Should Health Departments Still Provide Clinical Services Post-ACA?

Presented to: American Public Health Association
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Presenter Disclosures

• The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:
  – No relationships to disclose.
Background

“As clinical care provision in a community no longer requires financing by public health departments, public health departments should work with other public and private providers to develop adequate alternative capacity in a community’s clinical care delivery.”

Institute of Medicine, 2012
Background

• The decision to provide clinical services and pursue reimbursement is complex.
• That complexity will likely increase as reimbursement moves to new models such as accountable care organizations.
• Health departments must decide if it makes sense to provide clinical services based on local context and, if so, whether to seek reimbursement.
• As of 2013, a minority of local health departments provided clinical services.
• A 2014 report showed that, of those who do, the majority bill some form of third party payment.
Definitions

• Demand = States with Medicaid expansion

• Supply = Counties designated as a health professional shortage area (HPSA)
Data

• The roster of U.S. counties and population data are from the U.S. Census Bureau.
• HPSA designations are from the Health Resources and Services Administration, Bureau of Health Professions.
• State Medicaid expansion designations are from the Kaiser Family Foundation as of July 2015.
# 2x2 Matrix

<table>
<thead>
<tr>
<th>Quadrant</th>
<th>Description</th>
<th>Providers</th>
<th>Demand</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>No HPSA/No Medicaid Expansion</td>
<td>Adequate</td>
<td>No increase from Medicaid members</td>
<td>Likely low safety net role</td>
</tr>
<tr>
<td>II</td>
<td>HPSA/No Medicaid Expansion</td>
<td>Inadequate</td>
<td>No increase from Medicaid members</td>
<td>Potential medium safety net role</td>
</tr>
<tr>
<td>III</td>
<td>No HPSA/Medicaid Expansion</td>
<td>Adequate</td>
<td>Increase from Medicaid members</td>
<td>Safety net role potential strongly impacted by presence of other providers</td>
</tr>
<tr>
<td>IV</td>
<td>HPSA/Medicaid Expansion</td>
<td>Inadequate</td>
<td>Increase from Medicaid members</td>
<td>Potential high safety net role</td>
</tr>
</tbody>
</table>
# Results

<table>
<thead>
<tr>
<th>Region</th>
<th>HPSA/No Medicaid Expansion</th>
<th>Medicaid Expansion</th>
<th>Safety Net Role Potential</th>
<th>Consideration</th>
<th>Reimbursement Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>No HPSA/No Medicaid Expansion</td>
<td>Medium safety net role potential</td>
<td>Low</td>
<td>Consider not providing clinical services</td>
<td>Good opportunity for reimbursement</td>
</tr>
<tr>
<td>II</td>
<td>HPSA/No Medicaid Expansion</td>
<td>High safety net role potential</td>
<td>Medium</td>
<td>Consider providing clinical services</td>
<td>Strongly consider providing clinical services</td>
</tr>
<tr>
<td>III</td>
<td>No HPSA/Medicaid Expansion</td>
<td>Medium safety net role potential</td>
<td>Medium</td>
<td>Consider not providing clinical services</td>
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<td>High safety net role potential</td>
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<td>Good opportunity for reimbursement</td>
</tr>
</tbody>
</table>
Conclusions

- Health departments in only 7% of U.S. counties might be in a position to not offer clinical services as a part of the safety net.
- Health departments in 46% of counties may have a good opportunity to seek reimbursement for clinical services.
- 86% of counties are designated as HPSAs, yet few health departments provide clinical services.
Limitations

• The analysis considers only two factors.
  – Example: Does not account for those who may not be newly eligible for Medicaid, regardless of a state’s expansion status

• Need to tailor results to local context and conditions.

• However, the analysis does serve to group health departments in broad categories as a first step in working through the decision process.