

# ***How Is the Primary Care Safety Net Faring in Massachusetts? Community Health Centers in the Midst of Health Reform***

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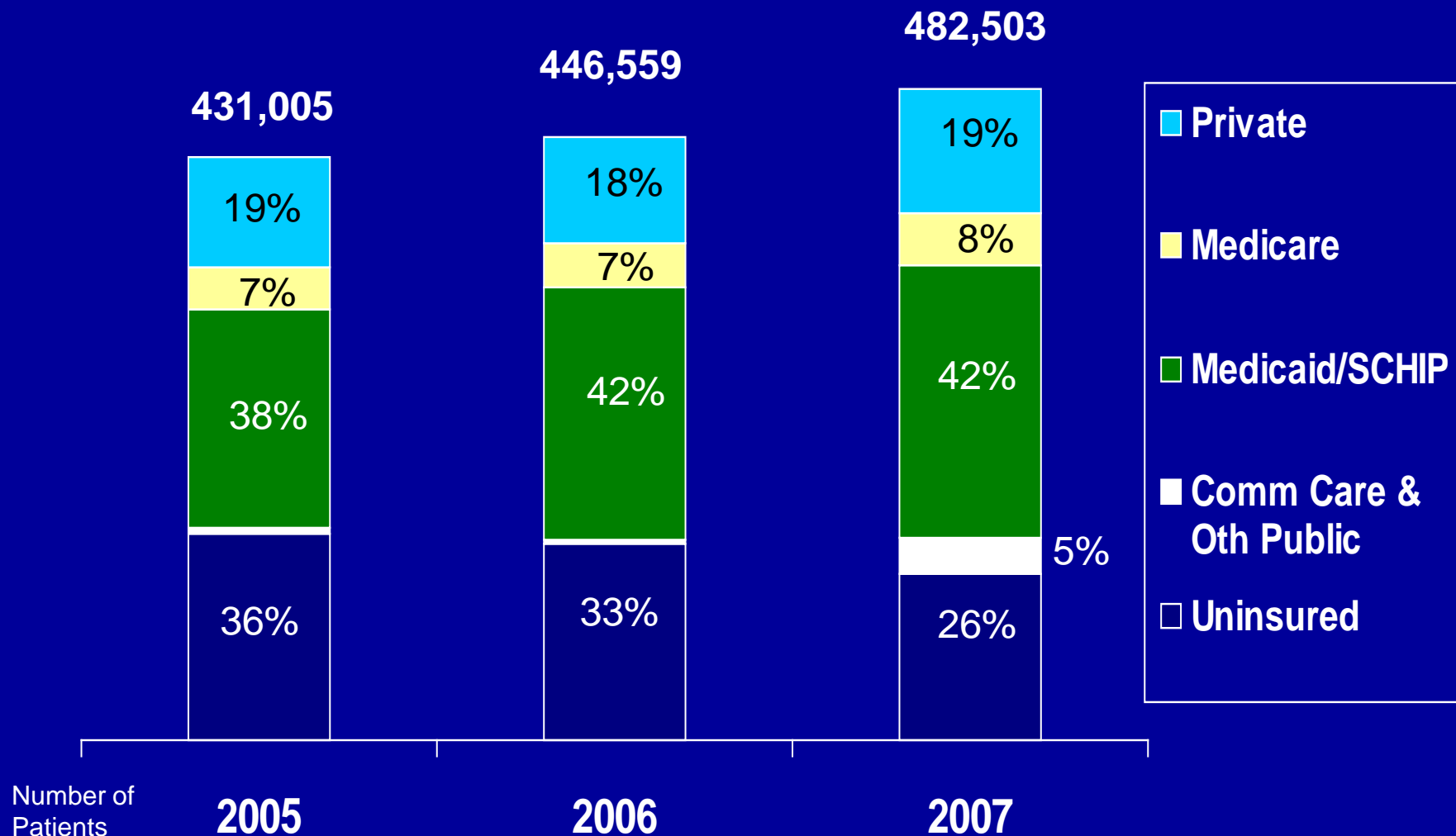
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Full report available at <http://www.kff.org/healthreform/7878.cfm>  
or at [www.gwhealthpolicy.org](http://www.gwhealthpolicy.org)

# ***Massachusetts Health Reform: Background***

- Chapter 58 passed in 2006 with bipartisan support
- Shared responsibility
- Employer pay or play coupled with adult individual mandate
- Commonwealth Care for those with incomes below 300% of poverty
- Uncompensated care pool became Health Safety Net
- Commonwealth Connector as insurance exchange
  
- Percent of uninsured adults fell by about half from 2006 to 2007; access to care improved; no crowd-out (Long 2008)
- Wait times for physicians often rose, due to shortage of primary care physicians in many areas
- Costs rose faster than expected
  
- Research based on data analyses, including UDS data, and site visits conducted in late 2008

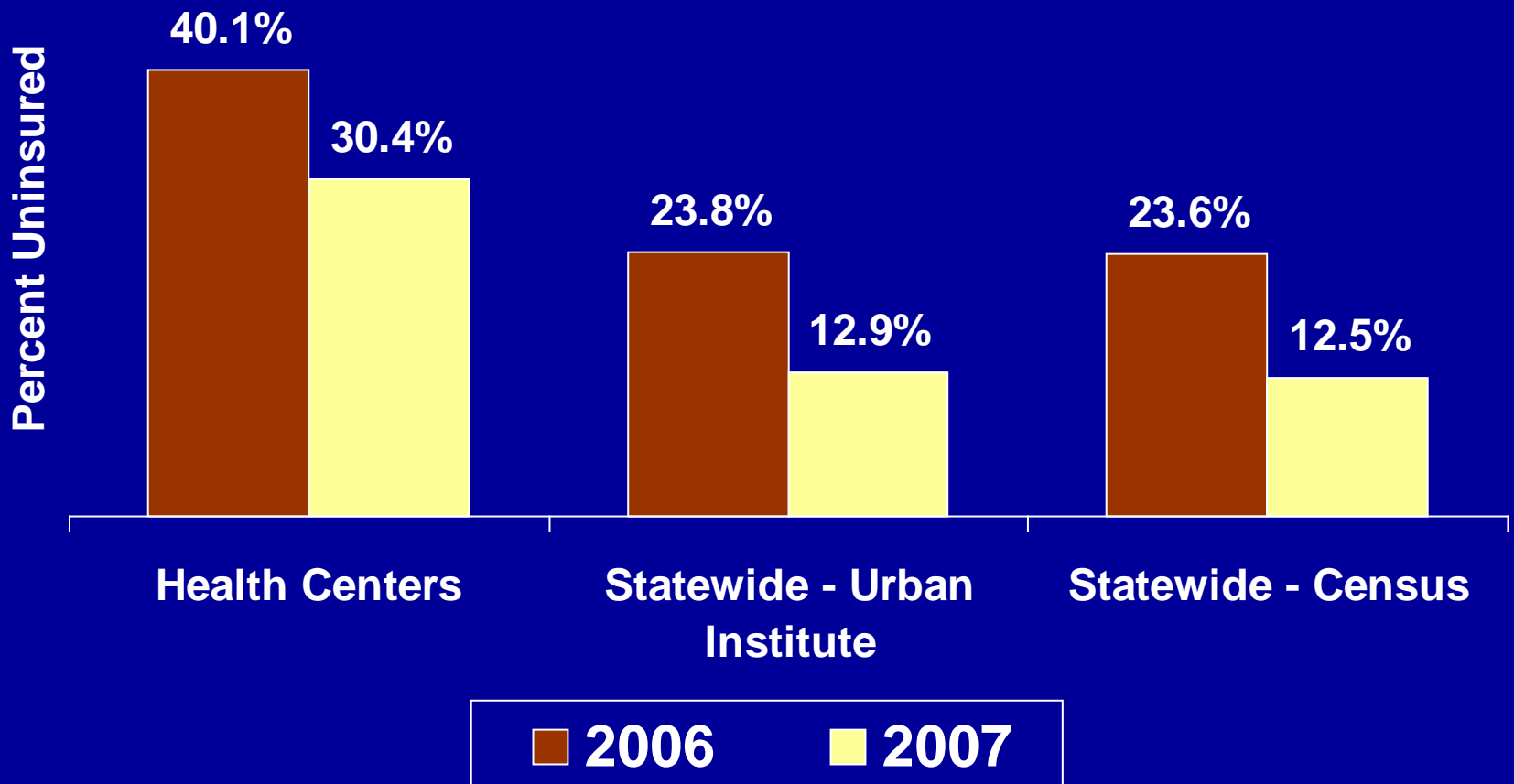
# Health Center Caseloads Rose, While Percent of Health Center Patients Without Insurance Fell



Note: Comm Care and Other Public served 1% in 2005 and <1% in 2006

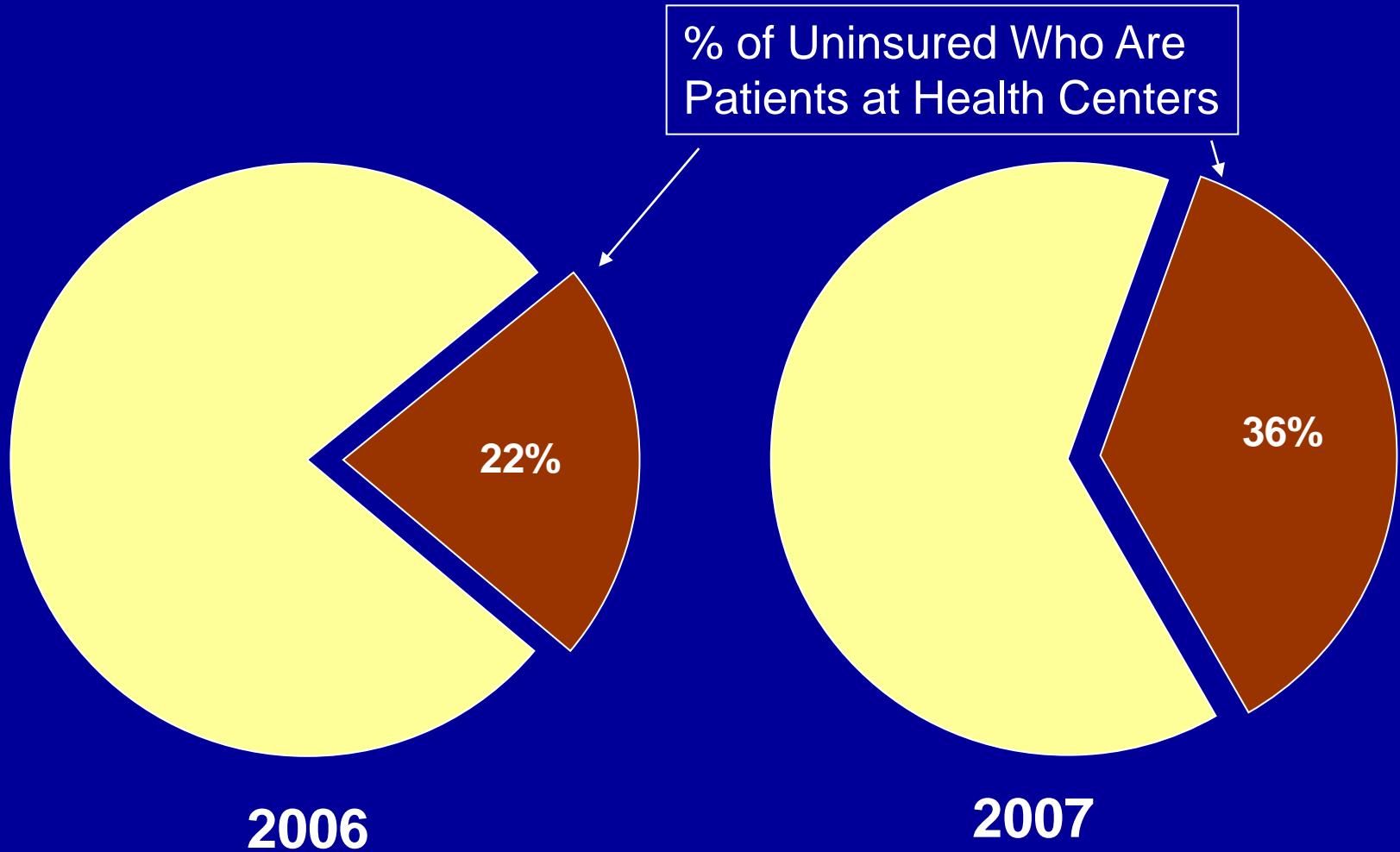
Source: GW analysis of Massachusetts Uniform Data System data

# *Percentage of Uninsured Low-income Adults at Health Centers Fell in 2007, but Health Center Patients Still More Likely to be Uninsured*

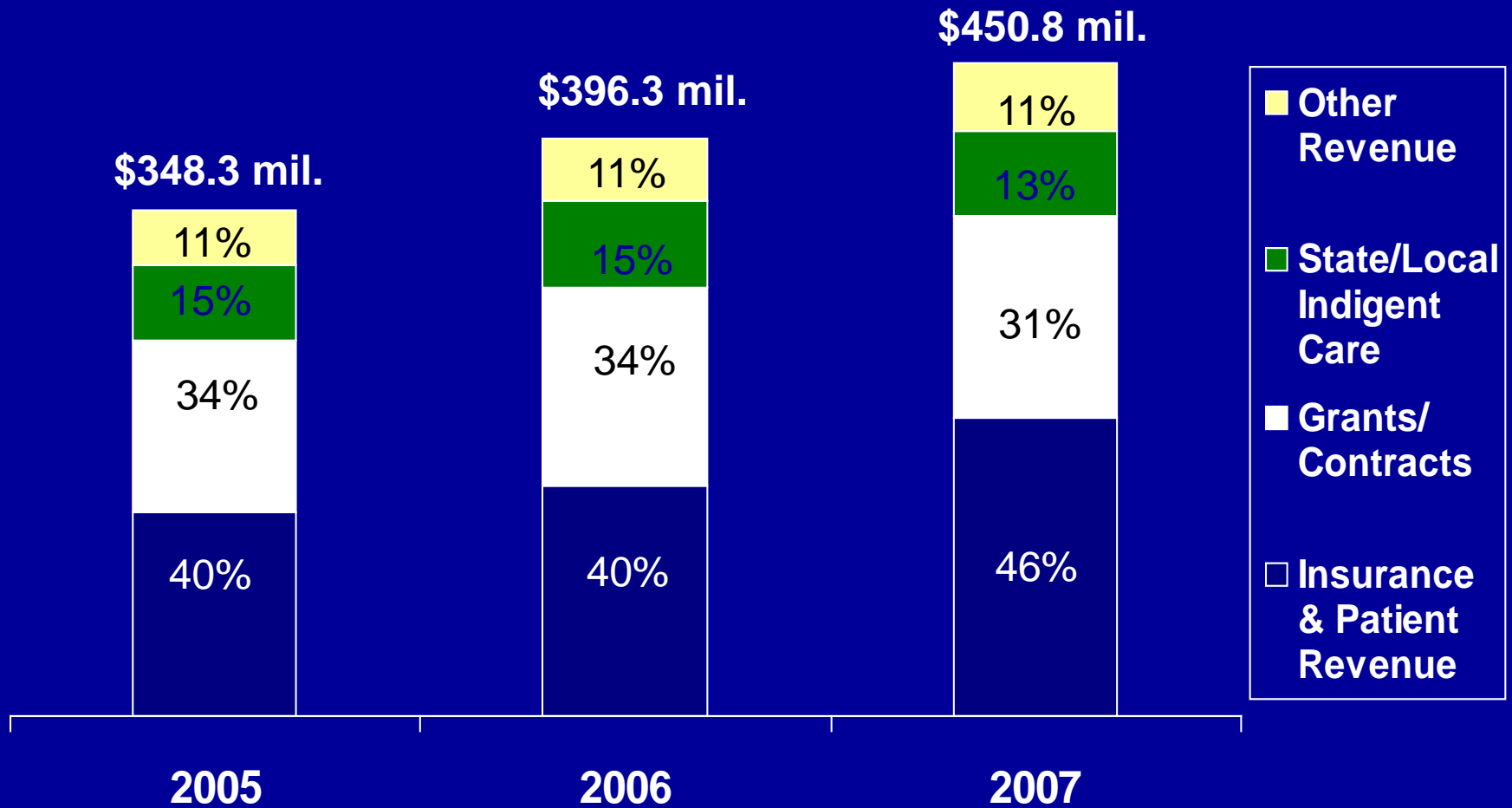


Source: Health center data from UDS. Statewide from Long 2008 & Census 2008.

# ***Percent of Total Statewide Uninsured Receiving Care at Health Centers Rose in 2007***

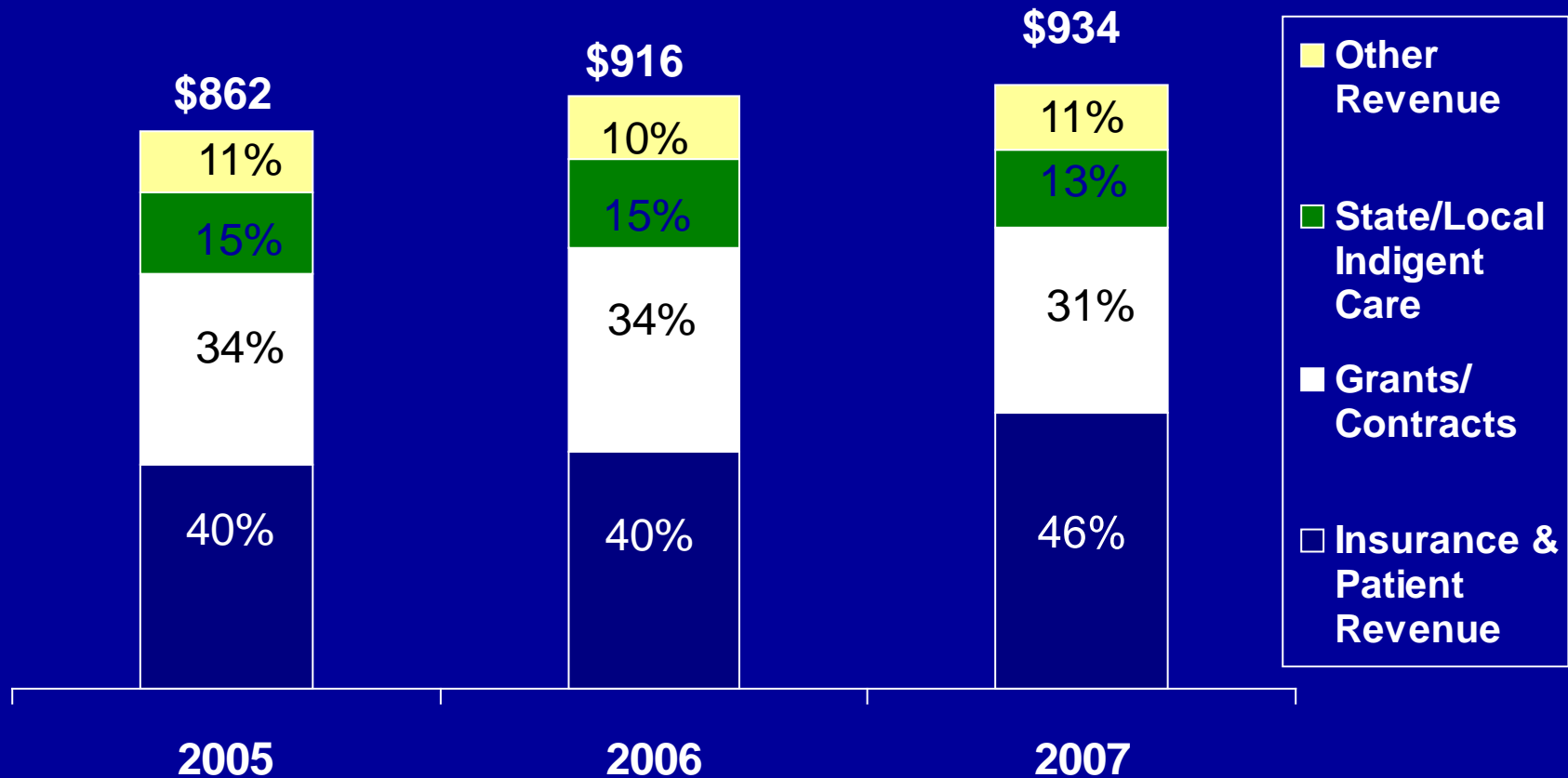


# Overall Revenue Rose 14% in 2007; the Share from Grants and Indigent Care Fell, Insurance Revenue Rose



# Real Revenue Per Patient Rose 2% in 2007; Share from Grants and Indigent Care Fell, Insurance Revenue Rose

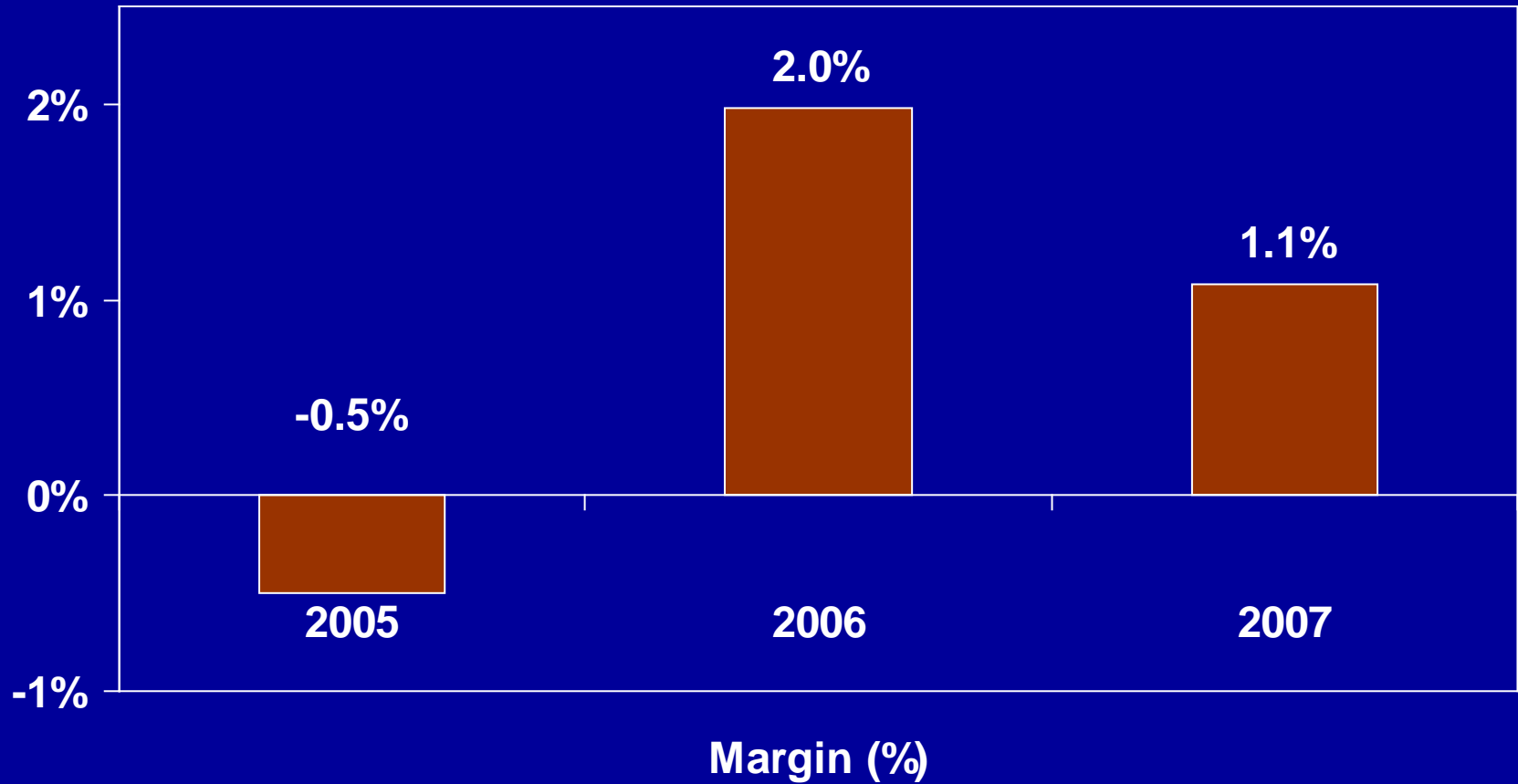
Constant 2007 \$



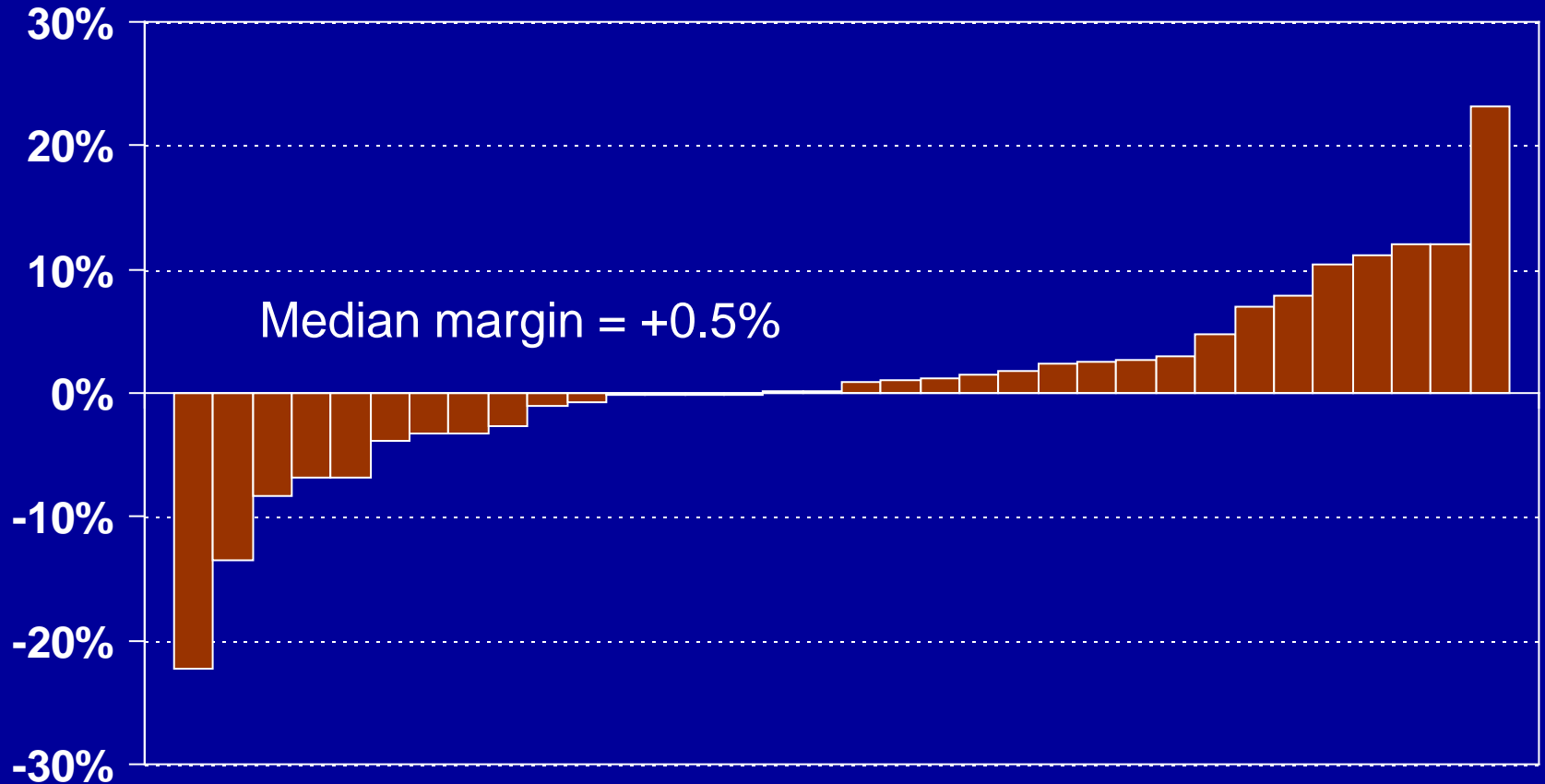
# *Total Costs Rose 15% in 2007; Real Costs Per Patient Rose 3%*



## *Average Margins Hovered Close to Zero*



# Distribution of Health Center Margins, 2007



## ***Health Centers' Perspectives***

- Health centers support the reforms.
- Insurance expansion helps patients access drugs, specialty, and inpatient care.
- Many newly insured patients were previously uninsured health center patients; patient loyalty and satisfaction remains high.
- Some newly insured patients had delayed care and thus had higher needs when they gained coverage.
- Increased administrative burden on health centers due to their enhanced role in enrollment — for Medicaid, CommCare and Health Safety Net — and new billing procedures & systems.
- To meet increased demand, centers faced challenges recruiting and retaining clinicians, some developed new loan repayment programs.
- Some health centers licensed under safety net hospitals experienced a greater financial shock.

## ***Lessons for National Health Reform***

- Insurance expansions can lead to surges in demand for primary care, particularly in medically underserved areas.
- Health reform must not only expand insurance, but provide investments to expand the capacity of primary care systems for the newly insured as well as those who remain uninsured.
- Transitional and ongoing support for safety net providers is necessary, as well as adequate payment rates.
- Options include uncompensated care funding, National Health Service Corps, and transitional funding support.
- Even post-reform, there will be a continuing need for sources of care for the uninsured.