

Washtenaw County Health Care Transition to Washtenaw Health Plan

Expanding Access to Health Care for Uninsured
County Residents

Ellen Clement

Ellen Rabinowitz

March 7, 2002

Presentation Outline

- Program History
 - Indigent Hospitalization
 - Washtenaw County Health Care
 - HRSA CAP Grant
- Program Expansion:
 - Funding for Program Expansion
 - Legal Assurances
 - Risks to County
 - WHP Operations, Staffing, Services
 - Timeline
 - BoC Resolutions

Program History: Indigent Hospitalization

- State mandated County Indigent Hospitalization Program (RCHP)
- Re-started in 1989 after Jindo lawsuit
- Served about 125 people annually
- Budget \$650,000-\$500,000 annually
- Hospitals contributed uncompensated care and accepted reduced fees

Program History: Washtenaw County Health Care (WCHC)

- Began in 1998
- Developed from County Indigent Hospitalization Program (RCHP)
- Established a system of access to primary care physicians and other medically necessary services (e.g. specialists) on a pre-authorized basis.
- Hospitalization donated by hospitals
- Serves up to 1300 annually
- Budget is \$500,000 annually, plus enrollment services by Public Health Department

Program History: Health Resources Service Administration Community Access Program (HRSA-CAP) Grant

- Sept 2001-Sept 2002, extension possible
- Partnership between WCHO and County:
 - Joint Grant Application
- Provides staffing and other resources for:
 - Uninsured system development
 - Mental Health service integration with WCHO
 - Administrative Service Organization
 - Expansion of number uninsured served and development of employer plan
 - Evaluation

Program Expansion

- Estimate of uninsured in County: 5% or 16,145
- State initiated expansion process to roll State Medical Programs (SMP) into County Programs
- Statewide seven programs are currently in operation, 30 additional are developing
- Basic requirement is to have a non-governmental corporation established to receive funds for the program
- Must have local resources available to provide the match to federal funds as with Title V and Medicaid full cost reimbursement matching programs currently under Public Health

Program Expansion: Benefits to the County

- Opportunity to leverage additional funds and increase number of people served
- Enhance and expand partnerships with mental health system and health care providers
- Improve access to care for the SMP
- Enhance the services provided

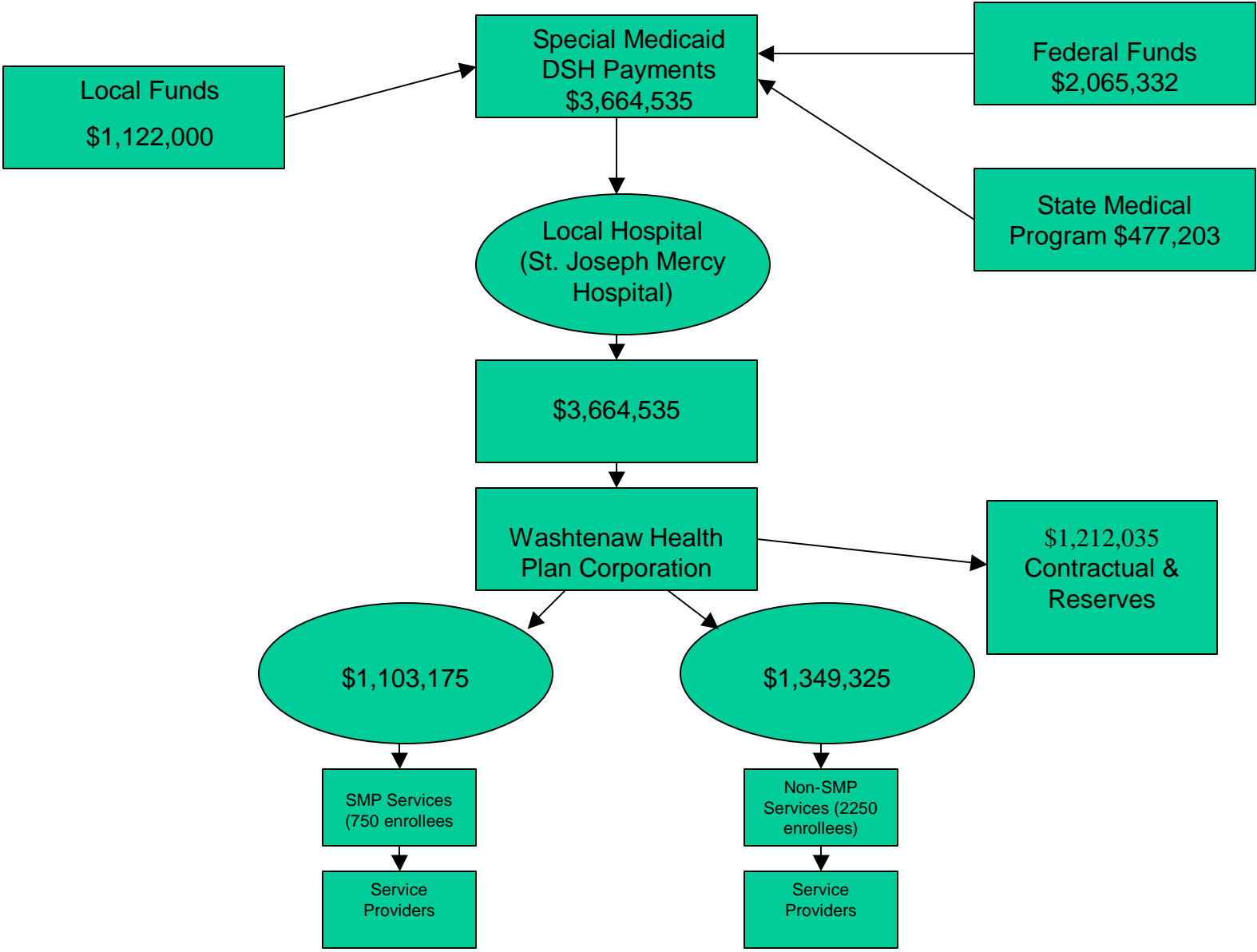
Program Expansion: Service Delivery

- Increase Enrollment to 3000 total:
 - From 1300 to 2250 Uninsured
 - 750 SMP
- Expand provider network
- Integrated access to specialty care physicians, including mental health and substance abuse with WCHO
- Assure resources for prescription drugs
- Member services and benefits coordination, provided via contract with WCHO

Funding for Program Expansion

- Health Resources Services Administration (HRSA) Community Access Program (CAP) Grant, \$750,000
- County funding in 2003 Budget Innovation Grant for Third Share Program (County, small employers and employees share cost of health care premiums), \$150,000
- Receive State Medical Plan (SMP) funding plus federal match by moving SMP to local program
- Federal Match on Local Revenues targeted at low-income health services

Washtenaw Health Plan Funds Flow, 2003 Projected



WHP Funds Flow, 2003 Projected Budget: Local Funds

- Indigent Hospitalization Allocation
\$500,000
- \$23,000 from Public Health Department for enrollment
- Other Public Health Department Local Funds for low-income health services
\$337,000
- Indigent Ambulance Allocation \$262,000

WHP Funds Flow: Management/Operations, Contractual and Reserves (2003 Projected Budget)

- Management and Operations, \$197,100:
 - Rolled into Program Costs
 - Personnel, Accounting and Legal Services, Consulting, Insurance, Rent, Operating Supplies
- Contractual and Reserves, \$1,212,035:
 - Public Health Low-Income Health Services \$337,000
 - Low-Income Ambulance Services \$288,200
 - Reserves for Long Term Financial Stability \$586,835

Legal Assurances

- State Medicaid Hospital Manual – section establishes authority for special DSH payments to hospitals with Indigent Care Agreements (this authorizes state payments to SJMHS)
- Indigent Care Agreement is signed between SJMHS and WHP which establishes hospital payments to WHP
- Contracts for community low income health services
- Amended consent judgment will protect the County from suit and participants from collection actions
- State guarantees funding for up to 1,000 SMP (currently have 650)
- Seven other programs have operated successfully, one since 1983 under this arrangement

Risks to the County

- Does the County lose control because it does not run the indigent health program directly?
- Assurance:
 - The County Administrator is a member of the WHP Board
 - The County can terminate quarterly funds transfer at any time
 - The Public Health Director will report quarterly to the Board of Commissioners on WHP enrollment and service delivery

Risks to County

- What if the WHP doesn't contract with Public Health for low income services?
 - Contract with WHP assures resources for low income services
- What if the WHP doesn't provide services?
 - County can stop the transfer process at any time

Risks to the County

- What if the County is seen as not satisfying the Jindo lawsuit settlement?
- Assurance:
 - The “consent agreement” will be revised to agree that the new WHP Program satisfies the conditions of the settlement

Risks to the County

- What if the State Medical Program caseload growth exceeds 1,000 limit on our indemnification of risk?
- Assurance:
 - Caseload is monitored closely
 - Current caseload is 650
 - Budgeted projections for 2003 are for 750 caseload
 - If caseload increases dramatically we will renegotiate indemnification with State and can withdraw if necessary with 90 day notice

Risks to the County

- What if the Pharmacy benefit costs escalate dramatically over projections?
- Assurance:
 - Pharmacy Benefits Manager contract will maximize our resources:
 - Defined benefit
 - Guarantees discounted rates and other special program rates
 - Provides utilization reports on established limited formulary
 - Utilization is monitored closely
 - If projected costs exceed budget non-SMP caseload can be limited and funds redistributed to pharmacy
 - Reserves will offset short term increases

Washtenaw Health Plan Operations

- Under the authority of the Washtenaw Health Plan Corporation, a not-for-profit organization created for the purpose of expanding health care to the uninsured
- WHP Board Members: Bob Gillet, Amy Kerschbaum, Tom Biggs, David Share, Bob Guenzel
- WHP Executive Director: Ellen Rabinowitz

Washtenaw Health Plan Staffing

- Executive Director, Case Manager, Third Share Coordinator, Administrative Coordinator
- Positions currently funded through HRSA grant
- Post HRSA grant funding, WHP will assume financial responsibility for all permanent positions
- County-WHP Employee Lease Agreement for County staff positions

Washtenaw Health Plan Service Delivery

- Program services delivered through local providers, via contracts with WHP
 - Program eligibility, enrollment
 - Services include primary care, other medically necessary services, and pharmacy
 - Providers include: physicians associated w/ UM & St. Joe's, Packard Clinic, Corner Health Center, Hope Clinic, Whitmore Lake Health Clinic, & Shelter Association Health Clinic

Program Eligibility, Enrollment

- County residents, not eligible for other public insurance with no private insurance
- Non-SMP: At or below 185% of poverty (\$33,485 for family of four)
 - Enrolled by WCHO under contract with WHP
- SMP: At or below 35% of poverty (\$3,101 for single adult)
 - Enrolled by FIA

WHP Participant Benefits

- Primary care-routine health services by physician, nurse or physician assistant
- Inpatient hospital and emergency services
- X-rays, lab tests and other diagnostic as ordered by primary care provider
- Some pre-approved specialty services
- Prescriptions with \$3 co-pay for approved drugs, some exceptions
- Excluded services: dental, durable medical equipment, optical, radiation/chemotherapy, dialysis, home health care, mental health or psychiatric, substance abuse treatment, prenatal/pregnancy services, speech/physical/occupational therapy
- Assistance with accessing other health programs that individual may qualify for
- 12 month eligibility

Provider Network

- 19 Providers/Clinics
- Provider and clinic sites have multiple health providers
- Include Independent clinics: Packard Clinic, Corner Health Center, Hope Clinic, Whitmore Lake Clinic
- Locations in Ann Arbor, Ypsilanti, Chelsea, Saline and Whitmore Lake

Program Transition Timeline

- WHP incorporated September 2001
- HRSA Grant began September 2001
- WHP begins full operation during 2002
(May or June)
- With BoC approval County funds transfer
to State begins on date of full operation

Board of Commissioner Resolutions

- Endorse Program Expansion Plans and County Contracts:
 - Low Income Health Services
 - Employee Lease Agreement
- Approve Intergovernmental Transfer of Funds Process

Handouts

- Medicaid Policy
- Indigent Care Agreement
- Amended Consent Judgment (Draft)
- Agreement between WHP and County (Draft)
- County and WHP Lease Agreement (Draft)