



**Health Services, Systems, and Policy**  
**A Revised Grant Strategy**

**October 2004**

## **I. INTRODUCTION**

**This presentation will review:**

- Selected New York City demographics;
- The health status of New Yorkers;
- The City's health care system and its costs;
- Health insurance coverage in the City;
- Major national factors affecting the City's health care system;
- Philanthropic activity;
- Our current guidelines and 10 years of grantmaking.

**We will then propose a modestly revised grantmaking strategy for Health Services, Systems, and Policy, which is part of our grant program in Health and People with Special Needs.**

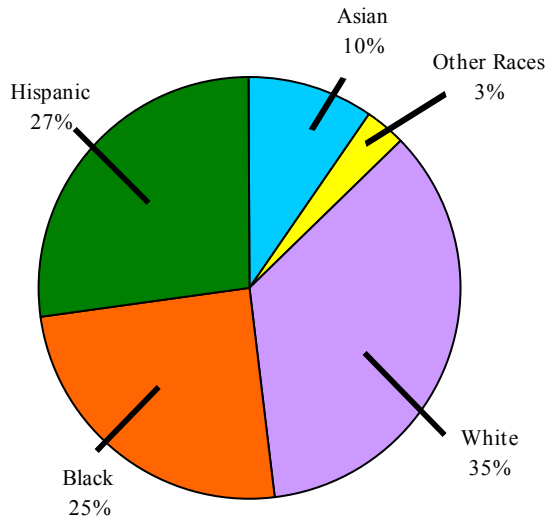
## II. NEW YORK CITY DEMOGRAPHICS

**New York is the largest city in the country. Its 8 million residents are more than double the 3.8 million residents of Los Angeles, the country's second largest city.**

**New York is an ethnically diverse city – 65 percent of its residents are non-white.**

- 35 percent of its residents are white;
- 27 percent are Hispanic;
- 25 percent are black;
- 10 percent are Asian.

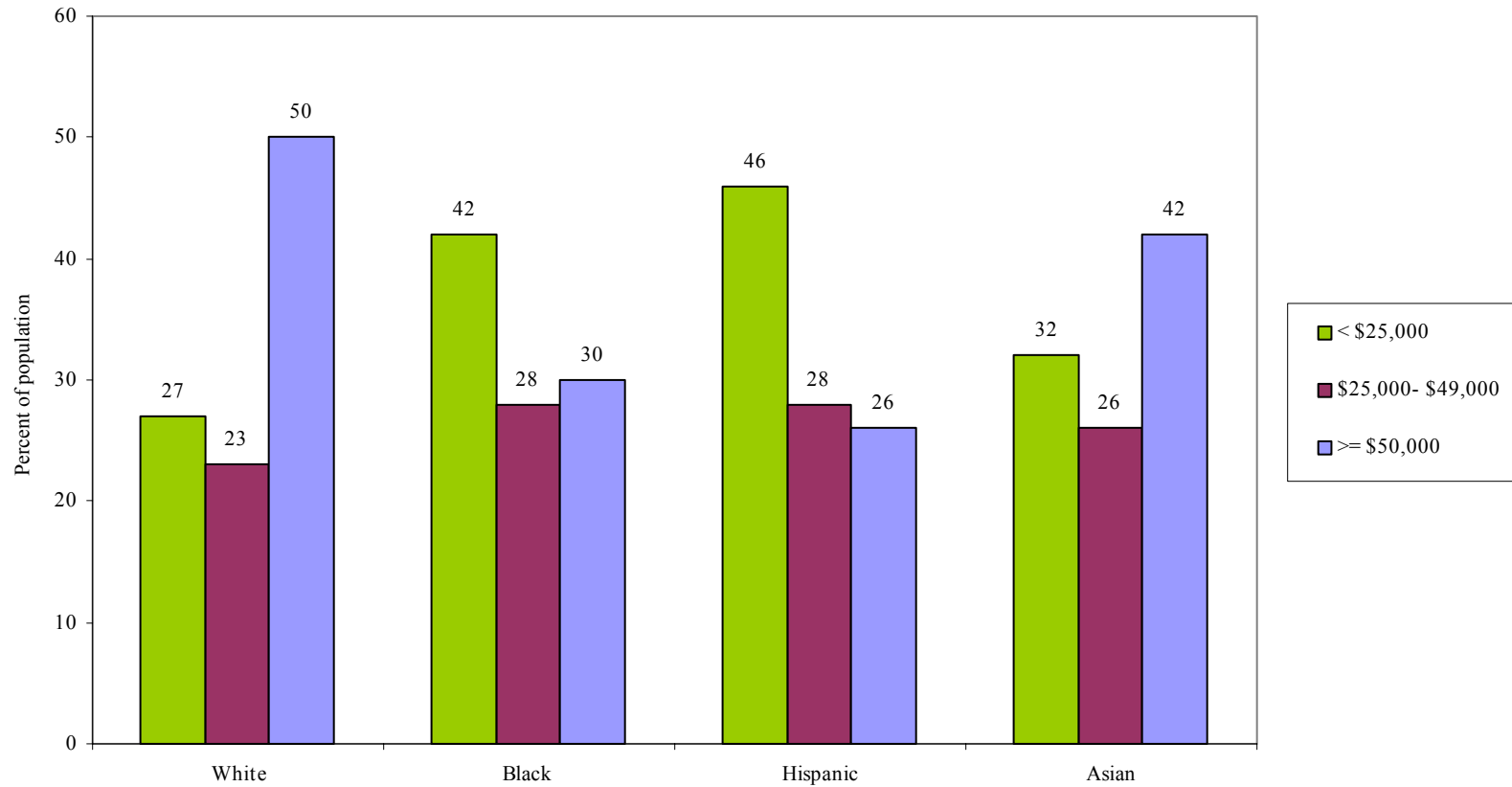
CHART 1: New York City Racial and Ethnic Breakdown  
(Source: U.S. Census 2000/ NYC Department of City Planning)



**New York City has many poor people, with 30 percent of all families living in poverty.**

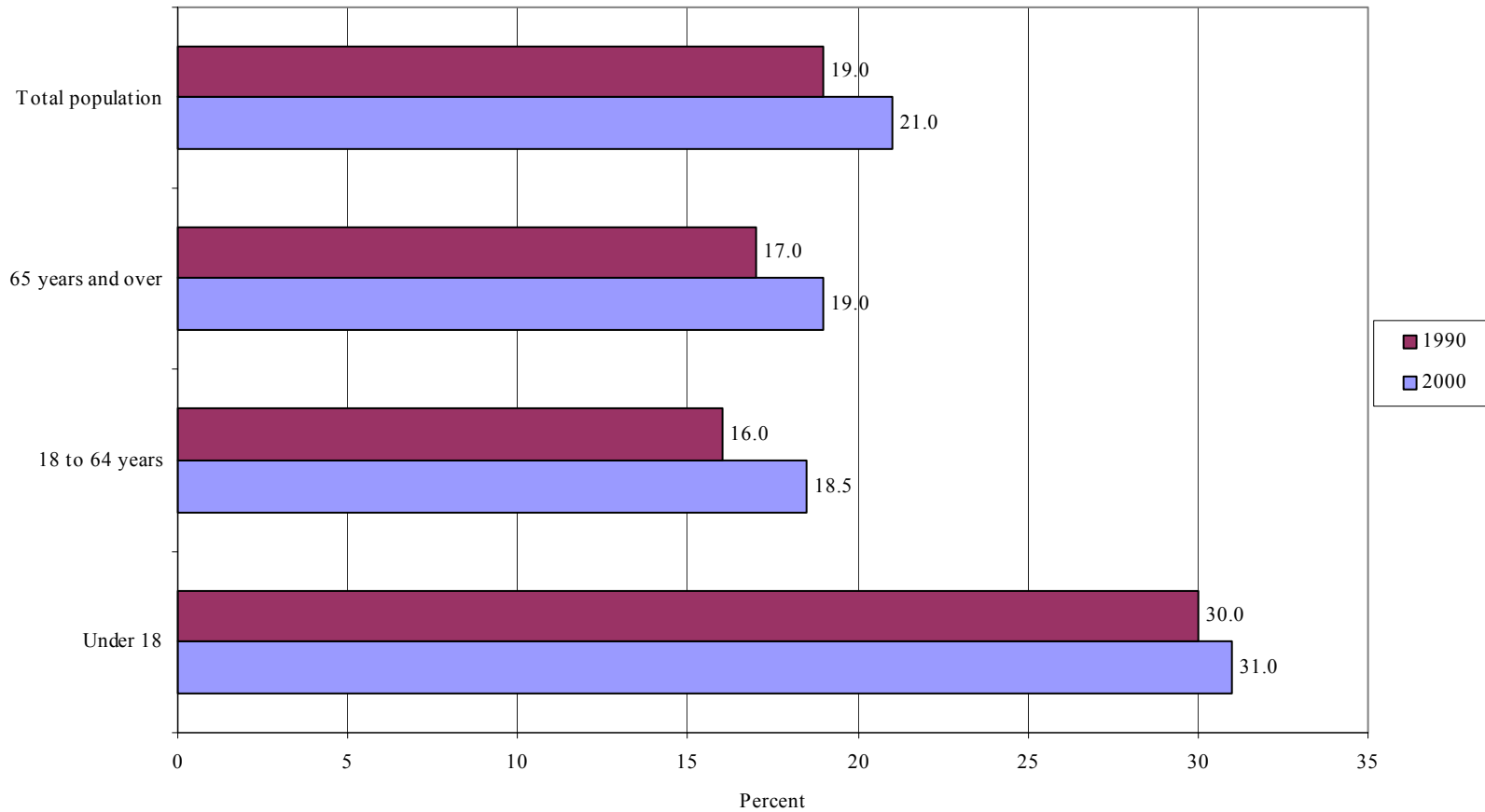
- More than 40 percent of black families have annual incomes below \$25,000.
- 45 percent of Hispanic families have incomes below \$25,000.

**CHART 2: Race and Income in New York City**  
(Source: U.S. Census 2000/NYC Department of City Planning)



- Poverty increased from 1990 to 2000, in spite of a robust economy.
- Children are the most likely to be poor—31 percent were living below the poverty level in 2000.

CHART 3: Percent of New Yorkers Living In Poverty, by age  
(Source: U.S. Census 2000)



**Poverty in New York City is not evenly distributed but is concentrated in pockets. Based on the 2000 census, 12 community districts in 3 boroughs had median household incomes below \$20,000. In these communities, one-third of families have incomes below \$10,000.**

- In Manhattan, the districts are Central and East Harlem, and Washington Heights;
- In Brooklyn, the districts are Bedford-Stuyvesant, Bushwick, East New York, Crown Heights, and Brownsville;
- In the Bronx, the districts are Mott Haven, Hunts Point, Morrisania, University Heights, and East Tremont.

**New York City is a city of immigrants, and this poses special health care challenges.**

- One-third of adult residents are foreign born; nearly 1.25 million came to the City in the last ten years.
- One-half of births in the City are to foreign-born parents.
- Immigrants are more likely than native-born New Yorkers to have infectious diseases such as tuberculosis and are more likely to have untreated chronic diseases such as diabetes and vascular disease.
- More than 100 languages are spoken in some areas of the City. Because of language and cultural barriers, many immigrants cannot communicate with their health care providers.
- Non-citizens are less likely to be insured or have access to health care.
- Non-citizens are unaware of health care programs for which they may be eligible.

### **III. THE HEALTH STATUS OF NEW YORKERS**

**New Yorkers are healthier today than at any time in the City's history.**

- Life expectancy is 77.6 years, up five years in the past decade, and equal to the national average.
- Infant mortality is the lowest ever, less than half the rate of 20 years ago.
- Incidences of infectious diseases such as tuberculosis are at all-time lows.
- AIDS deaths have dropped by 70 percent in the past 7 years.
- Drug abuse and smoking, and related health problems, have dropped significantly over the past five years.

**But improvements in the health status of New Yorkers have not been equal; racial and ethnic minorities have not fared as well as white residents. For example:**

- The life expectancy of African Americans is six years less than for whites.
- Despite overall citywide improvement, infant mortality rates have not dropped in all neighborhoods. Rates increased in several African-American communities in Brooklyn where they were five times greater than in affluent Manhattan neighborhoods.
- African-American New Yorkers have the highest death rates from many cancers, especially colorectal cancer.
- Latinos and African Americans have rates of diabetes more than double that of whites.
- Asthma is twice as prevalent among African-American and Latino adolescents.

**Morbidity and mortality remain high from a wide range of diseases, especially chronic diseases.**

- Cardiovascular disease kills 25,000 New Yorkers each year.
- Cancer, especially lung, breast, and colon cancer, kills 14,000 New Yorkers each year.
- Asthma is at epidemic levels, affecting more than 25 percent of children in some poor neighborhoods.

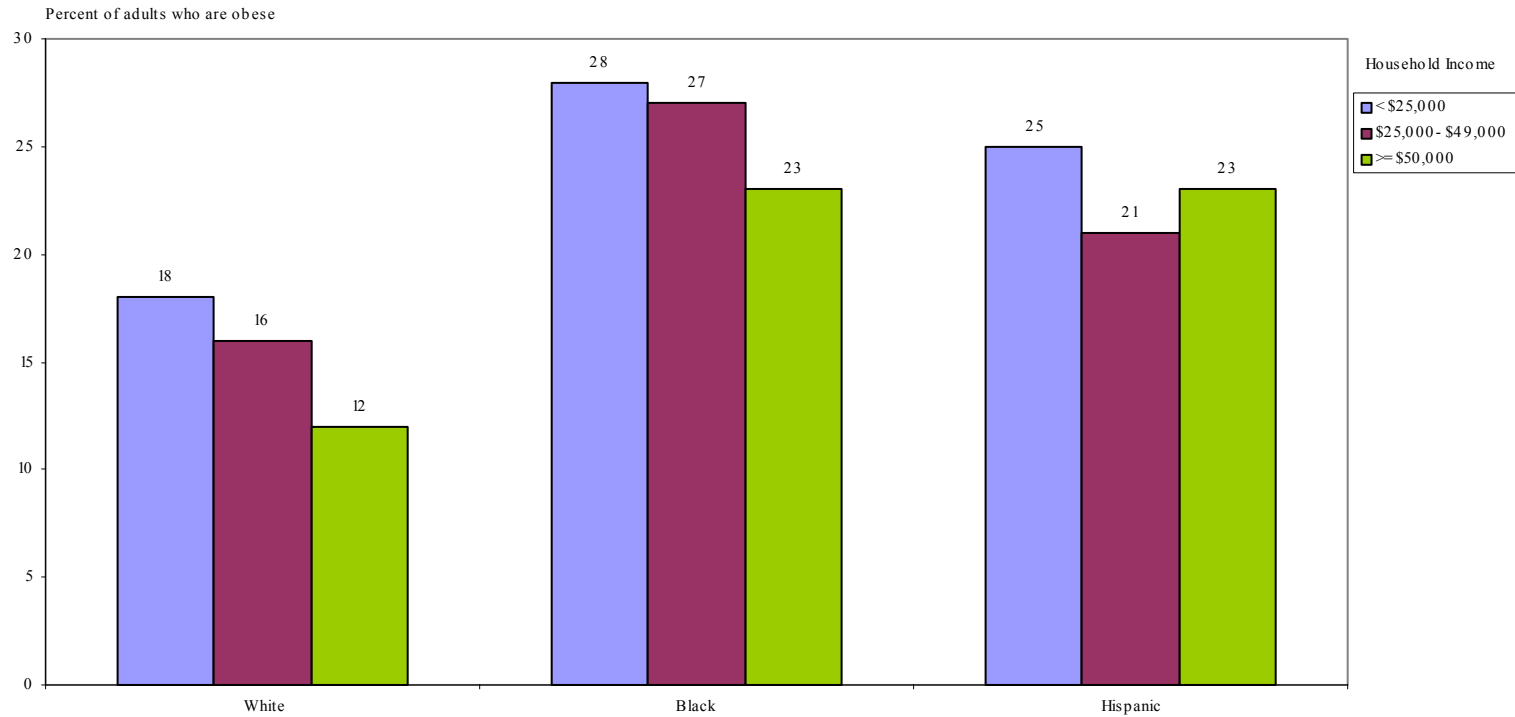
**Many health problems are the result of preventable behavior and approximately half of all mortality is linked to social and behavioral factors.**

- At least 25 percent of adolescents smoke cigarettes.
- High-risk sex and drug use lead to 6,000 new HIV and hepatitis infections each year.
- Sexually transmitted diseases are rising for the first time in more than a decade.

**One in five New Yorkers is overweight, a risk factor for diseases such as diabetes and cardiovascular disease.**

- Many poor people eat unhealthy diets.
- New Yorkers, including youth, do not exercise enough.
- Obesity is more prevalent among people of color.

**CHART 4: Rates of Adult Obesity in New York City, by Race**  
(Source: NYC Department of Health and Mental Hygiene 2003/NYC Community Health Survey)



#### **IV. NEW YORK CITY'S HEALTH CARE SYSTEM AND ITS COSTS**

**New York City has one of the largest and most sophisticated health systems in the country. There are:**

- 7 medical schools that educate one of every 6 physicians in the United States;
- 59 hospitals with 27,400 beds and 177 nursing homes with 46,000 beds;
- 25 community health centers caring for 1 million, mostly poor, people;
- 350,000 health care jobs, representing 12 percent of all City jobs. Half of these jobs are in hospitals.

**The New York City Health and Hospitals Corporation, with 11 hospitals and more than 100 community health clinics, provides a significant amount of care to poor New Yorkers.**

- In 2003, the Corporation had a budget of \$4.2 billion and provided:
  - In-patient services for 210,000 people;
  - 2 million primary care visits;
  - Prenatal and postpartum care to 21,000 women and babies;
- 450,000 of the people it served had no health insurance, requiring the City to use tax-levy dollars to pay for much of this care.

**New York's hospitals are under financial stress, in part due to the large number of uninsured people.**

- One-third of the voluntary hospitals are in deep financial trouble with their survival in doubt.
- Voluntary hospitals have been consolidating into large multi-facility entities over the past ten years in efforts to achieve economies of scale.
- Nearly two million uninsured New Yorkers get free care from health care providers in episodic and emergency situations.
- Health care costs are among the highest in the country, nearly double the national average.

**Too many New Yorkers rely on expensive hospital-based care and don't have access to coordinated primary care.**

- Half of the City's 26,500 physicians are in Manhattan.
- Only one-third of the City's physicians are in primary care specialties.
- Lack of primary health care results in 2.5 million unnecessary emergency room visits.
- Hospital clinic visits total 10 million, more than 3 times the 3 million visits at community health centers.

**Rapid advances in technology have improved diagnosis and treatment, saving lives but adding substantial costs.**

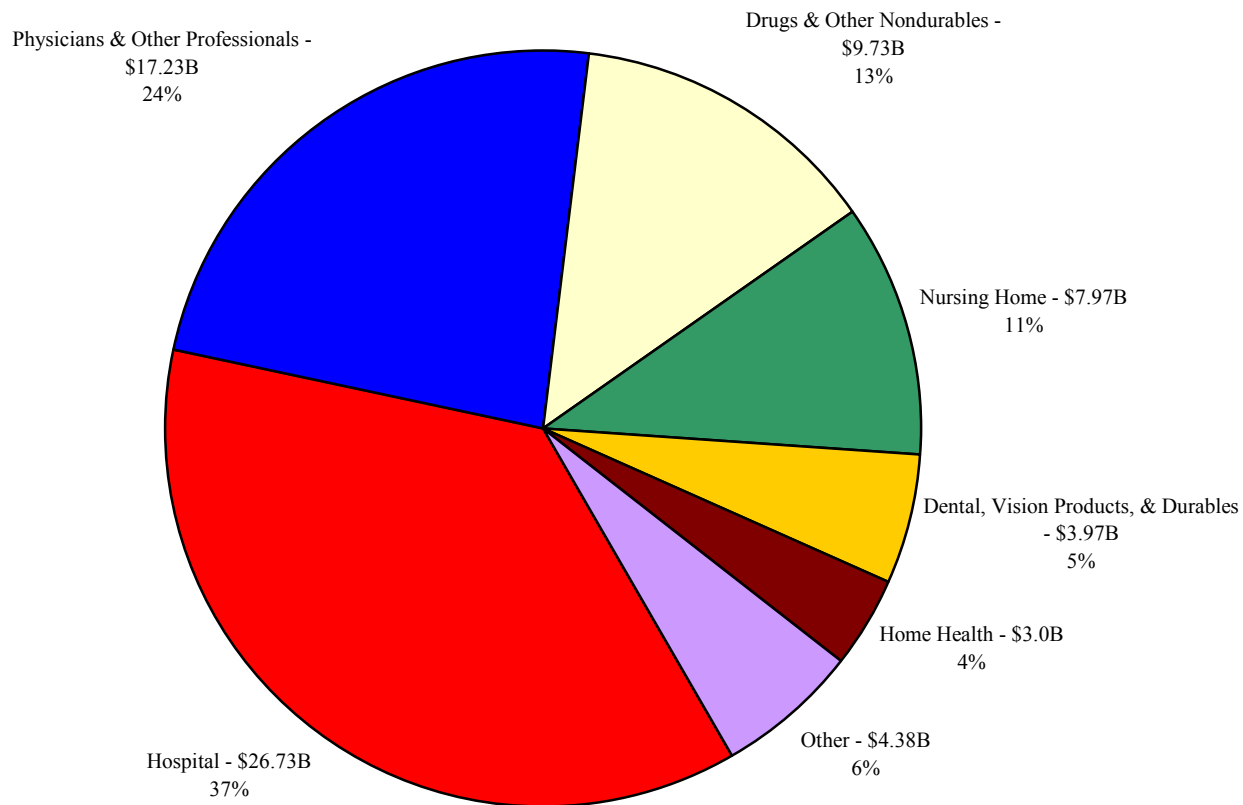
**Advances in information technology can help reduce medical errors, track patients, and improve billing and cash flow, but New York City lags in adopting the most technologically advanced systems.**

**Health care in New York is very costly.**

- Health care expenditures in New York State were \$112 billion in 2002; \$73 billion was spent in New York City.
- With only 3 percent of the U.S. population, New York City spends 6 percent of total health care dollars.
- In 1999, per capita health expenditures for the U.S. were \$4,000; they were \$7,100 in New York City.
- Medicaid expenditures in New York City were \$21 billion; the City pays 25 percent of the cost.

**CHART 5: Estimated Health Care Expenditures in New York City**

(Source: Center for Medicare and Medicaid Services, 2002 - Total: \$73 billion)



## V. HEALTH INSURANCE COVERAGE IN NEW YORK

**New York State has a number of health insurance programs.**

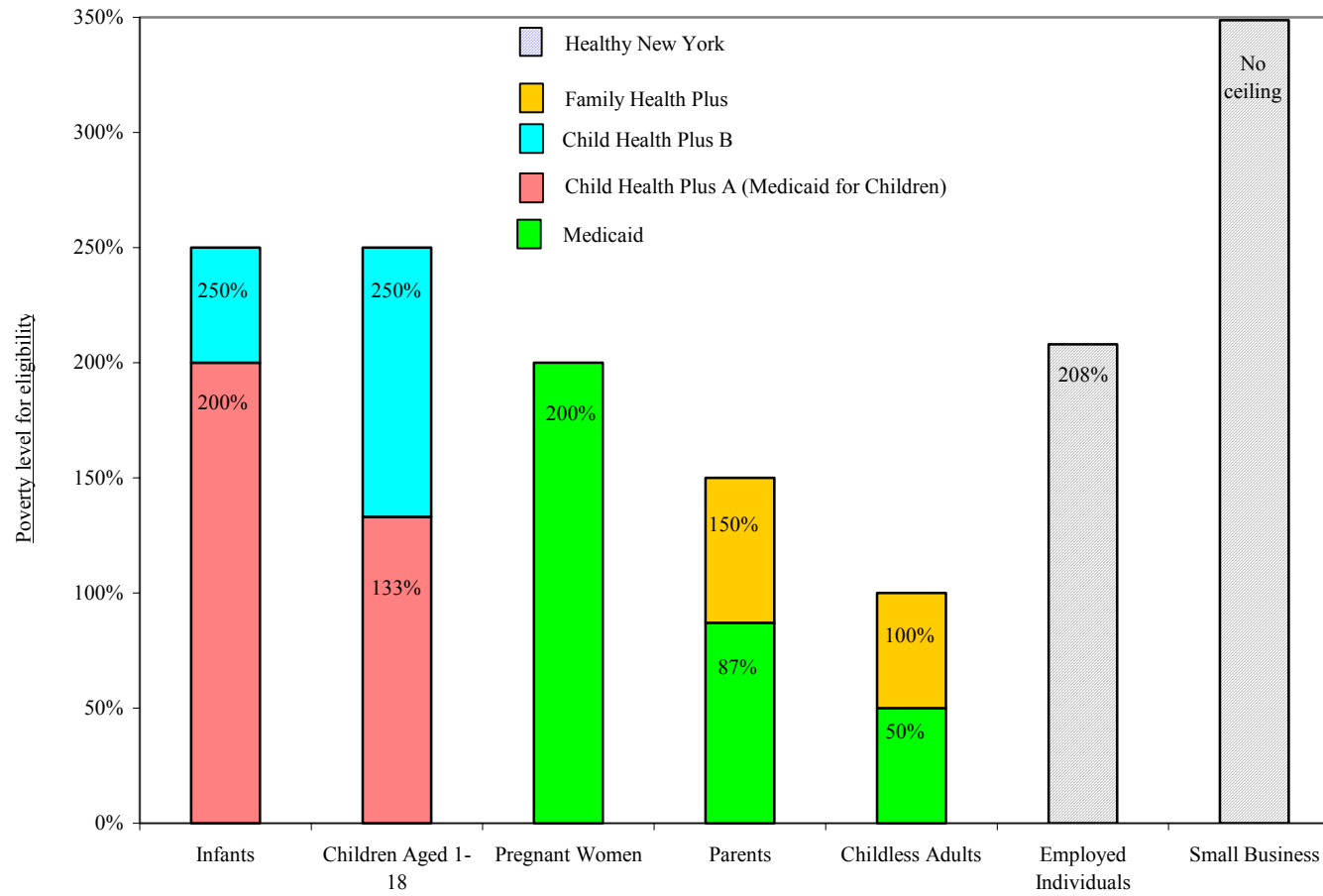
- Half of the 8 million residents of the City have employer-sponsored health insurance.
- Almost all elders have Medicare.
- More than 2.5 million non-elderly people have government-sponsored insurance:
  - Nearly 1.3 million low-income adults have Medicaid;
  - One million poor children have Medicaid and 200,000 have Child Health Plus, an increase of 250,000 since 1998. Children now are only 16 percent of the uninsured in the City;
  - Approximately 50,000 adults have Family Health Plus.

**But there are problems with the State's insurance programs, with each of the State programs having different income, eligibility, and citizenship criteria.**

- Children in families of citizens with incomes below 250 percent of poverty are eligible for Child Health Plus; for Medicaid, the level is 133 percent of poverty.
- Pregnant women and newborns in families with incomes below 200 percent of poverty are eligible for prenatal and postpartum care, regardless of citizenship.
- Adults must have incomes below 150 percent of poverty and be citizens or permanent residents to be eligible for Family Health Plus.

**The chart on the following page is a graphic representation of the confused eligibility guidelines.**

CHART 6: Eligibility Rules for New York State Health Insurance Programs  
 (Source: United Hospital Fund, 2004)



**Approximately 1.8 million New Yorkers below the age of 65 have no health insurance.**

- Two-thirds of the uninsured work full time (57%) or part time (10%).
- Forty percent of the uninsured are not citizens.
- One-quarter of African Americans and one-third of Latinos are uninsured, compared to only 16 percent of whites.
- Medicare requires elders to pay for half of their health care costs.
- Private insurance is increasingly out of reach as premiums rise.

**The complex eligibility guidelines cause many people to lose coverage or not to enroll.**

- Nearly half of the people enrolled in the State programs are cut off each year and must be recertified.
- More than 1 million people are eligible, but not enrolled in one of the State's programs.

## **VI. NATIONAL ISSUES AND TRENDS AFFECTING HEALTH CARE IN NEW YORK CITY**

### **Health care costs are rising rapidly:**

- Overall expenditures are rising at three times the rate of inflation;
- Health care now consumes 15 percent of the gross national product;
- Health insurance premiums are rising at more than 10 percent annually.

### **Changes in Federal policy could hinder the financing of health care and health insurance in New York City.**

- Proposals to block grant Medicaid could cap Federal payments and place a greater burden on states.
- Proposals to reduce Medicare rates could remove nearly \$1 billion from New York City hospitals over ten years.
- Proposals for low-premium catastrophic health care insurance would fragment the insurance market and hamper the ability of sick people to buy insurance.
- Federal Medicare legislation may cause thousands of elders to lose State-sponsored drug assistance.

### **Federal policies are frequently in conflict with health prevention and promotion goals.**

- Use of abstinence-only sex education deprives youth of adequate information, impeding efforts to fight the spread of sexually transmitted diseases and HIV.
- Recent legislation curtails women's rights to reproductive health care and abortion.

### **Political considerations are affecting Federal health care and health research policies.**

- Industry officials have been appointed to scientific advisory committees, often replacing scientific experts.
- Limits on the funding of stem cell research have hampered a promising new line of biomedical research.
- Importation of less expensive pharmaceuticals is being blocked in Congress.

## **VII. PHILANTHROPIC ACTIVITY**

**The Foundation Center reported approximately \$600 million in health care grants in New York City in 2003, a fraction of the \$73 billion in health care expenses.**

**More than 40 local and national foundations fund health care in New York City.**

- Grants that support cancer treatment and research are the most common, with at least 200 grants totaling \$20 million made each year.
- The most frequently funded non-cancer grants are for reproductive and women's health; children's health; primary health care; and expansion of insurance coverage.
- Grants for disease prevention and health promotion were only 8 percent of the total.

**The three largest national grantmakers are:**

- The Robert Wood Johnson Foundation, which funds projects to expand insurance, reduce substance abuse and violence, and improve quality of care;
- The Avon Foundation, which supports cancer treatment;
- The Kellogg Foundation, which supports expansion of comprehensive health care in poor communities.

**The New York Community Trust is the largest local funder of health care in the City.**

- Total Trust spending in New York City for the overall area of Health and People with Special Needs was \$14.2 million in 2003.
- Non-advised grants totaled \$7.8 million in 2003, with nearly \$5 million for health services and policy.
- The Trust is one of the few foundations in the City that funds policy research and advocacy.

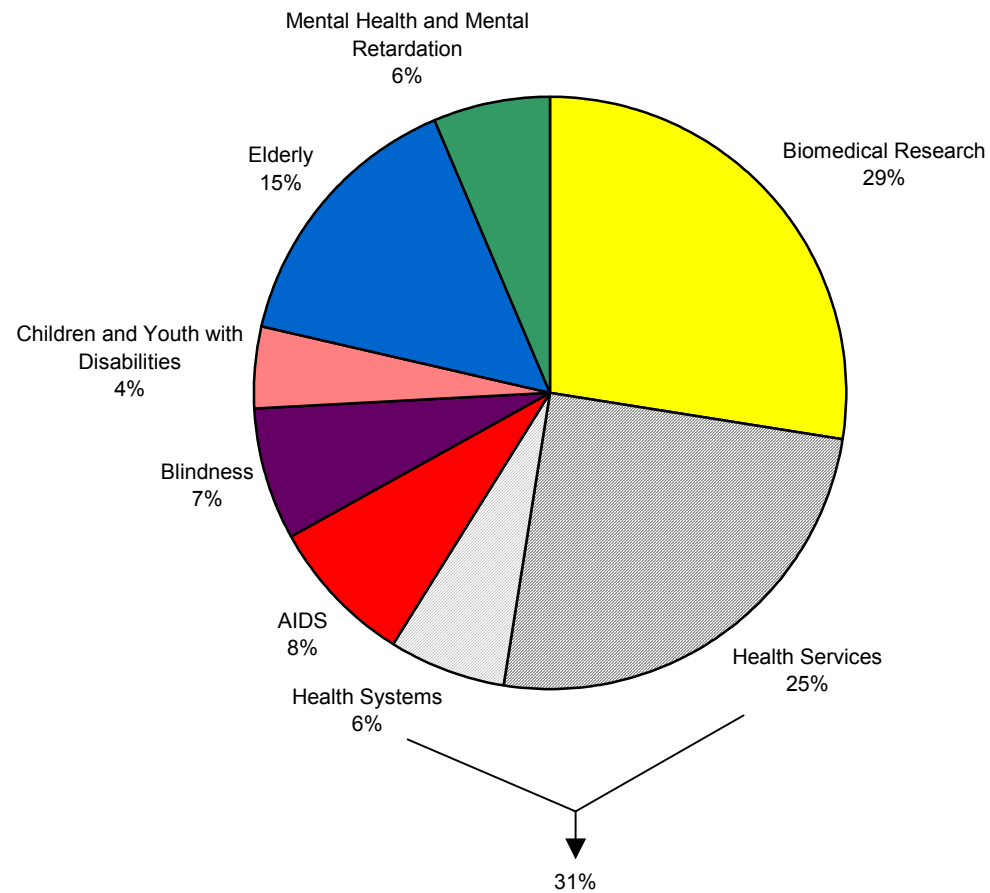
**The other most active New York City grantmakers are:**

- The Altman Foundation, which provides approximately \$2 million each year for health care and access to health insurance for children and adults;
- JPMorgan Chase, which provides approximately \$1.5 million each year for expansion of primary care and health insurance;
- The United Hospital Fund, which provides \$2.5 million each year for expansion of insurance, health policy research, improving quality of care, palliative care, and expansion of primary care;
- The Commonwealth Fund, which provides approximately \$500,000 for expansion of insurance, appropriate utilization of health care resources, and workforce training;
- The Nathan Cummings Foundation, which provides approximately \$500,000 to support children's health, primary care, and end-of-life care;
- The Robert Sterling Clark Foundation, which provides \$750,000 to support reproductive health care.

## VIII. OUR CURRENT HEALTH STRATEGY

**Our current budget for Health and People with Special Needs is \$8,094,000.**

CHART 7: 2004 Non-Advised Budget for Health and People with Special Needs



**Health Services, Systems, and Policy, the subject of this briefing, is 31 percent of this budget.**

**The Trust's current program in Health Services, Systems, and Policy seeks to improve the effectiveness, responsiveness, and equity of health care in New York City. The objectives are to:**

- Promote the accessibility of basic medical services;
- Demonstrate the effectiveness of early intervention and preventive health programs;
- Stimulate the efficient use of scarce health resources;
- Assess needs, develop policy, and advocate to improve the delivery and coordination of services.

**This year, the budget for the program is \$2.5 million; nearly two-thirds of it is supported by funds with narrow fields of interest:**

- 47 percent of the total is dedicated to cancer treatment;
- Another 14 percent is earmarked for specific kinds of health care, such as care for injured ballet dancers and people with arthritis.

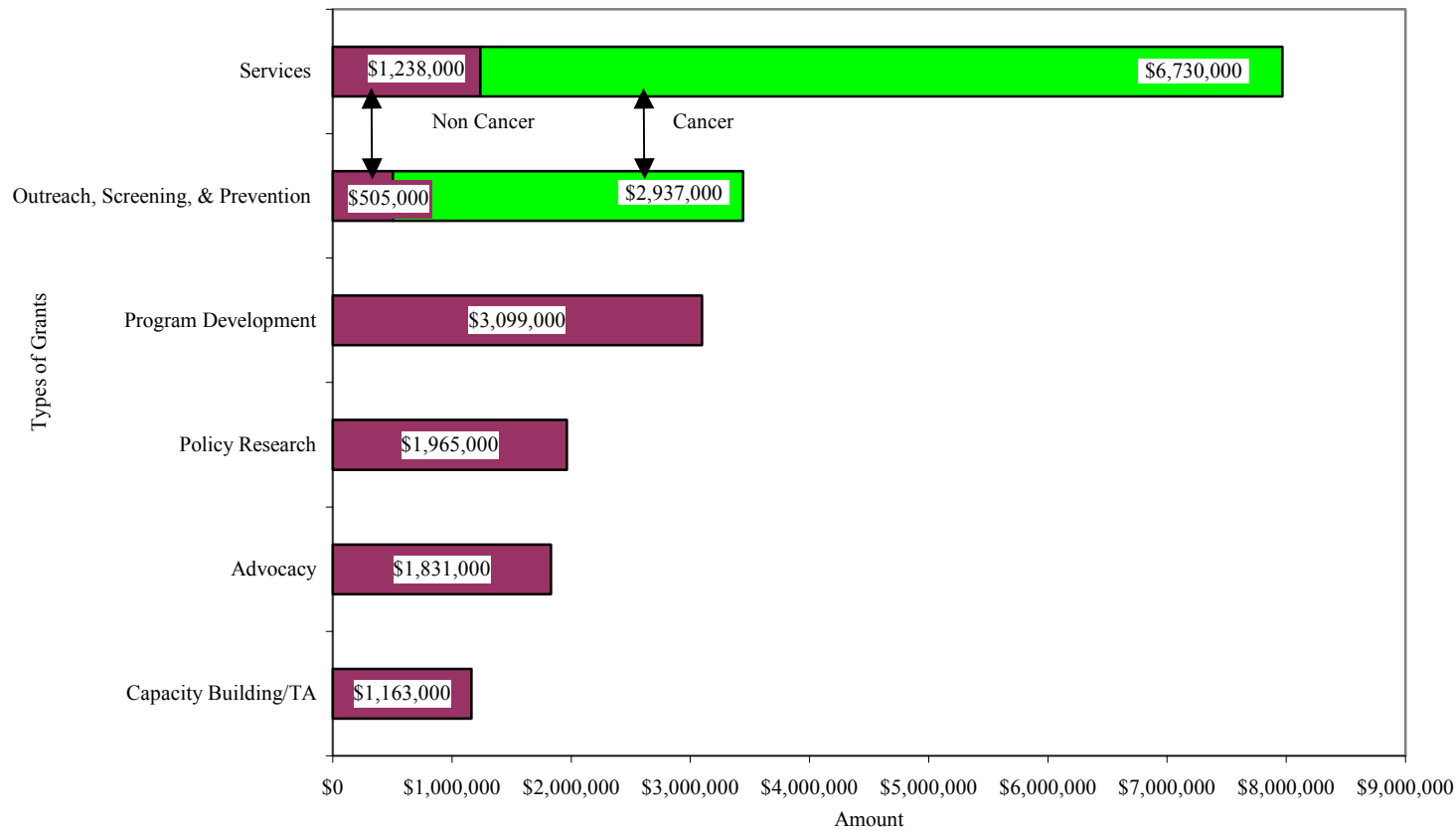
**We also make a number of grants related to health services delivery through our six other programs in Health and People with Special Needs.**

- Nearly one-half of our elderly grants support improvements in Medicare and health care for seniors.
- More than \$700,000 each year from our biomedical research area supports improvement in access to life saving new treatments to poor, mostly minority, New Yorkers.
- Nearly all of our AIDS-related grants focus on preventing the spread of HIV.
- Most of our mental health program supports expanding insurance coverage and strengthening clinic operations.

**Over the last ten years we have spent almost \$20 million using a variety of approaches:**

- Direct service to people with serious illness—\$8 million;
- Health prevention services, including screening for diseases like cancer and lupus and health education in public schools—\$3.5 million;
- Program development of new, innovative, and cost-effective health services—\$3 million;
- Policy research and advocacy—\$4 million;
- Capacity building, mostly to strengthen primary health care—\$1.2 million.

**CHART 8: NYCT Health Grantmaking by Activity, 1995-2004**  
(Total: \$19,468,000)



**More specifically, our grants have:**

- Improved care to people with cancer;
- Expanded public and private health insurance;
- Improved the operations of managed health care;
- Expanded primary care and reproductive health care;
- Expanded health education in New York City public schools.

## IX. KEY FINDINGS AND CONCLUSIONS

- The lack of health insurance is a continuing problem for nearly one-quarter of the City's residents;
  - **Continuing efforts to insure all New Yorkers are needed.**
- Many health problems are preventable and could be reduced by changes in behavior;
  - **People need help to eat better and exercise more.**
- There is too great an emphasis on paying for health care and too few resources focused on prevention and screening for early-stage, treatable disease;
  - **We require more screening programs, especially for the uninsured.**
- Residents with limited access to health care are concentrated in 12 poor communities;
  - **Support for programs in these communities is essential.**
- The City's health care professionals have not been adequately trained to serve an increasingly diverse population;
  - **There is a need to train health care workers to be sensitive to cultural differences and to increase the number of multi-lingual and minority health care professionals.**
- Too much care is provided in hospitals;
  - **Community-based clinics should be expanded and improved.**
- Hospitals and clinics are under financial stress and must increase revenue;
  - **Technical assistance and help in adopting new technologies is needed.**

## **X. A REVISED HEALTH STRATEGY**

**Over the last two decades, we have made significant progress in achieving two of our objectives. We:**

- Demonstrated the effectiveness of early intervention and prevention programs;
- Stimulated the efficient use of health resources.

**There have also been major changes in this area:**

- The acceleration of high technologies (e.g., CT scans, MRI imaging, computer assisted surgery), increasing costs;
- The advent of managed care;
- The merger of institutions and consolidation of services;
- An increase in the number of the uninsured, especially immigrants.

**Given these factors, we are proposing a modestly revised grant strategy, which now will have three objectives.**

**1. To promote the accessibility of basic health services, especially in minority and immigrant communities, by:**

- Advocating for the expansion of affordable public and private health insurance;
- Providing health screening, early intervention, and referral for effective treatment of disease;
- Providing services to needy people with serious illness.

**2. To strengthen health service providers, especially those serving the City's poorest residents, through:**

- Model program development;
- Improving the cultural competency of health care providers;
- Capacity building and better use of information technology.

**3. To promote healthy lifestyles by:**

- Educating adults and children about the benefits of healthy diets and weight reduction;
- Encouraging more exercise;
- Developing model health promotion programs.

**We will accomplish these objectives through grants for services, policy research, advocacy, and technical assistance.**