

# Community Health Center Expansion and Opportunities for Collaboration with Local Public Health

*Presented to  
The 2011 CityMatCH Urban MCH Leadership Conference*

William D. Hobson  
President & CEO  
Watts Healthcare Corporation  
&  
Region IX Representative for California to the Board of  
Directors  
National Association of Community Health Centers



## Presentation Overview

- Provide a brief overview of America's Health Centers
- Provide a brief overview of the Medicaid and CHIP Programs
- Review the important effects of last year's health reform law (the ACA)
- Review the practical challenges for Community Health Centers in meeting the expectations outlined in the ACA
- Discuss opportunities for MCH collaboration between health departments and Community Health Centers

# Community Health Centers

- Two basic types of Health Centers:
  - Recipients of Section 330 grants under the PHS Act (FQHC)
  - Clinics that meet all of the requirements of Section 330 grantees (FQHC-Look Alikes)
- Federal requirements for Health Centers:
  - Located in, or targeted to serve, populations and communities that are medically underserved or experience a shortage of primary care providers who are available to low income and uninsured people;
  - Provide a comprehensive array of specified primary health care services and fully participate in government insurance programs;
  - Establish sliding fee schedules based on patient's ability to pay and refuse services to no one based on their inability to pay; and
  - Have community boards of directors, a majority of whose members are health center patients

## Community Health Centers-Continued

U.S. Department of Health & Human Services  
**HHS.gov**

Frequent Questions A-Z Index  
Search  
This Site All HHS Sites  
Email Updates Font Size Print Download Reader

Home About Us HHS Secretary News Jobs Grants/Funding Families Prevention Diseases Regulations Preparedness



### Celebrating Community Health Centers

President Obama celebrates Community Health Centers and their work to provide quality, accessible, and affordable patient care for millions of Americans during National Community Health Center Week. [Read more.](#)

HHS is celebrating Community Health Center Week and the dedicated professionals who work in our Community Health Centers. Watch our webchat where Secretary Sebelius, HHS Administrator Dr. Mary Wakefield, and local health care leaders discussed how the Recovery Act & the Affordable Care Act are helping deliver higher quality care to communities that have been underserved for years.

### HHS Operating & Staff Divisions

The Department of Health and Human Services is the principal agency for protecting the health of all Americans. It is comprised of the [Office of the Secretary and 11 Operating Divisions.](#)

### News

August 10, 2010  
**WHO Declares End to 2009 H1N1 Influenza Pandemic**

On August 10, 2010, the World Health Organization (WHO) International Health Regulations (IHR) Emergency Committee and the WHO Director-General, Dr. Margaret Chan, declared an end to the 2009 H1N1 influenza pandemic. This declaration was based on strong indications that influenza, worldwide, is

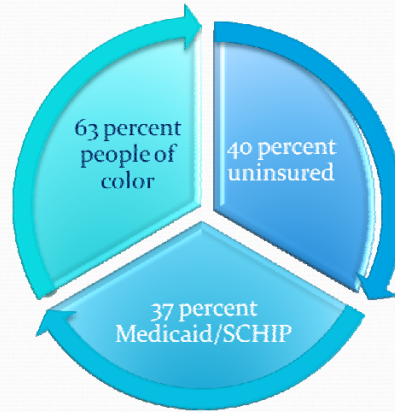
Secretary's Key Initiative Sites

 **HealthCare.gov**  
Take health care into your own hands, explore insurance coverage options and learn about how the Affordable Care Act impacts you. Find information for

Internet

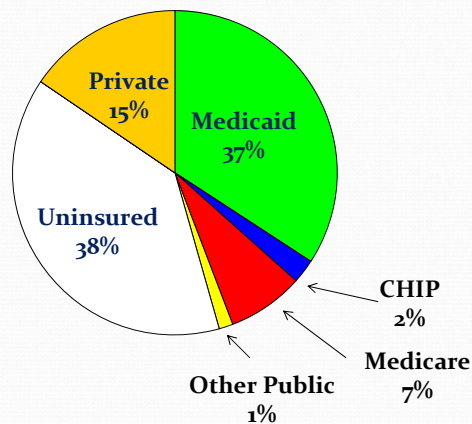
## The Facts

- ***Proud History*** – 45 years of bringing good health to underserved communities.
- ***Largest national network*** – 23 million people served.
- ***Record of Achievement*** – Cited by IOM, OMB, and GAO for excellence in care, disparities reduction, cost-effectiveness, and community benefit.
- ***Bipartisan support*** – Congressional majority and White House Administrations praise mission and work of health centers.



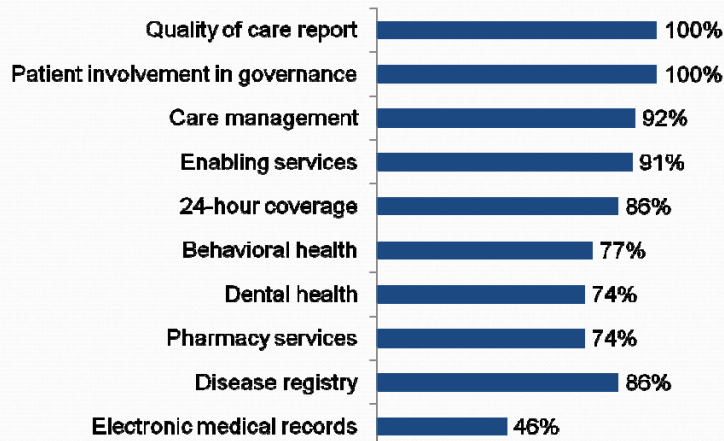
## The People Served by Health Centers

**Medicaid and Uninsured Make Up Three-fourths of Health Center Patients**



Source: 2009 Uniform Data System, BPHC/HRSA

## Most Health Centers Meet Key Medical Homes Criteria



Source: Health center data from 2009 UDS, HRSA and the 2010 HIT survey conducted by George Washington University, and the National Association of Community Health Centers.  
Note: All health centers are required to be governed by patient majority board to ensure quality care meets the needs of the community, and to provide quality of care data to HRSA in their annual UDS report.

## Health Center Participation in New Payment Systems

- 45 health centers have been certified as medical homes by NCQA
  - 250 health centers plan to seek certification by 2012
- At least 50 health centers are participating in medical home demos, and CMS Medicare demo will involve 500 CHC sites
  - Most current demos (eg, Adirondacks NY) build off of current FQHC payment systems
- In CO, health centers are participating in state Medicaid ACO demo in 6 of 7 regions, leading in 3
- HOWEVER, CMS proposed ACO rule prohibits FQHCs from forming ACOs, and prohibits assignment of Medicare FQHC patients to ACOs for shared savings purposes

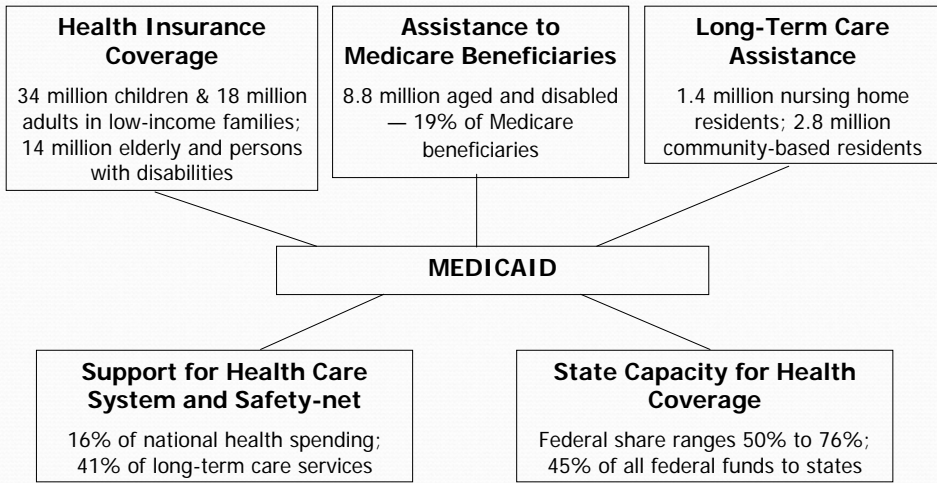
## The Medicaid Program

- Medicaid is the nation's principal safety net health insurance program
- Covers the health and long term care services for approximately 60 million low income Americans
- Funds 16% of all personal health spending in the U.S.
- In 2008, Medicaid spending totaled approximately \$339 billion
- Medicaid covers 1 in 3 children
- Medicaid covers 1 in 3 births

## The Medicaid Program-*Continued*

- Medicaid covers 8 million people with disabilities
- Medicaid covers 1 in 4 poor non-elderly adults
- Medicaid covers 9 million low income Medicare beneficiaries (dual-eligibles)
- Medicaid federal matching funds are the largest source of federal funds to states
- Five percent of Medicaid eligibles account for over half (54%) of Medicaid spending

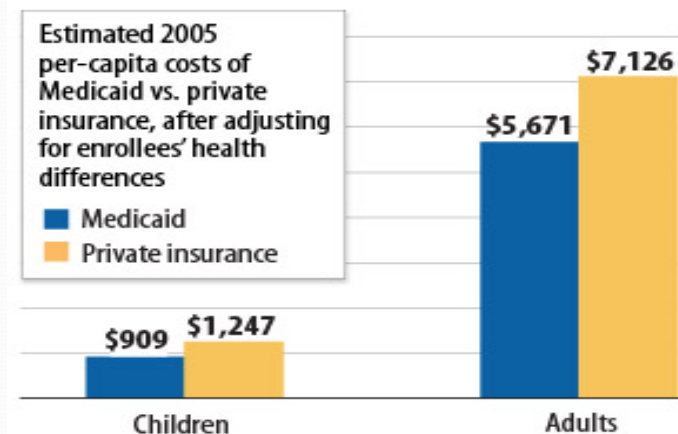
# Medicaid Today



SOURCE: Kaiser Commission on Medicaid and the Uninsured, 2010

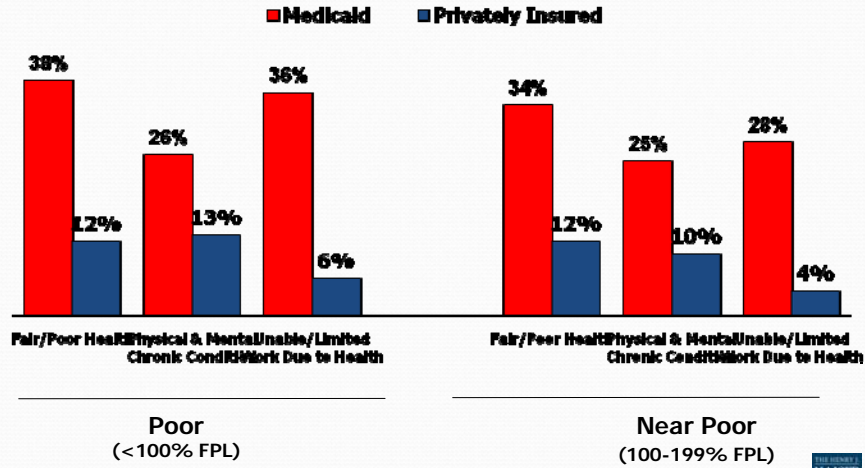


# Medicaid Costs 27% Less for Children, 20% Less for Adults Than Private Insurance



Source: Center for Budget and Policy Priorities.

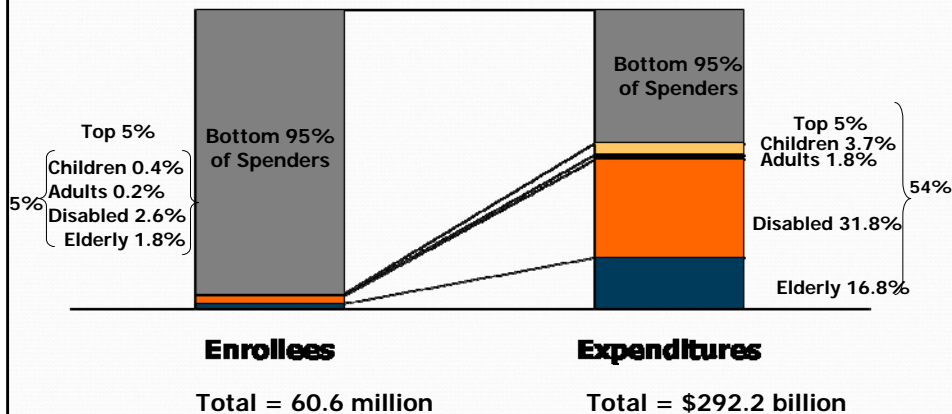
## Medicaid Enrollees are Sicker and More Disabled Than the Privately-Insured



Note: Adults 19-64.  
SOURCE: KCMU analysis of MEPS 3-year pooled data, 2004-2006.



## Top 5% of Enrollees Accounted for More than Half of Medicaid Spending, FY 2008



SOURCE: Centers for Medicare and Medicaid Services, FY MSIS 2008, FY MSIS 2007 for AZ, NC, ND, HI, UT, VT, WI.



## Children's Health Insurance Program (CHIP)

- SCHIP program enacted in 1997 (BBA) was authorized through 2007
- Authorization expired in 2007 and a temporary authorization enacted through April 2009
- Reauthorized in 2009 expanding SCHIP to what is currently known as CHIP
- Reauthorization added \$33 billion in federal funds for coverage over next four and a half years
- CHIP expected to provide coverage to 4.1 million children in Medicaid and CHIP who otherwise would have been uncovered by 2013

## Children's Health Insurance Program (CHIP) - *Continued*

- Two-thirds of the estimated 9 million uninsured children are eligible for Medicaid or CHIP but are not enrolled
- Medicaid is the major health insurance coverage program for children (29 million)
- CHIP created as a compliment to Medicaid (7 million)

## Major Health Reform Provisions Affecting the Safety Net

- The Patient Protection and Affordable Care Act (P.L. 111-148) was signed into law on March 23, 2010
- The Affordable Care Act (ACA) provides funding for CHIP through 2015 (2 additional yrs.)
- ACA extends the authorization of CHIP through 2019
- ACA extends and increases funding for Medicare and CHIP enrollment and renewal activities from \$100 million through 2013 to \$140 million through 2015
- Children currently covered by CHIP between 100% and 133% of poverty would be transitioned to Medicaid

## Major Health Reform Provisions Affecting the Safety Net - *Continued*

- States required to maintain eligibility that was in place on the date of enactment of the legislation (March 23, 2011) for children in Medicaid and CHIP through 2019 when new Health Benefit Exchanges are expected to be available
- CHIP eligible children who cannot enroll in the program due to federal allotment caps must be screened to determine their eligibility for Medicaid and if not would be eligible for tax credits in a plan that is certified by the Secretary of DHHS by April 2015 to be comparable to CHIP in the exchange
- ACA expands Medicaid to a national floor of 133% of poverty (\$14,483 for an individual or about \$29,726 for a family of four in 2011)

## Health Reform: Coverage Expansions

- Medicaid Expansion for Low-Income Non-Elderly: Starting in 2014, Medicaid will be expanded to all non-elderly individuals legally residing in the U.S. earning less than 133% of poverty (\$29,000 for a family of 4) – 16 million will gain coverage.
  - The federal government will pay 100% of total costs for these new Medicaid enrollees through 2016, after which the subsidy will decrease to 90% by 2020.
- State-Run Health Insurance Exchanges: Starting in 2014, each state will create a health insurance exchange, where self-employed, unemployed and small employers can purchase coverage – 25 million will gain coverage here.
  - Individuals with incomes between 133% and 400% FPL (\$88,000 for a family of 4) will be eligible for subsidies to help with premium costs.

## Health Reform Provisions for Health Centers

- Expanded coverage for the very people & communities served by CHCs, AND –
  - Dedicated funding to expand CHCs & the NHSC to reach 40 million by 2015
- =PLUS=
- Changes designed to revitalize Primary Care (THCs, Training, Payment Improvements) and Promote Integrated Care for Better Quality & Lower Costs

## Health Center Funding in the ACA

- The Affordable Care Act (ACA) provides \$11 billion in dedicated funding for health center operations and capital for FY2011-FY2015.
  - \$9.5 billion to support health center operations.
  - \$1.5 billion for capital needs.
- Approximately half (\$727 million) of the funding for capital has already been granted to 143 health centers across the country (FIP “have-nots”).
- HRSA will make awards for previously-announced FY2011 funding opportunities contingent upon this year’s final CHC program funding level.

## Health Center Funding in the ACA- *Continued*

- HRSA has publicly stated that NHSC field strength is over 10,000 and will reach 11,000 this year.
  - HRSA has streamlined the site application process; if all health centers seeking NHSC placements apply, the proportion of NHSC assignees at CHCs could reach 50%
- HRSA recently announced designation of 11 THCs that will receive funding in the final months of this fiscal year to conduct community-based training of primary care residents.
  - 9 of 11 grantees are health centers or CHC-involved

## Health Centers and Payment Reform

- FQHC Payment Systems ARE reform
  - Bundled payment per visit, NOT open-ended fee-for-service
  - Rate unique to each center's costs/scope, NOT single universal rate
  - Prospective Payment, with limited growth, NOT unrestricted
  - Effectively risk-based – if patients need more, furnished at NO additional cost
  - Original intent is still vital
    - Ensure appropriate payment for covered individuals
    - Not force Medicare/aid subsidy by uninsured grant funds

## Health Reform Challenges for the Safety Net

- Maintenance of discretionary funding for safety net health programs
- Meeting growth expectations
- Participation in the Exchanges
- Participation in ACOs
- Maintenance of the essential coverage provisions of the ACA

## Opportunities for Collaboration Between MCH and CHC Programs

- Educational and outreach programs
- Joint surveillance programs
- Organized referral arrangements
- Case management / care coordination collaborations
- Joint state/national advocacy efforts

## Questions

Q&A

