Impacts of the Affordable Care Act for State and Local Health Departments

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Disclosures

- This presentation was prepared by NORC at the University of Chicago, under contract to the Department of Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE). The findings and conclusions presented do not necessarily represent the views of ASPE or HHS.

Research Objectives

- Assess scope of impact of Affordable Care Act (ACA) reforms, including expanded insurance coverage and enhanced access to preventive services, on state and local public health programs
- Examine effect of reforms on how individuals seek services and where they are delivered
- Examine anticipated changes to programs and practice resulting from ACA reforms
- Examine role of state and federal support for public health programs

Data Sources

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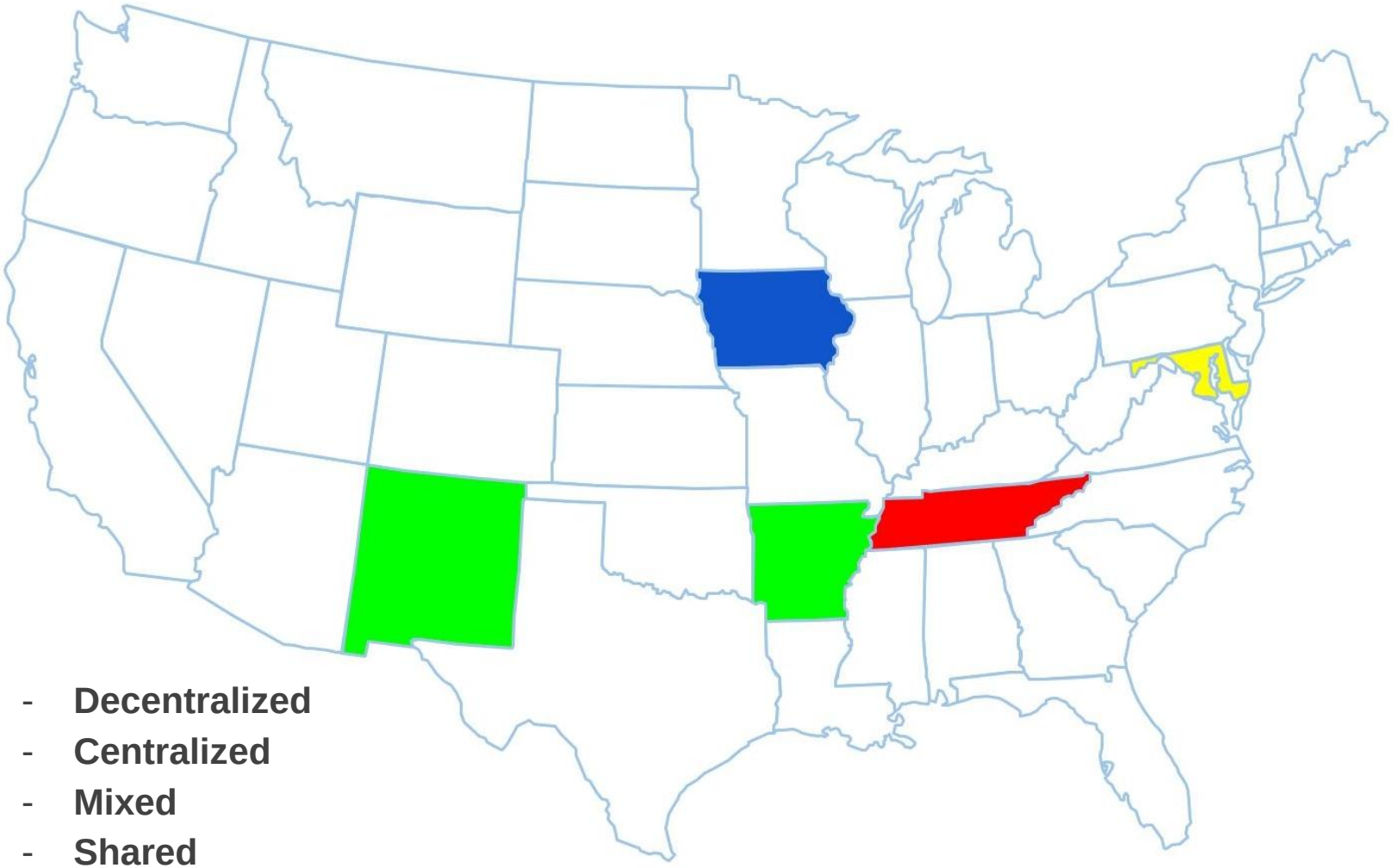
- Case studies with five state health departments and some local health departments (HDs)
  - Interviewed health directors, senior deputies, program directors and staff (immunization, cancer control, others), Medicaid staff, and local HD staff
  - First two states – paired design to explore differences of Medicaid expansion
  - Remaining states – diverse governance structures and geography
- Environmental Scan
- Ongoing consultation with Technical Advisory Group (TAG)

Case Study States



- Decentralized
- Centralized
- Mixed
- Shared

State Characteristics

State	Governance	Expansion Status (Date)*	Region	Pop. Tertile	Unique Features
Arkansas	Centralized	Expanding through waiver (July 2013)	South	Medium	High provision of clinical services
Tennessee	Mixed	Not expanding (July 2013)	South	Large	High provision of clinical services
New Mexico	Centralized	Expanding (April 2014)	Southwest	Small	Frontier/rurality, tribal health, border issues
Maryland	Shared	Expanding (June 2014)	Mid-Atlantic	Medium	Explored LHDs in Western rural counties
Iowa	Decentralized	Expanding through waiver (June 2014)	Midwest	Medium	99 counties, 101 LHDs, decentralized

*Expansion Status (Date of Site Visit) Data from Kaiser Family Foundation, http://kff.org/health-reform/slide/current-status-of-the-medicaid-expansion-decision/

Initial Findings – Year 1

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- Billing for Services
- HHS & State Support for Public Health Programs
  - Changes in client volume
- HD Provision of Clinical Services
- HD Provision of Key Public Health Services
- ACA-Related Opportunities

Billing for Services

- Expanding capacity to bill for services (five states)
- Some services not amenable to billing (e.g., contact tracing, surveillance)
- Reimbursement not sufficient to cover HD costs to deliver services (three states)
- Billing for services changes how HDs do business
  - They establish billing systems, change accounting practice, train public health staff to ask about insurance status, and hire billing staff

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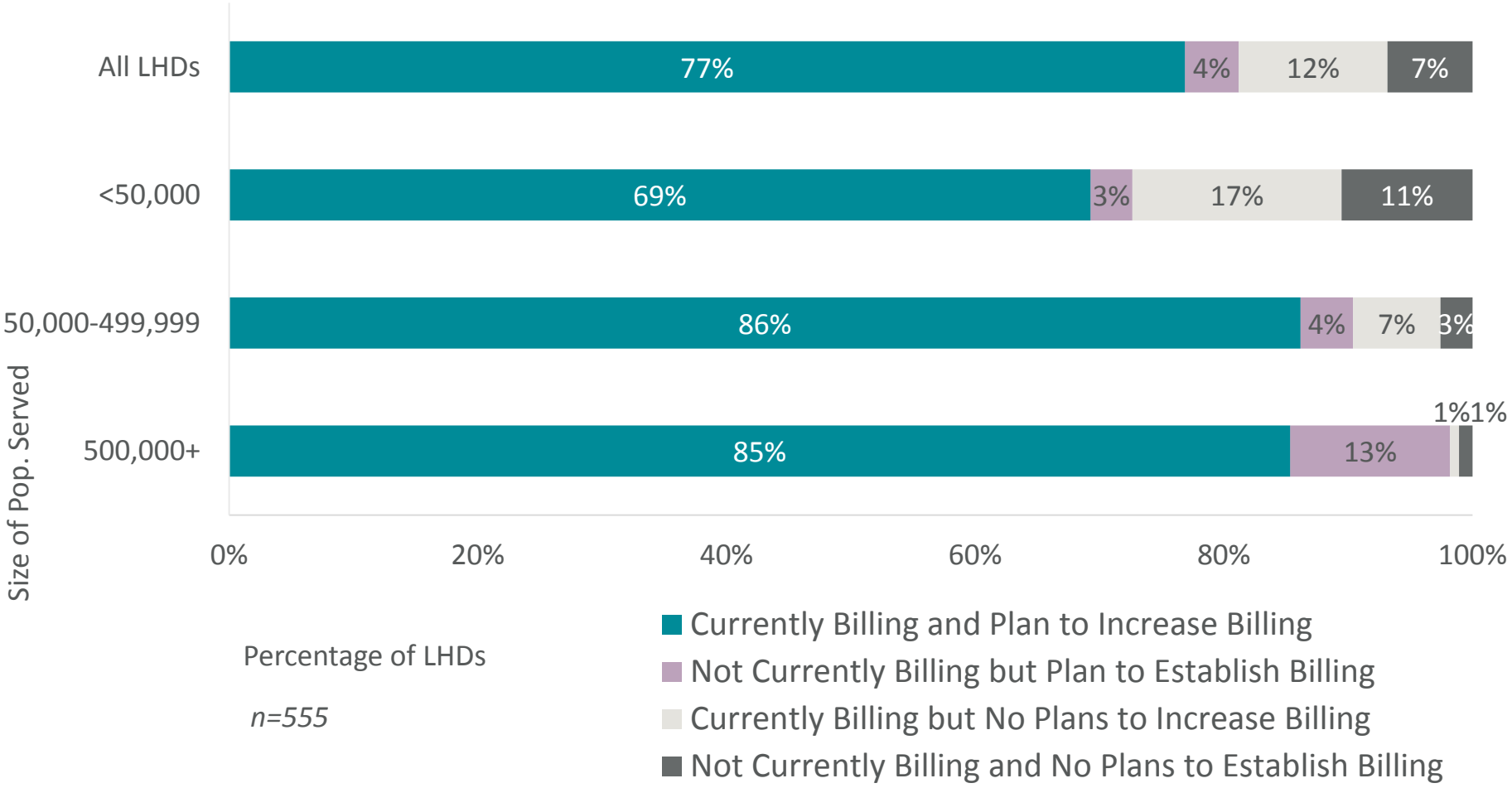
Stakeholder Quote

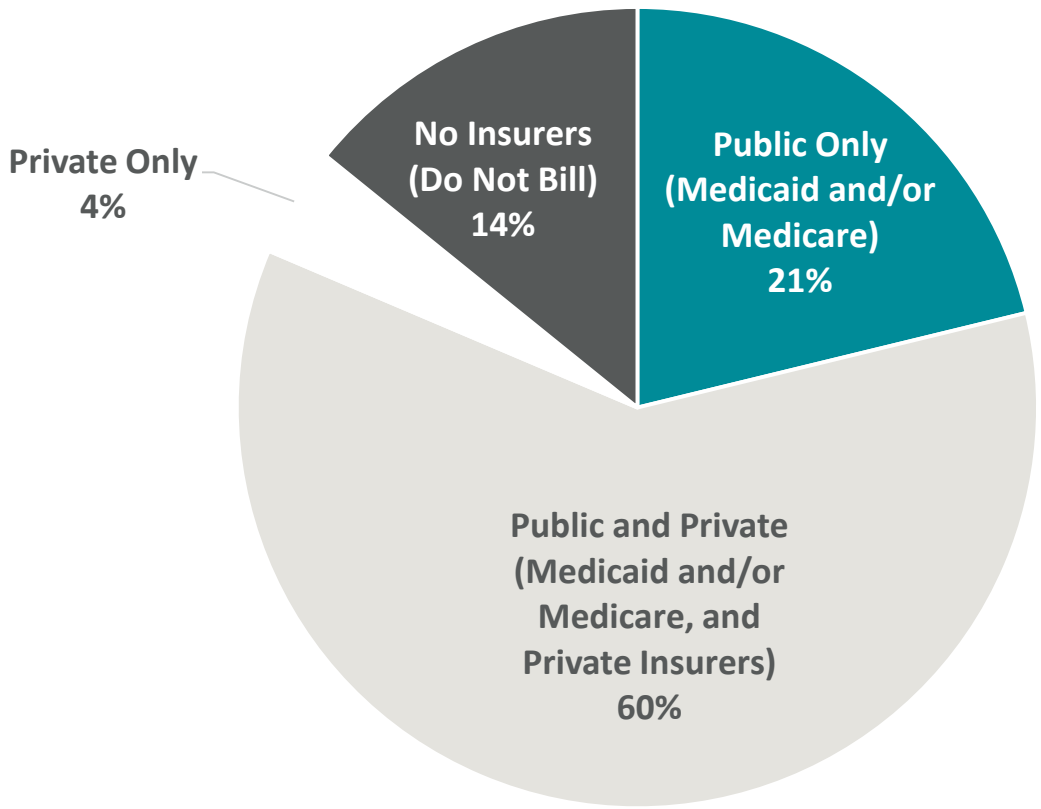
"The Department of Health historically didn't need to think about generating revenue, but we're feeling that pressure now as a result of the Affordable Care Act. [We are] thinking about funding being cut in the future…[and with] more people insured, there's an opportunity and we should be maximizing our billing. It's changing our mindset – we're becoming more business oriented."

LHD Billing with Third-Party Payers



Source: National Association of County and City Health Officials (NACCHO) 2014 Forces of Change Survey

LHD Billing for Any Clinical Service



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Source: National Association of County and City Health Officials (NACCHO) 2014 Forces of Change Survey

HHS & State Support for Public Health Programs

- Concern about ongoing support for public health programs (5 states)
  - HDs seeing reduction in client volume for some public health programs (immunizations, breast and cervical cancer screening)
  - Believe reduction is result of ACA
- Concern that policymakers may not view traditional public health services as essential (5 states)
- States with higher reliance on state funding may be better able to sustain programs if federal cuts occur

HD Provision of Clinical Services

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Despite expanded insurance…

- Patients may still need to access clinical services at HDs
- Patient need varies by insurance status, geography, and privacy (e.g., seeking anonymous or confidential STD testing or pregnancy services)
- Patients may not have access to care, especially in rural communities
- Many areas have insufficient provider coverage (e.g., for Medicaid recipients)

HD Provision of Key Public Health Services

- By providing clinical services, some HDs maintain capacity for population health activities
  - Especially in rural communities; however, continued delivery of these services may further expand a rural/urban public health divide
- HDs believe maintaining public health activities is important (e.g., immunization, disease surveillance, and screenings)
- Other providers may not cover these activities and some prefer that the HD cover them (rather than providers building their own capacity)

ACA-Related Opportunities

- HD opportunities to contract with providers and health plans, bill for services, and participate in ACOs
- HD challenges:
  - Provide services to hard-to-reach and high-need populations; higher costs make it difficult to compete
  - Often lose money when they contract/bill for services
  - Partnering with ACOs – perception that HDs are not accountable and will not assume risk
  - “While ACO gives kudos to public health, they will not initiate a contract and there has been no planning on how this will be sustained” [beyond grant funding].

Conclusions

- HDs acknowledge that many changes that will result from ACA are still unknown
- HD leaders are concerned that reduced client volume may make it difficult to sustain programs seen as important to maintaining the public health
- Loss of revenue from reduced client volume could have negative effect on HD, including:
  - Ability to maintain robust workforce
  - Ability to provide sufficient surge capacity and emergency response to epidemic, disease outbreak, or public health emergency

Implications and Next Steps

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- Explore themes through another five case studies (ASPE funding for FY 2014 study)
- Provide voice to state and local public health leaders' concerns about ACA effects
- Capture strategies for program planning, sustainability, and adaptation
- Identify opportunities, challenges, and strategic planning efforts that states and localities are implementing to adapt to anticipated challenges

Thank You!

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