California Association of Public Hospitals and Health Systems

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POLICYBRIEF

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California Public Hospitals and the Health Care Coverage Initiatives: A Model for Health Care Reform

Summary

In less than two years' time, California's Health Care Coverage Initiatives (CIs) have expanded health care coverage in 10 counties to nearly 100,000 low-income Californians. However, CI enrollees receive more than just health care coverage. They are assigned to a ***medical home*** *-- a clinic that provides them with efficient, effective, and preventive care that is tailored to their needs and structured to serve as the linchpin of their coordinated care.*

Of the 10 CI programs, eight are in counties where county-owned public hospitals are at the center of the CI provider networks.[1] These CI programs have incorporated innovations in outpatient care that were already underway in public hospital clinics. In so doing, the CIs have helped expand services to a patient population that often requires a host of treatments and services, due to multiple chronic and complex conditions. As the Obama Administration and Congress now look to build upon proven strategies for expanding coverage, the CIs offer a promising model that is increasing coverage and access and improving quality, and will likely prove to be cost-effective.

Overview

Amidst the well-publicized failed health care reform effort in California, 10 counties quietly but vigorously began extending coverage in 2007 to low-income residents through the Health Care Coverage Initiative program. Between September 2007 and March 2009, the CIs enrolled nearly 100,000 people. Enrollees are adults with incomes up to 200 percent of the Federal Poverty Level (FPL).[2] The CIs have demonstrated that locally led efforts to expand health care coverage can be successful, even during these difficult economic times.

Services at public hospital and county clinics and at community clinics are offered to CI enrollees as part of their coverage, and are designed to ensure that patients receive the right care at the right time. In addition to primary and preventive care offered through medical homes, public hospital systems provide a comprehensive range of health care services to CI enrollees, including outpatient specialty services such as endocrinology and oncology, as well as emergency, trauma and burn services.

Public hospital systems are particularly well-suited to help coordinate care for CI beneficiaries. For example, public hospitals are connected to county indigent programs and local Medi-Cal managed care plans to make sure that patients are enrolled, understand their

CIs Offer a Medical Home

SB 1448 (Kuehl), the legislation that authorized the CIs, requires each program to assign enrollees to a medical home, which is defined as:

". . . a single provider or facility that maintains all of an eligible person's medical information and that is a licensed provider of health care service, and that provides primary medical care and prevention services."

[1] *The CI programs in Orange and San Diego counties also include CAPH members: University of California, Irvine Healthcare and the University of California San Diego Medical Center, respectively.*

[2] *For a single individual, the 2009 CI income limit is $21,660; for a family of four, it is $44,100 (200% of the FPL).*

benefits, are provided with a medical home, and receive high quality and coordinated services.

Innovative Outpatient Care

Chronic Care Management

Many newly covered Coverage Initiative enrollees have been living with one or more chronic conditions, such as diabetes or asthma, for long periods of time, often untreated. They arrive at their assigned medical home seeking care for these multiple conditions, and require extensive treatment and care coordination.

Since 2003, public hospital clinics across California have been working hard to transform care for patients with chronic diseases by utilizing innovative and effective techniques to monitor patients' health conditions and keep them healthy. For example, many public hospital clinics:

- Bring patients into the clinic to prevent them from presenting in the emergency room. Public hospital clinics use disease registries to monitor patients' glucose levels and blood pressure. At-risk patients are contacted to schedule an appointment so that they are less likely to wind up in the emergency room with a more serious condition such as hypoglycemia or dangerously high hypertension.
- Help patients manage their chronic condition. Patients work with a team of providers such as diabetes educators, nutritionists, and other clinicians to learn how to make healthy choices and stay well.
- Offer group visits so that patients learn from one another. Many clinics offer group discussions for patients with the same condition. Often, these group classes are held in patients' primary language, such as Spanish or Cantonese. Patients learn new ways of managing their conditions and can support each other through the daily struggles of a chronic condition.

Efficient Clinic Visits for CI Enrollees

Coverage Initiative enrollees may be pleasantly surprised to find that their clinic visit lasts no more than an hour from the moment they walk in the door to the time they leave. Indeed, the average "cycle time" – the total time of the visit – has been reduced in many public hospital clinics to just under an hour. This shortened turnaround is thanks to public hospital clinics' efforts to improve the efficiency of care delivery. By redesigning the traditional clinic visit to be more efficient and patient-centered, these clinics have reduced the time patients spend waiting for care – in the waiting room, with the intake nurse, and in the exam room – without reducing (and in fact sometimes increasing) the time spent with the provider.

Upon enrolling, CI patients are assigned to a public hospital clinic, a community health center, or a physician office as their medical home. ***The CIs reported that in the first year of the program, 572 medical homes were available to patients.***

Of course, these improvements also enable providers to see more patients, which is more important now than ever before as more and more patients are turning to public hospital clinics during the current economic crisis. Most importantly, patients know that they can get the care they need in the appropriate setting, rather than in the emergency room.

History of the CIs

The Coverage Initiatives were established as part of the 2005 Hospital Medi-Cal Uninsured/ Demonstration Project, commonly known as the hospital financing waiver. The waiver agreement between the State of California and the Centers for Medicare and Medicaid Services (CMS) included $180 million in federal reimbursements to be drawn down in each of the final three years of the waiver, beginning in 2007, provided that the State established a coverage expansion program for patients at or below 200 percent of the

Federal Poverty Level (FPL). The enacting legislation, SB 1448 (Kuehl), called for counties or groups of localities to submit proposals to the California Department of Health Care Services (CDHCS) for establishing Coverage Initiatives. The CDHCS convened an expert panel to review applications, and proposals from 10 counties were selected.

CI Funding Structure

Coverage Initiative programs are funded entirely through county and federal dollars, with no State General Fund monies. The federal government reimburses counties for costs that are incurred at a rate of 50 percent, up to the limit of each program's allowable program funds. Essentially this means that counties receive 50 cents in reimbursement for every dollar of county CI expenditures. Beyond that, some counties have elected to provide additional support to their CI.

Establishing the CI Program Structure

As a new program for the State of California, CMS, and the counties, the Coverage Initiatives encountered several challenges in obtaining guidance regarding the program's structure and financing. For example, in the first year of the program, CMS would not reimburse CIs for their expenses while questions regarding allowable program financing remained outstanding. These issues forced counties to front the federal government's portion of funding for the CI program for more than a year, without knowing which costs ultimately would be reimbursed. The delays and complications also hindered the CIs' ability to create foundational program structures before enrolling patients. Despite these challenges, the CIs began outreach to patients, enrolling them into the program and assigning them a medical home for their care.

Another challenge for the CIs has been the program requirement to verify all enrollees' citizenship status through original documentation. This rule has delayed enrollment for thousands of eligible CI enrollees, as they attempt to locate documents that prove their citizenship.

Complex Patients with Chronic Conditions Enroll in CIs

In their Year One Progress Reports to the State, the Coverage Initiatives reported that more patients than expected enrolled with multiple chronic and complex conditions. For example, Los Angeles County's CI reported that 48 percent of all CI patients enrolled with hypertension, 31 percent

Santa Clara Valley Health & Hospital System's Silver Creek Clinic serves as the medical home for many patients in their Coverage Initiative program, called Valley Care.

Public Hospitals: Essential Health Care Providers

Public hospitals are the cornerstone of the health care safety net in California, with significant expertise in treating low-income and uninsured populations. Though these 19 hospitals represent just six percent of all hospitals across the state, they:

- Provide nearly half of the hospital care to the state's 6.6 million uninsured;
- Serve more than 2.5 million patients each year;
- Provide 10 million outpatient services a year;
- Operate more than half of all top-level trauma centers, and almost half of all burn centers, in the state; and
- Train almost half of all new doctors in California.

had diabetes, and 35 percent had dyslipidemia, a condition caused by a disruption in the amount of lipids in the blood. And many patients had more than one of these conditions. The complex needs of these patients make it that much more important that services are focused on primary and preventive care, in order to manage patients' conditions and prevent hospitalizations.

CIs as Building Blocks for Future Health Care Reform

Although the Coverage Initiative programs are relatively new, they already have succeeded in achieving the hallmarks of true health care reform:

- ***Expanded coverage:*** In just the first 18 months of the program, the CIs have enrolled almost 100,000 patients. And as of March 2009, the middle of the second program year, eight CI programs have nearly met their target enrollment for all three years.
- ***Increased access:*** The medical home model offers patients a regular source of care and a "home base" from which other specialty services are coordinated. This coordination improves efficiencies and helps increase access to care.
- ***Improved quality:*** Using evidence-based models of care such as chronic disease management, CIs are raising the bar of care – not just for CI enrollees, but for all who seek care in public hospitals and clinics.
- ***Cost-effectiveness:*** Streamlining care and ensuring that patients are being treated in the appropriate setting can reduce costs through lower emergency room utilization and reduced waste. A synthesis of more than 200 peer-reviewed articles on the medical home model concluded, "The better the primary care, the greater the cost savings, the better the health outcomes, and the greater the reduction in health and health care disparities."[3]

Models to Build On

Public hospitals have gained valuable expertise in the steps needed to move from an acute care model to one focused on prevention and wellness. With these improvements, public hospitals are now poised to further expand coverage and access through this model of care. As lawmakers at the state and federal level seek to achieve the goals above through a health care reform effort that transforms the delivery and financing system, the CIs offer excellent models upon which to build.

Healthy San Francisco's eReferral: Improving Care and Efficiency for Providers and Patients

To help cover low-income residents, San Francisco incorporated its Coverage Initiative program into its universal coverage effort, Healthy San Francisco. CI enrollees are given a medical home at one of 30 public or nonprofit clinics.

During routine primary care visits, many patients are diagnosed with one or more conditions that may require care by a specialist. In order to provide patients with timely access to specialty care, San Francisco General Hospital developed eReferral, a Web-based referral system. Using this software, specialists screen out inappropriate and premature referrals. The use of eReferral has resulted in better use of specialty care visit time and has reduced wait times for new appointments. For example, the wait time for patients to see a gastroenterologist has been reduced by roughly 50 percent.

All of the CI programs are utilizing innovations such as eReferral so that patients can access high quality care in a timely and efficient manner.

Source: www.healthysanfrancisco.org and Health Care Coverage.

[3] *Thomas C. Rosenthal, MD, "The Medical Home: Growing Evidence to Support a New Approach to Primary Care,: Journal of the American Board of Family Medicine. 2008;21(5):427–440.*

A Snapshot of California's Coverage Initiatives

	Expenditure Data			Enrollment Data			
County	CI Health Care Expenditures Year One	Local Contribution	Federal Match	Three Year Target Enrollment	Year One Target Enrollment	Year One Number Enrolled	Number of CI Enrollees as of 3/09
Alameda	$14,028,719	$7,014,360	$7,014,360	5,500	4,500	4,618	5,044
Contra Costa	$37,179,396	$21,929,396	$15,250,000	9,600	NA	8,746	9,700
Kern	$22,645,784	$12,645,784	$10,000,000	5,000	3,500	3,915	4,173
Los Angeles	$108,000,000	$54,000,000	$54,000,000	94,000	94,000	19,615	26,300
Orange	$52,363,848	$35,492,270	$16,871,578	17,000	17,000	20,431	23,143
Santa Clara	$44,974,810	$24,274,810	$20,700,000	12,500	NA	11,915	NA
San Diego	$1,223,139	$611,570	$611,570	3,260	1,000	1,750	3,534
San Francisco	$21,519,154	$10,759,977	$10,759,977	10,000	10,000	6,984	9,148
San Mateo	$9,774,184	$4,887,092	$4,887,092	2,100	2,100	3,902	5,300
Ventura	$21,956,953	$11,956,953	$10,000,000	12,500	12,500	8,912	12,300
Total	$333,665,987	$183,572,211	$150,094,576	171,460	144,600	90,788	98,642

Note: These figures are estimates based on data provided to the California Department of Health Care Services as of April 2009.

Ventura County's Coverage Initiative: Bringing People into Care

Kevin Hicks, a 47-year-old man from Camarillo, had been living without health care coverage, until he cut his foot while running on the beach, and the infection spread through his foot. He learned of Ventura County's Coverage Initiative program, called the Access Coverage and Enrollment program (ACE), and received surgery, medication, and counseling for his diabetes. "I probably would have lost my foot," he recently told the Ventura County Star, adding that the cost of treatment "would have been way too much for myself or my family to pay back."

The ACE program enrolled nearly 9,000 patients in its first year, many of whom arrived with chronic conditions. An intake survey for all CI enrollees found that:

- 13% of enrollees had diabetes
- 10% had asthma
- 15% had Hepatitis C
- 17% had hypertension
- Many patients had more than one of these conditions

Given the complexity of the patient caseload and enormous demand for the coverage program, Ventura County has increased its expenditures for the ACE program, despite the fact that they will not receive partial federal reimbursement for the added costs. The program's emphasis on prevention and chronic care management has made a huge impact on patients and providers alike. Dr. Emily Benson, an orthopedic surgeon at Ventura County Medical Center said, "I think it's really revolutionized what I've been able to do for patients in the county."

Source: Tom Kisken, "Federal Health Coverage for the County's Uninsured Program Provides Care for Nearly 10,000," Ventura County Star, February 16, 2009; CAPH Member Survey, 2008.

Publication Sources:

Health Care Coverage Initiative Annual Progress Report, Program Year One (September 1, 2007–August 31, 2008); CAPH Member Survey, 2007; CAPH Member Survey, 2008; CAPH Coverage Initiative Survey, 2009; 2007 OSHPD Hospital Disclosure Data