

# DELIVERY SYSTEM GAP ANALYSIS MERCED COUNTY

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## What is the purpose of the gap analysis?

- Estimate how many uninsured residents will be eligible for Medi-Cal, Covered CA and the remaining ineligible following coverage expansion
- Describe the characteristics of the uninsured in Merced County, the safety-net delivery system that cares for them and current/future coverage programs
- Identify current and projected access/capacity challenges for low-income residents
- **Highlight steps that County stakeholders can take to monitor and act on outcomes and challenges following the 2014 coverage expansion**

## Methodology

- Review and analyze publicly available data, including the Census, OSHPD, and the California Health Interview Survey (CHIS), among others
- Conduct targeted stakeholder interviews with major safety-net providers in Merced County, including Golden Valley Health Centers, Livingston Medical Group, Castle Family Health Centers, Mercy Medical Center, Los Banos Memorial Hospital, Central California Alliance for Health, Merced Health Department and Merced Human Services Agency
- Develop estimates of future eligibility for coverage among Merced's uninsured, including Medi-Cal, Covered California (with and without subsidies) and the remaining uninsured
- Model potential enrollment "take-up" rate and service demand changes for newly insured Merced residents

## Uninsured and Coverage Eligibility

- 50,700 uninsured Merced residents
- 43% of the uninsured have income <138% FPL and 90% have income below 400% FPL
- 70% of uninsured Merced residents are Latino, despite representing 55% of the population

## Uninsured and Coverage Eligibility

- 74% of the 50,700 uninsured residents are likely eligible for Medi-Cal or Covered California subsidies

ACA Coverage Eligibility	Merced Eligibility Estimate
Medi-Cal	18,700
Covered CA – Subsidy	18,850
Covered CA – No Subsidy	4,400
Ineligible Due to Documentation Status	8,750

*Source: Rounded estimates using the 2009-2011 American Community Survey data*

## Enrollment Take-Up Rates

- Depending on take-up rate, between 10,500 and 31,425 residents could gain coverage
- Drivers of high enrollment include the following:
  - Awareness and perceptions of coverage options
  - Ease and efficiency of the enrollment process
  - Linguistic and cultural accessibility
  - Affordability

Enrollment Status	Insurance Take-Up Rates		
	25%	50%	75%
Enroll in Coverage	10,488	20,975	31,425
Eligible but Do Not Enroll / Ineligible Due to Documentation Status	40,212	29,725	19,275

## Access and Barriers to Care

### Access

- Safety net providers report fairly reasonable access to primary care for Medi-Cal and uninsured patients despite data showing primary care shortage
- Local specialist shortage contributes to limited local access to specialists for Medi-Cal patients and extremely limited access for uninsured patients
- Providers have significant concerns about access to mental health services for severely mentally ill patients

## Access and Barriers to Care

### Barriers

- **Transportation**
  - Lack of accessible public transportation
  - Travel to Merced metropolitan or out of county specialists for Medi-Cal patients (and uninsured)
  - Add'l travel challenges for rural/southern Merced residents
- **Cost**
  - Unknown/High specialty care costs for uninsured patients
- **Long Waits**
  - Excessive wait times for specialty care among the uninsured
- **Patient Behavior/Education**
  - Lack of patient awareness about provider resources and appropriate utilization of preventive health services

## Impact of Expansion on Demand

- Changes in demand will be driven by several factors:
  - 1) Enrollment “Take-Up” Rates by eligible uninsured
  - 2) Additional demand by existing patients
  - 3) New patients entering the system

## Impact of Expansion on Demand

- **Primary Care:** Only about half of residents gaining insurance coverage will represent “new” patients entering the delivery system since many already utilize primary care services
  - 5,200 - 15,700 newly insured patients without an existing source of primary care could seek to establish primary care medical homes
  - Since many uninsured already use some primary care services, primary care demand will increase incrementally
- **Specialty Care:** Since most uninsured residents lack any access to specialty care, enrollment into coverage will likely result in significant increases in demand for specialty care services

## Impact of Expansion on Demand

### Impact of Demand: Three Enrollment Scenarios

	Take-Up Rate Among Eligibles		
	Scenario 1 25%	Scenario 2 50%	Scenario 3 75%
Number of Newly Insured Residents	10,488	20,975	31,425
Newly Insured – <b>New</b> Patients Entering Delivery System (No Usual Source of Primary Care)	5,244	10,488	15,713
Additional Primary Care Provider FTE Demand (Panel Size: 1,500 – 2,000)	2.5 – 3.5 FTE	5.0 – 7.0 FTE	8.0 – 10.5 FTE
Increase in Primary Care Visit Demand	~7%	~15%	~20%
Increase in Specialty Care Visit Demand	Equivalent to New Enrollment		

2

## Provider Plans to Expand Capacity

- All providers reported efforts to more efficiently utilize existing facilities and providers
  - Repurposing non-clinical space to expand exam rooms
  - Workflow efficiency improvements (e.g. Coleman)
- Most providers are actively recruiting physicians for a combination of existing and new positions (10.0 FTE)
- No providers are formally planning to add new facilities

## Provider Recruitment Challenges

- Filling provider openings is a perpetual need and many remain unfilled for 12 months or more
- No physician residency pipeline in place for safety-net providers
- Competitive environment for limited pool of physicians pushes compensation demands higher
- Nurse Practitioner and Physician Assistant recruitment faces similar challenges

*"Maintaining our provider staff has really been our biggest challenge- the top issue on our list is provider recruitment. It is becoming extremely competitive. The few [PCPs] here and there are now being heavily recruited by Kaiser, the hospital foundations and others. We can't compete."*

## Conclusion and Recommendations

- **Engaging Latinos in coverage enrollment is central to reducing the number of uninsured**
  - Consider investment in coordinated strategies to enroll Latinos and Spanish speakers
- **Coverage expansion will significantly increase demand for already difficult to access specialty services**
  - Engage stakeholders, such as managed care plan, safety net and commercial providers and the County in collaborative strategies
- **Access limitations exist for mental health services (especially severely mentally ill)**
  - Conduct a detailed evaluation of access to mental health services and options to improve access

## Conclusion and Recommendations

- **Physician recruitment pipelines are limited for safety net providers**
  - Investigate options to collaboratively expand provider recruitment pipelines with partners such as UC Merced, others
  
- **Patient education is a perceived need among provider stakeholders**
  - Engage primary care providers, hospitals and managed care plans in developing communitywide strategies to educate insured patients about health insurance coverage, resources and appropriate utilization

## Conclusion and Recommendations

- **Create benchmarks to measure outcomes in key areas**
  - Medi-Cal and Covered California enrollment trends
  - Patient demand and service utilization
  - Provider capacity activities and challenges
  - Access to care
  
- **Establish forums for health care stakeholders to monitor outcomes and identify collaborative opportunities to improve performance**



