

County Health Plans in Michigan: Balancing Local Responsiveness and Statewide Efficiency

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Agenda

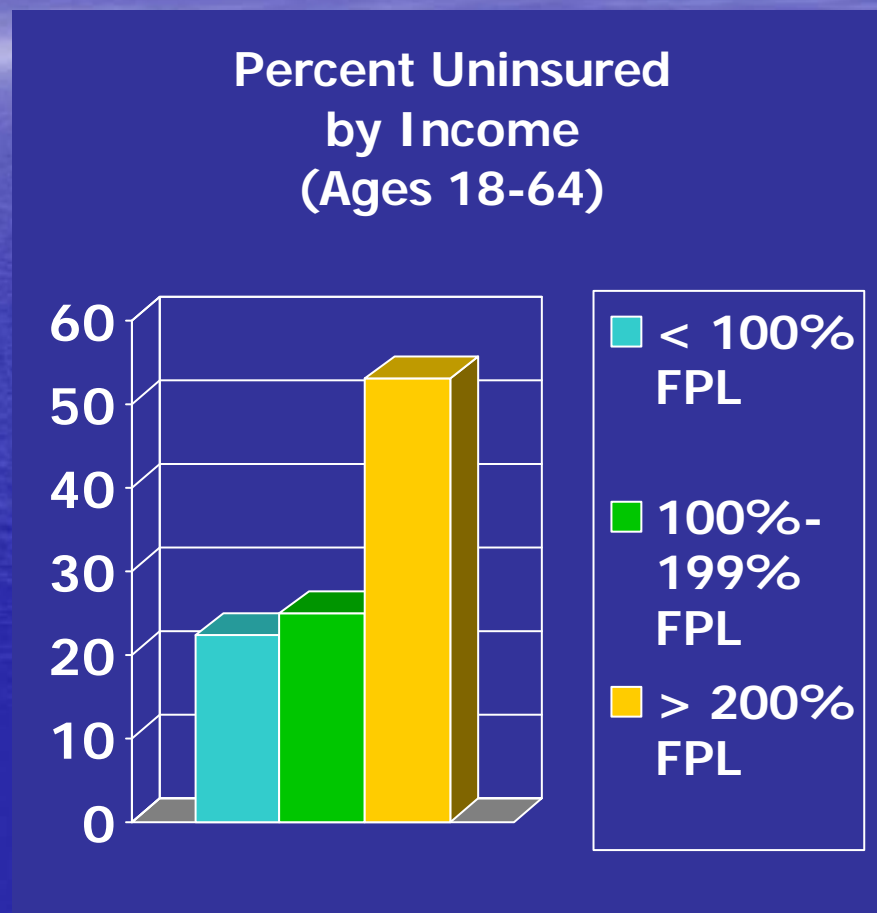
1. What is Kent Health Plan?
2. Statewide Scope of County Health Plans
3. Efficiency and Responsiveness

What is Kent Health Plan?



The Uninsured in Kent County*

- 10,524 persons or 22% are below the federal poverty level (FPL) (\$10,210 for a single person, in 2007)
- 11,723 persons or 25% are between 100% and 199% FPL
- 25,118 persons or 53% are over 200% FPL (\$20,420 for a single person, in 2007)



Origin and Purpose

In 2001 community partners* met to design a program that would:

- Improve access to healthcare for the thousands of Kent County residents without health insurance
- Provide members with a PCP
 - Members have a medical home
 - Members feel they can receive affordable care at a location other than the ER
- Reduce the amount of uncompensated care local providers absorb



* Including local hospitals, employers, Alliance for Health, Kent County Health Department, Hope Network, Cherry Street Health Services, Kent County Medical Society and Kent County Osteopathic Association

Structure

- Kent Health Plan began with a contract with the State of Michigan to cover very low-income adults (up to 35% FPL)
- This enables Kent Health Plan (KHP) to also offer:
 - Plan B, premium-free basic medical and prescription coverage for adults up to 150% of the Federal Poverty Limit (FPL)
 - Plan C, a subsidized insurance product for employees of small businesses
 - MAP, KHP's Medication Assistance Program for adults up to 200% FPL

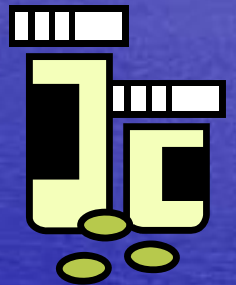
How is KHP Funded?

- A combination of local, state and federal dollars
- Two major sources of funding are:
 - Grants from hospitals for indigent care
 - Direct contract from the state to cover very low-income adults



What is Covered?

- Basic outpatient visits & procedures – primary care, specialty care, laboratory, radiology
- Physical therapy
- Over 300 medications (90% generic) in 14 drug classes
- Inpatient visits are not covered; patients are served by hospital charity care
- Copays:
 - Plan A \$1-\$3
 - Plan B & MAP \$5-\$10

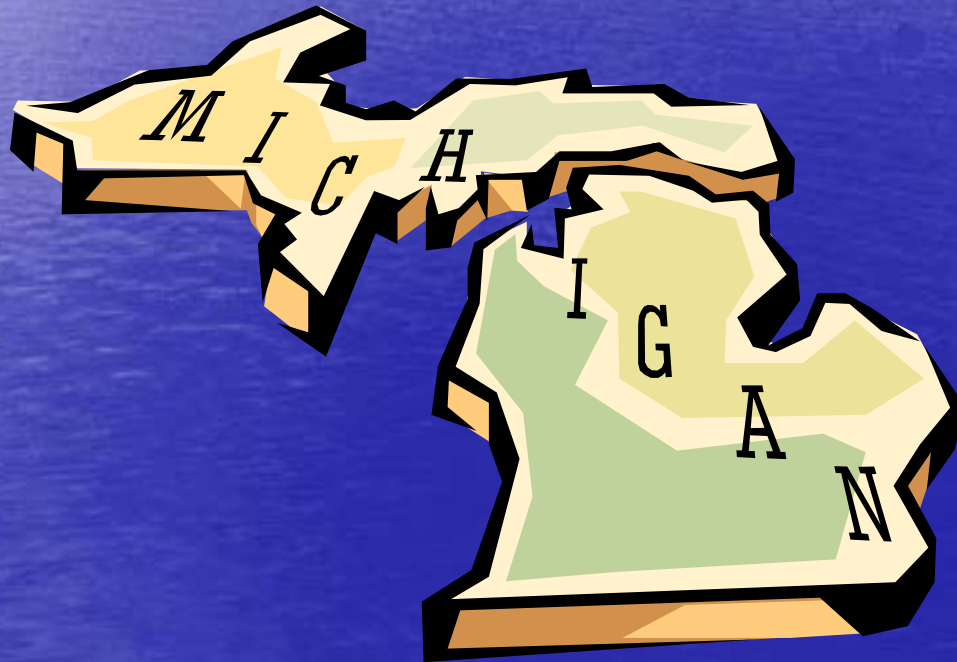


Who Is Eligible?

- Kent County Residents
- Ages 19-64
- Must have no other health coverage or insurance
- Meet income guidelines
- Non-U.S. citizens (of any age) may be eligible if they meet the other requirements



Statewide Scope of County Health Plans



Areas served by CHPs

- There are county health plans in 72 of Michigan's 83 counties
- Counties without a health plan are:
 - Huron, Tuscola, Sanilac, Lapeer, St. Clair, Ottawa, Allegan, Van Buren, Cass, Shiawassee and Lenawee



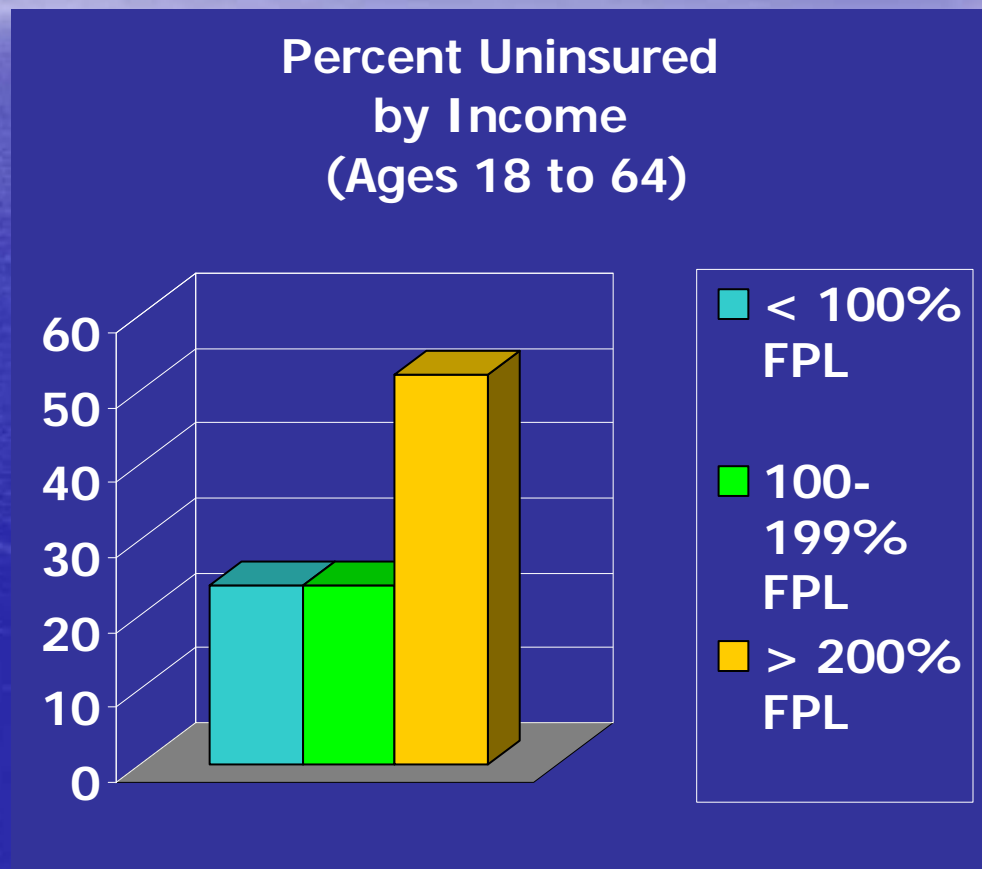
Programs Offered

- 27 county health plans serve the 72 counties
- All 27 offer a Plan A (premium-free ambulatory)
- 23 offer a Plan B (premium-free ambulatory)
- 9 offer a Plan C (subsidized "real" insurance)
- 2 offer volunteer-physician programs



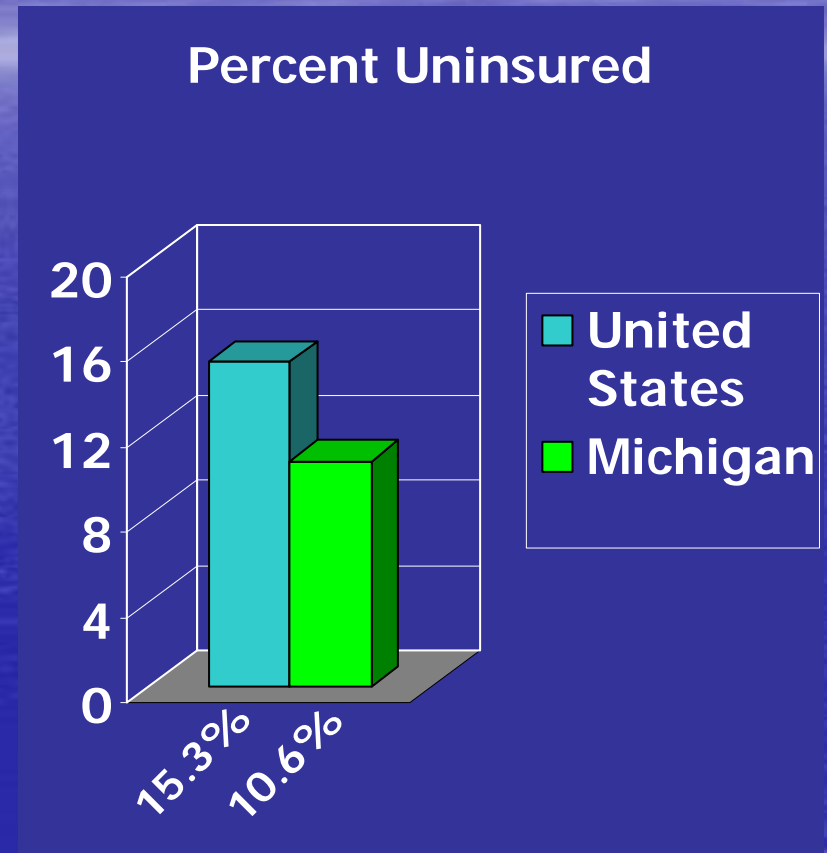
The Uninsured in Michigan*

- 197,462 persons or 24% are below the federal poverty level (FPL) (\$10,210 for a single person, in 2007)
- 193,879 persons or 24% are between 100% and 199% FPL
- 421,760 persons or 52% are over 200% FPL (\$20,420 for a single person, in 2007)



Michigan Compared to US*

- Nationally, there are approximately 45.1 million uninsured persons
- In Michigan, there are approximately 1.06 million uninsured



Impact of County Health Plans

As of October 2007, there were 27 CHPs serving almost 150,000* (14.1%) of the uninsured residents of Michigan



*Health Management Associates

Efficiency and Responsiveness



Shared Services

- The 27 health plans use only 6 different administrators
- Services shared or group-purchased include Legal, Accounting and Consulting



Michigan County Health Plan Association (MCHPA)

- Formed in late 2006
- All 27 health plans are members
- The MCHPA mission:
 - Provide a means to function as a group on common areas of interest
 - Assist members in promoting access to care for uninsured
 - Organize communication and advocacy efforts
 - Identify and authorize vendor services to benefit all members, achieving cost savings and group pricing
 - Share best practices and data to strengthen each member and the whole



Local Boards

- Each of the 27 health plans has a board made up of local community members
- KHP's board includes executives from each of the 3 hospitals in the county, an executive from a local FQHC, a physician and business leaders
- The boards make decisions about which programs to offer in addition to Plan A (premium-free ambulatory coverage for very low-income persons)



Local Desires, Needs and Infrastructure

- Enrollment staff: May be hired or donated by a community partner
- Networks: May be open or closed
- Rates: Most pay Medicaid rates. High end - 118% of Medicare rates and no out-of-county payments.
- Small business subsidy product (Plan C): Most offer private insurance and two provide a public non-insurance product (non risk-based)
- Safety nets: Most are built on hospital and FQHC clinics (Kent), some include county-run clinics (Ingham)



County Health Plans in Michigan

- Advocating for all of Michigan's uninsured
- Providing community-based primary care and medications for the chronically ill
- Meeting local needs



MCHPA Executive Committee



- *President: Lynda Zeller, Kent Health Plan*
- *Vice President: Ellen Rabinowitz, Washtenaw Health Plan*
- *Treasurer: Darlene Vasi, Macomb Health Plan*
- *Secretary: Robin Reynolds, Ingham Health Plan*
- ***Best Practices Committee Chair:** Denise O'Keefe, Central Health Plan*
- ***Communications Committee Co-Chairs:** Jeff Fortenbacher, Access Health Inc. (Muskegon County) and Bruce Miller, Northern and Tencon Health Plans*
- ***Data Committee Chair:** Jayson Welter, Branch Hillsdale St. Joseph Health Plan*
- ***Representative at Large:** Vickie Hertel, Wayne – MedBasic/PCMS*

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