to educate guidance counselors and STEM teachers on careers in healthcare.

In the Hazleton area specifically, LVHN co-branded with Partners in Education to create an app for the exploration into healthcare careers

Despite these efforts, HAP's survey found that statewide average vacancy rates remain in the double digits for most direct care positions. We need additional public policies and investments to build upon this work and develop the workforce needed to meet a growing need for care throughout the continuum. This includes:

- Increasing programs, faculty, and clinical space to educate health care professionals and incentivizing current professionals to serve as preceptors.
- Providing support for Pennsylvania students to become health care professionals and incentives for graduates to remain in the state.
- Removing unnecessary barriers between providers and patients.
- Increasing visas for international health professionals.
- Bolstering the behavioral health workforce.

The medical liability climate in Pennsylvania compounds workforce and access challenges by discouraging providers from moving into and staying in the commonwealth. This is made even worse by a recent Pennsylvania Supreme Court rule change allowing medical liability claims from anywhere in the commonwealth to be moved to places like Philadelphia and Allegheny counties, which have documented histories of higher payouts. This change is already starting to increase medical liability costs and affect Pennsylvania's access to providers, especially in high-risk specialties, like maternal and infant health.

Sustainability of Hospitals and the Continuum

Hospitals and other providers face significant challenges to our long-term sustainability as the cost of providing care outpaces payments. The most recent data from the Pennsylvania Health Care Cost Containment Council shows that 39 percent of the commonwealth's general acute care hospitals are operating in the red and another 13 percent have operating margins below 4 percent, which is unsustainable in the long term. Over the past decade, 28 Pennsylvania hospitals have closed and many others have had to reduce service lines.

The cost of providing care is increasing dramatically. A report this month from the American Hospital Association found that hospital expenses continued to increase during 2023 due to inflation, workforce shortages, and supply chain disruptions. That includes a \$42.5 billion increase in labor costs nationally since 2021, a \$6.6 billion increase in supply costs over 2022, and 15.2% average increase in drug prices over 2022.

Yet payments from Medicare and Medicaid—which also influence the rates we are able to negotiate with commercial insurers—pay below the cost of delivering care. Even before recent inflation, Medicare and Medicaid paid just 84 cents and 81 cents, respectively, per dollar it costs to deliver care in Pennsylvania hospitals. This shortfall is a significant challenge for all hospitals; but the burden is often greatest on urban safety net and rural hospitals, which serve communities where health care access is already strained.

Updating reimbursement rates for providers throughout the continuum to better reflect the cost of delivering care will help improve the long-term sustainability of health care services that our communities need. The recent announcement of Walmart not being able to make their healthcare work further emphasizes that low reimbursements are not a sustainable business model.

It's not enough to have services available in a community. To ensure adequate access, patients must also be able to connect with providers and move between the services they need. Public policies that can help address barriers between patients and providers include:

- Ensuring access to health insurance and that insurers are accountable for maintaining adequate networks.
- Bolster telehealth services by ensuring that payment cannot be denied because care was provided via telehealth and improving broadband connectivity in rural and urban areas.
- Increasing investment in EMS providers to bolster patient transportation to and from appointments and between care settings.

Thank you for the opportunity to participate in today's hearing. I'm happy to take any questions you may have.