



# Food for Thought

Updates from the Safety Net Advisory Committee (SNAC)

## Safety Net Clinics in a Fast-Changing Environment

SEPTEMBER 2013

Many questions are being asked about how upcoming changes in the health insurance landscape will affect safety net providers and consumers. Will more health insurance coverage really lead to increased access to care? How will the health safety net adapt to this new environment? What influences a safety net clinic's business model? These questions were explored during the Colorado Health Institute's Safety Net Advisory Committee (SNAC) Lab meeting on Sept. 12, 2013. Participants included leaders from a variety of groups that serve vulnerable Coloradans, including safety net clinics, patient advocacy organizations and philanthropic foundations.

This report has two sections: Background information provided by the Colorado Health Institute and a summary of the SNAC Lab discussion.

### Primary Themes

- Research provides clues as to how changes in health insurance may impact the use of safety net clinics.
- Colorado's safety net clinics are preparing for change based on their missions, histories and needs of their communities.
- Shifts in funding are possible as foundations examine their safety net strategies and clinics evaluate new revenue sources.

### Background: Health Care Reform and the Role of the Safety Net

Beginning Jan. 1, 2014, expanded Medicaid eligibility and insurance purchased through the state's health insurance marketplace, Connect for Health Colorado, are expected to bring coverage to hundreds of thousands of Coloradans. The Colorado Health Institute has estimated how many Coloradans will gain insurance by 2016, though it is not clear who will sign up for new insurance, how quickly they will sign up and whether they might access care differently than they have in the past.<sup>1</sup> Research in states that have implemented health care reforms or conducted surveys in anticipation of change provides clues as to the possible impacts on the health care safety net in Colorado.

### With Medicaid Expansion, a Rising Tide May Lift All Boats

A 2012 study from the Kaiser Family Foundation found that community health centers in states where more people were eligible for Medicaid had better patient-to-clinician ratios than community health centers in states with more limited Medicaid eligibility. This suggests that Medicaid expansion could improve access to care for both Medicaid patients and uninsured patients who seek treatment at community health centers.<sup>2</sup>



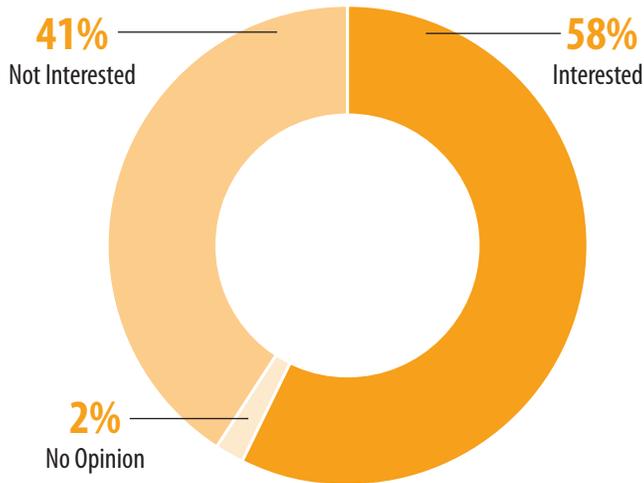
The Colorado Health Institute and its Safety Net Advisory Committee (SNAC) are engaged in a series of information-sharing sessions called SNAC Labs. The goal is to identify the health care challenges facing vulnerable Coloradans, leverage the lessons learned on the front lines with policymakers, patient advocates, providers and philanthropic organizations, and explore innovative approaches and promising practices.

## Customers Like Choice and Seek Care that Best Meets Their Needs

Data from two states indicate where newly insured individuals might seek care.

### CALIFORNIA

- A 2011 survey of low-income adults in California asked if they would be interested in changing where they got health care if they had insurance that would cover it.<sup>3</sup> Nearly six in 10 said ‘yes.’ Patient services – not cost alone – were priorities in selecting a new facility.



### MASSACHUSETTS

- A 2011 study looked at the use of community health centers and safety-net hospital clinics in Massachusetts following the health care reforms of 2006 that led to most people having health insurance.<sup>4</sup> It found that more people were using safety net services. Most said they did not view safety net care as a last resort and often preferred the care they received there.

### Reasons Care Sought from Safety-Net Facility

Reason	Safety-Net Covered Adults*
Convenient	79.3%
Affordable	73.8%
Availability of services other than medical care	52.0%
Problem getting an appointment at a non-safety net facility	25.2%
Staff able to speak patient's primary language	8.2%

\*Aged 18-64 years with incomes below 300% of federal poverty level

The California survey suggests many safety net patients would look elsewhere if insurance provided an alternative. The Massachusetts study reported a boost in safety net business after health care reform. Each state is different, and there are certainly many factors that contribute to patterns of health care use. But the consistent message from these studies is this: If consumers are happy with services provided by their safety net clinics, they are likely to want to continue getting care there, even if they obtain new or different health insurance.

### The SNAC Lab Discussion

Each safety net clinic has a unique combination of history, mission, community needs and partnerships that influence strategic and tactical decisions. The SNAC Lab conversation explored what changes, if any, clinics are making or planning based on their evaluation of these factors as health reform rolls out.

#### Some Clinics Making Changes, Others Wait and See

Safety net clinics are in continuous conversation with community partners to better understand the needs of the community, which can change over time. Many clinics are tracking whether different barriers to care will

arise in 2014 and beyond. For example, more people may be underinsured – have health insurance but not use it because of high out-of-pocket costs. Or perhaps people insured for the first time will need help learning how to navigate the health care system.

#### Some Changes are Already Happening

- Jefferson Center for Mental Health is working to make sure it has the right staffing composition to be easily credentialed by private insurers. This would allow people with private insurance who are referred to Jefferson Center, and current clients who might gain private insurance, to be served in the setting that is best for them and see an appropriate provider.

- Inner City Health Center in Denver is planning to accept private insurance, largely because it doesn't want to turn away current patients who may gain commercial coverage.
- SET Family Medical Clinic in Colorado Springs is going to accept Medicaid insurance and has started using electronic health records.
- Doctors Care in Littleton will be monitoring the needs of the community but is not making any changes at this time regarding the types of insurance it accepts. Doctors Care will help eligible patients enroll in Medicaid and use Colorado's health insurance marketplace to obtain insurance.

### ***More Revenue Sources May Not Mean More Money***

The kind of services that are reimbursed by insurance, and for how much, are important considerations for safety net clinics as more people shop in the private insurance market. While private insurance sounds like a good revenue source, many safety net providers caution that reimbursements will not cover the cost of the customized comprehensive care they provide. For example, some clinics want to expand care coordination services, yet most insurance won't pay for those services. That's because commercial insurance is generally not designed to cover the full range of services provided by safety net facilities.

Many safety net clinics do not accept private insurance. Those that do generally say that few patients have such coverage, so commercial reimbursements are only a small part of their revenue. But that could change. As more clients gain subsidized coverage through Colorado's new marketplace, and more clinics begin to accept it, negotiating higher rates with insurers may become a priority. Currently Colorado's clinics negotiate contracts with insurers individually. Some are discussing how to do this as a group to give the clinics more market power and help them gain better rates. Another issue is how safety net clinics can demonstrate value to insurers who might be new to Colorado.

### ***Foundations Are Examining Their Safety Net Strategies***

Philanthropic foundations are looking for ways to continue supporting access to health care in a sustainable way. In 2011, the Caring for Colorado Foundation launched an initiative to help build adaptive capacity in the safety net, to help clinics sustain themselves in an ever-changing environment. Lessons learned so far include:

- Funding for technical assistance is highly valued and often difficult to get;
- clinic leadership and governance issues are complex;
- many clinics have vulnerabilities across multiple functions;
- and change is difficult.

Some grantees have adjusted their operations based on the assessment and planning assistance provided through Caring for Colorado Foundation grants, including changes in budget structure, billing and coding procedures, and instituting stronger connections between administrative leadership and provider teams.

Also on the horizon: foundations paying even closer attention to promoting health outcomes for vulnerable Coloradans.

### ***Conclusion***

Safety net providers are watching health care reform carefully to prepare for potential changes in community needs and to evaluate new funding options. Data from other states that have implemented reforms offer clues about what might happen in Colorado, but each state is unique and there are many unknowns. While some clinics are already revising their business plans, others are waiting to see what happens in 2014. Philanthropic foundations are also examining their approach to safety net support in light of upcoming health insurance changes.

<sup>1</sup> Colorado Health Institute. Colorado Health Insurance, Statewide and County Level, 2016. Available at: <http://bit.ly/1a9qAe0>

<sup>2</sup> Kaiser Family Foundation. March 2012. Medicaid and Community Health Centers: The Relationship Between Coverage for Adults and Primary Care Capacity in Medically Underserved Communities. Available at: <http://kaiserfamilyfoundation.files.wordpress.com/2013/01/8293.pdf>

<sup>3</sup> Blue Shield of California Foundation. June 2011. On the Cusp of Change: The Healthcare Preferences of Low-Income Californians. Available at: [http://www.blueshieldcafoundation.org/sites/default/files/publications/downloadable/On\\_the\\_Cusp\\_of\\_Change\\_6\\_2011.pdf](http://www.blueshieldcafoundation.org/sites/default/files/publications/downloadable/On_the_Cusp_of_Change_6_2011.pdf)

<sup>4</sup> Ku, L. et al. (2011) "Safety-Net Providers After Health Care Reform." Arch Intern Med. 171(15):1379-1384. Available at: <http://archinte.jamanetwork.com/article.aspx?articleid=1105879>

## Reporting from the Field

SET Family Medical Clinics has cared for underserved low-income people in Colorado Springs for more than 20 years. SET stands for “Serve, Empower, Transform.” With a staff of seven and more than 400 volunteers, SET provides services at its family clinic, homeless clinic and immunization clinic.

Peggy Herbertson, SET’s executive director, says staff members are continually evaluating the needs of the community and how to best leverage resources. SET Family Clinic moved to a new location in June and started using electronic medical records in September. SET has not accepted insurance, but is preparing to accept Medicaid, an important step to ensure financial stability, Herbertson says. Electronic medical records and billing are supported by Centura Health, which is a major sponsor for SET. Implementation of electronic records is on track, though SET has encountered significant technological and logistical challenges in setting up the billing system.

SET staff meet weekly to talk about what kinds of services they are providing and requests from the community. The challenge, Herbertson says, is to match resources with emerging needs.

Another challenge: defining what underinsured means. SET serves both uninsured and underinsured individuals. A \$100 co-payment may be considered unaffordable



### Staff of SET Family Medical Clinics

**Back row from left to right:** Katey Burdick, Development/Volunteer Coordinator; Peggy Herbertson, Executive Director; Jason Jones, Financial Administrator/Homeless Clinic Coordinator; Jennifer Littrell, Case Manager.  
**Front row, left to right:** Leona Cardona, Medical Assistant; Laurie Mediavilla, Physicians Assistant; and Evelina Osorio, Medical Assistant.

and a significant barrier to care, but what about a \$30 co-payment? And what is the most efficient and effective way to evaluate if someone is underinsured?

In addition to current changes, SET is looking forward. It is working with the Colorado Springs Business Alliance to reach out to businesses with 50 or fewer employees that may not be able to provide health insurance, letting them know about SET services. It is also looking at becoming a primary care medical home.

“Every day there is something new and we are figuring all of this out as we go,” Herbertson says.

## Organizations Represented at the September 12 SNAC Lab

- Caring for Colorado Foundation
- ClinicNET
- Colorado Association for School-Based Health Care
- Colorado Coalition for the Medically Underserved
- Colorado Consumer Health Initiative
- Colorado Foundation for Medical Care
- Colorado Rural Health Center
- DoctorsCare
- Jefferson Center for Mental Health
- SET Family Medical Clinics
- The Center for Personalized Education for Physicians
- The Colorado Health Foundation
- University of Denver



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