Testimony to the US Senate Committee on Health, Education, Labor and Pensions

On Reducing Inappropriate Emergency Room Use by the Poor

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Good morning. I am a physician specializing in Internal Medicine. I welcome the opportunity to speak in front of this committee, and explain what I have observed in both my 23 years of private medical practice and the 7 years of volunteering in a free clinic. I believe that I can give information that will be valuable in helping to develop policies that would be effective in deterring the unnecessary use of the emergency room.

Both in the practice where I earn my living, and the free clinic where I see the poorest of the poor, I count it a privilege to be able to make a difference in the lives of my patients.

My husband, Dr. John Eck, MD, and I dropped out of the Medicaid program a few years after enrolling, realizing that it was causing our practice to lose money, thus jeopardizing our livelihood. The cost of filing the claim was greater than the sum Medicaid would pay us several months later.

The Founding of a Non-Government Free Clinic

After Hurricane Floyd flooded a small house on the edge of our church campus at Zarephath, NJ, we convinced the church leadership to allow us to renovate it and turn it into a clinic. We had read Marvin Olasky's *Tragedy of American Compassion*, and we determined to do things differently-- to see the poor for free, to solicit the help of caring volunteer nurses and support staff, and to work to identify the root causes of the poverty that brought the patients to us, helping in any practical way we could. The clinic began operation in September of 2003. It has a 501(c)3 charity status and operates completely by private donations-- with no taxpayer dollars. In fact, we would turn down taxpayer dollars, as we firmly believe charity should be voluntary.

Volunteers listen to the stories of each person who comes in, offering kind encouragement. A verse stenciled to the wall in the waiting room reads, "Come unto me, all you who labor and are heavy-laden, and I will give you rest. (Jesus)" Then a nurse and physician see the patient to handle common complaints such as a sore throat, bronchitis, hypertension, diabetes, thyroid disease and sometimes

illnesses that are more serious and life threatening. We bind up the wounds of their limbs and their hearts. The church has a food pantry and a clothing thrift shop where some people pay a few dollars for clothes and many can get them for free. It is not one-size fits all charity situation, but varied help for very different types of people.

We have never advertised, but the patients come-- from as far away as Pennsylvania and New York, an hour and a half away.

- Patients are referred by their friends, other patients or church members.
- Patients are referred by the emergency rooms, after they have been seen there.
- Patients are referred by nurses in the hospitals when poor patients are being discharged and have no primary care physician.
- Patients are referred by local pharmacies.
- Patients are actually referred to us by the *Medicaid office* when patients have complained that they could not find a physician who accepts Medicaid.
- Patients are referred by all the social service agencies in the area.
- We see patients who have just been released from prison, referred by their parole officers.
- We see patients who have been released from psychiatric hospitals, prescriptions in hand and no means to pay for them. They are scheduled to see a psychiatrist 6 weeks hence at a state run psychiatric facility, but are not given any help in between. We hand them their medicines if they are available in our little pharmacy. We handle them medically until they can get to the proper specialists. A local community food bank has a fund set aside for emergency prescriptions.
- We see unemployed union members who are dejected, wondering how to pay their mortgages and unable to pay for medical care.
- We see single mothers who bring their little ones to play with volunteers in our play area, while we take care of mom's medical needs. We try to have the children leave with smiles on their face and often a donated teddy bear.
- We see children when a pediatrician or family practitioner are there.
- We see people who are, temporarily unemployed and feeling frightened and vulnerable.
- We see patients who are referred to us by the unemployment office.
- We see people who are living in their cars or under bridges, having been evicted from their homes, estranged from their families for many reasons including their own poor behavior.
- We see patients referred to us by judges in family court.

No one pays a penny, but some put a few dollars into a donation box at the front desk. This covers some of the $13 average cost per patient. Medications are handed out for free-- donated by pharmaceutical companies, drug representatives, sample closets of fellow physicians, and some purchased wholesale. Often we will write for the $4 prescriptions that the free market has made available to all. Every patient leaves with a grateful heart, as they know that people cared for them because they wanted to, not because it was their job. All are treated with respect, empathy and kindness.

Some people are poor through no fault of their own, but many have made bad choices along the way. They need good advice, role models and people who will patiently encourage them to make changes that will empower them to be lifted out of poverty. Zarephath Christian Church has many programs that fill their social voids-- men's breakfasts, women's luncheons, Bible studies, support groups for those who grieve, support groups for battered women, marriage ministries and other groups for all ages.

Who gets Care at the Zarephath Health Center?

Let me give you some examples of actual patients we have seen:

- A 54 year old gentleman, a carpenter with no work, came in with severe nasal obstruction from sinus polyps. He was on Medicaid but could not find an ENT surgeon who would operate for the amount Medicaid would pay. Why should a surgeon take on full liability for such a low fee? This man was asking me to fill out disability forms. Instead, I called an ENT friend and asked what he would charge. We agreed upon a fair amount and the surgery was done and we paid out of donations we had received. The very grateful patient came to a men's breakfast at the church where volunteer workers are spending their free time fixing up our new clinic facility. He wants to volunteer as well.
- A 34 year old woman came in with palpitations and a tender thyroid. With no risk factors for heart disease, we gave her medicine to slow her heart and had her come back the next day where our volunteer retired cardiologist saw her and confirmed the diagnosis. She was 100% better. The charity system was saved probably $10,000, as a visit to the ER would have triggered that much in advanced cardiac testing.
- A 25 year old gentleman walked in with a vial of an anti-psychotic medication that was to be administered monthly. He had the paperwork, but no one to administer it. We did.
- A 15 year old girl with no insurance came in with palpitations and shortness of breath. Our retired cardiologist diagnosed a cardiac conduction defect that would require a surgical ablation to cure. He called a colleague who was happy to take care of her for no charge. Her grateful mother comes in and volunteers to do clerical work at the clinic.
- A couple is overwhelmed with two severely autistic children. The church has developed a program whereby these children are given one-on-one supervision in Sunday classes and the parents can attend church services together. The parents are extremely grateful and the father, an air conditioning specialist has offered to maintain our system in our new facility.
- A 48 year old woman came in showing all the signs of the disfigurement of acromegaly, a disease of the pituitary gland where growth hormone continues unchecked after puberty. This was diagnosed ten years ago, but she had no means to pay for care. She went to the Medicaid office where she was told that the only way to get Medicaid was to be on welfare. She argued that she wanted to work, but just needed help with medical bills. She was thus turned away and referred to us by the unemployment office.
- A 50 year old woman with extreme weight loss and a breast mass was being worked up for cancer. When no cancer was found, she was referred to our clinic. It turns out that her very bad

teeth were seeding her bloodstream and causing the abscesses. Antibiotics helped her gain weight and a dentist agreed to take care of her teeth for no charge.

- A 54 year old man who had had a kidney transplant came in with no way to pay for his transplant rejection medicine. This was a true emergency. We called the township and asked if there was some type of charity fund for this type of thing. Fortunately, we were able to get him the medicine he needed.

Today we see 300-400 patients per month and the church has made new space available for us. We will go from 900 to 4,000 square feet, with five exam rooms, three intake and counseling rooms, and a large classroom to teach classes on diabetes and other topics. Our new clinic will have a dental chair for dentists to volunteer. It is being built by builders, plumbers and electricians who are working at a reduced rate and many former patients who are volunteering to do the sheetrock and spackling. The township building inspector, so inspired by the stories, has agreed to put the first coat of paint on all the walls for free. Money is being donated for the work, and we will open in a month or so, completely debt free. The church has gone from an attendance of 150 to 2,000 in the 7 years the clinic has been in existence. A culture of caring attracts people.

Who goes to the Emergency Rooms for Non-Urgent Complaints?

- Many patients bring their emergency room reports with descriptions of their ear aches, sore throats or rashes. When we ask why they went to the ER for such minor illnesses, they tell that they would have come to our clinic, but we were not open. Because of lack of physicians who are able to volunteer, our clinic is only open 12 hours a week.
- Patients who are poor and without any assets have absolutely no restraint when it comes to going to the ER. They know that there is a physician there 24/7 so do not bother to call an office or clinic to make an appointment. When I was a resident many years ago I remember one patient showing me her rash at 3 AM. When I asked why she was coming for such a minor complaint at that hour, she said she figured it would be a good time because we wouldn't be busy. To her, this was a perfectly reasonable answer.
- *Patients on Medicaid are twice as likely to visit the ER for non-urgent conditions than patients with no insurance at all*. Their sense of entitlement, having that Medicaid card combined with their poor management of their own resources makes a warm, clean ER environment a pleasant place to spend an afternoon. Since they are not turned away, they continue to come. They have absolutely nothing to lose, as they will never see a bill. Any attempts to divert them are futile.

The Cost of Providing Care for the Poor

I note that on the description of today's hearing you claim that the cost to provide care in the emergency room is $1,000, which is 7 times the cost of providing care in community health centers. This correlates with the information I have gathered where the costs in these centers are between $140-$280 per patient visit. Compare that to the cost of providing care in a non-government free clinic such as ours-- **$13, one tenth to one twentieth the cost of a federally qualified clinic.** If there were an

adequate number of non-government free clinics, the savings to the taxpayer by keeping people out of the emergency rooms would be 100%, and the cost to the charitable donors would be minimal.

A federally qualified health center in the next town has a yearly budget of $14 million**-- *all from taxpayer dollars***. (from the IRS Form 990). Ours is $58,000-- ***none from the taxpayers*****.** For the amount it costs to fund one FQHC, we could fund 250 clinics like ours, and I submit that the patients would get better, more personalized care.

I do not like to disparage the work of others, but the following is an eyewitness account of someone who worked in one of those $14 million FQHCs--

> *"The bureaucracy was unbelievable. The administrators had no clue how the care of patients worked. Tons of rules. Lack of proper supplies. Poor quality of the staff working there, mostly from the indigent areas. Patients had to wait hours to go through the registration and verification process which was very frustrating for them. A normal visit to the clinic took over two hours for a patient. Patients came there not by choice but because they had no place else to go. It was not a caring atmosphere. The administration made everything very difficult."*

This is not really surprising, for when providing charity is a job instead of a voluntary giving of one's services for no compensation, the dynamics change. This is not a new concept. In 1853, Rev. William Ruffner noted that :

> *"Charity is a work requiring great tenderness and sympathy, and agents who do their work for a price rather than love should not be trusted to execute the wishes of donors. The keepers of poor-houses fall into a business, unfeeling way of doing their duties, which is wounding and often partial and cruel to the objects of their attention."*

The NJ Volunteer Physicians Protection Act

So the question is, "What would it take to have thousands of non-government free clinics scattered throughout the country?"

The Zarephath Health Center is open only 12 hours per week as we have trouble finding physicians to volunteer. Physicians have many stresses and often struggle to meet all their obligations, suffering from ever-decreasing third party payments and ever-increasing administrative burden. Volunteering does not easily fit into their schedules. Even though the Federal Tort Claims Act (FTCA) gives us free federal medical malpractice coverage for the work we do in the free clinic, it is still hard to find physicians.

So we in New Jersey are working on a solution. Physicians and citizens have come together to propose the **NJ Volunteer Physicians Protection Act**, whereby physicians would volunteer to donate four hours per week in non-government free clinics. Instead of billing for our services, we are asking that the state extend the same medical malpractice coverage it now provides to the medical school attendings, residents and students, to the ***entire practices*** of the physicians who volunteer. The state could simply take the same paperwork used by the FTCA to identify those physicians who qualify for coverage.

Medical malpractice coverage would be the physicians' only reward-- no claim forms, no CPT codes, no secretaries at either end, no money flowing from the government to care for the poor. Just liability protection. The rest of the clinic work would be done with at least 90% volunteers, with minimal key paid staff, all funded by private donors, local fundraisers and corporate donations. From our experience,

there would be no shortage of volunteer nurses and support staff. And the baby boomers are poised to become a huge pool of volunteers with expertise and experience. There would be no avenue for fraud and abuse, as no money would be coming in from the government.

An organization founded by a philanthropic couple in Texas called Echo Clinics (echoclinics.org) has the mission of facilitating the founding of 10,000 free clinics by the year 2030. We look forward to working with them here in NJ. They facilitate in identifying core directors, choosing a free clinic site, establishing the 501(c)3, and going through the FTCA application.

Senator Bernie Sanders, you hail from the left, where you proclaim a deep concern for the poor and underprivileged. So I would think that our idea would appeal to you. Greater and more satisfactory access for the poor to see physicians of every specialty. ***This is universal access.***

Senator Rand Paul, as a member of the Tea Party movement, you hail from the right, which believes in freedom, smaller government and lower taxes. Our plan ought to appeal to you as the free clinics would operate with no tax dollars at all. ***This is limited government.***

The NJ state Medicaid budget is $10 billion in a total state budget of $28 billion. Half of that is for indigent elderly and half is for acute care. Of the $5 billion for acute care, $2 billion goes to Medicaid managed care and $800 million goes to federally qualified clinics. (data from statehealthfacts.org) Assuming an average 20% administrative cost, that means a total of $500 million of these two entities is paying administrators of the system-- people who do not touch the patients. In the NJ Medicaid budget, $90 million goes directly to physicians. There is a bit of a disconnect in common sense here.

Since the Medicaid office is currently directing frustrated patients to our free clinic, why do we need the middle man? And why would we need Medicaid managed care if we physicians are willing to manage the care of the patients for free? ***Who can argue with free?*** Since the state would not be purchasing medical malpractice policies, the only cost to the state taxpayer would be incurred if an actual lawsuit were brought. From the experience of the FTCA, these would be rare. It does not take too much accounting to realize that NJ would quickly save $2 billion if this program were implemented, and the 50 states could **save $100 billion per year**.

The federal government would be able to lower its Medicaid spending as well. An added benefit would be the reduction of the estimated 20-30% cost of defensive medicine by the reduction of unnecessary testing done purely to avert potential lawsuits. This would reduce Medicare spending as well, another **$200 billion in savings,** according to studies done during the Bush administration.

I am not suggesting that we dismantle the Medicaid program in one fell swoop-- but give the patients in need a choice. If someone finds himself ill and with no insurance and no funds, he could go to a Medicaid office and spend time filling out forms where he might be rejected, or he could go to a nearby free clinic. Once the word got out, **a well-staffed free clinic that is open for many hours a day would be a huge deterrent from inappropriate use of the emergency rooms.** Also, each hospital could have several rooms set up where non-urgent cases could be seen by physicians who would donate their time there. The free clinics would not have to be free-standing.

And instead of having an entitlement for what might be a temporary tough time, why not have a place to go for only the time that is needed? After patients have been helped and are back on their feet, we will encourage those who find work to access and pay for care at our practices. Poverty should be a temporary state, not a way of life.

We have a website-- NJAAPS.org. There physicians and citizens can read all about the NJ Volunteer Physicians Protection Act and sign up to voice their approval. So far we have 40 physicians who agree with the concept, and I do not believe that staffing these clinics will be difficult.

We have a seminar coming up next month to teach church leaders and concerned citizens how they can organize and establish a free clinic in their area. Sometimes it is good to revisit ideas from the past. Providing medical care for the poor and uninsured is one of them.

Thank you for this opportunity to address this committee.

Respectfully submitted,

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