My Kind of Town

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Within weeks of graduating from medical school in July 1981, my physician wife and I moved to Philadelphia to begin our internships. Philadelphia seemed a world away from suburban Long Island, New York, where I grew up, but it has been my home for most of my professional life. My 3 adult children all have slight Philadelphia accents, thanks to their mom who grew up in the Main Line suburbs of the city.

A recent report from The Pew Charitable Trusts (www.pewtrusts.org) is worth reviewing in detail for the insights it provides not only about Philadelphia but also about the future of healthcare in our country.

The Pew Charitable Trusts is a well-known institution in our town. An independent nonprofit, Pew consists of 7 individual charitable funds established by 2 sons and 2 daughters of the Sun Oil Corporation founder, Joseph Newton Pew, and his wife, Mary Anderson Pew. Many Pew family members serve on the board. Today, Pew is a global research and public policy organization dedicated to serving the public and solving problems through “a rigorous analytical approach to improve public policy, inform the public, and invigorate civic life.”

For the past 7 years, The Pew Charitable Trusts has produced a report about Philadelphia, utilizing largely publicly available data, and puts the statistics about the city in context by comparing them to those of other cities—usually 9 urban communities chosen for their similarities to Philadelphia in terms of size, demographic makeup, and/or location. Those 9 cities are Baltimore, Boston, Chicago, Cleveland, Detroit, Houston, Phoenix, Pittsburgh, and Washington, DC. I was particularly intrigued by “Philadelphia 2015: The State of the City,” given some recent news about our hometown.

For example, Philadelphia has been the recipient of some amazingly good press in major national publications like the New York Times—calling it one of the top US cities to visit. In September, Philadelphia hosted a papal visit, attracting the largest domestic crowd in the history of the city, and will host the July 2016 Democratic National Convention. Philadelphia is the birthplace of our nation and, in many respects, the birthplace of American medicine as well.

Philadelphia is home to 6 schools of medicine, including the 2 largest private medical colleges in the country—Sidney Kimmel Medical College of Thomas Jefferson University and Drexel University College of Medicine—which together train nearly 5% of the nation’s entire physician workforce. In addition, the American College of Physicians, the American Board of Internal Medicine, the National Board of Medical Examiners, and the Educational Commission for Foreign Medical Graduates call Philadelphia home.

Here’s the good news from the Pew Report as it relates to the healthcare system: “The education and medical sectors remained the bulwark of the city’s economy, accounting for more than 30% of all jobs. Of the city’s 15 largest employers, 12 are in ‘eds and meds’ [educational and healthcare institutions].” The direct economic impact of the area’s 4 largest universities (University of Pennsylvania, Temple, Drexel, and Thomas Jefferson University) totals nearly $5.5 billion. Also, net patient revenue at all Philadelphia hospitals in the past decade has increased 63.7%, a 32.7% increase when adjusted for inflation. Surely there are many other measures of the economic impact of “eds and meds” on our town, but one cannot deny the scope and depth of health sciences training in Philadelphia.

Despite all of this good news, there remain some thorny population health issues that threaten the future of our town. I believe there are 3 central challenges, all population health–related, that deserve more scrutiny. The principal social determinant of health is poverty, and 26.3% of the population of Philadelphia lives in poverty, according to the most recently available data. Of those, one-half live in what the federal government calls “deep poverty.” This means that nearly 400,000 Philadelphians, of a total population of nearly 1.5 million, create “a demand for government services, a drag on the cities’ economic prospects, and a reality check on all of the good feelings.”

Another critical determinant of health is access to healthcare services. “Philadelphians became increasingly dependent on government programs to pay the bills in the first quarter of 2014. Medicare for the elderly, and Medicaid for the poor paid for nearly 74% of all city residents treated in Pennsylvania hospitals—an increase...
from years past. About 15% of Philadelphians have no health insurance.”

The third and final key challenge, as I see it, is a ticking fiscal time bomb. If one examines city spending by category, public safety is the largest single category (33%), which includes vital services like fire, police, and the courts. The next largest chunk of city spending (29%) is for current employee benefits, which include pension contributions, health and medical spending, and unemployment compensation. Over decades, Philadelphia, as a municipality, has underfunded the pension contribution; now it stands at about 46% of what is eventually going to be needed as municipal workers retire.

Of course, the largest percentage of employee benefit spending is for healthcare. Here is the lurking paradox: in a town characterized as being driven by “eds and meds,” we have a soft underbelly. This underbelly is the unfunded pension and healthcare mandate of the future, with no current resolution articulated by any leading group in our town.

My family and I are very happy to have lived in Philadelphia for nearly 35 years. From internship through residency, fellowship training, and a career in academic medicine, this city has been “my kind of town.” However, I’m very concerned about the growing disparities I’ve outlined here.

Maybe someday the “eds and meds” sector will work harmoniously together to tackle the issues of access to healthcare and to improve the social determinants of health in our town. If we collaborate to improve the social determinants, we will reduce the threat of a long-term, pension-related time bomb. How does your town measure up, and what are the critical social determinants that may influence the future of healthcare in our country? As always, I’m interested in your views. You can reach me at david.nash@jefferson.edu.

References