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Louisiana Legislative Issue Brief

What is a Community Health Center?

Community Health Centers are recipients of grant funding via Section 330 of the Public Health Service Act, as amended in the Health Centers Consolidation Act of 1996, (P.L. 104-299) which defines five models of Section 330 centers, they are: Community Health Centers and School Based Health Centers, Section 330(e); Migrant Health Centers, Section 330(g); Health Care for the Homeless, Section 330(h); and Public Housing Primary Care, Section 330(i). In order to get grant funding, Louisiana's Health Centers undergo a national competitive grant process. All health centers that have Section 330 grant dollars are automatically classified as an FQHC for the purposes of Medicare and Medicaid reimbursement, but not all FQHC designated centers enjoy Section 330 funding. There is a sixth model, which is called an FQHC Look-a-Like. This model provides a sliding scale discount to the uninsured, it is eligible for the same reimbursement from Medicare and Medicaid, but it does not have the benefit of additional grant dollars to offset the cost of caring for the uninsured.

What is a Federally Qualified Health Center?

In 1990 Titles 18 and 19 of the Social Security Act were amended to include a medical practice entitled Federally Qualified Health Center (FQHC) as defined by Section 330 of the Public Health Service Act. The FQHC legislation mandated Medicare and Medicaid to bundle a set of core primary medical care services that were reimbursable to the FQHC at 100% of cost. As recent as 1998, the Medicaid law was amended giving states the option to convert the reimbursement methodology from 100% of Cost to a Prospective Payment method of cost reimbursement. Louisiana's Community Health Centers have challenged the state Department of Health and Hospitals on timely conversion to this new methodology as well as whether or not centers were properly reimbursed under the former 100% cost based methodology. The effort of both the LPCA and Louisiana DHH has resulted in a work in progress to revise and update the Louisiana Medicaid plan specific to FQHC requirements.

Louisiana's health centers have moved up to the forefront of current discussions occurring regionally and statewide as possible solutions to providing the uninsured and medically underserved access to an affordable medical home. LPCA's position is that Louisiana's Health Centers are an indispensable part of the solution to providing cost effective, quality, primary and preventive health care accessible to the citizens of Louisiana because they are located where they live. This issue brief aims to provide the understanding necessary to support this statement by addressing the following issues:

- (1) Louisiana Health Centers mission and model of care delivery. The mission of every organization is to give the uninsured a consistent primary care medical home with a core set of primary and preventive health care services.
- (2) Louisiana Health Centers are cost effective and provide quality care. The average cost per visit across all ages and all levels of primary medical care is \$339 dollars per year. For this amount patients receive medical, dental, pharmacy and social services. There are several national studies that point out the national quality care initiatives that support Louisiana's Health Centers.
- (3) Louisiana Health Centers in relation to the larger delivery system for the medically underserved. There are distinct and important differences between what a Health Center can provide and what other models that serve the uninsured and medically under served can provide.
- (4) The 2004-05 Louisiana Legislative Appropriations consist of (1) a line item in the Appropriations Bill in the amount of \$5,000,000 to create a medical home for 14,749 new uninsured residents in the state; and (2) to appropriate \$2,000,000 to fund the indigent care trust, with specific capacity development initiatives for existing FQHCs. These initiatives will enable the centers to expand their scope of care to include dental, mental health, and substance abuse services as well as technology improvement to better serve their respective populations.

1. Louisiana Health Centers Mission and Model of Service Delivery:

While there are slight variations on the theme of each Louisiana Health Center organization's mission statement, the essence includes providing quality, affordable, cost effective primary and preventive health services to every citizen regardless of socio-economic status, sexual orientation, race, ethnicity, or religious beliefs. Current data shows that Health Centers in Louisiana served 92,316 patients (2003 Uniform Data System).

The health center model is patient driven which sets it apart from every other model of health care delivery to the underserved in the state. It is also the only model that employs a majority of minority health professionals, including CEOs, CFOs, Medical Directors, and Dental Directors. By Federal grant mandate, 51% of health center board members are patients or program consumers, 73% of program consumers are African American and other minorities. FQHCs are a state model for community empowerment. As the Louisiana Legislature continues to seek solutions to the problem of health care for the uninsured; the paradigm is beginning to shift from a statewide solution to a regional solution. LPCA's position is to focus on a community solution knitting the health center model into an integrated, community based system of care where all critical access or essential community providers, including public health units, community action agencies, and small rural hospitals are working together to serve a shared population. The beginnings of such a solution are emerging in both urban and rural areas of the state. Examples are the New Orleans Partnership for the Care of the Uninsured, the Bayou Teche Community Health Network, St. Landry Community Health Network, Health Enrichment Network in Allen Parish to name a few. These initiatives have federal grant support from HRSA's Office of Rural Health Policy as well as the Bureau of Primary Health Care. A new statewide vision and strategy is also emerging which will result in streamlining the referral, intake, and follow-up process through the use of a shared information technology system. If successful, Louisiana's safety-net providers could effectively initiate a new case management dimension facilitated through the information super highway that is necessary to make information real-time and useful in the care management process. This requires rethinking resources and state health policy. LPCA is a crucial partner to the state Bureau of Primary Health Care and Rural Health and the Louisiana Rural Health Access Program which is attuned to this vision.

LPCA's position is that the solution to reducing the state's dismal health status and exorbitant costs is to effectively utilize Louisiana's Health Centers, essentially to synchronize Louisiana's Health Centers with other critical and/or essential community providers. In this new system of health care delivery Louisiana's Health Centers are still owned and operated by the patients in partnership with the state and other key providers; but they will benefit from a new and unprecedented level of support from new partners that could help to set the stage for future growth of Louisiana Health Centers.

Table 1

Name of Health Center Organization	Number and Type of Section 330 CHC
1. Capitol City Family Health Center, Baton Rouge, LA	1 core site
2. David Raines Community Health Center, Shreveport, LA	1 core site, 3 satellite sites
3. East Jefferson Community Health Center, River Ridge, LA	1 core site
4. Eastside Community Health Center, St. Gabriel, LA	1 core site, 2 SBHC (state funded only)
5. Excelth, Inc., New Orleans, LA	1 core site, 4 member sites
6. Health Care for the Homeless, New Orleans, LA	1 core site (HCH)
7. Iberia Comprehensive Community Health Center, New Iberia, LA	1 core site, 1 satellite
8. Innis Community Health Center, Pointe Coupee Parish, LA	1 core site
9. Outpatient Medical Center, Natchitoches, LA	1 core site, 2 satellites
10. Primary Care Health Services, Monroe, LA	1 core site (PHPC), 2 satellites
11. Rapides Primary Health Services Center, Alexandria, LA	1 core site
12. St. Helena Community Health Center, Inc. Greensburg, LA	1 core site, 3 satellites (one federally funded SBHC site)
13. Southwest Louisiana Center for Health Services, Lake Charles, LA	1 core site
14. Medical Center of Sicily Island, Catahoula Parish, LA	1 core site, 1 satellite
15. Southwest Primary Health Care, Opelousas, LA	1 core site
16. St. Charles Community Health Center, Luling, LA	1 core site
17. Teche Action Board, Inc. d/b/a Teche Action Clinic, Franklin, LA	1 core site, 2 satellites
18. Baton Rouge Primary Care Collaborative, Baton Rouge, LA	1 core site, 1 satellite
Total Section 330 CHC Delivery Sites	35 (330 sites), 39 delivery sites

All of Louisiana's Health Centers are non-profit. There are eighteen organizations that have core sites; some have satellite sites. Three of the eighteen organizations have satellites that do not receive Section 330 grant funding. For example, school based health centers can receive state grant support without receiving federal grant support as is the case with Eastside Community Health Center. Primary Health Services in Monroe is seeking 330 grant funding for its core site, which presently stands as an FQHC Look-a-Like. Other abbreviations are as follows: SBHC means School Based Health Center, PHPC means Public Housing Primary Care and HCH means Health Care for the Homeless as listed in Table 1.

2. Louisiana Health Centers are Cost-Effective and Provide Quality Care.

The National Conference of State Legislators in a web-conference held February 11, 2004 pointed out that for every dollar spent in a Health Center, the Medicaid program saves \$7. The information provided in this section gives a snapshot of the financial picture of Louisiana's Health Centers. This information is as per the 2002 UDS State roll-up report. The Uniform Data System (UDS) are a standard set of performance data provided to the national program office or the Bureau of Primary Health Care (BPHC) annually.

Fiscal Information

Total Revenue by Source: \$29,932,218
 Grant Revenue: \$18,414,925 **61.5%**
 (includes Federal and Non-Federal Sources)
 Revenue from Services to Patients \$11,079,559 **37.0%**
 (includes Medicaid, Medicare, Private Insurance and Sliding Fee)
 Other Revenue \$ 437,734 **1.4%**
 (includes fundraisers, and other special programs, e.g. indigent pharmacy)

Average Annual Cost per User and Cost per Visit Across all Centers and all Ages

Annual Medical Costs per User: \$279
 Annual Dental Costs per User: \$241
 Total Annual Costs per User: \$339
 Cost per Medical Visit: \$121
 Cost per Dental Visit: \$130
 Pharmacy cost per Med. Visit: \$7
 Lab & X-Ray Cost per Med. Visit: \$9

Data Source: Uniform Data System Report, 2002 Summary for Louisiana, BPHC, HRSA <http://www.hrsa.gov>.

According to an analysis conducted by the National Association of Community Health Centers (NACHC) in 2003, Louisiana's Health Center patients cost the state Medicaid program on average, regardless of age, **\$2,344** dollars per year. Louisiana Medicaid saves .20 on every \$1.00 spent on a patient seen in a Louisiana Health Center setting.

Louisiana Medicaid Program

Child per year \$1,131
 Adult per year \$2,377
 Elderly per year \$8,036
Total Cost: \$11,544

Louisiana Health Center Medicaid

Child per year \$ 441
 Adult per year \$1,260
 Elderly per year \$ 643
Total Cost \$2,344

For example, if Louisiana Health Centers served 21,401 Medicaid beneficiaries in 2002 (according to the UDS), at an average cost \$2,344(.20) = \$469 dollars in savings. \$469 x 21,401 patients = \$10,037,069 dollars in savings to Louisiana Medicaid, how many providers can demonstrate cost savings to the Medicaid?

NACHC commissioned a study in 2003 entitled Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities. Shin P. Jones, and Rosenbaum S. The study found that as the proportion of a state's low income population served by Health Centers grows, the health disparities gap narrows in such key areas as infant mortality, prenatal care, tuberculosis case rates and age-adjusted death rates. To learn more visit www.gwhelthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Another study entitled Cost versus Quality of Care in Different Types of Primary Care Settings, 28 December, 1994, Journal of the American Medical Association shows that health centers consistently scored near the highest in 21 quality measurements, even though their costs of care were among the lowest of the various provider types reviewed. There is a long list of studies available through NACHC that can be retrieved by visiting www.nachc.com or email research@nachc.com.

3. Louisiana's Health Centers in Relation to the Larger Delivery System for the Medically Underserved.

There are fundamental distinctions between a Louisiana Health Center and other community providers that care for the low-income and uninsured populations in the state. LPCA asserts that no other outpatient provider offers the same core complement of services found at a Louisiana Health Center site in one setting. Physician services, lab, x-ray, dental, pharmacy, Medicaid enrollment, transportation, mental health and substance abuse are program expectations coming from the national Bureau of Primary Health Care. To learn more visit www.hrsa.bphc.gov.

Each Louisiana Health Center organization's scope of care has variations; yet there are a core set of services that the rural health clinic, the public health unit, or the public hospital system do not offer. Louisiana's Health Centers are also subject to very rigorous requirements imposed by the federal Bureau of Primary Health Care. The competitive grant cycle that health centers undergo every 3-5 years, where centers must demonstrate progress in meeting the goals of a detailed health care plan is one such requirement. Louisiana's Health Centers are also expected to participate in the Health Disparities Collaborative national initiative. In the Health Disparities Collaborative, Louisiana Health Center's clinical performance is measured against national Health Center cohorts that are using the same performance measures for initiative in Diabetes, Cardiovascular Disease, Cancer, Smoking, Depression, etc.

Additionally centers are expected and given financial support to become accredited through the Joint Commission on the Accreditation of Health Care Organizations. Participation in these initiative help to secure future grant support. Becoming a Louisiana Health Center is not as simple as one might think, it requires hard work and constant scrutiny internally and externally.

Table 2

Service and/or Feature	FQHC	Rural Health Clinic	Public Health Unit	Public Hospital
General Primary Medical Care for all ages [A minimum of 40 hrs	100%	100%	0 Mostly	100% in residency outpatient departments

per week with a sliding scale discount that gives access for uninsured. Consistently seen and followed by the same physician and/or mid-level provider. Services also include consistent Health Education, Pap Smears as appropriate and screenings for High Blood Pressure, etc.]			preventive services such as immunizations and family planning; with few exceptions	and the E.R., which is inappropriate and not cost effective
Immunizations	100%	100%	100%	0
Dental Services [includes preventive, restorative, emergency, rehabilitative]	65% and growing	0	0	0
Mental Health [Treatment including crisis intervention/counseling]	50% and growing	0	0	0
Substance Abuse	20% and growing	0	0	100%
Pharmacy [on site or through off site contract] Louisiana's Health Centers also have access to deepest discounts through 340b program.	30% and growing	0	Family Planning Only	100% Mainly indigent care
Formal Chronic Disease Management Programs	50% and growing	0	0	100% all internal, no external accountability

4. The 2004-05 Legislative Appropriations request. Louisiana's Health Centers are majority Section 330 funded Public Health Service grant recipients who have a special reimbursement designation called FQHC (Federally Qualified Health Center). Louisiana's Health Centers are the only model that can assert actual savings to the state health system and at the same time reduce health disparities. The research to support this claim is available and can be accessed through our national program advocates or through the website at www.nachc.com or by visiting www.hrsa.bphc.gov. At a recent conference on the cost effectiveness and improved health outcomes of Community Health Centers it was stated that in times of budget constraints and the growing population of uninsured, it is important to policymakers to invest what limited funds that are available into health programs and activities that are cost effective and produce good outcomes. (Source: Cost-Effectiveness and Health Outcomes of Community Health Centers, Wednesday, February 11, 2004, Web-Conference)

Louisiana's Health Centers with the support of our state advocacy base, the Louisiana Primary Care Association is asking the Louisiana Legislature to include a \$5,000,000 dollar line item in the general appropriations bill in the 2004-05 budget. This funding will enable existing Health Centers to serve 14,749 new patients. This represents 38% of the 39,025 patients targeted in the five-year statewide strategic plan. Louisiana Health Centers are also asking state legislators to appropriate \$2,000,000 dollars into the Louisiana Indigent Care Fund created through Act 1114 so that existing Louisiana Health Centers can implement the specific capacity development initiatives that would strengthen existing health center's ability to meet the challenge set forth by Governor Kathleen Blanco, which is a minimum of one health center in each parish in the state of Louisiana.

With your help we can meet the challenge. For more information contact Rhonda Litt, Executive Director of the Louisiana Primary Care Association by calling 225-927-7662 or emailing at Rhonda@lpcanet.net or visit LPCA on the web at www.lpcanet.net.

"Established in 1982, LPCA is a non-profit organization whose mission is (1) to represent the interests of federally supported and other federally qualified health centers in Louisiana and (2) to serve as an information source concerning issues of health care for poor and medically underserved populations in Louisiana."