Utilization and Healthcare Needs Amongst Newly Eligible for Coverage Populations
Overview

- What’s changing with health insurance coverage
- How many people are affected
- Gaps in care and health needs amongst the uninsured
- Utilization today
- Expansion case studies
- Takeaways
COVERAGE CHANGES
The Future of Coverage

- For infants, kids and pregnant women, things stay the same…
  - Infants (under 1): Medicaid up to 185% FPL, MIChild 200%
  - Children (under 19): Medicaid up to 150% FPL, MIChild 200%
  - Pregnant Women: Medicaid up to 185% FPL
- For low-income adults, Medicaid could expand significantly, up to 138% FPL
- For middle-income adults and families, subsidies will be available through the health insurance marketplace, up to 400% FPL

www.aspe.hhs.gov/poverty/13poverty.cfm
The Future of Coverage

[Bar chart showing coverage percentages for different groups]
Community members will fall into one of six payer categories beginning in 2014:

- Employer-Sponsored
- Medicare
- Medicaid/CHIP
- Health Insurance Marketplace (with or without tax credit or subsidies)
- Individual Market
- Uninsured

The Future of Coverage

- Health insurance plans available to residents newly eligible for Medicaid and those sold in the individual and small group markets will be required to cover ten essential health benefits:
  1. Ambulatory patient services
  2. Emergency services
  3. Hospitalization
  4. Maternity and newborn care
  5. Mental health and substance use disorder services, including behavioral health treatment
  6. Prescription drugs (at least one per therapeutic category)
  7. Rehabilitative and habilitative services and devices
  8. Laboratory services
  9. Preventive and wellness services and chronic disease management
  10. Pediatric services, including oral and vision care
The Future of Coverage

- The essential health benefits were designed to mimic a “typical employer plan”
- In every state, the rules define essential health benefits based on a state-specific benchmark plan
  - In Michigan, the benchmark plan is Priority Health HMO (with additions for pediatric dental and vision)
- Limits have been placed on out-of-pocket costs and deductibles

Michigan EHB Benchmark- [http://1.usa.gov/SDifE2](http://1.usa.gov/SDifE2)
EHB Fact Sheet- [http://1.usa.gov/XI4ocb](http://1.usa.gov/XI4ocb)
The Timeline

- **June 2013**
  - “Full Court Press” Starts

- **July 2013**
  - Connect with Patients

- **October 1, 2013**
  - Open Enrollment Begins

- **January 1, 2014**
  - Benefits and Tax Credits Go Into Effect

- **March 31, 2014**
  - Open Enrollment Ends

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2013 (15 total, 11 in effect)

- State Notification Regarding Exchanges
- Closing the Medicare Drug Coverage Gap
- Medicare Bundled Payment Pilot Program
- Medicaid Coverage of Preventive Services
- Medicaid Payments for Primary Care
- Itemized Deductions for Medical Expenses
- Flexible Spending Account Limits
- Medicare Tax Increase
- Employer Retiree Coverage Subsidy
- Tax on Medical Devices
- Financial Disclosure
- CO-OP Health Insurance Plans
- Extension of CHIP
- Medicare Disproportionate Share Hospital Payments
- Medicaid Disproportionate Share Hospital Payments

2014 (16 total, 2 in effect)

- Expanded Medicaid Coverage
- Presumptive Eligibility for Medicaid
- Individual Requirement to Have Insurance
- Health Insurance Exchanges

www.healthreform.kff.org/timeline.aspx
BY THE NUMBERS
Across the State

- Currently Eligible
  - 69,000 children under age 19 are currently eligible for Medicaid or MIChild but need to enroll

- Medicaid Expansion
  - 450,000 currently uninsured adults age 18-64 will likely be eligible for Medicaid starting in 2014
  - Estimates show roughly 290,000 people are likely to enroll in the first year if expansion is enacted
  - New enrollees will be a mix of currently uninsured, those who drop other forms of coverage and the currently eligible but uninsured

- Marketplace Tax Credits
  - 745,000 Michiganders will be eligible for new premium tax credits in 2014
  - CHRT study indicates roughly half are expected to enroll
2010 vs. 2020

2010
- 769,000 (12%)
- 4,086,000 (67%)
- 192,000 (3%)

2020
- 290,960 (5%)
- 4,246,260 (69%)
- 1,403,780 (23%)
- 192,000 (3%)

- Private Coverage
- Medicaid Enrolled
- Other Public Coverage
- Uninsured

Subsidy Eligible (Between 100% and 138% FPL)
- 134,000 (24%)

Not Subsidy Eligible (Less than 100% FPL)
- 430,000 (76%)
In Your Community

- Use the MPCA website to examine the counties your Health Center serves

- Use the KFF website to examine the zip codes your Health Center serves

### Table 1 - Moderate Medicaid Growth Scenario Under Health Care Reform

<table>
<thead>
<tr>
<th>Zip Code</th>
<th># Served</th>
<th>% of the Non-Elderly Population Who Could Benefit from ACA Coverage Expansions</th>
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<tbody>
<tr>
<td>48906</td>
<td>3,104</td>
<td>13.3%</td>
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<tr>
<td>48910</td>
<td>4,054</td>
<td>13.5%</td>
</tr>
<tr>
<td>48911</td>
<td>6,094</td>
<td>13.3%</td>
</tr>
<tr>
<td>48912</td>
<td>2,079</td>
<td>13.5%</td>
</tr>
</tbody>
</table>
At Your Health Center

- MPCA is in the process of updating our statewide analysis using UDS and other supplementary data.
- The analysis estimates the number of current Health Center patients who will likely become eligible for eligible coverage in 2014 and associated new revenues.
  - Contact Natasha Robinson for your Center’s specific information in late-June!
THE UNINSURED
In Michigan

- 13.9% of Michigan’s population is uninsured
  - 89% of the uninsured are non-elderly adults
- Fifty-two percent of Michigan’s non-elderly adult uninsured are poor and working poor
  - 39.3% 0-99% FPL
  - 30.3% 100-199% FPL
- Single individuals without children and younger adults ages 18 to 34 have higher uninsured rates
Education and Work

- Individuals in families headed by someone who did not attend high school are the most likely to be uninsured (33.7%)
- 50.6% of uninsured households are headed by someone who works for an entire year, either full-time or part-time
Race and Ethnicity

- In Michigan 66.9% of the uninsured are non-elderly Whites, 20.5% are Black.
- Hispanics have the highest risk of being uninsured at 21.9% followed closely by Blacks at 19.7%.
Primary Care Gaps

- Uninsured adults are much more likely to forego routine checkups and preventative care
  - This is especially true for cancer screening, cardiovascular disease risk reduction and diabetes care

- Uninsured adults are less likely to have a usual source of care
Risky Behaviors

- 33% of the uninsured smoked, compared with 18% of the insured
- 50% of the uninsured did not exercise, compared with 32% of the insured
Chronic Conditions

- One-third of uninsured adults have at least one chronic condition
  - Population has disproportionately had a previous diagnosis of cardiovascular disease, hypertension, diabetes, hypercholesterolemia, active asthma or chronic pulmonary disease, and previous cancer
- About 11% of Michigan’s diabetic population was uninsured in 2009
  - The rate of uninsured people with diabetes has increased faster than the general population
Dental Care

- 48% of low-income adults have untreated cavities
- Only 44% had at least one dental visit within the last year
- 85% of adults had at least one tooth with decay
Behavioral Health

- 1 in 4 adults experience a mental health disorder in a given year
- Fewer than 1/3 of adults and 1/2 of children with a diagnosable mental disorder receive mental health services in a given year
- Nearly 63,000 current Health Center patients have a diagnosed mental disorder
  - 12% of our patients and growing...
- Mental health disorder is the leading cause of disability
  - Suicide is the 11th leading cause of death
Hospital and ER Use

- According to Michigan hospital discharge data top health needs of the uninsured include
  - Mental health
  - Alcohol and substance abuse treatment
  - Hypertension
  - Fluid and electrolyte disorders
  - Nutritional or metabolic disorders
- Unmet needs of the uninsured are disproportionately in the areas of mental health, alcohol, and substance abuse treatment, and hypertension management
  - Uninsured inpatient stays accounted for 27% of the stays for substance-related mental disorders and 29% of alcohol-related mental disorder stays in adults aged 18-39 years old
Hospital and ER Use

Ten Most Used Diagnostic Category Codes In Michigan for Discharges Incurred by the Uninsured in 2011

- Screening and history of mental health and substance abuse codes: 22%
- Essential hypertension: 14%
- Unclassified: 11%
- Fluid and electrolyte disorders: 10%
- Alcohol-related disorders: 8%
- Other nutritional, endocrine, and metabolic disorders: 8%
- Mood disorders: 8%
- Substance-related disorders: 7%
- Hyperlipidemia: 6%
- Anemia: 6%


UTILIZATION IN MICHIGAN
Design

- To better understand current utilization, data from two Michigan Health Centers was analyzed using a population of uninsured individuals between 125-200% FPL over the course of one year.
  - The FPL range was specifically selected based upon eligibility for new coverage options and to represent a population Health Centers are likely to serve in the marketplace.
Findings

Average Number of Interactions per Patient by Type

- Medical Service: 1.8
- Medical Procedure: 0.9
- Behavioral Health: 0.7
- Dental: 2.0
Findings

Top Five Medical Services and Procedures by Percentage of Total

- Office Visit: Low to Moderate Severity: 48.6%
- Office Visit: Moderate to High Severity: 26.1%
- Office Visit: Low Severity: 7.6%
- Preventative Reevaluation: 40-64 yrs: 3.6%
- Preventative Reevaluation: 18-39 yrs: 3.3%

- Immunization Administration: 20.1%
- Flu Vaccine: 10.1%
- Blood Collection: Venipuncture: 8.2%
- Drug Injection: 5.7%
- Mammography: 5.7%
Findings

Top Four Behavioral Health Services by Percentage of Total

- Outpatient Psychotherapy: 45 minutes: 73.2%
- Outpatient Psychotherapy: 30 minutes: 17.9%
- Office Visit: Prescription Medication Monitoring: 5.4%
- Behavioral Health Screening for Treatment Program: 3.6%
Findings

Top Five Dental Services by Percentage of Total

- **Intraoral - Periapical First Film**: 22.4%
- **Limited Oral Evaluation: Problem Focused**: 16.7%
- **Tooth Extraction**: 16.7%
- **Comprehensive Oral Evaluation**: 8.3%
- **Intraoral - Periapical Additional Film**: 7.1%
STATE EXAMPLES
Oregon

- In 2008, Oregon conducted a lottery to provide insurance coverage for individuals up to 100% FPL
  - Medicaid coverage was associated with a 55% increase in the number of semi-annual outpatient visits
Oregon

Increase in Probability of Health Services Use Among Insured Group Relative to Control Group

- Outpatient Visit: 35%
- Cholesterol Check: 20%
- Blood Sugar or Diabetes Test: 15%
- Mammogram: 60%
- Pap Test: 45%
- Prescription Drug Use: 15%
Oregon’s Single Adults

Drawing Parallels from the Outset

- Adults without children had significantly lower incomes
- Childless adults were significantly less likely to be employed
- Adults without children reported significantly poorer health status than those with children across physical health, mental health, and disability domains
- Childless adults had greater utilization across all categories of service
  - More than twice as many inpatient admissions
  - Twice as many emergency room visits
  - More than three times as many mental health/substance visits
  - 30% more evaluation and management visits
Massachusetts

- In 2006, Massachusetts expanded Medicaid and created Commonwealth Care, a public subsidized plan for individuals with incomes below 300% FPL.

- Health Centers in Massachusetts experienced:
  - 31% growth in total number of patients between 2005 and 2009.
  - By 2009, 10.1% of CHC caseload consisted of new patients gained through Commonwealth Care managed care contracts.
  - Number of uninsured individuals decreased by 44% from 35.5% to 19.9%.
  - Number of Medicaid patients increased by 12.5%.
Massachusetts
Health Center Caseload

Uninsured
Medicaid/CHIP
Medicare
Commonwealth Care/Other Public Insurance
Private Health Insurance

Year 2005 to 2009

Massachusetts

% of State Uninsured Residents Receiving Care at FQHCs

2006

- FQHCs: 22%
- Other: 78%

2009

- FQHCs: 38%
- Other: 62%
Massachusetts

FQHC Funding

- Medicaid and other insurance sources grew rapidly
- Grant funding, especially state grants, grew less and became a lower share of total revenue
- Total revenue per patient grew 6.3%/yr from 2005-2009 but total costs grew 6.4%/yr
  - FQHCs had additional costs to grow and to compete for clinical staff
Massachusetts
Reasons for Using a Safety-Net Provider

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient</td>
<td>79%</td>
</tr>
<tr>
<td>Affordable</td>
<td>74%</td>
</tr>
<tr>
<td>Available of Other Services</td>
<td>52%</td>
</tr>
<tr>
<td>Problem Getting Appointment Elsewhere</td>
<td>25%</td>
</tr>
<tr>
<td>Staff Able to Speak Patient’s Primary Language</td>
<td>8%</td>
</tr>
</tbody>
</table>
TAKEAWAYS
Utilization

- Usage of primary and preventive care services will expand sharply
  - 55% in Oregon semi-annually (when gaining new coverage)
  - 75% in RAND study annually (moving from limited to comprehensive coverage)

- Demand for outpatient behavioral health and substance abuse services will be high
  - Together they represent 45% of uninsured hospital discharges in Michigan
Utilization

- Dental provider capacity is already tight, and it's been understudied in relation to coverage expansion
  - FQHCs can / will need to play an even larger role in dental care
Timing

- Pent up demand will lead to high initial utilization
  - Be thoughtful about the coverage timeline, the demand won’t “hit” on October 1
  - Given the appeal of convenience, we have to be ready to see these folks

- In Massachusetts growth was iterative over a period of several years
  - 4% year one, 8% year two…
Changing Patterns

- Success in chronic disease management, especially diabetes and hypertension, will be essential.
- In Massachusetts, most new patients were middle-aged or near-elderly adults.
  - Groups with a lifetime of habits to combat...
Reasonable Expectations

- 2 years after expansion in Oregon...
  - “Those who gained coverage tended to use more health care, making more trips to the doctor and receiving a higher number of prescriptions”
  - “In the group without coverage, 30% screened positive for depression. Among the newly-insured, the number fell to about 21%, a reduction of 30%”
  - “The newly-insured population did not have better outcomes on these measures [cholesterol, blood pressure and blood sugar levels] than the adults shut out of the lottery”
  - “You might very well expect changes to accrue over a long time period…”

http://wapo.st/104eRXI
QUESTIONS?
Further Information

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Sources

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