ACHI
Arkansas Center for Health Improvement

ISSUE BRIEF

ACHI is a nonpartisan, independent, health policy center that serves as a catalyst to improve the health of Arkansans.

The Impact of Expanded Coverage on Arkansas's Health Care Safety Net Clinics

• **February 2015**

Arkansas's safety net clinics are responding to a major change in the health care environment. In 2014, approximately 250,000 low income Arkansans gained access to health care through newly available coverage options in the Arkansas Health Insurance Marketplace and the Arkansas Health Care Independence Program.[1] As a result, the number of uninsured has dropped precipitously. Prior to 2014, safety net providers in the state were unsure exactly how this shift in the health care coverage landscape would impact them, their business models, and their clientele. A year later, safety net clinics across the state have had an array of experiences, and now face new and different challenges. This issue brief will provide background information on the Arkansas health care safety net and a sampling of experiences in this changing environment.

INTRODUCTION

There are both national and statewide efforts to increase the number of people with access to affordable health care coverage, which is expected to lead to better health outcomes.[2] Arkansas's efforts have been more successful than most,[3] thanks to bipartisan leadership, innovative programs, and comprehensive, system-wide transformation strategies. As a result, providers in Arkansas are seeing an infusion of previously uninsured patients who now have the ability to pay for health care services.

Clinics that have focused on providing care to uninsured and underinsured individuals—safety net clinics—are adapting in this dynamic environment. Will these new coverage programs continue in the current political conditions? Will newly insured clients continue to seek care in safety net clinics now that they have a payment source? Will safety net clinics retain access to reduced drug pricing, and if not, will it affect their budgets? Will safety net clinics have a disproportionate increase in uninsured patients? How will safety net clinics gain negotiating strength in a more expansive, private market?

To assess the experiences related to coverage expansion, the Arkansas Center for Health Improvement (ACHI) identified safety net clinics with guidance from the Arkansas Department of Health and the Community Health Centers of Arkansas (CHCA). CHCA supports community health center sites, which are Federally Qualified Health Centers (FQHCs). ACHI then reached out to a sample of clinics across the state, covering a range of geographic and socioeconomic areas. ACHI conducted key informant interviews with managers of two FQHCs and five charitable clinics. This brief provides descriptive information about the preliminary impact of expanded coverage in Arkansas as relayed by clinic managers.

SAFETY NET CLINIC BACKGROUND

The health care safety net refers to providers that deliver a significant level of health care to uninsured, Medicaid, and vulnerable populations,[4] many of which—either by mandate or adopted mission—offer care to patients without regard to coverage.[A] Presently, there are well over 100 free

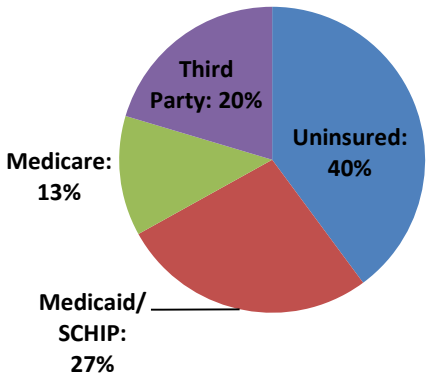
[A] Although rural health clinics (RHCs) are not surveyed in this brief, many RHCs serve as part of the safety net in Arkansas's rural areas.

or low-cost health centers in Arkansas, including charity clinics and FQHCs. The safety net clinics in Arkansas have long served as the sole avenue through which Arkansans without health insurance could receive care outside of the emergency room, including access to basic primary care, dental care, and some pharmacy services. These providers generally offer care in areas that face a shortage of health care services, regardless of insurance coverage.

According to the Uniform Data System of the Health Resources and Services Administration (HRSA), in 2013, 51 percent of patients served by FQHCs nationwide were between the ages of 25 and 64.[5] This included 94 CHCA sites located around the state. In addition to CHCA sites, many smaller operations, which are mostly faith-based, are scattered in both urban and rural areas. These independent clinics are often part of a larger, community-based operation partnered with food banks, churches, or senior centers.

Several programs, including federal grants, support these clinics because they successfully provide necessary primary and acute care, often costing far less than alternatives. Additionally, many of these clinics have benefitted from the HRSA 340B Drug Pricing Program.[6] This program allows specific types of health care facilities to receive and utilize prescription medications at a much-reduced cost.[7]

Figure 1: 2013 Health Center Data



Patient characteristics of those seen in 12 federally qualified health centers in Arkansas
Source: "2013 Health Center Data." Accessed on January 16, 2015 at http://bphc.hrsa.gov/uds/datacenter.aspx?year=2013&state=AR

National Trends

Nationally, the number of uninsured individuals has decreased, but many safety net clinics still expect to serve uninsured clients. These may include undocumented individuals, as well as individuals who do not qualify for subsidized private coverage through the health insurance marketplace or traditional Medicaid.[8] Until the changing health insurance market reaches a steady state, questions will remain about the viability of safety net clinics. Once the market is more stable, clinics may need to examine whether and how they can change their business models to adjust to the new market. To date, at least one free clinic in Arkansas has closed, attributing its closure to the increased health coverage and lack of need for their services,[9] which has been noted by other clinics as described in the following section, Arkansas Experiences. Clinic responses to reduced demand for services have varied from a business perspective, but several clinics noted that they were glad their patients would now have better access to comprehensive care.

ARKANSAS EXPERIENCES

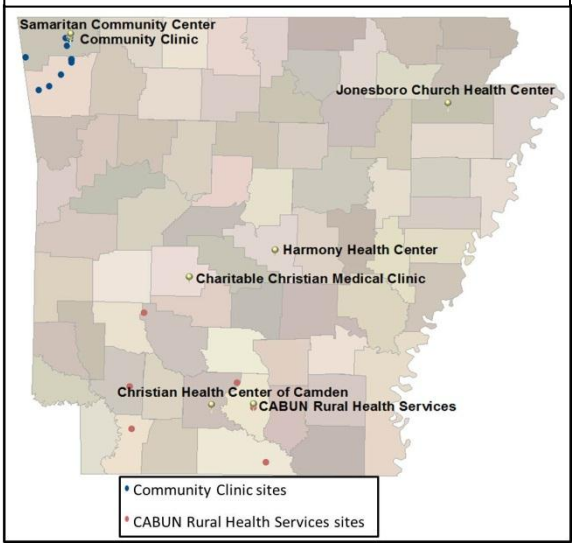
In Arkansas, there are many different types of safety net clinics. Likewise, there have been a variety of experiences since the increase of the insured population. No two clinics have identical missions or business models; therefore, no two clinics have been impacted identically. However, a few themes have emerged. The faith- and mission-based clinics are facing a period of internal reflection to determine if the needs of their patients would be better addressed through new avenues. One clinic, the Charitable Christian Medical Clinic of Hot Springs, redirected its model of care to provide additional ancillary services, such as community education. Several others have managed to continue despite a smaller patient load, and are waiting to learn if those newly insured

will continue to have coverage after 2015, in order to determine if they should follow suit. CHCA sites have seen less of a decrease in demand, but must adjust to shifts in revenue sources. For example, some have anticipated billing less through Medicaid and more through private insurance carriers.

Community Health Centers

Since 1985, CHCA has provided programmatic support and advocated for Community Health Centers' (otherwise referred to as FQHCs) interests in areas that otherwise would lack adequate health care services. There are currently twelve CHCA Centers around the state, and each manages a number of CHCA clinic sites, totaling 103. As FQHCs, the CHCA sites are required to serve an underserved area,[10] and are often the sole health care provider in a community. While they are required to provide care regardless of the ability to pay, they have traditionally accepted payment from a variety of sources, including private coverage, Medicare, Medicaid, and a sliding fee scale for those without insurance.

Figure 2: Arkansas Safety Net Site Examples



Community Clinic

Community Clinic, a health care ministry of St. Francis House NWA Inc., has served the low-income population of Washington and Benton counties since 1996, and became FQHC qualified in 2004. They operate twelve locations throughout Rogers, Springdale, Siloam Springs and the surrounding areas.[11] Like all FQHCs, Community Clinic historically accepted Medicaid patients, and offered services to the uninsured on a sliding fee scale. In 2013, Community Clinic saw just over 27,000 individuals, 39 percent of whom were uninsured. With the expansion of insurance coverage, Community Clinic anticipated that rate would drop to near 25 percent in 2014. Three-quarters through 2014, their uninsured rate was closer to 31 percent, which they credited to several factors.

The first issue is the increased competition for the newly insured population, mainly with hospital-facilitated clinics. The second issue is that the uninsured population continues to face educational, cultural, and linguistic barriers that prohibit them from accessing care at traditional clinics. It is likely a combination of these factors that contribute to the uninsured rate staying relatively high, potentially straying from projected budgets.

Another contributing factor is that the clinic serves a higher representation of the medically frail population. The Health Care Independence Program (HCIP) was designed to keep eligible individuals having exceptional health care needs in traditional Medicaid coverage, expecting that amount to be about 10 percent of individuals deemed eligible for the Private Option. To date, Community Clinic has found that 13 percent of those newly eligible have been designated as having exceptional health care needs (i.e., medically frail). Since the clinic has traditionally served those without insurance who also lack adequate care coordination, it stands to reason that their medically frail patient panel would be slightly higher.

CABUN Rural Health Services

CABUN Rural Health Services Inc. manages six clinic sites in and near Hampton, Arkansas. The Center traditionally served patients in Calhoun, Bradley, and Union Counties, giving them their unique name. Over the past year, CABUN has not seen a significant change in the overall number of patients, but there has been a change in the makeup of their patient panel. The clinic has seen up to 25 percent of its previously uninsured patient population gain coverage through newly available options. As the opportunity to enroll approached in late 2014, they hoped to continue

assisting patients in gaining coverage. There are still a significant number of uninsured individuals seeking care there, and the clinic expects the need to continue to exist.

The largest issue CABUN sees for its patient population is the gap in knowledge about available programs and how these programs can benefit them. There seems to be a great deal of confusion among the public, patients, and even some providers about the details of what is being offered. CABUN is trying to alleviate this issue by using two federally funded full-time Assistors to hold education events and assist people with enrollment through a variety of methods.

Independent Clinics

In addition to two CHCA Centers, ACHI had conversations with representatives from five independent safety net clinics from around the state to learn about their experiences since the state expanded health coverage. Many of these clinics have grown from faith-based responses to unmet needs demonstrated by the uninsured. These responses supported by local charitable giving provide some immediate access to health care services but do not remove the financial barrier to a comprehensive set of primary care, specialty and pharmaceutical needs. With the availability of comprehensive health care coverage the role of charitable clinics in eliminating financial barriers to care is expected to change.

Charitable Christian Medical Clinic

In downtown Hot Springs, Arkansas, the Charitable Christian Medical Clinic has operated for 17 years as the primary health service location for the uninsured of Garland County. The mission of the organization has always been to provide services for those who lack access to care. In early 2014, the organization decided that it needed to alter the services provided in order to fully carry out its mission in the future. As of late 2013, the clinic was managing and delivering care to about 1,000 uninsured individuals. A year later, that number is just 150. Operating under a new name, Cooperative Christian Ministries and Clinic (CCMC), they recognized that their new strategy should be to help enroll patients into newly available insurance options, provide ancillary services, and refer patients to traditional primary care providers in the community.

CCMC continues to provide direct care for those who remain ineligible for insurance—mainly the undocumented population in West Central Arkansas. A new challenge has surfaced; many of the programs and grants that funded CCMC operations in the past do not cover the undocumented population. While their operational costs for direct care have greatly dropped with a drop in patient volume, they still face issues arranging care for those without insurance.

Another major change has been the new hours during which CCMC is open for care. Previously, the clinic was open three days per week from 8:00 a.m.–5:00 p.m., as well as two evenings each month. Now, with the drop in uninsured patients seeking care from them, they are open just half a day each week and one evening per month.

Christian Health Center of Camden

The Christian Health Center of Camden (CHCC), located in Camden, Arkansas, has been in operation since 1997. It seeks to provide care to the uninsured of Ouachita County and serve as a resource for other community needs. Like many charitable clinics, CHCC provides services on a sliding scale. Since the implementation of the Private Option, CHCC has seen its patient load drop by 60 percent as local residents are now able to receive care from traditional providers. CHCC often partners with the Delta Alliance for Healthcare—a non-profit organization aimed at stopping generational poverty in the Delta region—to combine resources to improve care.

While access to insurance coverage has improved, access to health care providers continues to be an issue for many Arkansans, especially those in the Delta region. CHCC encourages patients to work with an identified primary care physician but continues to see the same patients while they

struggle to get appointments. Some patients have historically faced 30-60 day appointment delays, so CHCC provides for them in the interim to help prevent care gaps. The clinic accepts and then distributes other goods that their patients may have trouble acquiring. For example, they collect used crutches and wheelchairs which are distributed to new patients in need. Because of cost and access issues related to medical equipment, these donation services are likely to continue to be in high demand.

Samaritan Community Center

In Rogers, Arkansas, the Samaritan Community Center has been in operation since 1989 serving as a food pantry and clothing ministry. Over time they realized the lack of health care access for the uninsured in their community was a large barrier for their constituents. They began offering a weekly medical clinic, called the Samaritan Health Center (SHC), in the evening hours for the uninsured, hoping to provide opportunities for locals to seek health care. The SHC served approximately 30-35 people each month who otherwise did not have access to a physician. Since the beginning of 2014, they have seen a steady decline in patient numbers. With fewer patients requesting appointments, they then began operating clinic hours on a biweekly basis. The patients who continue to seek care are largely in need of ancillary services such as care coordination or help navigating the health care system. SHC works with their local CHCA Center to provide coverage information and help enroll people into newly available insurance options. SHC encourages already established clients to connect with a local primary care physician and is often actively involved in scheduling appointments as well as helping with medication reconciliation.

While SHC's medical operations are on the decline, the clinic continues to see a need for dental, vision, and behavioral health services. The SHC director mentioned the medical clinic may cease to exist in a year's time but they are working on plans to expand their other service lines. These services are often not provided in standard health insurance plans and are therefore cost prohibitive for low-income populations. In response, SHC offers the entire spectrum of dental services from cleanings, screenings, and X-rays, to extractions and emergency dental care. SHC has continued to see the demand for these services increase and is constantly seeking more volunteers to meet the needs of this growing demand.

Harmony Health Center

While Little Rock, Arkansas is home to a wide array of primary care, public health, and specialty clinics, those without health insurance in central Arkansas can still face barriers receiving care outside of emergency services. In 2005, a group of citizens concerned with this underserved population came together to create the Harmony Health Clinic (HHC). Located a few miles from downtown Little Rock, HHC provides services for the uninsured, transient, undocumented, and homeless groups directly and through all local shelters.

Since the implementation of the Health Care Independence Act, HHC has seen a 50 percent decrease in its patient population. Unlike other clinics, they continue to operate the same amount of clinic hours but now require the services of only one physician instead of two. They also continue to offer two full time, in-person Assistors to educate those now eligible for insurance. While their patient numbers have decreased dramatically, HHC is confident that their services will continue to be needed. They know that people will continue to experience gaps in the health care system. This includes some individuals who will go through periods of transition between insurance carriers and some who require care outside of traditional settings.

Patients who have become eligible for the Private Option often want to continue their relationship with HHC despite now having insurance coverage. HHC continues to act as a care connector and educator instead of direct care provider. Conversely, the demand for other services provided by

HHC continues to grow. The demand for their dental care exceeds their supply of trained volunteers, creating a desire to be able to expand those services.

Jonesboro Church Health Center

Since 1992, Jonesboro Church Health Center (JCHC) has been open five days per week offering preventive and acute services to the uninsured population in Jonesboro, Arkansas. JCHC continuously saw an increase in the number of patients served, reaching capacity with 5,463 individuals in 2013. The center operates mainly through the Arkansas Department of Health Charitable Clinics Grant Program,[12] a large annual fundraiser, and several individual and faith-based donations. They also traditionally charged a flat $15 office visit fee to help ensure patients kept appointments.

Since the beginning of 2014, JCHC has seen approximately 100 fewer patients each month. This has caused a decrease in revenue for the clinic that they are temporarily managing through reserves. JCHC will look to its Board of Directors to determine if any operational changes are needed should this decreasing trend continue. The patients that are still seen at JCHC have reported a mixture of issues such as not being eligible for new insurance programs, or the plans offered still being too expensive. Access to primary care physicians in the local area is another large issue; many patients have returned to JCHC saying that their new insurance was not accepted, or they could not get an appointment without an extended waiting time, often causing care gaps for very ill patients.

CONCLUSION

A year after Arkansas experienced an increase in its number of covered lives, many of the state's community and faith-based clinics have adjusted to decreases in demand. However, a new challenge for these groups may be just around the corner. The potential for the Arkansas Health Care Independence Act to be repealed or unfunded looms on the horizon, causing the clinics to question whether to expect a sudden increase in demand after having changed operations. Those clinics that now accept different insurance carriers face the challenge of decreased demand for primary care services and an increased demand for specialty care such as behavioral health, dentistry, and vision care. An interesting facet of these challenges is that the mission of these clinics is to serve those in greatest need and most clinics are not disappointed to see the need met by more comprehensive and integrated providers.

The majority of charitable clinics who shared experiences reported a dramatic decrease in the number of uninsured walking through their doors seeking care. This has mainly affected demand, but also revenue, as programs aimed to benefit the uninsured are being eliminated. Yet the attitude of several operational managers is positive; they are glad to be losing patients if that means patients are receiving more comprehensive care elsewhere. They know that their previous patients are better served by a traditional primary care setting and are grateful so many of them now have access to health coverage, and through that, direct access to care.

It is unlikely that safety net providers will completely cease to be in demand due to the needs of undocumented, transient, and economically sensitive populations, even if the HCIP continues. The efforts to increase the number of Arkansans who are covered by affordable health insurance have been successful in many ways, as demonstrated by the decrease seen in many strictly charitable clinics. More work is needed to strengthen the network of providers in disparate areas as well as to educate the newly eligible about the options available to them. In order for safety net providers to continue to be successful, they will need to identify funding streams for the changing services that are being demanded of them.

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