

4/25/13

## St. James Mercy remains committed to providing quality healthcare for community

As the saying goes, the one constant in life is change. St. James Mercy Hospital (SJM) has seen much change in the past few months, including the recent resignation of some of our practitioners. We want to assure our friends and neighbors that primary care services will continue to be available locally, and that the quality healthcare services you expect and rely on are still available at SJM.

To give some perspective, there are various models of physician practice in the healthcare industry. Some physicians are employed by a hospital, some are part of an independent group, and others are single independent providers. Employed physicians receive a salary from the hospital and are provided with the services and facilities to run their practice. Independent physicians are responsible for all of their practice needs. Variations of these three models exist in our service area.

In late March, Dr. Adrian Ashdown, Dr. Virginia Shephard and Dr. Robert J. Whelpley of the Elm Street Family Practice in Hornell tendered their resignations as employed physicians at SJM, to go into private practice with Dr. Bruce MacKellar of Canisteo Valley Family Practice. These resignations become effective in August 2013. Kimberly Betker, NP of Elm St. Family Practice also tendered her resignation in January to join Dr. MacKellar's practice. Dr. Susan Mason of Alfred Family Practice has tendered her resignation to relocate out of state to be closer to her family, effective May 31. Although five family

practice providers are leaving SJM as employees, it amounts to the loss of only one provider to the community. As they have for many years, we anticipate that the four providers formerly with Elm St. Family Practice will continue to refer patients and services to SJM. We look forward to a continued strong working relationship among all community physicians, whether employed or independent, as together we pursue our common mission of providing quality, accessible healthcare services in the community.

Earlier this year, Dr. Irvin Oh, SJM orthopedic surgeon, resigned for other practice opportunities and to be nearer family. While we were sorry to see Dr. Oh leave, we are very fortunate to have Dr. John Halpenny, an independent orthopedic surgeon at SJM, who has provided outstanding service to the community for many years.

Just last week, Dr. Pasquale Picco, medical internist and pulmonologist, made the decision to leave SJM employment and establish a practice in Wellsville. While he will no longer be employed with SJM, Dr. Picco will continue to provide some services to the Hospital. He is committed to helping us keep quality healthcare services available in the community, as is all of the SJM-employed physician group, which includes Dr. Gayle Mosher (pediatrics), Dr. Andres Rubert (obstetrics / gynecology), Dr. Uzma Mehr (pediatrics), Dr. Irfan Rizvi (general surgery), and Kim Hoover, NP and Meg Wright, both of whom work in Dr. Mehr's pediatrics office. This group works closely with independent physicians within and outside of our community to ensure residents have easy access to quality healthcare services.

Recruitment to a rural healthcare environment is always a challenge, but we are continuing recruitment efforts to cover critical specialties needed in the Hornell community. In the past year SJM was fortunate to bring an excellent general surgeon to the community, Dr. Irfan Rizvi, who is also board-certified in colorectal surgery. We are very fortunate to have practicing at SJM the team of two excellent general surgeons in Dr. Rizvi and Dr. Byron Collins, both of whom are dedicated to keeping local healthcare strong in our community.

While we are indeed fortunate to have such a strong complement of physicians working in our community, the increasing challenges of health reform continue to pose significant barriers to the growth of services. In a recent radio interview on WLEA, Dr. Spencer Annabel noted the changes due to sequestration cuts and in Medicare reimbursement that will impact virtually every provider, locally and nationally. He noted that since 2004, there has only been a 4% increase in Medicare reimbursement and now half of that has been eliminated.

Every year, hospitals like SJM are expected to provide services, adhere to stricter quality and patient satisfaction requirements, but are paid less for the services provided. And the model of patient care is changing. Historically a hospital was paid based on the diagnosis of a particular patient. Dr. Annabel explained that through health reform, all patients (not just those covered by Medicare) will be placed into big risk pools, and hospitals and providers will be given a lump sum of funds from which to care for all the patients in that pool, regardless of the diagnosis or the scope of services provided.

So if there are a lot of high-risk patients in a pool, all of their care has to be paid from that lump sum.

That is why so many hospitals like SJM are working to affiliate with a regional partner, to attain critical mass and share the risk. SJM continues to develop affiliation opportunities, and we look forward to sharing more information with the community as we make progress on those fronts.

The good news is that the final New York State budget passed in early April contains no new healthcare cuts for hospitals. The 2013-2014 budget eliminates a 2% across-the-board Medicaid cut and rejects a proposal to permanently eliminate the trend factor (an annual inflation adjustment). The Taxpayer Relief Act, which passed on 1/1/13, included Medicaid cuts for "disproportionate share hospitals" (hospitals with a large number of Medicaid and uninsured patients). SJM is a disproportionate share hospital, and we have urged our state legislators to invest some of the savings generated by health reform back into care delivery to help hospitals. We are pleased that state lawmakers agreed with this sound policy approach.

We thank everyone at SJM and in the community who helped advocate for rural hospitals during the state budget process, who support SJM by bringing your business to our local facility, and for all you do to keep quality healthcare services strong in our community. We look forward to serving our community needs in the future.

Sincerely,

**Mary E. LaRowe**  
President & CEO  
St. James Mercy Health System