

Leading the way: How three novel partnerships care for uninsured in Minnesota

By Casey Selix | Tuesday, Sept. 29, 2009



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Far from the high drama of the national health-care reform debate, three Minnesota nonprofit organizations in Alexandria, Duluth and St. Paul are quietly taking care of the uninsured in novel partnerships with providers, employers, consumers, counties, the state and even school systems.

The 1-year-old HealthShare program in Duluth offers low-cost health-care services to small businesses whose workers make \$12.50 or less per hour. Portico HealthNet in St. Paul, which contracts with hospitals and clinics, charges \$25 to \$50 a month per low-income household for health services. And, PrimeWest Health in Alexandria is about to launch a "Values Health" sliding-fee program to serve uninsured individuals who are ineligible for publicly funded programs.

Call it health-care reform in flyover land.

During the next five years, however, these groups could land in the national spotlight. The U.S. Department of Health and Human Services just announced that Minnesota is among 13 states to receive funding through the new State Health Access

Program.

The groups will test their approaches and/or expand their services to cover as many as 10,000 uninsured Minnesotans.

First-year funding is \$4.6 million but the total grant is \$35.3 million, which will be administered by the state Department of Human Services (DHS). Another \$30 million from "non-federal sources will be contributed to the total project funding primarily from in-kind services from community agencies and DHS," according to a press release from DHS.

The beneficiaries are folks who otherwise might fall through the cracks because they earn too much money or have too many assets to qualify for public programs. They're at risk for any number of reasons: their employers don't offer insurance, they can't get individual health insurance either because of preexisting conditions or it's too expensive, and they don't think they can afford the upfront costs of preventive services.

People making up to 350 percent of Federal Poverty Guidelines — \$37,905 for single adults, \$77,175 for families of four — would be eligible for preventive health care under the demonstration projects in Minnesota. This income category fits neatly into various federal reform proposals because the individual mandate to buy health insurance includes subsidies or tax credits for people making up to 300 percent or 400 percent of FPG.

Interim help for uninsured

Even if national health-care reform legislation is passed, it will take a few years to implement sweeping changes like the individual mandate. Even then, some people won't be insured because of hardship waivers.

"In the event of national reform, it is likely that we will continue to have some uninsured in the short term if not the medium and long term," said Elizabeth Lukanen, deputy director of State Health Access Reform Evaluation, a division of a program housed in the University of Minnesota's School of Public Health. "These local access-to-care plans not only act as an option for these uninsured, but they also provide community health-care providers with some compensation for the care that they provide, which means less strain on the safety net," said Lukanen, whose program will evaluate the projects.

According to the 2007 Minnesota Health Access Survey, 11.8 percent of Minnesotans with incomes at or below 350 percent of poverty were uninsured. But the uninsured rates run higher in some geographic regions: in the 13 counties served by PrimeWest Health in western Minnesota, the rates range from 8 percent to 16 percent.

In one sense the United States already has universal health-care access under the federal Emergency Medical Treatment and Active Labor Act of 1985. EMTALA requires hospital emergency rooms to screen, stabilize and treat anyone who shows up with a medical condition — regardless of their insurance status.

But countless studies have shown it's extremely expensive to treat the uninsured in hospital ERs for diseases and illnesses that could have been prevented or alleviated if these patients had access to affordable care at primary care clinics. This is precisely the issue the three grant recipients are tackling in different parts of Minnesota. Here are their stories:

HealthShare, Duluth, Minn.

HealthShare, a program launched by Generations Health Care Initiatives which qualifies people for public insurance programs, has enrolled 550 people from small businesses that haven't offered health insurance benefits for some years. By the end of the five-year grant, HealthShare hopes to support 1,100 to 1,300 enrollees in St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and Aitkin counties.

More than 90 percent of health-care providers in the Duluth area agreed to participate in the discount-payment program in its first year, said Dan Svendsen, executive director of HealthShare and Generations. The program also receives state aid and now the federal grant.

The HealthShare program grew out of research by Generations that showed 71 percent of the uninsured in the area have jobs, a high percentage work full time, and many work for smaller businesses with 50 or fewer employees.

Focus groups with small-business owners found that they wanted to offer insurance but couldn't afford it. Even if the businesses could afford private insurance premiums, the policies likely would have high deductibles and out-of-pocket expenses.

HealthShare thinks it's crucial to offer preventive health care instead of just insurance.

"Our theory is that people don't seek primary care because they believe they can't afford it, and in the long run that costs the system more" if they show up in emergency rooms with exacerbated conditions, Svendsen said. "Hopefully, if we can get people primary care and cared for upfront, the cost of taking care of them is going to be less in the long run and a much smaller burden on the state and everybody else."

Employers pay \$60 per worker each month and employees chip in \$53 to \$67, depending on their commitment to wellness programs (the cheaper rate goes to those who participate). There are no deductibles, but participants are responsible for \$10 co-pays for office visits. The program covers up to \$100,000 a year in expenses and \$200,000 in a lifetime.

So far, there haven't been any major claims. "We've been very fortunate so far, and we're knocking on all the pieces of wood," Svendsen said.

HealthShare members fall into two age groups — "the young and very healthy, and age 45 to 64, which seems to be a good mix so far," Svendsen said. "What we're dealing with is lower-income people whose hourly wage is \$12.50 and less. Typically, what we're seeing is that many of these folks are on the edge of qualifying" for public programs like MinnesotaCare "and any reversal will make them eligible."

Among the enrollees are those who haven't been insured in years.

"We have people who have not had insurance for 10 or 15 years, who are healthy to a degree, but as you grow older the tires go flat," he said. "We had a situation where a diabetic had not taken insulin for four months because it wasn't affordable. We have a person who was injured as a child but has been refused insurance because of a preexisting condition and hasn't seen a medical provider for that condition in 20 years. We have all the stories already but just about to a person they say they're very grateful they have coverage."

Though the Minnesota Department of Health found that 53 percent of the uninsured in Minnesota are eligible for public programs, Generations found that only one-third of their applicants were eligible because of their assets, Svendsen said. For example, farmers might qualify on income alone, but assets like land and property disqualify them.

While HealthShare's monthly rates are low by most standards, the program hasn't been an easy sell, Svendsen said. It launched last fall when the stock market was plummeting and the recession was hitting full force. "There's an 'I don't believe it factor.' ... What we're hoping is that we're kind of the proving ground. Businesses [who participate] say it's a good deal for retaining employees ... and maybe eventually they'll move on to an insured product."

Another goal of the program, Svendsen said, is to "create good consumers" of health care. Every enrollee is required to pick a "health care home" and a physician and to go see that physician for a basic checkup even if they aren't ill. "There's an education process. We want them to understand they don't need to go to the ER [for every ailment]. We hope when we're all done that we have a cadre of people who really understand how to use health care and they're a lot healthier because of HealthShare."

HealthShare is modeled after a 9-year-old program called Access Health, based in Muskegon, Mich.

"I hope we can show there are other ways to do this [achieve universal health care]," Svendsen said. "Everybody says somebody should do something. We're trying. We know it's a national problem. We're trying to do something in the interim. If you think back to when Medicare was authored (1964), it didn't go into effect until July 1, 1966. And those were simpler times. It's a little more complicated now."

Portico HealthNet, St. Paul

About 600 low-income individuals and families have been on a waiting list for the low-cost health-care program offered by Portico Healthnet of St. Paul.

Thanks to the federal grant, Portico will be able to increase its capacity by 30 percent and take care of just about everybody on the current waiting list, said Bill Gray, spokesman for Portico, which primarily serves low-income uninsured people in Ramsey, Dakota and Washington counties. This year, the nonprofit agency also started offering services for residents of Hennepin County, thanks to some foundation grants.

Portico's mission is two-fold: 1) qualifying the uninsured for public insurance programs by working through all the red tape, and 2) offering temporary health-care services to those who aren't eligible for public aid and/or are between jobs and health benefits.

Typically, there's more turnover. But during this recession, people have stayed in the program longer, Gray said.

Portico, which is 15 years old, contracts with 14 hospitals and partner clinics for health-care services. Enrollees pay a total of \$25 to \$50 a month, depending on household income. Most of the 645 households (or 1,400 altogether) earn less than 200 percent of Federal Poverty Guidelines. If a household income reaches 201 percent of the federal poverty level (based on family size), the fee is \$50 — no matter whether the household consists of one person or six immediate family members. Just 13 percent earn more than 200 percent of FPG. The income limit has been 275 percent of FPG, but the grant allows for enrollees making up to 350 percent of FPG.

"This is not an insurance premium," Gray said. "The money goes back into the pot to do outreach to find these people in the first place."

Hospitals see the wisdom of dedicating funds to Portico that otherwise would be spent on expensive uncompensated care in their emergency departments, Gray said. "We can show a 35 percent reduction in emergency room use compared to before and after they contract with us," he said.

How does Portico fit into health-care reform? There's always room for "grassroots solutions," Gray says.

"I look at Portico and say, well, it's a good idea that has worked for around 15 years, and hospitals are still funding it in an era of mass layoffs," he said. "No matter what they (Congress) end up passing, if anything, there's always going to be this group of people that temporarily, or over the long term, falls through the cracks for some reason. We'll be there to figure out how to sign them up" for stopgap services.

Like HealthShare of Duluth, patient education is an important component of the Portico program. "You can't just give people health care and expect them to know how to use it," he said. "They're going to go to the ER. If you look at the General Assistance Medical Care program [whose 2010-11 funding was vetoed Gov. Tim Pawlenty], one of the reasons it's going away is the costs. One reason the costs are so high is that the primary point of care is the ER."

PrimeWest Health, Alexandria, Minn.

Since 1997, PrimeWest Health has run a Medicaid-managed health plan for low-income residents through a joint powers agreement covering the 13 counties of Beltrami, Big Stone, Clearwater, Douglas, Grant, Hubbard, McLeod, Meeker, Pipestone, Pope, Renville, Stevens and Traverse.

That purchasing power has led to an integration of public and private health services focused on lower-cost, high-quality care for patients. At present, PrimeWest Health serves 20,000 residents out of a population of 225,000, says CEO Jim Przybilla.

With the new federal grant, PrimeWest and partners will develop a "multi-share" program called "Values Health." According to the abstract, Values Health has support and participation from 13 county governments, nine hospitals, 32 local employers with more than 700 workers altogether, 10 integrated multi-specialty and primary care clinics/physician groups, and 10 school systems.

Initially, the plan could serve up to 3,000 residents who don't qualify for Medicaid or MinnesotaCare. "We anticipate, as we go along, that through efficiencies like better wellness practices, we'll be able to expand the window to far more people," Przybilla said.

Employers and consumers will pay for the plan on a sliding-fee scale.

"It basically aligns [financial] incentives for both the consumer and the health-care provider to work toward better health outcomes," Przybilla said.

Employers are expected to help in the wellness effort, and will be rated on "noncash contributions" such as a healthful work environment — not only in terms of physical safety but also mental health.

"We spend a big part of our lives in a workplace and that can affect our well-being, physically and mentally," he said.

While health savings accounts will be used to encourage consumer responsibility, preventive care will be provided upfront instead of being reimbursed by the savings accounts.

The Values Health approach fits with health-care reform goals at both the state and federal levels, Przybilla said.

"If you look at everybody's wish list, regardless of their political party and whether they're liberals or conservatives within their party, they like value-based financing for outcomes, and the emphasis is on wellness and prevention and providing the right care at the right time," he said. "The things we're doing are not controversial politically. They [lawmakers] just haven't been able to arrive at them through legislation. They get hung up through the financing and whether the federal government should be involved."

It's not rocket science — its just common sense gleaned from years of putting what works into one program, he said.

"If you track what [Minnesota] legislators talked about last year during health-care reform, it's all in there — it's just packaged so it's workable at a programmatic level. It's novel in that we use different pieces: the health care home here, the health savings accounts there, value-based financing over here, wellness over there. We put it all in one package and make it more affordable and control the cost of health care.

"Bottom line, it's not health-care reform; it's *health* reform and how we keep people healthy," he said.

The plan includes developing a smart card and/or memory stick that patients would carry with them for proper identification, to use as a debit card for co-pays and perhaps most important — as a tool for carrying their medical records from place to place for continuity of care.

As far as Przybilla is concerned, the main obstacle in U.S. health-care reform is the finance system. "It's assembly-line medicine. It financially rewards the most-expensive services and it encourages the use of more and more services.

"If you look at supply and demand, the providers control demand and they're incented" to supply patients with more services, he said. "As consumers we're conditioned to be cured. The system says we'll take care of you even when you treat your bodies like they're cars in a demolition derby. ... We're conditioned to do that partly because we rely on a medical system to tell us whether we're healthy or not."

Values Health, he said, will be an "opportunity to demonstrate the value of keeping individuals healthy and of getting providers to focus on individual wellness. In time, the costs will take of themselves."

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