



# ***Safety Net Providers After Health Reform: Lessons from Massachusetts***

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# ***Dual Systems for Health Care Subsidies***

- Insurance for patients – Medicaid, CHIP, etc.
- Provider grants/subsidies – FQHCs, DSH, etc.
- Affordable Care Act (ACA) greatly expands health insurance. Increases FQHC funding, but cuts DSH.
- **When insurance expands, what is the role of the safety net?**
- Many assume patients will shift to other providers. No further need to support safety net.

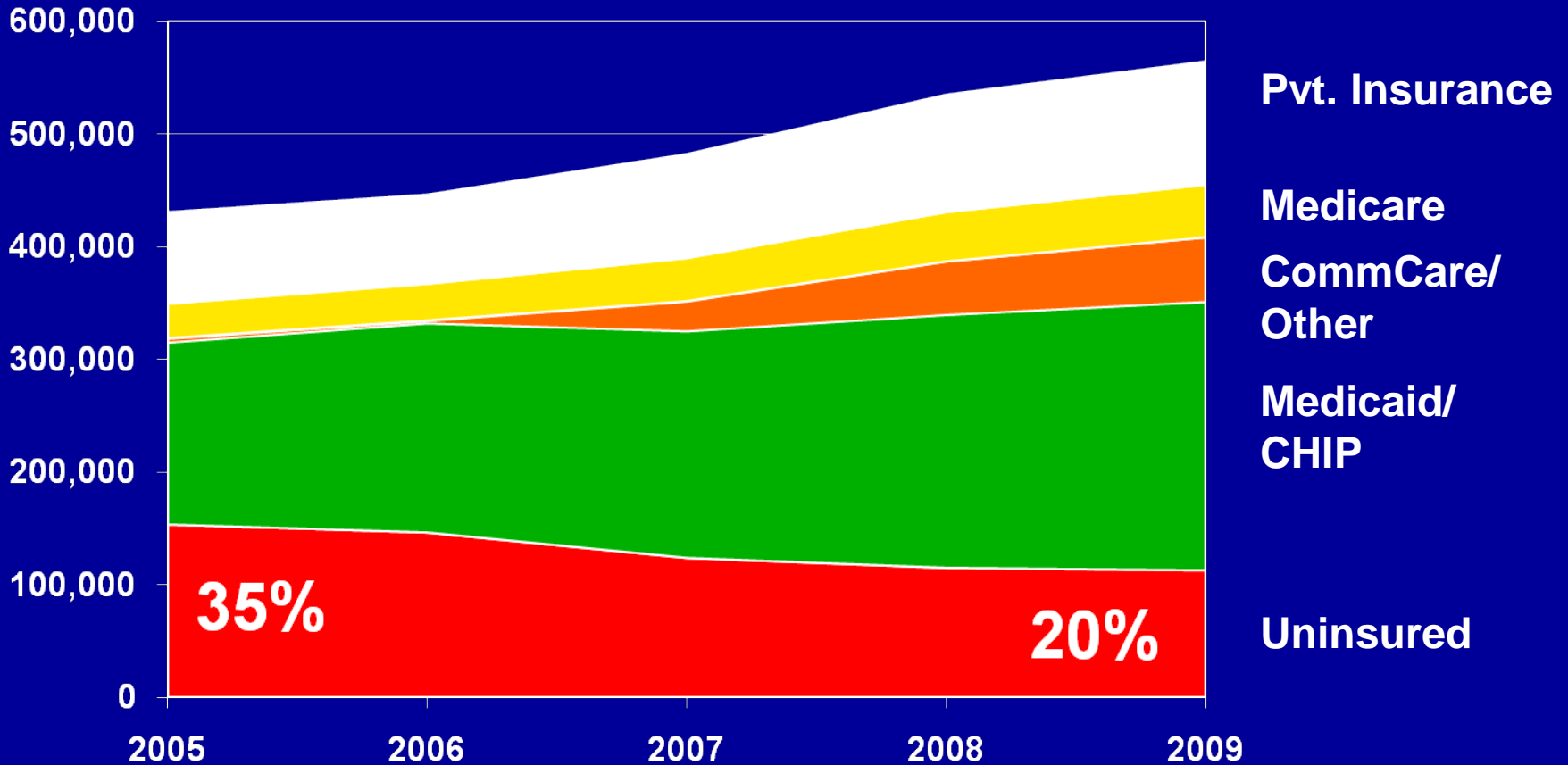
## ***Chapter 58 – the MA Health Reform Law***

- In Massachusetts, Chapter 58 enacted in 2006. Similar to ACA. Increases in Medicaid, Commonwealth Care, health insurance exchange, individual insurance mandate.
- Insurance coverage expanded. For non-elderly adults, insurance coverage rose from 87.5% in 2006 to 95.2% by 2009. (Numbers differ by source, but trends are consistent). Access to care improved.
- Well documented by MA Health Reform Surveys (Sharon Long)

## ***Mixed Methods***

- Follow-up on earlier study of FQHCs
- Administrative Data about Caseloads and Finances
  - Uniform Data System for FQHCs, 2005-9
  - Hospital Administrative Reports to State, 2006-9
- 2009 Massachusetts Health Reform Survey
  - Phone survey of 3041 nonelderly adults. Part of 2006-9 series.
- Case study site visits to Boston, Springfield, Fall River and Pittsfield, MA. Interviewed CHC, hospital staff, local experts. Conducted focus groups. IRB approved.

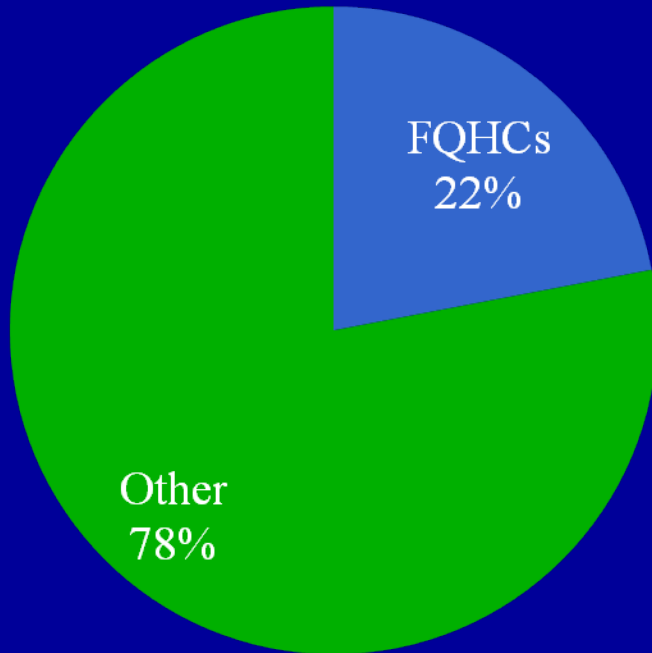
# Massachusetts CHC Caseloads. 31% Growth from 2005 to 2009.



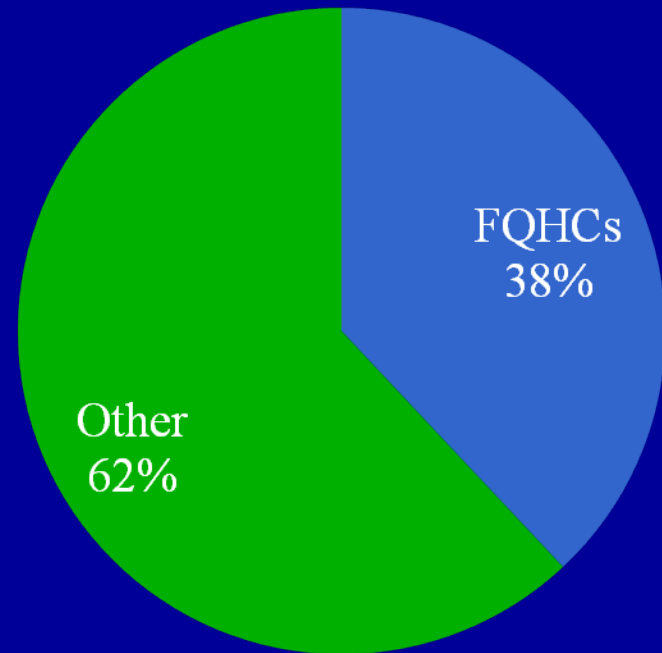
Source: UDS data

# *% of State Uninsured Residents Receiving Care at FQHCs*

**2006**



**2009**



## ***Changes in FQHC Funding***

- Medicaid and other insurance sources grew rapidly.
- Grant funding, esp. state grants, grew less. Became lower share of total revenue.
  - Also gained federal economic recovery funds
- Total revenue per patient grew 6.3%/yr from 2005-9, but total costs grew 6.4%/yr .
- FQHCs had some additional costs to grow and to compete for clinical staff.

## **Massachusetts Hospital Utilization, 2006-9** **(in 1000s)**

Safety net = 20%+ revenue Medicaid, CommCare, HSN	<b>2006</b>	<b>2009</b>	<b>Change</b>
<b>Inpatient Admissions</b>			
Safety Net Hospitals (17)	248	253	<b>+2%</b>
Not Safety Net (48)	596	609	<b>+ 2%</b>
<b>Non-ER Ambulatory Visits</b>			
Safety Net Hospitals (17)	4633	5060	<b>+9%</b>
Not Safety Net (48)	6350	6613	<b>+4%</b>



# Health Care Utilization of Safety Net vs Other Adults, 2009

	All Low-income Adults	Low-income Safety Net Pt
<b>Health Insurance Coverage</b>		
Employer Sponsored Insurance	40%*	24%
Public insurance	51%*	67%
Uninsured	9%	9%
<b>Health Utilization</b>		
Any general physician visit	84%	82%
Preventive care visit	75%	75%
Any specialist visit	49%	51%
Any dental visit	61%	59%
Any emergency dept visits	46%*	62%
Most recent ED visit for nonemergency reason	22%*	33%

# *Reasons for Using Safety Net Provider*

<b>Reason</b>	<b>Percent</b>
Convenient	79%
Affordable	74%
Available of Other Services	52%
Problem Getting Appointment Elsewhere	25%
Staff Able to Speak Patient's Primary Language	8%

Source: 2009 MA Health Reform Survey

## ***Conclusions***

- Despite major reductions in uninsured following health reform, demand for care at safety net stayed strong, especially ambulatory care
- Newly insured patients continue to go to safety net providers. Not because they are their last choice, but because they appreciate the services received.
- Need to continue policies and resources that help safety net providers
- Safety net providers need to make sure they offer services patients want in a more competitive environment.

# ***Acknowledgment***

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