The Evolution of Medicaid Primary Care Under the Affordable Care Act

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Outline

• Major Medi-Cal developments in the ACA era
• Impact on demand for primary care
• Adequacy of California’s physician supply
• Physician participation in Medi-Cal
• Strategies for meeting demand for primary care providers
Major Medi-Cal Developments in the ACA Era
Major Developments

• Expansion of eligibility for Medi-Cal
• Low-income health program
• Transition of non-dual eligibles with disabilities into managed care
• Dual eligibles demonstration
• Transition of children from Healthy Families to Medi-Cal
• Medi-Cal managed care in small rural counties
Impact on Demand for Primary Care
Affordable Care Act Implemented → Number of Americans with Health Insurance Increases → Demand for Health Professionals Increases
Eligibility for ACA Health Insurance Expansions

Estimates for Adults and Children Who Were Uninsured All or Part Year, Ages 0-64 Years, California, 2009 (n = 7,072,000)

- Exchange Eligible with Subsidies: 1,710,000 (24.2%)
- Exchange Eligible without Subsidies: 1,206,000 (17.1%)
- Not Eligible Due to Citizenship Status: 1,206,000 (17.1%)
- Medi-Cal Eligible: 1,121,000 (15.9%)
- Others: 3,036,000 (42.9%)

Source: Lavarreda and Cabezas, 2011
Characteristics of Californians Eligible for Medi-Cal Under the ACA

(n = 3,036,000; includes 2,130,000 newly eligible plus 910,000 currently eligible but not enrolled)

• Majority are working age adults, single, non-white, employed
• Health status similar to current Medi-Cal enrollees except for hypertension, overweight, and smoking
• More likely than current Medi-Cal enrollees to delay obtaining medical care or filling prescriptions due to cost

Source: Pourat, Martinez, Kominski, 2011
## Predictions of Numbers of Newly Insured Californians Due to the ACA (in millions)

<table>
<thead>
<tr>
<th></th>
<th>Scenario</th>
<th>Newly Eligible</th>
<th>Already Eligible</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>Base</td>
<td>480,000</td>
<td>200,000</td>
<td>680,000</td>
</tr>
<tr>
<td></td>
<td>Enhanced</td>
<td>780,000</td>
<td>440,000</td>
<td>1,220,000</td>
</tr>
<tr>
<td>2016</td>
<td>Base</td>
<td>630,000</td>
<td>230,000</td>
<td>860,000</td>
</tr>
<tr>
<td></td>
<td>Enhanced</td>
<td>880,000</td>
<td>490,000</td>
<td>1,370,000</td>
</tr>
<tr>
<td>2019</td>
<td>Base</td>
<td>750,000</td>
<td>240,000</td>
<td>990,000</td>
</tr>
<tr>
<td></td>
<td>Enhanced</td>
<td>910,000</td>
<td>510,000</td>
<td>1,420,000</td>
</tr>
</tbody>
</table>

*Base Scenario – typical response to availability of new coverage options  
§ Enhanced Scenario – more robust enrollment and retention strategy

Source: UC-Berkeley-UCLA CalSIM model, version 1.8
Impact of the Affordable Care Act on Demand for Health Care Services

• Persons with health insurance use more health care services than persons who are uninsured

• Greatest differences in
  – Physician visits
  – Prescription drugs
  – Preventive services
  – Disease management services

Sources: Baicker and Finkelstein, 2011; Buchmueller et al., 2005; Freeman et al, 2008; Hadley, 2003; IOM, 2009
Increase in Demand for Health Professionals Concentrated in Primary Care

• Increases in demand will be greatest among
  – Primary care providers
  – Laboratory personnel
  – Imaging personnel
  – Pharmacists and pharmacy technicians
  – Registered nurses
  – Medical assistants
## Number of Doctor Visits in Past Year, California, 2009

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>0 Doctor Visits</th>
<th>1 or more Doctor Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Medi-Cal, Healthy Families, or Other Public Coverage</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>Privately Purchased Insurance</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Employment-based Insurance</td>
<td>12%</td>
<td>88%</td>
</tr>
<tr>
<td>Medicare (alone or plus Medi-Cal or supplemental)</td>
<td>7%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Source: California Health Interview Survey, 2009
Adequacy of California’s Primary Care Provider Supply
Geographic Variation in the Supply of Primary Care Physicians

• Many rural and inner city areas of California had shortages of primary care physicians prior to the enactment of the ACA

• Many Californians who will be newly eligible for Medi-Cal live in these areas of the state
Predicted Increase in Medi-Cal Enrollment Due to the ACA, 2019

<table>
<thead>
<tr>
<th>Region/County</th>
<th>Predicted # of New Enrollees*</th>
<th>Percent of State Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern California &amp; Sierra Counties</td>
<td>50,000 to 60,000</td>
<td>4%</td>
</tr>
<tr>
<td>Greater Bay Area</td>
<td>130,000 to 180,000</td>
<td>11% to 12%</td>
</tr>
<tr>
<td>Sacramento Area</td>
<td>60,000 to 80,000</td>
<td>5%</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>160,000 to 210,000</td>
<td>14%</td>
</tr>
<tr>
<td>Central Coast</td>
<td>60,000 to 80,000</td>
<td>5%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>350,000 to 460,000</td>
<td>30% to 31%</td>
</tr>
<tr>
<td>Other Southern California</td>
<td>350,000 to 470,000</td>
<td>31%</td>
</tr>
</tbody>
</table>

* Range of estimates from base scenario and enhanced outreach scenario

Source: UC-Berkeley-UCLA CalSIM model, version 1.8
Primary Care
Health Professional Shortage Areas (HPSA)

The federal HPSA designation is given to areas that demonstrate a shortage of healthcare providers, on the basis of availability of primary care physicians, mental health providers or dentists. This designation is based on the MSA boundary, its population to (selected type of) practitioners ratio, and available access to healthcare.

The data displayed in this map were created by the California Office of Statewide Health Planning and Development's (OSHPD) Health Care Workforce Development Division (HCWDD). To obtain more information about the federal designations shown on the map, see http://www.oshpd.ca.gov/HWDD/HPSA.html

May 2010
Physician Participation in Medi-Cal
California Physicians with Any Medi-Cal Patients in Their Practices, 2011

Percentage with Any Medi-Cal Patients

Primary Care Physicians: 65%
Specialist Physicians: 61%

* Difference is statistically significant at p<0.05.

Source: UCSF re-licensure supplemental survey
California Physicians with Any Medi-Cal or Medicare Patients in Their Practices, 2011

Source: UCSF re-licensure supplemental survey
Urban and Rural Physicians with Any Medi-Cal Patients in Their Practices, 2011

Source: UCSF re-licensure supplemental survey
Urban and Rural Physicians with ≥30% Medi-Cal Patients in Their Practices, 2011

Source: UCSF re-licensure supplemental survey
Strategies for Meeting Demand for Primary Care Providers
ACA Provisions Re Primary Care Physician Education

• Reauthorizes existing Title VII programs
• Authorizes new grant programs
  – Teaching health centers
  – Rural-focused educational programs
• Reallocates unused specialty residency positions to primary care
• Expands National Health Service Corps
ACA Provisions Re Nursing Education

• Reauthorizes existing Title VIII programs
• Expands loan repayment for nursing school faculty
• Authorizes new grant programs
  – Financial aid to enable NP students to enroll full-time
  – Clinical training for NP students in nurse-managed clinics
  – Incentives for advanced practice nurses to become faculty in geriatrics
• Creates a graduate nurse education demonstration project
• Expands National Health Service Corps (NPs, CNMs, psychiatric nurse specialists)
Primary Care Education Grants Awarded in California, 2011-2012

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Funding to California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Units in Primary Care</td>
<td>$158,000</td>
</tr>
<tr>
<td>Advanced Nursing Education</td>
<td>$500,000</td>
</tr>
<tr>
<td>Advanced Nursing Education Traineeship</td>
<td>$1,159,000</td>
</tr>
<tr>
<td>Dentistry Faculty Development</td>
<td>$500,000</td>
</tr>
<tr>
<td>Geriatrics Education</td>
<td>$256,000</td>
</tr>
<tr>
<td>Nurse Education, Practice, Quality and Retention</td>
<td>$920,000</td>
</tr>
<tr>
<td>Nurse Faculty Loan Repayment</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>Physician Assistant Education</td>
<td>$500,000</td>
</tr>
<tr>
<td>Primary Care Faculty Development</td>
<td>$582,000</td>
</tr>
<tr>
<td>Primary Care Residency Training</td>
<td>$835,000</td>
</tr>
<tr>
<td>Teaching Health Centers</td>
<td>$625,000</td>
</tr>
</tbody>
</table>
Expansion of Loan Repayment

• The number of National Health Service Corps (NHSC) clinicians tripled between 2008 and 2011

• Approximately 10,000 NHSC clinicians are providing care to approximately 10.4 million patients in 2012

• California Medical Association is seeking to expand California’s Steven M. Thompson loan repayment program

• Combination of new hires and retention of existing staff

Affordable Care Act Provisions Regarding Physician Reimbursement

• Increase in Medicaid fee-for-service reimbursement for primary care physicians to Medicare rates
  – States will receive 100% federal matching funds
  – *Only authorized for 2013 and 2014*

• *Medicare* bonus payments of 10% for primary care providers
  – Also includes physician assistants, nurse practitioners, and clinical nurse specialists, as well as physicians
  – *Only authorized from 2011 through 2015*

• *Medicare* bonus payments of 10% for general surgeons in health professional shortage areas
  – *Only authorized from 2011 through 2015*
Beyond the Marcus Welby Model

• Expand scope of practice for non-physician clinicians

• Expand use of community health workers and medical assistants to provide health coaching

• Reduce reliance on face to face visits (e.g., email, telephone consultations)
Conclusions

• The Affordable Care Act and other changes in Medi-Cal are increasing demand for primary care providers

• New enrollees may have difficulty obtaining primary care
  • Less than 2/3rds of primary care physicians participate in Medi-Cal
  • Shortages of primary care physicians in some areas
Conclusions

• Improving access to care for Medi-Cal beneficiaries will require a multi-pronged strategy
  • Enhance financial incentives to serve Medi-Cal patients
  • Increase the number of primary care providers trained
  • Make better use of scarce primary care physician resources