

## **Penobscot Pediatrics joins nonprofit clinic**

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BANGOR - Penobscot Pediatrics, a physician-owned practice that cares for about 15,000 youngsters from the Bangor area and beyond, has announced its relocation from the Webber Building at Eastern Maine Medical Center to the expanding campus of Penobscot Community Health Care on Union Street.

The move across town won't take place until December, but officials from both groups will mark the merger with a ribbon-cutting ceremony at 11 a.m. Monday at the Union Street campus.

The decision represents not only a change of scene for the providers and their patients, but also a recommitment to the practice's mission, a reaction to the complexities of practicing medicine in a low-income state, and a shift in the health care profile of the region.

Area children have had their health care needs met at Penobscot Pediatrics since the late 1970s, when physicians Robert Holmberg, Joan McCracken and John Lambert - none of whom is still associated with the practice - first set up shop in an old Victorian house on Maple Street. Within a year, the rapidly growing practice purchased office space on the second floor of the Webber Building, then on the fourth floor. About eight years ago, it moved to a larger suite on the first floor. The move to Union Street is expected to take place in December of this year.

According to managing partner Dr. Betsy Trefts, the main reason for the change is to improve patient care. Trefts said Wednesday that children and their families often wait weeks or more for an appointment with certain specialty care providers and sometimes must travel out of the area for specialty care.

Because nonprofit Penobscot Community Health Care hires its own specialists, she said, referrals for pediatric ear, nose and throat care; mental health services; dental care; urology; and other specialties will be served more promptly if Penobscot Pediatrics - with its own specialists in children's respiratory, dermatology and infectious disease care - joins forces with the other pediatric practitioners at the subsidized clinic.

The practice's five physicians and three nurse practitioners, along with the entire office staff, will become employees of PCHC by the end of the year, moving into a brand-new, child-friendly, 7,500-square-foot pediatric clinic now under construction next to the main clinic at PCHC. Trefts said she hopes all of Penobscot Pediatrics' current patients will make the move, too.

"We're really very excited about this move," she said. "The folks at PCHC have shown themselves to be caring, dedicated, candid individuals, and we truly believe our missions are identical. We believe this change will be good for all our patients."

### Support for the underserved

The pediatric group's move to Union Street is just the latest in a series of strategic expansions by Penobscot Community Health Care. The public-minded practice, which started in 1992 with a

one-doctor office in a wing of Saint Joseph Hospital, is now a full-blown community health center that serves 45,000 people a year - roughly half the population of Greater Bangor. About 75 percent of those patients are low-income, and many are enrolled in the federal Medicare program or in MaineCare, the state's Medicaid plan. Others have no health coverage at all.

In exchange for treating such a high proportion of this disadvantaged population, along with meeting certain other administrative criteria, PCHC has been designated a Federally Qualified Health Center, known in health care circles as an FQHC. The designation confers a number of benefits, including significantly higher per-visit Medicare and Medicaid payments, an annual \$650,000 federal grant to help make ends meet, eligibility for numerous other public and private awards, and immunity from medical malpractice suits for all practitioners - any lawsuits must be filed against the U.S. government, not individual practitioners or the clinic.

Other perks include access to prescription medications at the same low wholesale cost negotiated by the U.S. Department of Veterans Affairs, which allows FQHCs to provide free or very low-cost prescriptions to clients at on-site pharmacies.

The 19 FQHCs in Maine operate clinics in 41 communities. They serve American Indians, island dwellers, urban neighborhoods, rural communities and migrant workers. PCHC is the largest, and the only one so far to have taken advantage of the on-site pharmacy option.

A force to be reckoned with

PCHC continues to pursue many options and is rapidly assuming prominence in the area's health care marketplace.

With Penobscot Pediatrics' providers and their 15,000 young patients, about 30 percent of whom are covered by MaineCare, joining its existing pediatric service under the corporate umbrella, PCHC expects to become the largest pediatric practice in Maine. It boasts that its recently opened Union Street dental clinic is the largest north of Boston, enrolling 300-400 new patients each month.

Its 23,000-square-foot primary care clinic, Penobscot Community Health Center, offers comprehensive medical services to 200-300 new patients a month, including family medicine, mental health services and pediatric care, along with specialty care such as obstetrics and gynecology, podiatry and pain management.

In addition, the Union Street campus boasts a full-service pharmacy, case management services and prescription drug assistance. A comprehensive on-site clinical laboratory is on tap for next year. The campus is also home to the Miles For Smiles bus, a mobile dental clinic co-sponsored by Anthem Blue Cross and Blue Shield of Maine that delivers services to children in northern Maine's rural communities.

When Sunbury Medical Associates - a now unrelated physician group that shares historical roots with PCHC - vacates one of the buildings on the Union Street campus early next year, PCHC will expand into that space with its general medical practice and mental health services. When

Penobscot Pediatrics comes on board in December, that group will enjoy a free-standing new clinic of its own, a 7,500-square-foot space now under construction.

In 2004, PCHC quietly acquired Old Town Family Practice, a long-standing hometown practice with more than 12,000 clients of its own, roughly half of them on Medicare or Medicaid. Talks are under way for a \$1.5 million bricks-and-mortar expansion of the Old Town practice with a focus on serving more children.

Additionally, PCHC operates smaller health clinics in Bangor at the Penobscot Job Corps Center, the Shaw House shelter for children and teens, the Bangor Area Homeless Shelter for adults, and Manna Inc., a soup kitchen and daytime resource center for the homeless.

The annual operating budget for the corporation - a mix of revenues from Medicare, Medicaid, private insurers and other payment sources as well as public and private grants - was \$2 million in 2002, \$4 million in 2003, \$7 million in 2004 and about \$13 million this year. Next year's budget is expected to top \$16 million.

Effective in many ways

"If we weren't doing this, these people would end up going to the emergency department with their chronic conditions out of control," said Kenneth Schmidt, chief executive officer at PCHC. "That's where the big bucks are. The more you can prevent crises, the more you save the system money."

By providing comprehensive health services, careful patient education and diligent case management equally to all clients, FQHCs have proved cost-effective at promoting healthy lifestyles and managing chronic illnesses such as diabetes, and heart and lung disease. Patients with such conditions are often seen routinely every month just to make sure they're taking their medication as ordered, eating and exercising as they should and not showing early signs of trouble.

Studies show that even when FQHC clients do turn up in the emergency department or get admitted to the hospital, their treatment is likely to cost less and their return to health is likely to be speedier than it is for people who haven't been case-managed so intensively. That's why the government pays the clinics more in Medicare and Medicaid funding, why private foundations are eager to offer their support, and why they're generally perceived as a boon in the low-income areas they serve.

John Michael Hall, deputy commissioner of the state Department of Health and Human Services, said FQHCs save money in the long run, even though the average per-visit cost to the MaineCare program is almost double the cost of a visit to a private practitioner. That's because on a single visit, patients might see their regular doctor as well as a social worker and psychologist or some other combination of providers.

"The overall health outcomes wind up being better, and the cost to the system is actually cheaper because of that one-stop-shopping," Hall said.

Also, as evidenced by the acquisition of Penobscot Pediatrics and Old Town Family Practice, FQHCs are successful in recruiting physicians where private groups may not be. Increased Medicaid and Medicare payments, protection against malpractice suits, stable salaries, expanded time-off coverage, and an in-place administrative office are seductive lures to overwhelmed doctors in private practices.

Another advantage federally subsidized clinics can offer physicians is affordable access to expensive technologies, especially the many benefits of an electronic medical record. Electronic medical records are rapidly becoming a must-have capability for all practices, but it's a pricey investment for private groups. Penobscot Pediatrics has had no such technology, but PCHC has been implementing its system for several years now.

Gordon Smith, executive director of the Maine Medical Association, said the pediatric group's move to the nonprofit clinic is a good deal for both entities.

"In one fell swoop [Penobscot Pediatrics] deals with two of the biggest issues of any private practice: medical liability and MaineCare," Smith said this week. "And PCHC gets a group of great doctors without any significant recruitment effort."

As the health care system responds to mounting pressures from many quarters, Smith said, the attraction of practicing in subsidized clinics will grow, especially for primary care providers.

"We can expect to see more of the private doctors in Maine moving into these FQHCs and community clinics," Smith predicted. Time will tell, he added, whether there are drawbacks to a system of health care that depends more and more on the kind of subsidies and soft money that support such clinics.

"We just don't know yet whether it should be a concern or not," he said.

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