

# Issue Brief

## Center Care: Budget-neutral, Time-limited Coverage for Uninsured Adults for Primary and Preventive Health Care Services



Rhode Island has an opportunity to provide primary care to currently uninsured adults in a budget-neutral manner. **Center Care**, a program designed to draw down federal funds and limit growth of the state Medicaid budget, will leverage the strength of Rhode Island's Community Health Center network to provide high-quality, low-cost primary care to this new Medicaid population.

The recently enacted Patient Protection and Affordable Care Act (ACA) expands Medicaid eligibility to all adults earning up to 133 percent of the Federal Poverty Level (FPL)<sup>1</sup> beginning in 2014, with full federal financing for the first several years. Center Care is an opportunity for the state to integrate currently uninsured individuals among this newly eligible population into the health care delivery system as well as the DHS eligibility process. By identifying and enrolling these uninsured adults, the state will be well positioned to maximize the revenue (100 percent reimbursement) from the federal government when mandatory Medicaid expansion occurs.

States may choose to implement Medicaid expansion earlier at the current level of federal match. Given Rhode Island's current fiscal environment, Center Care is a fiscally responsible and temporary alternative to full Medicaid benefits that prepares the state for Medicaid expansion in 2014, builds upon the existing health care infrastructure, and improves the health and well-being of thousands of our low-income residents.

### Background

Rhode Island has more than 140,000 uninsured residents, including nearly 90,000 adults with low-income who do not qualify for RIte Care because they do not have dependent children. In addition to the health and financial difficulties they personally face, these individuals create a strain on the fiscal stability of our health care system. Uncompensated care provided at emergency rooms and Community Health Centers (CHCs) threaten the economic viability of many of the institutions that Rhode Islanders depend on for quality care.

### Community Health Centers: Serving Rhode Island's Uninsured

Over the past several decades, Rhode Island's CHCs have served as the dedicated, high quality, public primary care delivery system in the State of Rhode Island. The CHCs provide residents with culturally competent primary and preventive care services, and are a foundation for expanding access to high-quality affordable care. Unlike some states, Rhode Island does not have public hospitals or clinics to serve this population and the

CHCs continue to serve as the state's public primary care delivery system. However, the resources of the CHCs are continuously stretched thin by increasing demand.

In the current economic downturn, CHCs are seeing increasing numbers of uninsured patients, especially adults. In 2009 alone, CHCs provided more than \$15 million in uncompensated care and saw 36,000 uninsured patients, a 26 percent increase from just two years prior. At some CHCs, uninsured patients accounted for over one-third of the total patient population including at Blackstone Valley Community Health Center (serving Pawtucket and Central Falls), the Providence Community Health Centers, Family Health Services/CCAP (Cranston), East Bay CAP Community Health Centers (serving the entire east bay) and Thundermist Health Center (Woonsocket).

At all CHCs, more than 70 percent of uninsured patients are adults. WellOne, serving the northwest and west bay of Rhode Island, saw the number of its uninsured patients grow an astounding 88 percent between 2008 and 2009. Patients at CHCs have access to a variety of resources, including discounted prescription medications, on-site eligibility workers to help patients enroll in public programs, free vaccines for certain diseases, and access to some dental and mental health providers, available on a sliding-scale fee schedule. Without CHCs, tens of thousands of Rhode Island families would not have access to quality care.

### **Primary Care Programs in Other States**

Several other states across the nation have implemented primary care programs for adults with low-income. These include Maryland's "Primary Adult Care" program, Arizona's "Primary Care Program," and Utah's "Primary Care Network" program. These three programs offer benefits similar to those proposed for Center Care and have been funded in various ways, including state-only dollars, dedicated tobacco tax revenue, and Medicaid draw-downs.

### **Proposal: Center Care**

In anticipation of full Medicaid coverage for adults without dependent children or disabilities, Neighborhood Health Plan of Rhode Island (Neighborhood), in collaboration with the Rhode Island Health Center Association (RIHCA), proposes Center Care, a new primary care benefit program. This temporary, limited benefit program will allow the state to establish a medical home for the newly-eligible population, begin management of their medical expenses without the full costs of comprehensive Medicaid coverage, and slow the growth of the Medicaid budget. Beneficiaries will gain access to high-quality customer service, case management and social care coordination services provided by a health plan experienced with people who have been traditionally medically disenfranchised.

### **Program Design and Infrastructure**

Center Care is a new primary care and family planning health benefit program for the state's current childless adult population with low-income, administered by contracted health plans with a PCP network comprised of the state's CHCs. The new benefit will provide an effective system of care for Rhode Island's uninsured population with a focus on access to primary and preventive health care services. The new benefit will provide a cost-effective, organized and accountable system, while taking the first steps towards full

coverage of adults without dependent children or disabilities. Enrollees will be automatically transferred into full Medicaid when Medicaid expansion occurs in 2014, and Center Care will end at that time.

### **Eligibility and Enrollment**

Adults without dependent children or disabilities between 0-133 percent of FPL, who do not have access to a source of affordable insurance coverage through an employer or other family member, will be eligible for Center Care. There are an estimated 35,800 eligible adults without insurance under 133 percent of FPL. If the take up rate among eligible individuals reaches 70 percent, Center Care would have **25,000 members**.

### **Primary Care Benefits**

Primary care benefits will include routine check-ups, immunizations, sick visits, chronic disease management, care coordination, vision screening, discounted prescription drugs, coordination with hospital charity care, family planning services, and coordination of access to affordable laboratory and behavioral health services.

### **Provider Network**

Enrolled beneficiaries would choose a primary care clinician at one of the twenty-seven community health center locations around the state. CHCs are located in urban, rural, suburban, and island areas. CHCs are models of primary care excellence, serving 120,000 Rhode Islanders in 2009. CHCs employ a combined staff of over 1,200 including doctors, dentists, nurse practitioners, physician assistants and midwives.

The Center Care approach also compliments the “Health Homes for Enrollees with Chronic Conditions” initiative found in ACA Section 2703. Health Homes are to support individuals on Medicaid with chronic conditions, such as a mental health illness, substance abuse, asthma, diabetes, heart disease or obesity. The eligible individual chooses a health team that must provide certain services which will be reimbursed by Medicaid at a 90 percent federal match. These services include comprehensive care management, care coordination and health promotion, comprehensive transitional care, patient and family support, referral to community and social support, and use of health information technology as appropriate. Community health centers, which provide comprehensive primary care and are integrated with other services in the community, are named as a potential locus for a health home. Should Rhode Island choose to implement a Health Homes program, Center Care members who meet eligibility definitions would be able to participate.

### **Paying for Center Care**

Center Care will be revenue neutral to the state by offsetting outlays through Medicaid program savings. The program will require \$3.2 million in state funding, while bringing in additional \$5 million in federal funds, for a total program budget of \$8.2 million.

The state share of the cost will be met through savings in the Medicaid program. Offering this set of primary care services will result in reduced maternity and delivery costs and improved access to a range of health services saving the state \$3.2 million.

Primary care services, including a small administrative rate for health plans managing these members, are estimated to cost \$27 per member per month (pmpm). Different services

are matched by federal Medicaid dollars at varying rates, and financial modeling estimates the federal share will cover two-thirds of the cost. The increased match and program costs under the Health Home program is not factored into the financial model.

### **Next Steps**

The Department of Human Services will need to request a Global Waiver Category III change to CMS, seek state funding, and apply for a Health Home Planning Grant, available in January 2011. DHS will carry out enrollment and payment activities consistent with existing procedures. The General Assembly will need to pass legislation creating Center Care and allocating state funding, most likely as a budget article for SFY2012. This legislation will instruct DHS to apply for federal funding using authority under the Global Waiver and Section 1903 of the Social Security Act. Rhode Island's CHCs and Neighborhood will prepare enrollment and administrative strategies.

### **Maryland Case Study**

In 2006, Maryland, building off state-only funded primary care and prescription assistance programs, enacted a broader primary care only benefit program called Primary Adult Care. Maryland applied for and received a Section 1115 waiver to obtain a federal match under Medicaid for the program. The 90 percent match for family planning services and the regular 50 percent match for primary care services are melded into a single formula to apply federal matching to the program. They also accrue some savings to the program through cost-sharing on the prescription benefits of \$7.50 brand / \$2.50 generic.

The program grew rapidly as the recession hit and, by December 2009, there were 40,000 members, representing an estimated take-up rate of between 30 and 40 percent. Enrollment also grew with the addition of substance abuse coverage and providers actively encouraging their uninsured patients to enroll.

Eligible individuals are between 0-116 percent of FPL and have access to no other insurance. The characteristics of the patient population indicate they are more in need of health care services than regular Medicaid, due in part to pent-up demand for assistance with chronic conditions and higher behavioral health needs.

Covered services have been expanded to include primary care visits, outpatient behavioral health, limited laboratory and diagnostic services, and pharmacy.

Members enroll in the program and must choose a managed care organization. The state portion is paid for through several dedicated taxes (primarily tobacco products) and the state received a waiver to shift some of their resources from other parts of Medicaid into this innovative program.

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*Notes:*

1. 133 percent of FPL for an adult without dependent children or disabilities under Medicaid is \$14,403, as of 2010.