



# FQHCs and the Uninsured

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# What are FQHCs?

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- FQHC = Federally Qualified Health Center
- Local, non-profit, community-owned health providers
- Provide high-quality, affordable primary care and prevention services to Texas's vulnerable populations
- TACHC is the Primary Care Association that supports and represents FQHCs in Texas



# FQHC Savings to the Medicaid Program

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- Several studies have found that **health centers save the Medicaid program more than 30% in annual spending per beneficiary** due to reduced specialty care referrals and fewer hospital admissions



# FQHC Services

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- General Primary Medical, Dental, and Mental Health Interventions
- Pharmacy Services under 340B Program
- Enabling Services: transportation, translation, health education, disease management, home visiting
- Prevention Services
- Outreach and Eligibility Services
- Linkages to community organizations for referral, other resources



# FQHC Services

*What makes CHCs different from most health providers*

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- Enabling Services
  - Case Management
  - Outreach, Outstationed Eligibility Workers
  - Patient Education
  - Translation/Interpretation
  - Community Education
  - Environmental Health Risk Reduction



# Serving the Uninsured

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- Outreach and Eligibility Determination
  - Outstationed Eligibility Workers (OEWs)
    - 33 currently stationed at health centers in Texas
    - Provide onsite benefit eligibility determination
    - 5 Texas CHC have HHSC contracts to serve as lead agencies to perform outreach and enroll children in CHIP



# FQHC Innovations

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- Health Disparities Collaboratives
- Behavioral Health and Primary Care Integration
- Access/Redesign Initiatives
- Medicare Drug Card combined with 340B Pricing
- Resulting in lower costs and better health outcomes



# Chronic Disease Management

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- FQHCs are leaders in chronic disease management through their participation in the Health Disparities Collaboratives (HDCs)
- HDCs address a variety of chronic diseases
  - Diabetes
  - Asthma
  - Cardiovascular Disease
  - Depression
  - Cancer

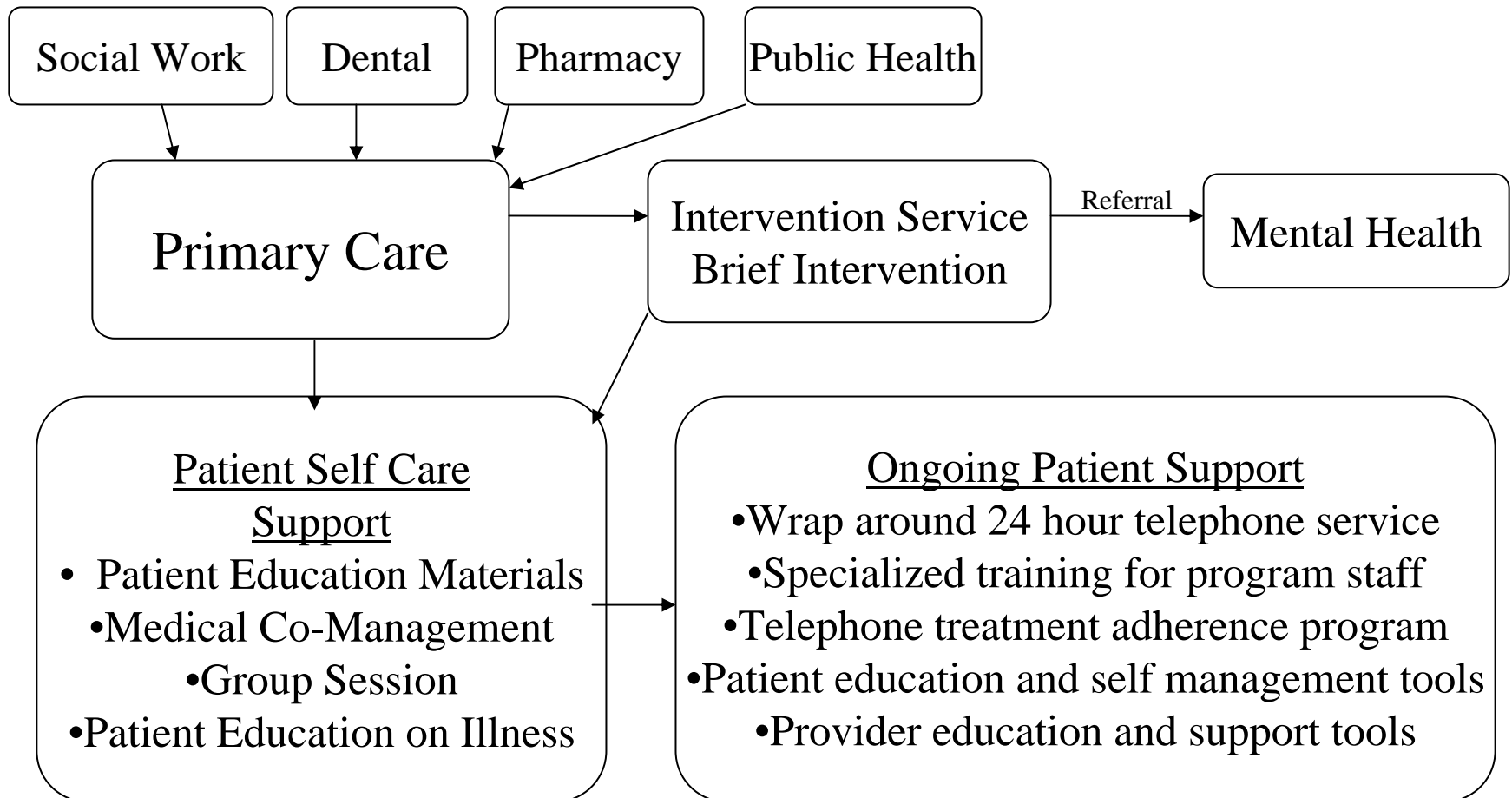


# Elements of the Chronic Care Model

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- Organization of Health Care
- Community Linkages
- Self-Management Support
- Decision Support
- Delivery System Design
- Clinical Information Systems

# CHC Chronic Care Model





## CHC Chronic Care Model, cont.

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- Implementations of HDCs and the Chronic Care Model have resulted in unintended consequences:
  - Most Centers realize that they cannot hope to optimize their clinical care unless they improve:
    - Access to care
    - Continuity of the care
    - Integration of care



# The Chronic Care Model Produces Significant Cost Savings

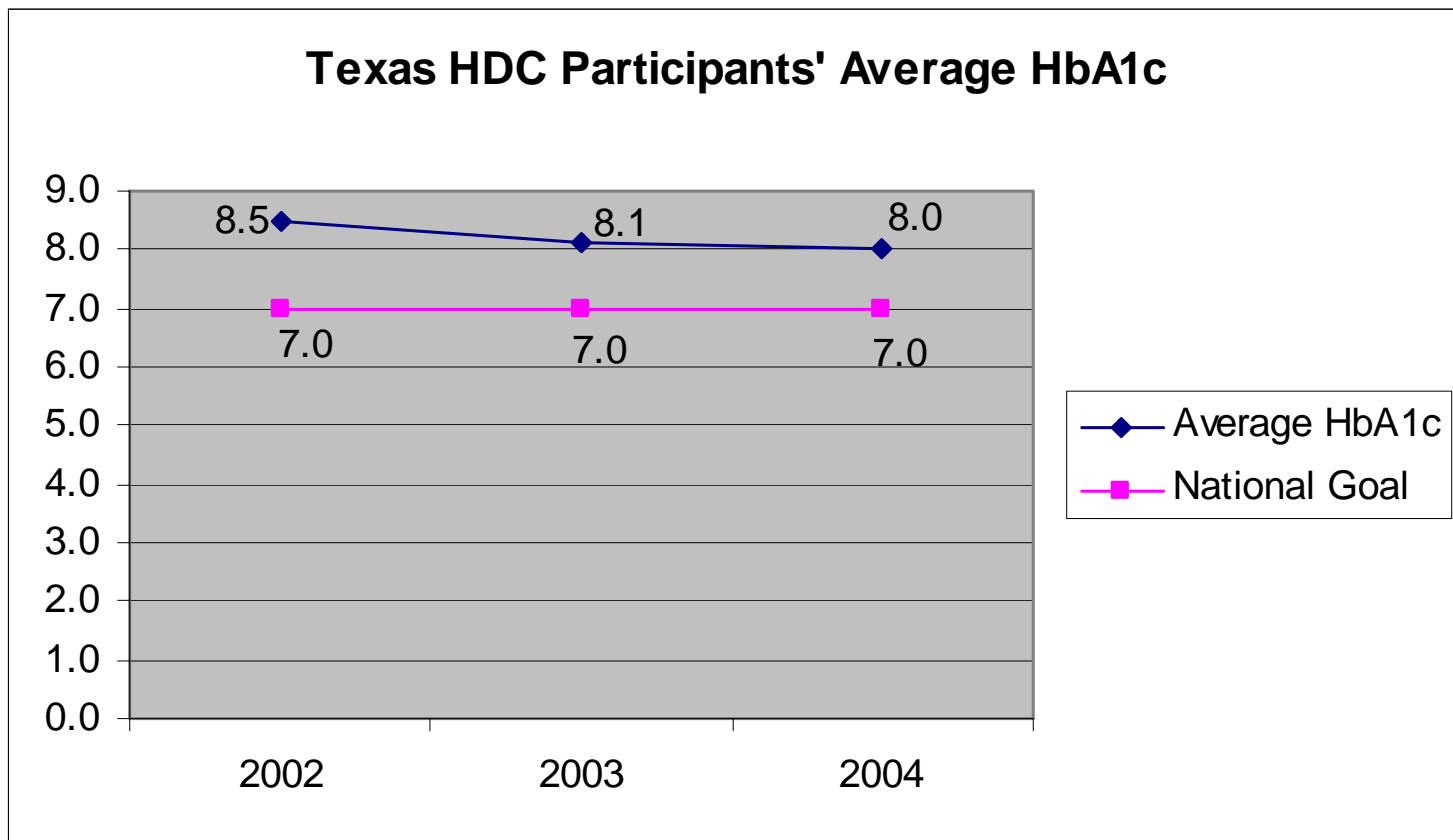
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## ■ Data From South Carolina

- Data from the SC State Self-Insured Fund, State Health Plan Claims for 1/1/2000 to 12/31/2001
- Compares CareSouth Carolina, a CHC using the chronic care model to other family practice providers and specialists
- Average Total Annual Cost per Patient
  - CHC Trained in Planned Care: \$343.41
  - Other Family Practice Providers: \$1,591.03
  - Specialists \$1,882.95

## ■ Average Annual Cost per Patient in Texas, 2003 = **\$293.97**

# Texas Diabetes Collaboratives





# Unique FQHC Services

*What makes them different from most health providers*

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- Integration of Services
  - FQHCs are innovators in integration of primary care and behavioral health
  - During one medical visit, a patient can be screened for mental health problems and immediately referred to an in-house mental health provider



# Funding Integrated Care

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- Centers must attempt to meet as much of the demand in their area as possible.
- If they can meet more demand by moving to an integrated model of care, improve access and better continuity, then why not make funding decisions on the basis of components of an integrated model available through the center or allow the use of medical expansion to fund new vision.



## Needed Reforms to Public Programs

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- Medicaid/Medicare/CHIP must be approached to change definition of provider to:
  - Reimburse group visits
  - Change definition of provider to reimburse:
    - LMSW-ASCP
    - LPC
    - LMFT
    - Nurse that provides health education
    - Telephone support



# Restructured Funding for Integrated Care

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- If Access/Redesign results in a center provider being able to increase their panel size, - why not reward with incentives resulting in more insured served without duplication of administrative costs?

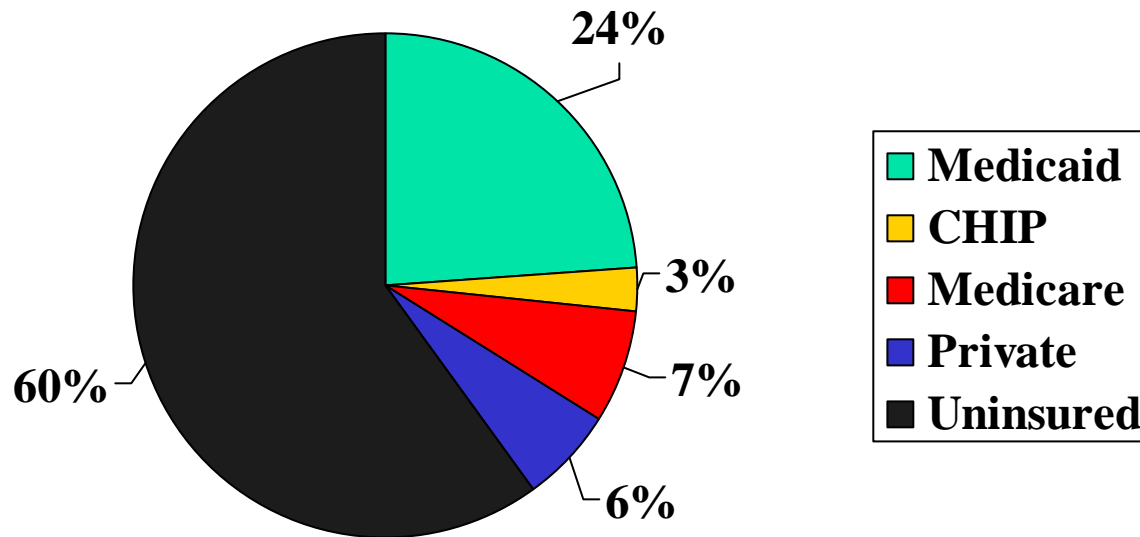


# Whom Do FQHCs Serve?

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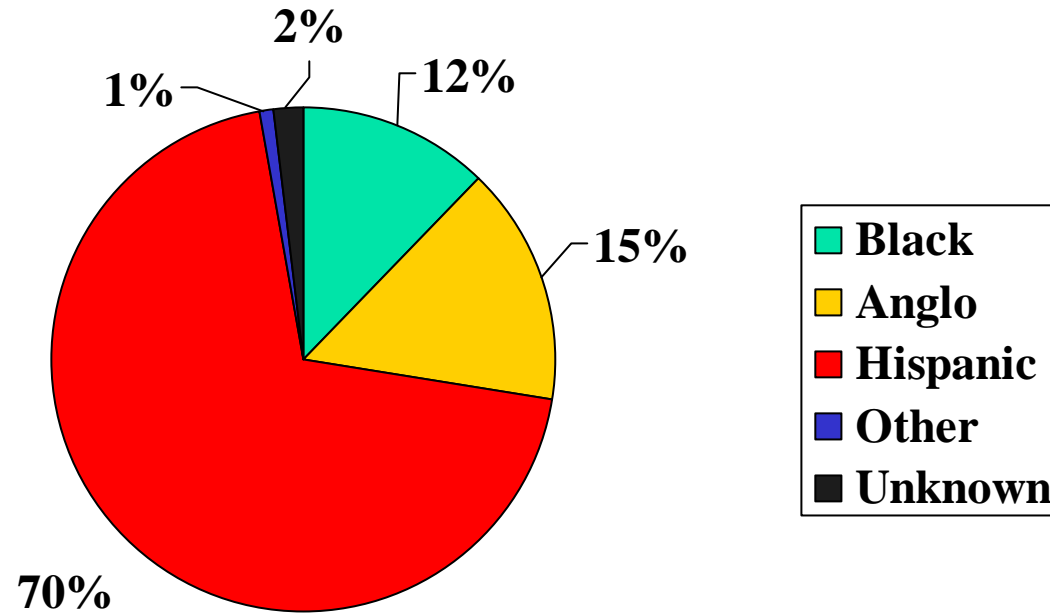
- Texas FQHCs served 547,816 clients in 2003
- 70% of these patients live at or below the Federal Poverty Line
  - 24% of FQHC clients receive Medicaid
  - 3% receive CHIP
  - 7% receive Medicare
  - 6% are privately insured
  - 60% have no health insurance

# 2003 FQHC Clients by Insurance Status



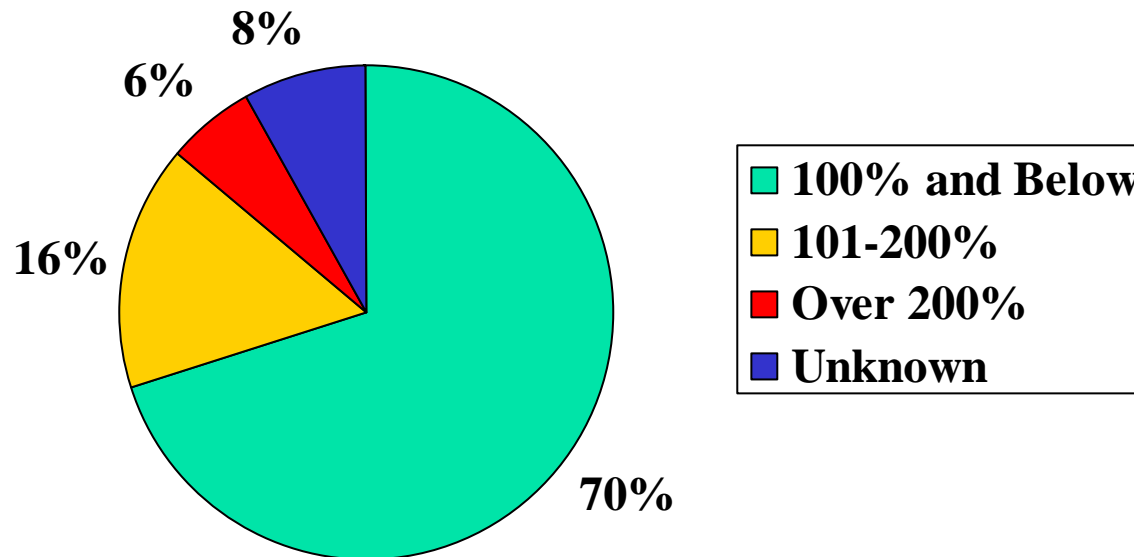
Source: BPHC Uniform Data System, 2003

# 2003 FQHC Clients by Ethnicity



Source: BPHC Uniform Data System, 2003

# 2003 FQHC Clients by Income Level



Source: BPHC Uniform Data System, 2003

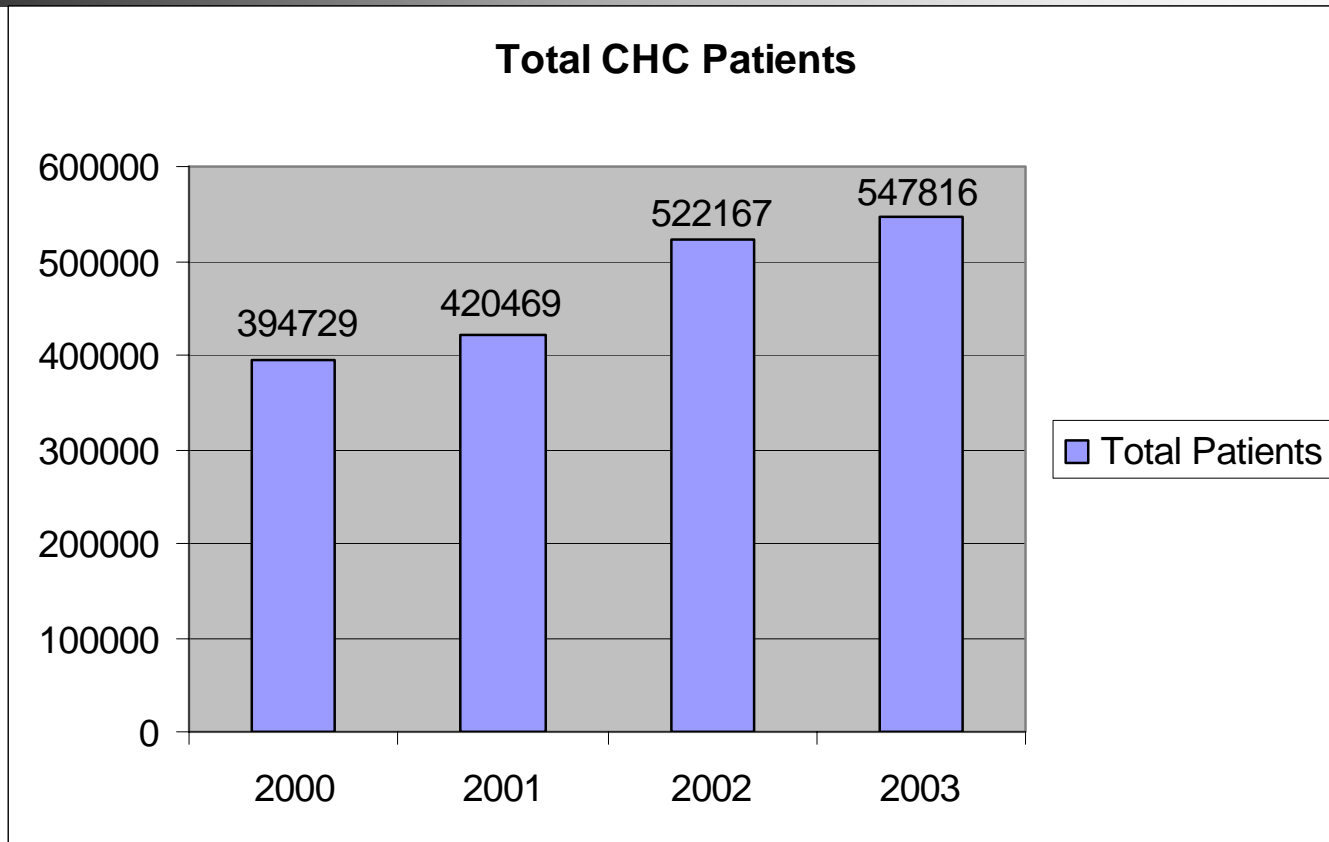


# FQHC Expansion

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- President's 5-year Initiative: 2001-2006
- Goal: Expand FQHC service sites to 1200, serve 6 million more people across the nation

# FQHC Expansion





# FQHC Expansion

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- Results of the first 3 years of the President's Initiative in Texas
  - 10 new FQHCs were funded
  - 4 existing FQHCs were funded for additional sites
- 37 FQHCs received funding for expansion and/or improvement of health services



# Access for Underserved

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- Underserved in Texas = 7,294,328
- CHCs currently see 568,983 underserved leaving 92.2% underserved without CHC services
- If all planned projects are funded, an additional 332,070 underserved will be seen by CHCs
- This leaves 87.6% of the underserved without CHC Services



# Provider Shortages

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- Texas CHC Health Provider Vacancies
  - Physicians 53
    - *Includes 46 Family Practice vacancies*
  - Physician's Assistants 10
  - Nurse Practitioners 11
  - Dentists 17
  - Executive Leadership 10
  - Psychologist 1



# Growth Needs

## SSP Planned Projects 2004-06

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- Projected 335,000 new users requiring:
  - 362 FTE Providers
  - 1895 FTE Support Staff
  - \$85.8 million capital
  - \$76.2 million in grant funding for uninsured

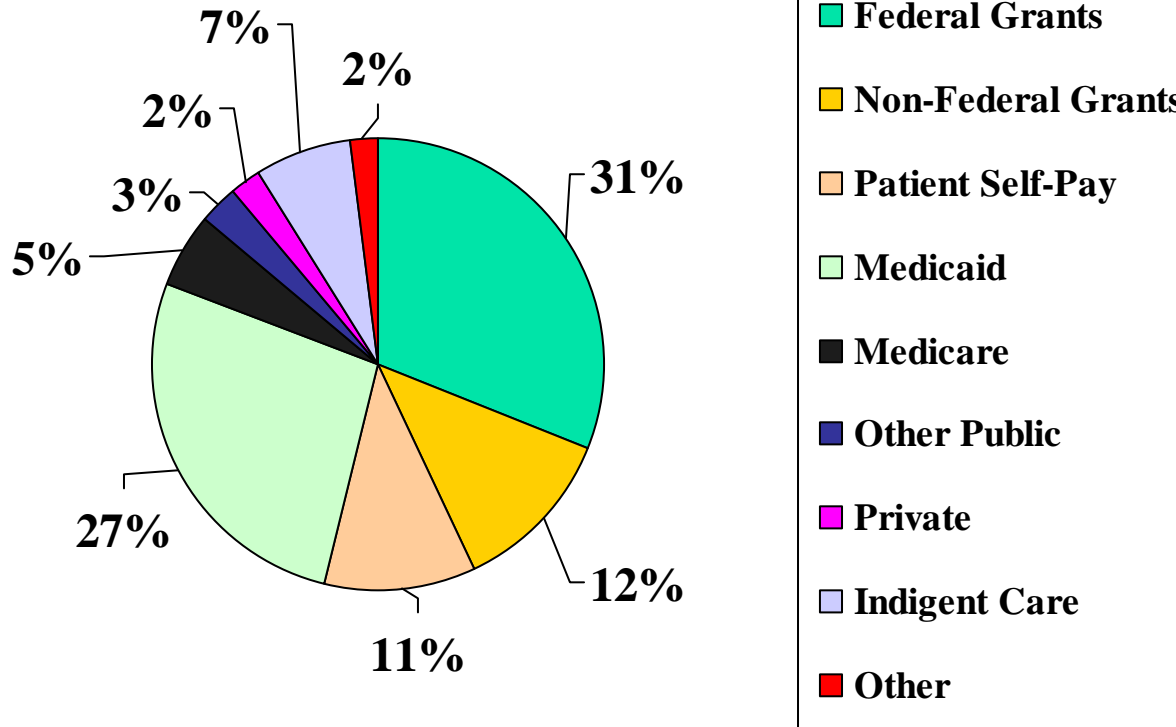


# 2003 FQHC Revenue

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- Federal Grants: \$76,991,038
- State and Local Grants/Contracts: \$17,882,343
- Foundations/Private Grants: \$11,642,973
- Patient Self-Pay: \$26,478,234
- Third Party Payers: \$92,411,261
  - Medicaid: \$67,161,887
  - Medicare: \$12,619,094
  - Other Public (including CHIP): \$7,335,817
  - Private: \$5,294,463
- Revenue from Indigent Care Programs: \$17,437,917
- Other Revenue: \$4,481,860
- Total Revenue: \$247,325,626

# 2003 FQHC Revenue



Source: BPHC Uniform Data System, 2003



# State Incubator Program

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- 10 Million Appropriated to DSHS over the 04-05 Biennium
- Provides planning and seed money to new health centers to better position them to apply for federal grants
- Also funds service expansion projects in existing FQHCs
- This program provides crucial financial support for expanding FQHCs in Texas



# Obstacles

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- Medicaid reform could jeopardize financial viability of FQHCs
- Growing number of uninsured represents a drain on grant funds
- State money for primary care potentially in question
- Need to expand primary care infrastructure in tight budget environment
- Provider Shortages/Need for Trained Personnel



# Opportunities

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- FQHCs have strong track record of low costs and good health outcomes
- The state's Incubator Program is getting organizations in position to bring in more federal dollars
- Redesigned indigent care program