



YES YOU CAN
COVERING
YOUR COMMUNITY'S
ADULT UNINSURED

JANUARY 2009

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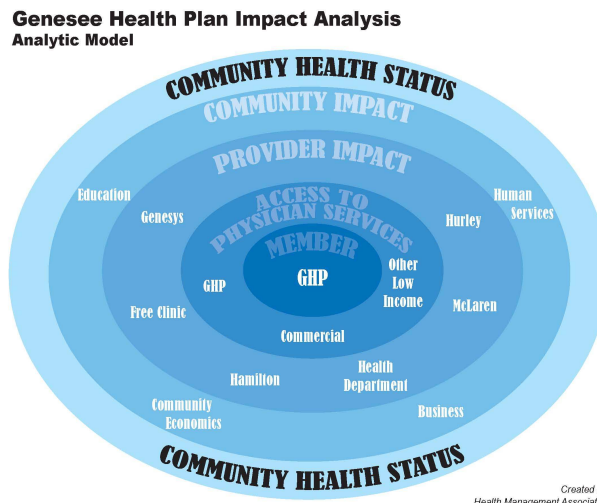
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FOREWORD

The Genesee Health Plan was founded on the assumption that providing low-income, uninsured adults with access to primary care, prescription drugs and medical specialty services would bring the following benefits to the community:

- Treatment of acute and chronic health conditions among members.
- Reduction in use of emergency room services by members for non-emergent or avoidable conditions.
- Reduction in avoidable inpatient hospitalizations among members.
- Increased health among members, allowing more robust participation in employment and educational endeavors.
- Increased overall health of the community at large.
- Benefits to employers and the labor force through healthier workforce and perhaps an increase in health care jobs.

The C. S. Mott Foundation, Ruth Mott Foundation, and Community Foundation of Greater Flint jointly engaged Health Management Associates (HMA) to design and conduct a three-year impact analysis to assess whether the assumptions have proven to be true, and to identify any barriers or unanticipated consequences which may arise as the Genesee Health Plan (GHP) continues toward its goal of covering 90% of the County's uninsured adults with incomes under 200% of the Federal Poverty Level (FPL). The analysis was based on the model illustrated below. This paper is based on the results of the impact analysis.



INTRODUCTION

This is the story of how one county in Michigan found the methods, means, and political will to take ownership of its uninsured low-income adults and provide them with affordable, effective, high quality medical care.

Genesee County's leaders believed in the value of covering adult uninsured. Many partners were involved in the modest beginning of the Genesee Health Plan. As membership in the Genesee Health Plan (GHP) grew, it made significant investments in its infrastructure to assure that growth could continue. Programs and partnerships were targeted at the unique challenges of the adult uninsured. Confidence in the GHP grew, and members joined in large numbers, largely because word of mouth recommendations. By 2007, county residents believed in the value of the GHP and passed a landmark property tax millage that will support the program with \$80.5 million through 2013. Remarkably, Genesee County's story takes place over a period of sustained economic downturn.

This experience shows that communities, even those suffering with unusually adverse conditions, should not assume that covering their uninsured is beyond them. They should also realize that some of the supposed barriers to progress may be little more than myth.

This paper tells the GHP's story of GHP's development, impact and sustainability, and highlights tips and suggestions for consideration by communities interested in covering the adult uninsured. A companion document, *Genesee Health Plan Impact Analysis: Data and Interpretation*, contains detailed data illustrating GHP's impact on its members, the health care sector and the community at large.

Key Lessons For All Communities

- Any community, even if poorly resourced, can afford to provide sustainable, basic medical and pharmacy services to low-income uninsured adults.
- A significant majority of community residents will recognize the value of this coverage and be willing to pay for it.
- Covering the adult uninsured stabilizes the community in many ways, including its public and private health care systems, economics, workforce, and more.
- The experience of this achievement builds confidence within the community and empowers it to take on other complex challenges.

BACKGROUND

Genesee County, Michigan is home to 436,141 residents, the city of Flint and major General Motors plants and associated industry. The county is heavily unionized, and GM employees have a history of extremely rich health benefits and some of the nation's highest health costs. Genesee County has suffered economic losses in tandem with the auto industry since the 1970s. Today unemployment is among the highest in the nation. One-quarter of the county's children live below the federal poverty level, as do 14% of adults. Disparities in income and health care are wide.

In 2001, forward-thinking leaders in Genesee County, Michigan, saw that a federal response to increasing numbers of uninsured was not forthcoming and decided to act locally. They began a limited-benefit health care coverage program for low-income uninsured adults. With help from the philanthropic community and many state and community partners, the program developed the infrastructure necessary to expand the program to cover up to 38,000 adults, or 90% of uninsured adults with incomes below 200% of the Federal Poverty Level (FPL). Today the Genesee Health Plan covers 25,000 adults, providing each with a stable medical home for primary care, access to physician specialty services, lab and radiology, prescription drugs, and limited hospital services.

HOW COMMUNITY-BASED COVERAGE GREW

Build on Existing Opportunities

While a unique scenario in Michigan was the genesis of the GHP, its features can be replicated elsewhere. In 1987, Wayne County, Michigan's largest county, combined its resources with the state's, creating a managed care plan for very low-income non-disabled, for whom there was no Medicaid coverage. The population had previously been covered by the state's program for the medically indigent, though not all states cover that population. Building on success in Wayne County, Michigan was subsequently granted an SCHIP waiver to cover the medically indigent population statewide. The state provided grants of \$50,000 each to interested counties to seed and develop county-based not-for-profit organizations that would enroll, manage and provide medical homes for the medically indigent. Funding came from Michigan's tobacco settlement. The state then provided capitated reimbursement for covered services defined by the state. The coverage became known as "Plan A."

Counties with these waiver-financed health plans were free to use the infrastructure for enrollment, management, and claims payment to also cover additional low-income adults, so long as the counties secured their own funds for the non-indigent. Leveraging this infrastructure assured lower costs for start-up and initial operation of expanded coverage. Counties could identify their own eligibility criteria and benefits for low-income populations. The coverage plans became known as "Plan B."

Today 24 county health plans operate in Michigan, covering 72 of the state's 83 counties. Most use the infrastructure seeded by the state and cover the medically indigent *and* low-income adult uninsured, through various models of care.

Genesee County began its health plan in late 2001, incorporating the Genesee Health Plan as a non-profit, with a board of directors comprised of stakeholders in local government, public health, all the local hospitals, the medical community, and human services. The plan covered a small number of medically indigent residents. Expanded coverage for adults with incomes up to 175% of FPL began slowly in late 2001.

Counties that started "Adult Benefit Waiver" health plans were free to use the enrollment, management and claims payment infrastructure to cover additional low-income adults, so long as the counties secured their own funds for services. Leveraging this infrastructure assured lower costs for start-up and initial operation of expanded coverage.

Design the Model

Early in GHP's development, county leaders agreed on key concepts that would guide the plan's growth. These included:

- A large, contracted provider network that would engage all of the county's hospitals and medical providers. The same providers that care for the county's insured residents would see GHP members.
- Assignment to a Primary Care Medical Home, with referral requirements for specialty care.
- A limited benefit package for the low-income members, covering primary and specialty medical care, prescription drugs under a generic formulary, and diagnostic services.
- Careful coordination with other available services in order to avoid duplication.
- A managed care approach with a primary care medical home for all members.
- Case management and disease management targeted to the special needs of low-income adults, which includes supporting physicians to provide consistent disease management processes.
- Fee-for-service payment at enhanced Medicaid rates.

A Primary Care Medical Home is fundamental to GHP's plan.

Key Lessons For All Communities

Any community embarking on a coverage plan should explicitly determine the level of benefits, the desired provider model, and reimbursement that will be sustainable in its environment. For example, a community may prefer a model in which physicians provide care on a volunteer basis rather than capitation or fee-for-service reimbursement.

Set The Goal: Cover All Low-Income Adults

The GHP's stakeholders held common beliefs about covering low-income adults, including:

- Prevention and early treatment of disease is valuable to everyone .
- An effective medical home reduces the use of unnecessary emergency room and other high-cost hospital services.
- A medical home and access to high quality, affordable health care makes economic sense.
- Covering adult uninsured benefits the individuals and the community at large.
- Given the absence of federal action, communities could and should cover their uninsured.

Leaders developed a plan to use the infrastructure enabled by the state waiver to expand coverage to all uninsured adults with incomes at or under 200% of FPL. The plan would grow over several years, during which the necessary infrastructure and capacity would be built.

Expand Capacity and Infrastructure

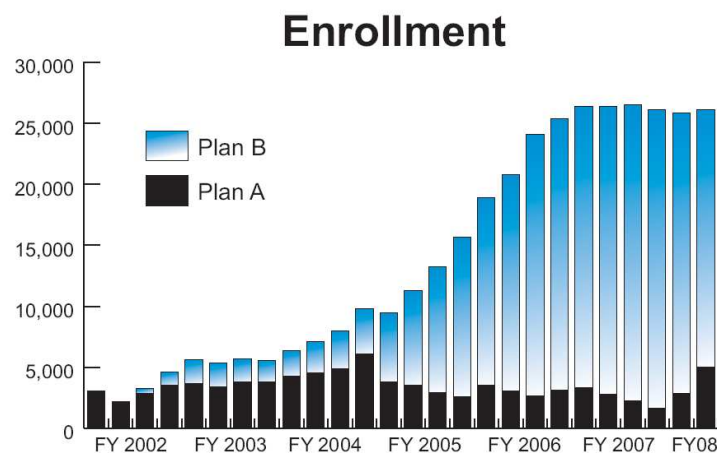
Genesee County's philanthropic foundations agreed to support the infrastructure development necessary to meet GHP's goal. Foundation grants enabled all of the following.

- A Provider Cultural Sensitivity Program, which prepared the community's physicians accustomed to patients employed by the auto industry and with generous benefits to better deal with low-income, previously uninsured adults.
- Development of Disease Management and Care Management programs targeted at the special needs of low-income adults.
- Infrastructure expansion for enrollment, claims payment, and data collection and reporting.
- Outreach targeted at the desired population.
- Research for long-term sustainability.

Low-income previously uninsured adults can challenge providers. Many patients in the population need support in learning to effectively use primary care and many providers need support in addressing complex psychosocial and economic issues of these patients. Providers and members must receive education and support.

Expand the Membership

Figure 1: GHP Enrollment History



Rapid expansion of coverage of low-income adults began in 2005, once the necessary infrastructure and capacity needs had been met. Figure 1 illustrates the plan's growth through 2008.

GHP's goal is to expand membership to 38,000, which will essentially cover 90% of the county's uninsured adults with incomes at or below 200% of FPL. This goal represents 14.2% of the county's non-elderly adults.

Measure the Impact and Modify Where Necessary

Genesee County's three largest foundations joined together to fund a three-year analysis of the impact of the GHP on the community. It was designed to measure whether the assumptions

behind the GHP proved to be true, and to identify changes to enhance the plan's impact before the final enrollment expansion.

Develop Strong, Committed Leadership

GHP has developed a Board of Directors who are very committed to its success and who represent key patient, provider, and political stakeholders. Board members have a deep understanding of GHP and are willing set aside their own organizational interests to act on behalf of the plan.

Build Community Support

Throughout GHP's tenure the local media has provided exceptional coverage of the plan's impact on its members and highlighted how the GHP helps families weather periods of unemployment. GHP also provided periodic press releases and press conferences to illustrate its successes and the numerous partnerships that were supporting GHP members. Key messages to the public included:

- The value GHP provides to members in managing chronic illness, maintaining employment, and preventing the use of emergency rooms.
- The cost-effectiveness of the plan.
- The benefit of GHP payments to doctors and clinics covering the uninsured.
- The success of the GHP model in covering the uninsured.

GHP'S COVERAGE PLANS

GHP's Plan A covers the medically indigent, defined as people with incomes less than 35% of FPL. The members are often mentally ill, homeless, and have many chronic illnesses. Plan A benefits are determined by the state, and the state makes capitated payments to GHP for covered services. Coverage includes prescription drugs under a formulary similar to Michigan Medicaid's, primary and specialty physician services, outpatient laboratory and radiology services, and emergency room visits. Inpatient hospital services are not covered by Plan A.

GHP's Plan B currently covers non-elderly low-income adults with incomes less than 175% of FPL. Persons eligible for this program have no other health coverage and are not eligible for Medicaid or other public programs. This group is comprised of the "working poor" (low-wage individuals who don't qualify for, can't afford, or aren't offered employer-sponsored health care benefits) or low-income unemployed people. Plan B benefits include an array of limited ambulatory benefits including primary care and specialty physician visits, outpatient laboratory and radiology services, and prescription drug coverage (based on a very limited, generic formulary). While there are no premiums or enrollment fees, copayments are required for some services, i.e., physician visits and prescriptions. GHP does not cover emergency room visits or inpatient hospitalizations under Plan B.

Women who become pregnant are eligible for Medicaid and are transferred in order to maximize the impact of all available funds.

THE DIRECT IMPACT OF THE GENESEE HEALTH PLAN

Impact on the Community at Large

Quality of Care Across the Community

The Institute of Medicine's 2003 report "A Shared Destiny: Community Effects of Uninsurance"¹ established the relationship between a high level of uninsurance and a community's health care system and economics. Where high uninsurance levels are covered by charity care without government subsidies, access to care may be reduced, providers receive lower revenue relative to cost, and cost-shifting to the insured population occurs at the expense of employers and insured consumers. Where subsidies or other revenue can address high uninsurance levels, the insured might not be adversely affected in these ways. In Genesee County, payments from GHP have offset charity care expenses and provided a steady flow of revenue to the health care safety net and to physicians across the community. Payments have flowed since 2004 and will continue through at least 2014. These funds have clearly stabilized the community's health care economy and reduced cost shifting to a considerable degree.

More recent research has documented important non-economic spillover effects in communities with large numbers of uninsured.² Authors Pauly and Pagan cite the risk to the quality of a community's health care system when markets are segmented into two groups—the uninsured who have a lower demand for service and quality, and the insured whose demand for service and quality is higher. Even where subsidies are available to cover the uninsured costs, the community-wide quality of care suffers when this segmentation occurs. Conversely, when the uninsured and the insured access the same medical providers, the quality of and access to community's primary and specialty care is strengthened for everyone.

Figure 2: GHP and Commercially Insured Use of Services

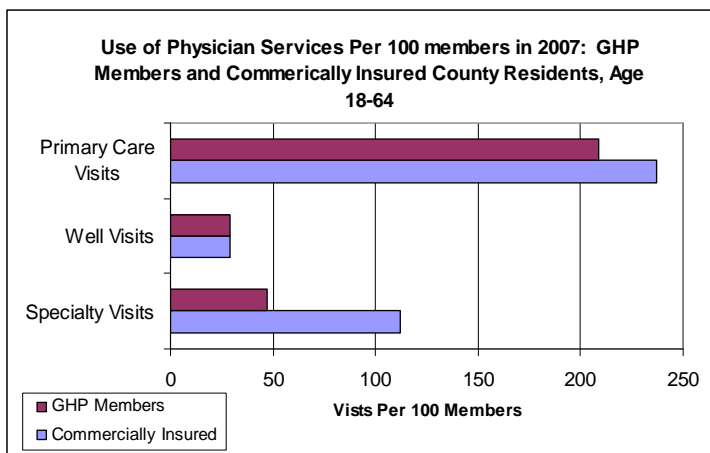


Figure 2 illustrates that GHP members generate nearly the same level of demand for primary care and well visits as the county's commercially insured of the same age. Specialty services are used less by GHP members, likely because of the level of managed care employed by the plan compared to the commercial carriers.

¹ Institute of Medicine, *A Shared Destiny: Community Effects of Uninsurance* (Washington National Academies Press, 2003).

² M. V. Pauly and J. A. Pagan, "Spillovers and Vulnerability: The Case of Community Uninsurance," *Health Affairs* Volume 26, no. 5 (2007): 1304-1314.

GHP has carefully structured its provider network to include all the county's hospital systems and nearly all primary care and specialty groups. In focus groups conducted as part of this analysis, members reported little or no perceptions of provider bias toward them and believe they receive the same quality of care as the insured.

According to the research, then, Genesee County's health care access and quality have been bolstered by the presence and expansion of the GHP, to the advantage of all.

Key Lessons For All Communities
Blending adult uninsured into the community's primary service networks can enhance the quality of care across settings and stabilize the healthcare infrastructure.

Community Collaboration to Close Gaps in Care

GHP's growth in membership and in community influence has served to highlight gaps in care and to bring together diverse stakeholders to effectively address gaps in care. Collaboration of this degree, complexity, and effectiveness in Genesee County is rare, and it can be directly attributed to GHP. Examples include:

- A new limited outpatient mental health benefit for persons not eligible for public mental health programs.
- Location of a human services worker on site at GHP to screen applicants, existing members, and their children for Medicaid eligibility and assist with Medicaid applications.
- Piloting a limited physical therapy benefit through a nurse-managed primary care clinic.
- A new limited dental benefit is under development.
- A community-wide consortium addressing access to psychotropic drugs, substance abuse treatment, urgent needs, and other coverage gaps.

Key Lessons For All Communities
Local partnerships can be strengthened to very effectively address gaps in coverage and maximize the community's resources.

Impact on Genesee Health Plan Members

Medical Services

GHP has provided enormous benefit to its members by giving them access to a primary care home, specialists, and prescription drugs. Trends in utilization indicate that members learn to use primary care and prescription services in predictable patterns that mirror the insured population.

Health Status

In focus groups conducted during this analysis, all GHP members in every group reported that membership had improved their health status, either by stabilizing a chronic condition or by diagnosing and treating a new condition.

GHP and Genesys Health System partnered to develop an innovative and effective Disease Management Program

Since it began, GHP has:

- *Served more than 55,600 individuals.*
- *Covered more than 200,000 primary care visits*
- *Covered more than 33,000 medical specialty visits*
- *Filled over one million prescriptions*

tailored to low-income adults and focused on life style changes. The program targets high-risk individuals, teaches self-management and life-style skills, and integrates with primary care. About 6,000 members have received personal interventions to help them self-manage chronic conditions like diabetes, asthma, and chronic pain. More than 500 members have received intensive personalized disease management interventions.

Acute and preventive primary care and management of chronic illness provided by GHP contribute to the community's overall health status

Figure 3: Improvements in Health Risk Behaviors

Health Risk	Baseline	Improvement at 6 months	
	Number	Number	Percent
Did not have regular physical activity	481	254	53%
Did not eat adequate fruit and vegetables	540	310	57%
Did not regularly choose low-fat foods	470	255	54%
Smoke cigarettes	368	55	15%

Figures 3 and 4 illustrate the positive outcomes of the GHP Disease Management Program

Figure 4: Improvement in Diabetes Self-Management

	Compliance	
	Baseline	6 months
Checks blood sugar regularly	50%	77%
Checks feet daily	64%	89%
Attended formal diabetes education	39%	66%
Eye exam within past year	41%	66%

Prevention is key in GHP's primary care model. The plan has provided nearly 8,000 mammograms to low-income women through primary care. Prostate cancer and colon cancer screenings are also provided.

Communicable diseases are also managed within the primary care model. For example, more than 5,000 screening tests for sexually transmitted diseases have been conducted.

GHP and Genesee County Community Mental Health partnered to offer a limited mental health benefit to GHP members who do not qualify for public mental health programs. Up to 700 GHP members a year may receive up to 20 outpatient mental health visits annually, at a cost of \$3.00 per visit. Conditions include anxiety, depression, bipolar disorder, and other conditions not covered by the public mental health system.

Quality of Life

All the GHP members in every focus group reported that membership in GHP significantly lowered stress levels in their lives. A strong theme in the focus groups and among members interviewed by the press, by the plan, or otherwise, is this: GHP membership provides profound peace of mind. Members can continue to work or return to work or school once their conditions are treated, and they can sleep at night knowing that they have a source for care, whether for strep throat, a broken bone, or a chronic illness.

Members with chronic conditions, especially involving pain, reported a generally higher quality of life.

Also, most members reported they were able to find or sustain a job or attend school since joining GHP and receiving treatment.

A recent survey of a random sample of low-wage workers across the county found the following:³

- 74% find it harder to find health care now than a few years ago.
- 72% feel the government should place a high priority on helping low wage workers obtain health insurance.
- 65 % report it is somewhat or very difficult to afford health insurance.
- 51% postponed medical or dental care due to the cost.
- 56% would choose a job with lower pay but better health insurance, while 39% would choose better pay with no health insurance.
- 43% report feeling afraid of and 64% feel frustrated by their financial situations.

GHP has mitigated most of these concerns for its members, and the subsequent enhancement to members' quality of life has been significant..

Impact on Insured Residents of the County

As noted above, research supports the expectation that GHP payments to community providers would stabilize access to primary and specialty care for all county residents. The quality of services has also likely been enhanced for all, benefiting the insured population. Analysis of the commercially insured Genesee County residents' use of services during the study period does not indicate changes in access to primary or specialty services. In fact, physician capacity has increased during the study period. Primary Care physicians per 1,000 people in Genesee County increased by a net 24% (50 new providers) during the three years, and specialty physicians/surgeons per 1,000 increased a net of 56% (140 new providers).⁴

Impact on the Health Care Safety Net

Several safety net entities in Genesee County provide considerable service to the low-income uninsured. Each has experienced a different impact from the growth of the GHP. In general, however, the entire safety net has benefited from the ability to better coordinate services and resources and to plan for the impact of continued growth at each safety net organization.

Genesee County Free Medical Clinic

The Genesee County Free Medical Clinic has seen a reduction in new patients as GHP has grown. The Clinic's demand dropped below capacity during 2006, though 2007 brought more patients as the economy worsened. The Free Medical Clinic and GHP have established a new relationship:

³ The Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers, Henry J. Kaiser Foundation August 2008.

⁴ U.S. Bureau of Labor Statistics, *Occupational Wages and Employment*, May 2007.

for patients waiting to enroll in GHP but who have urgent needs, GHP will provide a prescription-only level of coverage, and the Free Medical Clinic will see patients for urgent medical needs until GHP enrollment is effective. This has closed a significant gap in the safety net, maximized the resources of both organizations, and reduced emergency room use. Also, the Free Clinic has raised the income threshold for eligibility to 250% of FPL to capture additional adults who do not qualify for GHP.

Key Lessons For All Communities

If an FQHC is in the community, the coverage plan must carefully coordinate with the FQHC to ensure the FQHC payor mix remains balanced to maximize full-cost reimbursement.

Genesee County Health Department

The Genesee County Health Department (GCHD) has benefited from the GHP's growth in several ways. The demand for sexually transmitted disease diagnosis and treatment at GCHD has declined as members seek those services through primary care. Through 2007, this freed about \$340,000 of GCHD funds for other uses in addressing the public's health.

GHP has also reduced the demand for GCHD's breast cancer screening mammography program. Since it began, GHP has provided screening mammograms for nearly 8,000 women, many of whom would have qualified for GCHD services. This has enabled more low-income women to receive this important screening and provided a new opportunity for the GHP and GCHD to collaborate and better integrate their services and resources, to the benefit of all.

The County's Federally Qualified Health Center

As a Federally Qualified Health Center (FQHC), Hamilton Community Health Center (HCHN) receives an annual federal subsidy to care for the uninsured. FQHCs also receive cost-based reimbursement for serving Medicaid and Medicaid HMO patients, which is a financial incentive to see Medicaid patients. GHP has had a major impact on HCHN. Since GHP began, many of HCHN's patients have become GHP members, which has brought significant new revenue to HCHN in payment for primary care and has also offset HCHN's cost for prescription drugs, which are now paid for by GHP. GHP has paid more than \$2 million to Hamilton for its members' services.

Key Lessons For All Communities

Covered services must be carefully coordinated with all safety net providers to avoid duplication and to maximize the use of all resources available within the community

The influx of GHP members also created new demand at Hamilton for mental health and dental services, which are not GHP benefits. The demand has drawn community attention and created opportunities for Hamilton to divert some of its resources to expanded dental services, which are vital to the community.

The County's Hospital Systems

Genesee County's health systems provide lab, diagnostic, emergency, inpatient, and outpatient surgical service to GHP members. Payment is made for lab, radiology, and Plan A emergency room services; the remaining emergency room, inpatient, and outpatient surgical services are delivered without payment. The health systems have expected that providing the uninsured with medical homes and prescription drugs would substantively reduce unnecessary emergency room and inpatient services. Each has contributed data and worked collaboratively to interpret the data. The findings are summarized as follows:

Emergency Room Use

- Annual emergency room use per 100 GHP members has dropped by more than 50% since 2004, though it is still nearly double the rate of the local commercially insured population.
- About 315 of GHP's members made four or more ER visits in 2007, including 50 who had nine or more ER visits in the year.
- ER visits by GHP members assigned to the FQHC account for a disproportionate share of visits at all hospitals, compared to other primary care locations.
- Had GHP members used the emergency room at the same rate in 2006 and 2007 as they had in 2005, there would have been about 3,000 additional emergency room visits, at a cost of more than \$1.5 million.

Inpatient Admissions

- Annual inpatient admissions are less than half the rate of the commercially insured population.
- Had GHP members used inpatient hospital services at the same rate in 2007 as they had in 2006, there would have been about 175 additional inpatient admissions at a cost of more than \$1 million.

Outpatient Surgery

- The number of outpatient surgeries in 2007 was higher by 61% (360 cases) than in 2006.
- Surgical procedures included hernia repair, carpal tunnel and others, which may warrant assessment of appropriateness of uncompensated care for procedures that may be elective.

Lab and Radiology

- Between 2004 and 2007, lab and radiology services per 100 GHP members have decreased by 30 and 36% respectively.

Hospital Cost

- GHP made more than \$3.1 million in payments to the health systems in 2007, in fee-for-service payments for covered services and lump-sum payments to subsidize a portion of uncompensated, non-covered services. Health system uncompensated costs for GHP services totaled \$16.9 million.
- Uncompensated cost for services to GHP members accounted for 1.7% of total hospital costs in 2007.

Key Lessons For All Communities

- Hospital systems can be willing partners in providing some hospital services with low or even no reimbursement, so long as effective and accessible primary care, specialty care and prescription drugs are covered.
- Tracking of hospital utilization is crucial to quantify unreimbursed care, reduction in emergency room use, and other issues.
- Hospitals are more likely to support a coverage plan if all the hospitals within the community are involved and data are shared about the relative use among them.

Hospital financial leaders agree that the primary care and prescription drugs provided by GHP have reduced unnecessary and uncompensated emergency room use and have likely reduced preventable and uncompensated inpatient care. In this regard, their support for GHP is unwavering. There is concern, though, that uncompensated elective surgical procedures may be offsetting some of the hospitals' benefit from GHP and that high-users of emergency room services are not optimally managed. In response, GHP is initiating a comprehensive ER management initiative in early 2009.

Equity in the distribution of GHP members across hospital systems is extremely important to the community, since hospitals are providing considerable amounts of care without reimbursement. Because primary care physicians (PCPs) drive the use of specialty and hospital services and are largely affiliated with a single hospital system, it is crucial to monitor the distribution of members across PCPs and thereby across each hospital.

These data and the process to produce them have provided the health systems with information useful for planning, budgeting, and holding dialogues with stakeholders about emergency room use and other access issues.

Impact on the Private Physician Community

Since 2003, GHP has made nearly \$10 million in payments for primary care service to 345 private primary care provider groups (those not affiliated with the FQHC). PCPs are paid Medicaid rates plus 14%. During the same period, physician specialists in Genesee County received just over \$19 million in direct payments, made at Medicaid rates plus 4%. As noted earlier, spreading this revenue across the provider community enhances the financial status of private practitioners and increases the community-wide quality of care they provide to all of their patients.

THE INDIRECT IMPACT OF THE GENESEE HEALTH PLAN

Impact on Community Economics

New Income for Staff, Providers

Since its inception, GHP has injected \$73 million into the local economy in wages, business expenses, and payments to providers. Figure 5 illustrates GHP expenditures. Nearly all of the corresponding revenue would not have come into the community without GHP, and much of the revenue was new funds.

Figure 5: GHP's Economic Impact

Genesee Health Plan's Economic Value to the County						
Annual Expenditures 2002 - 2007						
2002	2003	2004	2005	2006	2007	Total
\$3,983,092	\$7,266,664	\$8,845,736	\$12,108,522	\$16,944,809	\$23,800,000	\$72,948,823

Over seven years of the Genesee County's Health Care Millage, \$80 million will be spent on wages, business expenses, and provider payments. Clearly GHP is a substantive economic partner in the county.

New Revenue from Expanded Health Care Workforce

The current GHP membership of 25,000 created the need for between 12 and 15 full time PCPs in Genesee County⁵. This, in turn, would create a need for a minimum of 12 to 15 full-time additional direct care workers (nurses, medical assistants). Further, according to the "The Economic Impact of Health Care in Michigan"⁶ each full-time direct health care worker in Genesee County induces one half-time indirect worker, creating six to eight more full-time equivalent positions. Using the average direct and indirect healthcare workforce salaries reported for Genesee County in the study, in the aggregate these workers earn \$1.5 million to \$2 million a year. Their income is spent locally on housing, food, transportation, etc., which adds to the income multiplier effects. This income is also taxed for local purposes, creating new local government revenues.

While an unknown portion of the healthcare workforce requirements generated by GHP has clearly been absorbed by existing capacity, the healthcare workforce in the county has increased in actual numbers, and the GHP can certainly be assumed to contribute to the growth. Between 2005 and 2007, the number of PCPs increased by 50, which represents about a 25% increase in the physician-to-population ratio.

Impact on Employers and Employees

As discussed above, the GHP has reduced uncompensated emergency room visits, inpatient admissions, and physician services. As a result, county employers and employees have experienced less cost shifting and, presumably, less increase in health insurance expense for premiums and copayments.

Impact on Uninsured Children

During enrollment of new members, GHP uses assertive strategies to identify family members eligible for other coverage programs. Using U.S. Census Bureau estimates of the uninsured in 2005, Genesee County had 4,000 uninsured children age 0 to 19. Using Genesee County's enrollment of children in Medicaid and MICHild in December 2005 as a starting point, it appears that by December 2007 enrollment in Medicaid and MICHild had covered an additional 1,019 children in the county, thereby reducing the proportion of uninsured children by 25.5%. During the same period, the statewide reduction of uninsured children through Medicaid and MICHild was just 11.1%. Figure 6 illustrates this calculation.

Key Lessons For All Communities

Covering the uninsured brings economic benefit to the community by increasing and stabilizing the healthcare workforce, reducing cost shifting to employers, and increasing the enrollment of children into health programs.

⁵ Calculated using the benchmark ratios of PCPs to medically underserved from the federal government and Cook County, Illinois, and the annual number of annual PCP visits by GHP members.

⁶ *The Economic Impact of Health Care in Michigan, Fourth Edition*, presented by the Michigan Health & Hospital Association, Michigan State Medical Society, and Michigan Osteopathic Association. June 2008

Figure 6: Reducing the Number of Uninsured Children

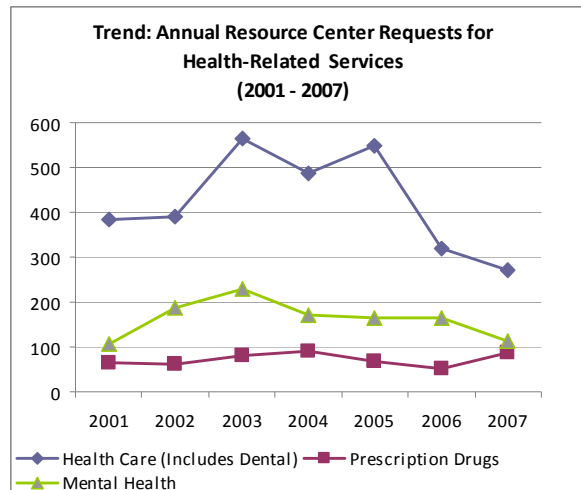
	Estimated Number Uninsured Children (Age 0-19) in 2004	Combined Enrollment, Medicaid and MICHild		Penetration of Government Coverage Into Population Uninsured in 2005	
		2005	Dec-05	Dec-07	Number
Genesee County	4,000	48,538	49,557	1,019	25.5%
Michigan	94,074	407,384	417,857	10,473	11.1%

There are a number of uncertainties and estimates in these calculations, and they do not address any movement of uninsured children into commercial coverage. Nonetheless, it appears that GHP has had a positive impact on enrolling the county's uninsured children in coverage programs.

Impact on the County's Workforce

Most of GHP's members are employable, and many have jobs. As noted, members routinely report that GHP coverage and subsequent care has enabled them to return to work or to maintain a job. The human resources literature abounds with evidence that management of employee health conditions reduces absenteeism and enhances worker productivity. While there is no measurable correlation, it is reasonable to assume that the GHP has improved the health and productivity of the local workforce.

Figure 7: Demand for Health-Related Human Services



Impact on Local Human Services

Demand for health-related human services in the county has dropped notably as GHP membership has increased and as the health care safety net has subsequently become more effective and efficient. Figure 8 illustrates reductions in demand for health care and mental health services, as well as a fairly steady demand for prescription drug assistance.

Impact On Community Health

GHP currently covers about 65% of its goal for coverage of the county's low-income uninsured adults, or 9.3% of the population age 18 to 64. When the goal of covering 90% of all low-income uninsured adults is reached, 14.2% of non-elderly adults will be covered. It is reasonable to assume that providing coverage to such a large a segment of adults will bring improvements over time in the county's adult morbidity and mortality indicators and in preventable hospitalizations. The health department is tracking cardiac, respiratory, cancer, asthma, diabetes, and other indicators to assess whether these changes occur.

ASSURING SUSTAINABILITY OF THE GENESEE HEALTH PLAN

GHP's leadership understood early in the plan's life that the funding mechanisms on which the plan was predicated would always be vulnerable and likely be time-limited. In 2004 GHP built and initiated a sophisticated four-year plan to assure the plan's long-term sustainability. The goal was to cover all uninsured adults up to 200% of FPL (36,500 people) with local and sustainable funds generated through a property tax millage.

In its first step, GHP obtained a grant from local philanthropy for a study to determine whether reaching the goal was feasible and whether GHP was the right coverage model. The study verified the estimates of the uninsured, evaluated provider capacity, identified a cost structure and financial model to reach the goal, and identified potential funding sources.

GHP used the results of the study to seek and obtain a series of grants to expand the plan's capacity and prepare for growth. The expansion activities have been described earlier and included infrastructure expansion, outreach and enrollment capacity, and disease management. An additional grant provided resources to conduct research regarding sustainability. In total, GHP received \$1.7 million in grants over three years.

Intense expansion activities began in 2005 and can be seen in the plan's marked growth in membership.

Expansions in infrastructure and disease management capacity occurred in tandem with the membership growth and kept pace with it.

GHP's grant for researching sustainability was used in several ways, and the results were pivotal to its strategy.

- A local consortium of GHP board members, staff, elected officials and others took fact-finding trips to two communities that had successfully used property tax-based funding to support health coverage.
- GHP researched and retained top-notch consultants in polling research, health care finance, political strategy, and campaign media.

Key Lessons For All Communities

Covering the uninsured provides indirect benefit to the community by enhancing the health of the workforce and reducing demand on the human service network.

- With the consultants, GHP developed research tools for screening, surveys, focus groups, and polling. GHP conducted two polls and five focus groups and incorporated the results into its political strategy and materials.
- With its consultants and the county tax assessor, GHP developed various millage pricing scenarios and a sound actuarial model for growth.
- GHP's board of directors worked through all of the findings with advisors and researchers. Through an elaborate decision-making process, the details of a millage proposal and campaign strategy were agreed upon.
- With its consultants, GHP determined the timing for a ballot initiative.

The millage proposal was placed before the Genesee County Board of Commissioners. Having been involved in the research and planning, the County Commissioners readily approved the initiative as presented.

GHP board members and local political leadership championed the cause in earnest and helped raise campaign funds. The campaign strategy was executed in the summer of 2006.

In November 2006 Genesee County voters approved a seven-year, one-mill property tax increase stated on the ballot "for the purpose of providing, through the Genesee County Health Department, a health care services delivery system, such as the Genesee County Health Plan, for low-income residents of Genesee County." The millage was passed 54% to 46%; 85,000 people voted in its favor. Millage funds were levied in 2007 and will provide \$11.3 million per year through 2013.

Key Lessons For All Communities

Requesting local tax dollars to cover the uninsured requires a plan that is well prepared, well funded, and well executed.

Communities may be willing to support local funding for coverage of the uninsured when presented with a plan that provides obvious benefit.

For more information on the Genesee Health Plan or how your community can cover its uninsured adults, contact Linda Hamacher, Executive Director, at 810-232-7740, ext 209 or lhamacher@healthmanagement.com.