



# **Greater Flint Health Coalition Health Care Impact Study**

## **Executive Summary**

### **Introduction**

*Historically, Genesee County, Michigan was a national center of auto production and the birthplace of General Motors and the United Auto Workers. In the early 1970's GM employed about 80,000 workers in the area, making it a major US auto community. Since then local GM employment has fallen to less than 7,100, and GM declared bankruptcy in 2009. These developments, a lack of economic diversity, and the recent deep national recession have fueled growing poverty, unemployment, and an erosion of the community's tax base.*

*Seeking to document the impact of the automotive/economic crisis and its implications for Genesee County's healthcare delivery system and population health status, The Lewin Group, Inc. (Lewin) was commissioned by the Greater Flint Health Coalition (GFHC) to conduct a health care impact study. The study's purpose is to support an official community request for federal aid to the federal Director of Recovery for Auto Communities and Workers.*

*The GFHC is a 501(c) 3 non-profit healthcare coalition that represents a community-wide partnership of healthcare providers, purchasers, consumers, government leaders, insurers, and educators whose mission is improving the health status of Genesee County residents and the quality and cost-effectiveness of the healthcare system.*

*The study includes a baseline assessment of the community and local health care delivery system, future implications of the crisis, intervention strategies to consider, and a scorecard of performance indicators to monitor future community changes and impacts.*

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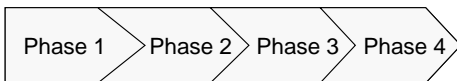
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## Study Approach

Our approach to develop the community baseline assessment and proposed strategies and interventions is summarized in **Figure 1**. It integrated both quantitative and qualitative data sources and analyses, including:

- Developing customized interview protocols and conducting 27 semi-structured 45-60 minute interviews with community stakeholders.
- Developing customized data requests and collecting and analyzing primary utilization, financial and health care coverage data from local providers and payers.
- Compiling and analyzing secondary data, including demographic, socio-economic, health status and other important community population indicators.
- Synthesizing analysis findings to inform the development of proposed short and long-term intervention strategies.
- Presenting proposed intervention strategies for community consideration and validation.

**Figure 1: Phases of the Impact Study**



- Phase 1:** Community Baseline Assessment and Implications
- Phase 2:** Strategy Development
- Phase 3:** Community Stakeholder Consideration and Validation
- Phase 4:** Indicators to Monitor Community Changes and Impacts

The remainder of this executive summary highlights key community impact assessment findings and summarizes intervention strategies developed and under consideration by the community to support an official request for federal aid. Readers are referred to the final report for a more detailed examination of these issues.

## Genesee County Impact Assessment

We derived a number of important findings and implications from our analysis of the impact of the automotive/economic crisis on the community's population and healthcare sector. These are summarized below, followed by impact assessment data analysis highlights and conclusions regarding future implications for the community.

### Summary of Key Impact Assessment Findings

- Due to the automotive/economic crisis, poverty, unemployment, and numbers of Genesee County residents receiving public assistance are significant and growing rapidly.
- Numbers of uninsured and underinsured populations are also growing due to auto related and other manufacturing job losses and shrinking UAW retiree health benefits.
- Both public and private school enrollments are declining, as are local home values and public tax revenue.
- Despite the economic crisis, the economic impact of healthcare in the community is significant and growing. However:
  - Rising uncompensated care and Medicaid payment cuts threaten local hospital revenues.
  - Service demand among community safety-net providers (Hamilton FQHC, Mott Children's Health Center, Genesee County Community Mental Health, and Department of Public Health) is trending upward sharply.
- Current numbers and mix of Genesee County physicians are adequate but incomes are declining due to shrinking health benefits, falling commercial health plan enrollment and Medicaid payment cuts.

## Summary of Genesee County Baseline Data Assessment Highlights

The selected highlights presented below are organized to provide an overview of important community trends that helped inform development of targeted strategies. Where appropriate and available, community trends are compared with Michigan and the United States. These include:

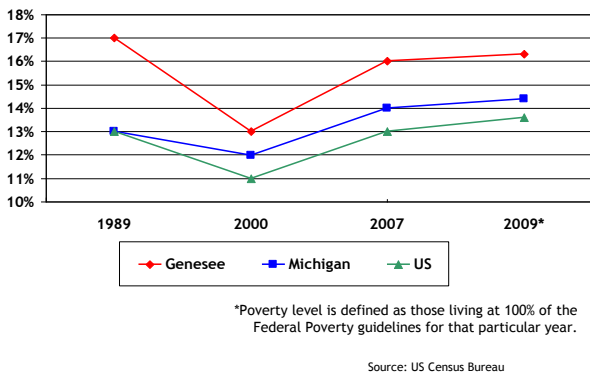
- Socio-economic and economic indicators.
- Health status indicators.
- Health sector economic impact.
- Healthcare sector characteristics.

### Key Genesee County Socio-Economic and Economic Trends

We examined Genesee County-wide trends in selected socio-economic indicators that historically have been predictors of community social stress. These include poverty, unemployment and numbers of residents receiving public assistance. In general, we found that Genesee County's socio-economic trends mirrored those of Michigan and the nation, but at more unfavorable levels.

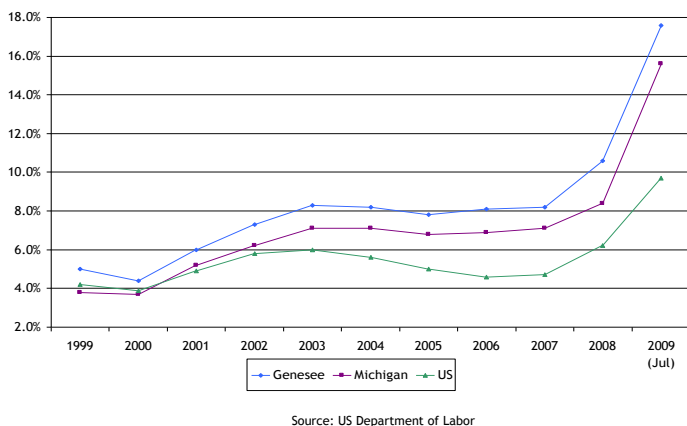
As depicted in **Figure 2** below, the universal gains achieved in reducing poverty during the 1990's have been largely reversed. Although poverty trends followed a consistent pattern during the past twenty years, the proportion of Genesee County's residents living in poverty has consistently exceeded both Michigan and the United States.

**Figure 2: Comparative Trends in Poverty 1989-2009**



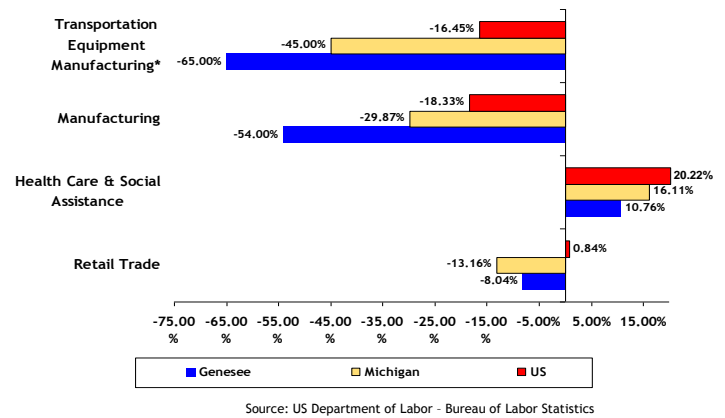
Similarly, as seen in **Figure 3**, trends in unemployment over the past ten years demonstrate that the County's unemployment rates parallel, yet consistently exceed both Michigan and the United States. As of 2009, the County unemployment rate was about 3.5 times higher than a decade earlier in 1999.

**Figure 3: Comparative Trends in Unemployment 1999-2009**



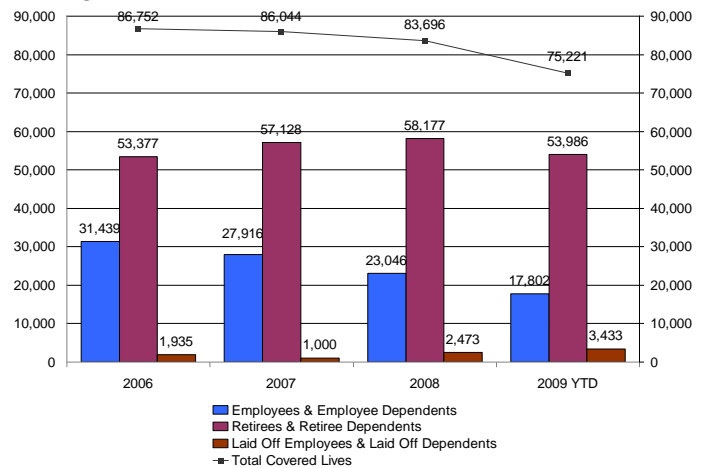
Speaking to sources of community unemployment, as depicted in **Figure 4**, job losses in manufacturing – including motor vehicle manufacturing – were four times the national average this decade. In marked contrast, however, employment within the healthcare sector continues to grow.

**Figure 4: Comparative Trends in Employment by Selected Industry Sectors 2001-2008**



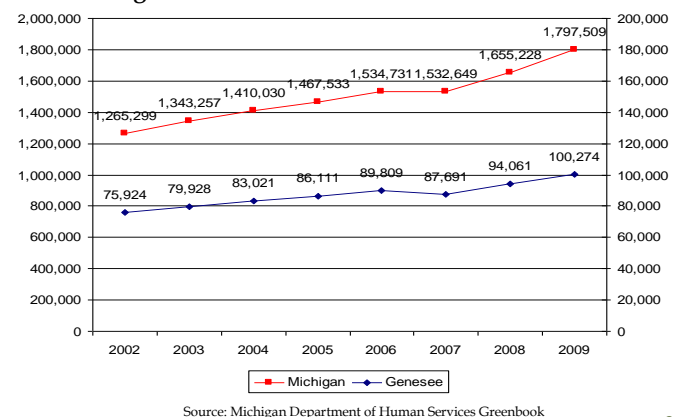
Adverse employment trends have directly impacted both the community at large and the UAW/GM. As depicted in **Figure 5**, numbers of UAW/GM covered lives fell between 2006-2009 largely due to a 43% decline in the number of employees and their dependents.

**Figure 5: Trends in UAW/GM Total Covered Lives**



Both State and County-wide numbers of Medicaid enrollees also continued to grow throughout most of the decade (**Figure 6**). That growth accelerated during 2007-2009 consistent with State and County unemployment trends.

**Figure 6: Trends in Medicaid Enrollment**



## Key Genesee County Health Status Findings

Unfavorable community socio-economic and economic trends often influence population health status, and Genesee County is no exception. Although the County does not differ greatly from Michigan and the US across selected behavioral risk factors, we observed higher mortality rates for the community's ten leading causes of death and significant racial disparities in chronic disease mortality compared to benchmarks.

As depicted in **Figure 7**, Genesee County mortality rates for eight of the ten leading causes of death in 2007 exceeded both Michigan and the US. Disparities in stroke and kidney disease mortality were particularly striking. County mortality rates for stroke were 43 percent higher than the national average and kidney disease mortality among County residents exceeded the US experience by 48 percent.

**Figure 7: Comparison of Mortality Rates for the Ten Leading Causes of Death in Genesee County: 2007 (per 100,000 residents)**

Top Causes of Death	Genesee County	Michigan	US
Heart Disease	231.3	240.9	211
Cancer	199.8	199.2	187
Stroke	65.7	46	45.8
Chronic Lower Respiratory Disease	50.3	45.8	41.6
Unintentional Injuries	30.1	36.9	40.6
Diabetes	31.1	28.0	24.2
Alzheimer's Disease	26.1	24.1	24.2
Kidney Disease	22.4	16.0	15.1
Pneumonia/Influenza	16.9	16.2	18.8
Suicide	12.3	11.1	11.1

Source: Michigan Department of Community Health & Genesee County Department of Health

Consistent with many communities across the US, among the top causes of chronic disease mortality – heart disease, cancer, stroke, and diabetes, mortality is much higher among the state and county African-American populations compared to the overall and white populations (**Figure 8**).

**Figure 8: Profile of Racial Disparities in Selected Chronic Disease Mortality Rates: 2007 (per 100,000 residents)**

	Overall		African-American		White	
	Genesee	Michigan	Genesee	Michigan	Genesee	Michigan
Heart Disease	231.3	222.6	280.1	313.8	219.8	210.1
Cancer	199.8	187.1	245.9	230.5	190.1	181.4
Stroke	65.7	42.8	90.1	55.5	60.9	40.8
Diabetes	31.1	26.3	40.1	38.3	29.4	24.5

Source: CDC and Michigan Behavioral Risk Factor Surveillance Survey (2006-2008)

## Genesee County Health Sector Economic Impact

In many respects, the current automotive/ economic crisis has created unemployment levels in the community not dissimilar to the depression of the 1930's. The health sector, however, remains a notable exception. As depicted in **Figure 9**, the direct and indirect economic impact of the County's health sector on local employment, wages and tax revenue is significant and growing despite the crisis. Between 2006 and 2008 the health sector's total economic impact grew by over 22 percent, from \$1.8 billion to \$2.2 billion.

**Figure 9: Economic Impact of the Health Sector in Genesee County: 2006-2008**

	2006	2008	% Change
<b>Number of Employees</b>			
Direct Jobs	22,652	23,603	+ 4.2%
Indirect & Induced Jobs	10,997	11,664	+ 6.1%
<b>Total Jobs</b>	<b>33,649</b>	<b>35,267</b>	<b>+ 4.8%</b>
<b>Wages &amp; Salaries</b>			
Direct	\$1.1 billion	\$1.3 billion	+18.2%
Indirect & Induced	\$0.3 billion	\$0.4 billion	+33.3%
<b>Total</b>	<b>\$1.4 billion</b>	<b>\$1.7 billion</b>	<b>+21.4%</b>
<b>Tax Revenue and Total Economic Impact</b>			
Federal, State & Local Tax Revenue Generated*	\$0.4 billion	\$0.5 billion	+25.0%
<b>Economic Impact of the Health Care Sector**</b>	<b>\$1.8 billion</b>	<b>\$2.2 billion</b>	<b>+ 22.2%</b>

\* Refers to tax revenue generated to federal, state, and local governments paid by the county's health care sector, their suppliers and employees

Source: The Economic Impact of Health Care in Michigan Third and Fourth Edition

Additionally, as previously depicted in **Figure 4**, healthcare and social services provide the only growth among employment sectors.

### Key Genesee County Health Sector Characteristics

Our full impact assessment focused in depth on community health care sector organizations. This summary presents illustrative highlights focusing on:

- Hospitals and Health Systems
- Hamilton Federally Qualified Health Center
- County Physician Capacity and Utilization
- Private Payers and Genesee Health Plan

### Hospitals and Health Systems

Reflecting the impact of the economic crisis on County hospitals and health systems, the value of uncompensated care provided virtually doubled for Genesys Health System and McLaren Regional Medical Center between 2006 and 2009, while Hurley Medical Center, the community's primary safety-net provider, also experienced a 25% increase on top of consistently reporting the highest levels of uncompensated care (Figure 10). These trends track closely with growing levels of poverty, unemployment, and public assistance in the community.

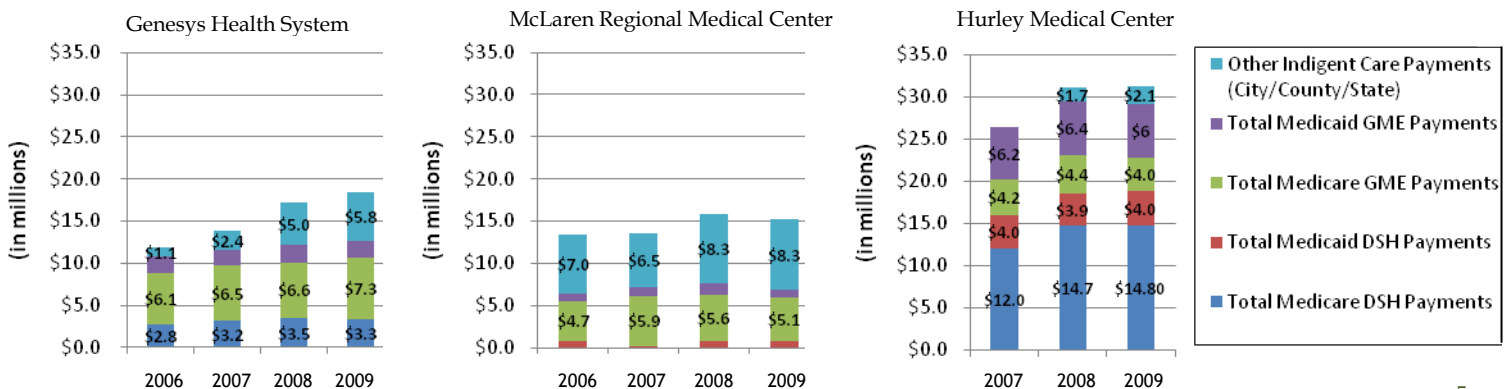
Medicaid patients are also the primary users of Hurley's emergency department. About 90% are treated and discharged, suggesting high levels of non-emergent ED use treatable in other settings.

**Figure 10: Trends in the Value of Hospital Uncompensated Care: 2006-2009**



The community's medical centers provide a high volume of care to low income and uninsured residents and train the next generation of physicians through their graduate medical education (GME) programs. Figure 11 depicts recent trends in public supplemental payments received by each medical center for providing these important mission-based services and community benefits. Despite variations in the size of their GME programs and volume of care provided, supplemental mission-related revenue rose consistently for each local medical center to help off-set uncompensated care losses.

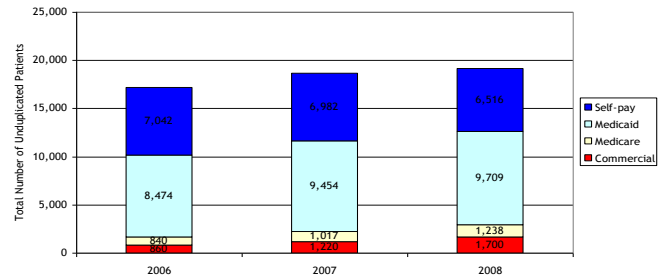
**Figure 11: Trends in Mission-Based Revenue 2006-2009, Genesee County Hospitals**



### Hamilton Federally Qualified Health Center (FQHC)

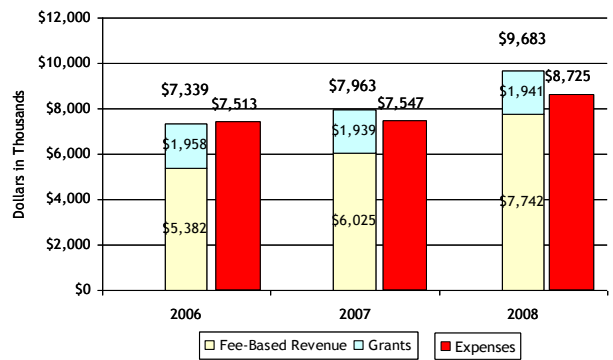
Hamilton FQHC is a key community-based resource and access point to primary and preventive care services for local vulnerable populations. The number of enrolled patients there grew 11% between 2006 and 2009, led by a 15% increase in Medicaid enrollment (Figure 12).

**Figure 12: Hamilton Federally Qualified Health Center: Unduplicated Patients by Payer: 2006-2008**



Despite the economic crisis, Hamilton's financial health has improved steadily since 2006 (Figure 13). This favorable financial performance was led by growth in Medicaid patient service revenue and funding received under the 2009 American Recovery and Reinvestment Act (ARRA).

**Figure 13: Hamilton Federally Qualified Health Center: Revenue and Expenses: 2006-2008**



Under the 2009 American Recovery and Reinvestment Act, Hamilton applied for and received the following funding to establish the new Burton primary care site which included \$921,000 for dental, medical, pharmacy, x-ray and office equipment and \$339,000 to support increased demand for services by the uninsured and medically underserved due to the economic crisis.

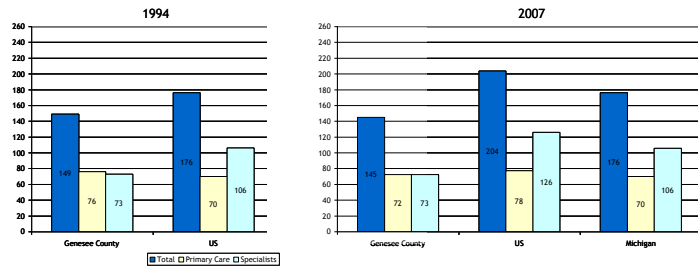
In August 2009, the Burton primary care site opened and plans to serve 6,300 primary care encounters annually.

## Genesee County Physician Capacity and Utilization

A 2007 study found that Michigan's physician shortage was 50% above the national average.<sup>1</sup> In addition, the Michigan State Medical Society projects a shortage of 800 physicians in Flint, mid- and northern Michigan by 2020 due in part to an aging physician workforce.

Figure 14 demonstrates that while growing nationally, the proportion of County practicing physicians relative to the local population has remained adequate and stable since 1994.

Figure 14: Physician Supply in Genesee County: Physicians in Clinical Practice-to-Population Ratio (per 100,000): 1994 to 2007

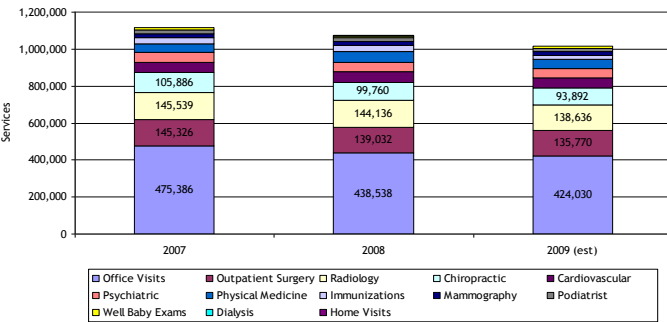


Note: For this analysis physicians providing patient care are reported as full-time equivalents and residents are excluded.  
Sources: US Census Bureau; HRSA Area Resource File

However, local physicians report recent declines in income stemming from the automotive/economic crisis due to lost health care coverage, shrinking medical benefits and Medicaid payment cuts. The findings depicted in Figure 15 suggest that these anecdotal reports may be accurate.

Between 2007 and 2009 total professional service use by County residents enrolled in commercial health plans fell nine percent. This decline was led by an eleven percent drop in physician office visits. This evolving situation threatens to negatively impact future physician incomes.

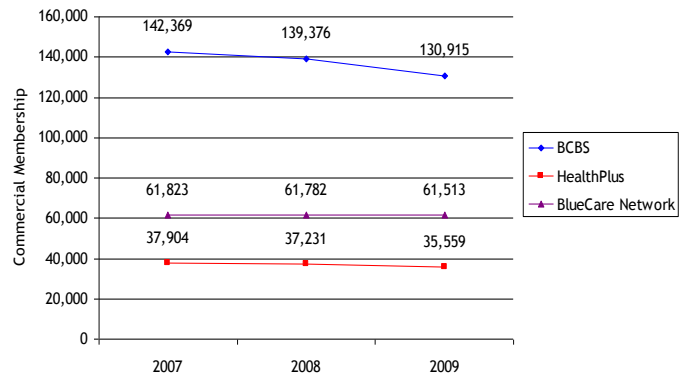
Figure 15: Commercial Insurers: Trends in Professional Services Used by Genesee County Enrollees Ages 0-64: 2007-2009 (est.)



## Commercial Payers and Genesee Health Plan

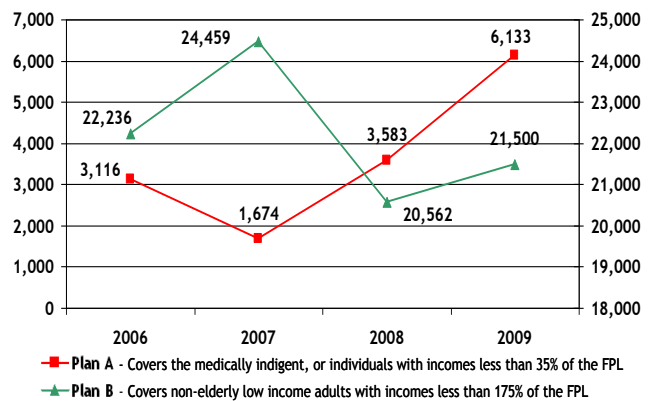
Blue Cross Blue Shield of Michigan, Blue Care Network, and HealthPlus of Michigan are the primary commercial payers and health insurance providers in Genesee County. As depicted in Figure 16, membership declines have occurred for each organization with reductions of 8% for Blue Cross Blue Shield of Michigan, 6% for HealthPlus of Michigan, and 1% for Blue Care Network since 2007.

Figure 16: Commercial Insurers: Membership of Enrolled Genesee County Residents Ages 0-64: 2007-2009 (est.)



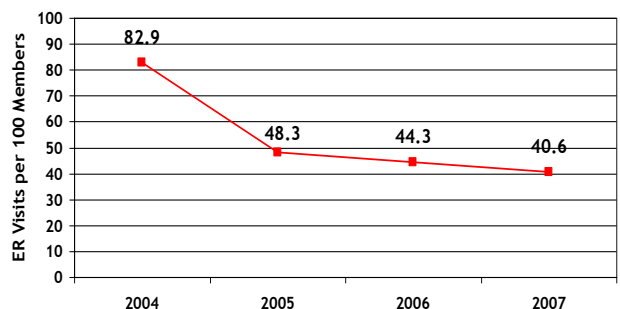
In contrast, Genesee Health Plan, a community-sponsored healthcare program that provides only basic healthcare to low income residents (the plan does not cover comprehensive or hospital care) saw membership enrollment increases of about nine percent between 2006 and 2009 (Figure 17). That growth took place among the most medically indigent, individuals with incomes less than 35% of the federal poverty level.

Figure 17: Genesee Health Plan: Membership of Enrolled County Residents, Ages 0-64:2006-2009



Interestingly, growth in enrollment of low income individuals was accompanied by sharp declines in their emergency department utilization. As depicted in Figure 18, the number of ED visits among GHP members fell by half from 2004 to 2007, which appears to support assumptions that medical homes for the medically indigent will decrease inappropriate ED use.

Figure 18: Genesee Health Plan: Emergency Department Utilization for enrolled County Residents Ages 0-64: 2004-2007 (per 100 GHP members)



<sup>1</sup> Source: Center for Health Workforce Studies: Albany School of Public Health

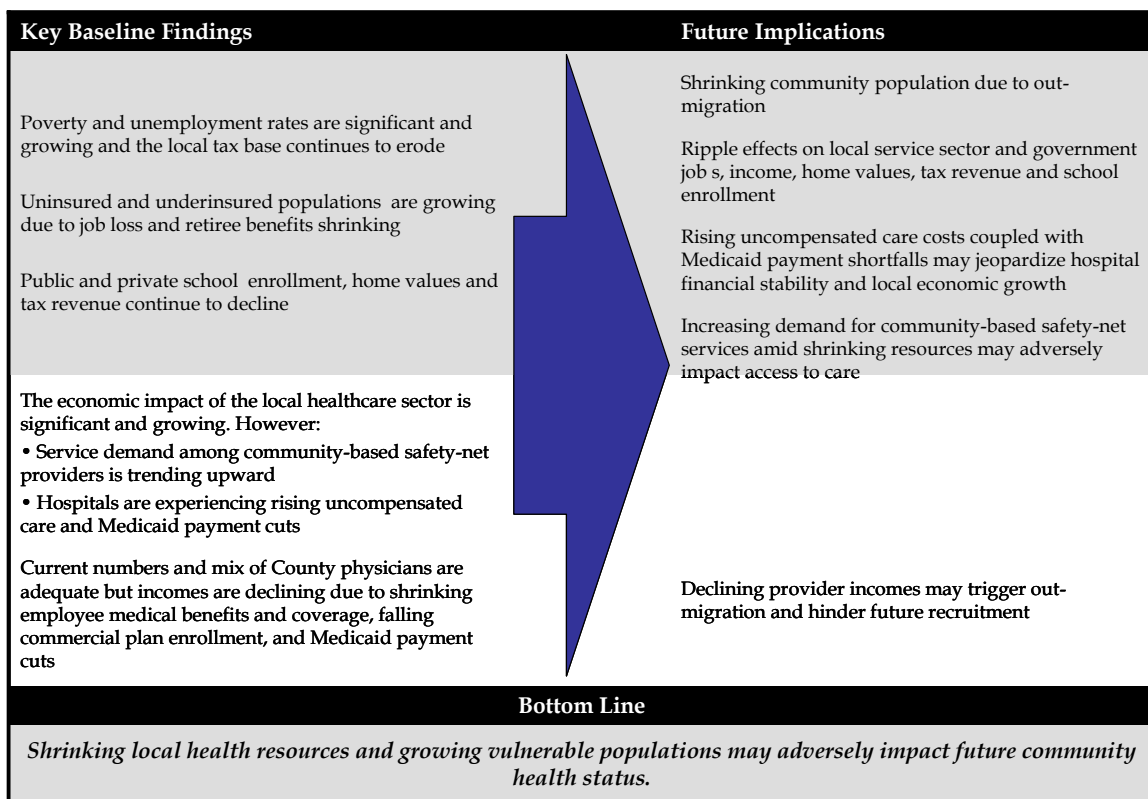
## Future Implications of Impact Assessment Findings

Analysis of available primary and secondary data led to a number of conclusions regarding future implications for the community of key impact assessment findings unearthed. These include:

- Growing poverty and unemployment may speed County population shrinkage due to out-migration.
- Despite the crisis, the community’s health sector remains an engine of economic growth.
- Yet, growing numbers of medically uninsured may:
  - Threaten future hospital and community physician’s financial health.
  - Strain available capacity among community-based safety-net providers.
  - Spur physician out-migration and hinder future recruitment efforts.
- Therefore, future strategies and interventions should seek to better balance the health care system through selectively building new safety-net capacity, improving coordination of care and retaining adequate physician capacity.

Key baseline findings and their future implications for the community are outlined in **Figure 19** below.

**Figure 19: Key Impact Study Findings and Implications**



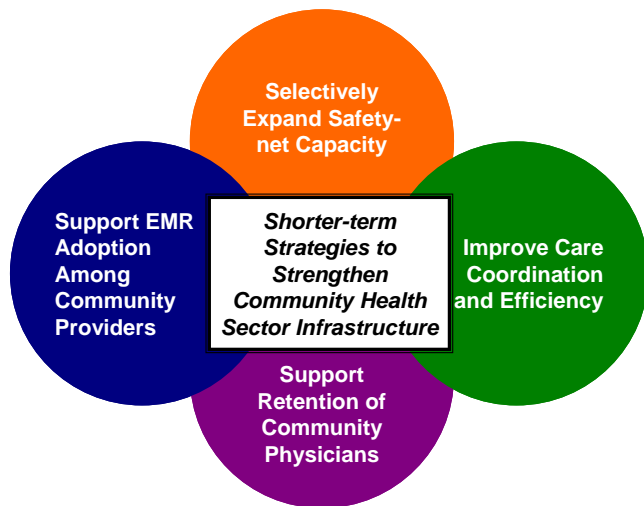
## Collaborative Healthcare Strategies and Interventions for the Community to Consider

After assessing the extent of stresses on Genesee County's population and health sector stemming from the effects of the automotive/economic crisis and their future implications, we concluded that the scope of the problem in Genesee County calls for a multi-faceted and well coordinated approach. We identified a set of criteria around which to develop distinct short and long term strategies that:

- Target needs identified by the community.
- Build on existing successful community programs.
- Complement each other to achieve efficiencies.
- Have the potential to attract external funding.
- Selectively adapt programs successful in other communities.

The strategies that support these criteria are presented below. They call for selectively expanding existing community safety-net capacity, improving safety-net care coordination, and supporting Electronic Medical Record (EMR) adoption and retention of community physicians. Each strategy is supported by a set of specific proposed program interventions.

Figure 20: Critical Elements in Short-term Strategic Options



### Strategy 1: Selectively Expand Community-based Safety-net Capacity

#### *Intervention 1A: Establish a Hamilton FQHC Satellite Site to Meet Growing Community Demand for Specialty Care.*

Nationally, about 25% of FQHC visits result in medically necessary referrals for specialty and other services not provided by the center and Medicaid and uninsured patients often have difficulty accessing these services off-site. Hamilton recently received federal stimulus funding to establish the new Burton site.

Recent growth in numbers of enrollees and primary care visits at Hamilton's new Burton site will create demand for additional specialty care. A new Hamilton specialty care satellite site would efficiently absorb this and additional future demand by growing local safety-net populations.

- Potential community benefits of a new specialty FQHC satellite site include:
  - Improved access to specialty care for growing safety-net populations.
  - Cost savings to local hospitals from reduced inappropriate ED use and hospital-based specialty care.
  - Improved future population health outcomes.
- Potential community challenges include:
  - Future state Medicaid and other funding cuts that may adversely impact Hamilton's financial health.
  - Future ability to recruit and retain specialty providers due to effects of the economic crisis.
  - Ensuring equitable distribution of specialty referrals for safety-net patients with local hospitals and other community health centers.

#### *Intervention 1B: Encourage Hamilton FQHC Participation in a New Medicare Advanced Primary Care Demonstration Initiative.*

In December 2009 President Obama announced a new three-year Medicare pilot program to support delivery of advanced primary care to Medicare enrollees through community health centers. Nationally, 500 FQHCs are expected to participate. Pilot program goals include improving access and quality, promoting appropriate service use and controlling health care costs. The Centers for Medicare and Medicaid Services (CMS) plans to solicit applications from interested FQHCs in spring 2010 and begin program implementation in January 2011.

FQHCs must demonstrate the ability to operate as a "medical home," with the capacity to deliver coordinated care across providers and settings. In return, participants will receive monthly care management fees for enrolled Medicare fee-for-service beneficiaries plus payments for any other covered Medicare services provided.

- Potential community benefits include:
  - Participation would position the community on a cutting edge of future care delivery models under national health reform.
  - Coordinated family centered care should improve outcomes and better control chronic care costs for providers and FQHC Medicare enrollees.
  - The current FQHC delivery model and its care coordination features are well aligned with many features of the "Medical Home" model.



- Potential community challenges include:
  - Developing required network infrastructure:
    - Ensuring adequate primary care physician participation.
    - Complying with as yet unclear Federal requirements for use of health information technology to track and coordinate care.
    - Ability to coordinate care across providers.
  - Adequacy of monthly care management fees.
- Would establish coordination of care infrastructure needed to create “Medical Home” pilot programs under health reform.
- Potential community challenges include:
  - Developing needed coordination and infrastructure: This includes brokering relationships with ambulatory care sites and hospitals, developing protocols for directing an equitable allocation of safety-net patient referrals and establishing payment arrangements.

*Next Steps to Consider in Selectively Expanding Community-based Safety-net Capacity:*

- Consider working with the GFHC and together approaching the Department of Labor to help coordinate both proposed initiatives.
- Apply to the Federal Health Resources and Services Administration (HRSA) to establish the new Hamilton specialty care satellite site.
- Begin working with local hospitals and other providers to develop referral agreements and protocols for safety-net patients.
- After program and network infrastructure for the Medicare Advanced Primary Care pilot program is in place at Hamilton consider expanding capacity by inviting local Blue Cross Blue Shield of Michigan, Blue Care Network, and HealthPlus of Michigan plans to participate.

*Next Steps to Consider in Establishing a Safety-net Specialty Care/ED Referral System*

- Pursue Federal/foundation funding for a feasibility study to explore:
  - Developing county-wide specialty care/ED referral agreements for safety-net and other vulnerable populations.
  - Identifying an appropriate referral and integrated call system.
  - Developing new or modifying available referral protocols based on clinical care standards.

*Intervention 2B: Expand the Community’s PPI Answering Service (developed by the Genesee County Medical Society) and BCBSM Nurse Line to Improve Community Safety-net Care Coordination.*

A number of communities have successfully improved their coordination of medical health care services to better ensure access to appropriate care for vulnerable populations. For example, The Denver Health NurseLine was established in 1997 to provide 24-hour information to the public regarding medical triage of health concerns, and recommendations for further medical evaluation as appropriate. Formal evaluations of the Nurseline show that ED visits fell by 31%, and unnecessary doctor’s office or clinic visits fell by 29% for callers.

To improve the coordination of medical and behavioral health care services, reduce inappropriate ED use among growing County safety-net populations, and build on existing community infrastructure, a strategy to consider includes:

- Expanding the PPI, Inc. answering service beyond its current capacity to include RN call center staff. PPI, Inc. is a Genesee County non-profit medical answering service developed by the Genesee County Medical Society.
- Exploring collaboration with the existing BCBSM Nurse Line model.
- Adding a 24/7 behavioral health call center component to provide counseling and referral services to improve coordination of behavioral health services within the existing infrastructure.

**Strategy 2: Improve Community Safety-net Care Coordination at the Provider and Community Levels**

*Intervention 2A: Establish a Safety-net Specialty Care/ED Referral System.*

In 2001, Cook County, Illinois received a federal grant to establish a web-based referral system to improve access to outpatient specialty care and lower inappropriate ED use by vulnerable populations. The network allows clinics in Cook County’s Ambulatory & Community Health Network and non-network affiliated clinics to refer uninsured and indigent patients to Cook County Hospital’s Specialty Care Center. It also allows Cook County’s ED to re-direct non-emergent patients to community clinics for more appropriate care.

The system prioritizes patients clinically based on care standards and provides direct clinic referrals using the County’s Internet Referral Information System (IRIS). Primary Care Physicians abide by referral rules detailed in the Web-based system.

- Potential community benefits include:
  - An efficient web-based safety-net specialty care/ED referral network to optimize available resources and improve access to specialty care.
  - Would align well with a new specialty care FQHC satellite and the GHP network.

- Potential Community Benefits of Expanding Current Capacity Include:
  - Triage advice could reduce unnecessary ED and physician visits.
  - The strategy builds on existing community infrastructure.
  - Would establish useful infrastructure to support “Medical Home” pilot programs under health reform.
- Potential Community Challenges Include:
  - Recruiting specialized, telephone triage nursing staff.
  - Building acceptance by vulnerable populations through media and public awareness campaigns.

*Next Steps to Consider in Expanding the Community’s PPI Answering Service and BCBSM Nurse Line include:*

- Finalizing an appropriate Genesee County safety-net program model.
- Establishing realistic nurse line capacity and expected outcomes.
- Developing contractual service and funding agreements to support the program.
- Building safety-net community acceptance and use through media and public awareness campaigns.

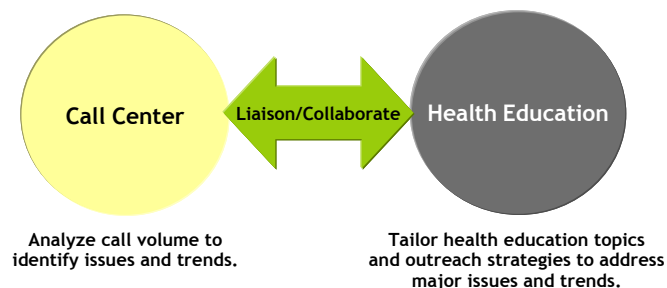
***Intervention 2C: Request Federal Funding to Develop a Health Education Center to Help Displaced Workers and Others Access Health Services.***

Due to rising numbers of displaced workers and healthcare coverage and benefit cuts stemming from the ongoing automotive/economic crisis there is a need to educate local consumers on how to access appropriate community health services. This proposed strategy calls for requesting Federal funding to develop a community health education center. The center would:

- Teach displaced workers, retirees and other community consumers how and when to access appropriate health services.
- Coordinate community health education campaigns and outreach strategies to promote appropriate use of health services.
- Establish linkages to a proposed expanded medical/behavioral health call center to tailor health education to emerging community needs.

Proposed call center and health education center linkages are depicted in **Figure 21**, below.

**Figure 21: Call Center and Health Education Center Linkages**



**Strategy 3: Support Retention of Community Physicians**

***Intervention 3A: Request Federal Funding to Pilot a Comprehensive Local Physician Retention Strategy***

Historically, Genesee County’s supply of primary care and specialty care physicians has been adequate. However, declining physician incomes due to the automotive/economic crisis threatens to spur future out-migration and hinder recruitment. Consider coordinating a proposal for Federal funding through the Department of Labor to pilot a county-wide community physician retention strategy.

Components of the proposed community physician retention strategy would include:

- Tax abatements for physicians practicing in Genesee County.
- Medical school loan forgiveness for physicians practicing in the County.
- Low interest loans where necessary to maintain physician practices in the community.
- Future participation in federally funded state-level demonstration projects to reduce malpractice litigation.

Next steps for the community to consider in supporting such a physician retention strategy include coordinating through GFHC to prepare and submit a request for federal aid to the Department of Labor’s Director of Recovery for Auto Communities and Workers.

- Request could be stand-alone or part of a larger community proposal for federal aid.

Department of Labor staff has indicated that they have received similar requests from several communities. Upon receipt of the request for federal aid they plan to parse out and forward it to HHS to explore possible existing and/or new waiver authorities and tax incentives that might be applied.

***Intervention 3B: Propose a Federal Pilot Program to Support Physician Adoption of Electronic Health Records (EHRs) In Communities Impacted By the Automotive Crisis***

Physicians in communities impacted by the automotive crisis face growing financial challenges, including shrinking incomes due to:

- Declining numbers of commercially insured patients.
- Growing numbers of Medicaid and uninsured/underinsured patients.

These trends, supported by data in Genesee County, threaten retention among current physicians, present challenges in recruiting new physicians, and impact future community access to care. Declining financial health also challenges the ability of community physician’s to invest in costly federally mandated EHR adoption.

A federally sponsored pilot program supporting adoption of EHRs in communities impacted by the automotive crisis would support HIT capacity building and increase adoption rates among community physicians.

*Next Steps to Consider in Supporting Physician Adoption of EHRs in Communities Impacted By the Automotive Crisis:*

- An immediate next step to consider includes conducting a community needs assessment to identify:
  - The current and projected future levels of financial challenges impacting community physicians.
  - The anticipated levels of community physician participation in such a pilot program.
  - Estimated planning and EHR hardware, software and on-going support costs.
  - Other possible sources of supplemental funding or discounted EHR sources to help support community physicians (payers, hospitals, foundations, vendors, etc.).
- Propose to HHS via the Department of Labor's Director of Recovery for Auto Communities and Workers the development of a Federal EHR adoption infrastructure program for physicians in communities impacted by the automotive crisis.

**The stimulus EMR subsidy: Should the Community Take it or Leave it?**

*Next steps for County hospitals and physicians to consider:*

- Leverage EMR adoption efforts to date by Genesys and McLaren Medical Centers.
- Assess the cost/benefit and ROI of full EMR adoption.
- Assess ability to comply with federal meaningful use requirements, including upcoming HIPAA electronic transaction standards and new ICD-10 code set.
- Explore the feasibility of private payers creating contract incentives to community hospitals and physicians for use of EMR technology.

## Strategy 4: Supporting EHR Adoption Among Community Providers

Beginning in FFY2011 Medicare and Medicaid incentive payments and loans are available for hospitals and eligible non-hospital based clinicians demonstrating meaningful use to purchase certified EHR technology.

Qualifying for subsidy payments depends on a clinician's patient mix and EMR adoption date. The higher the share of Medicare or Medicaid patients and the earlier EMRs are adopted, the larger the incentive payments will be.

- Potential Benefits for County Providers:
  - County medical centers may have the potential to maximize Medicare incentive payments due to their high Medicare patient shares.
  - Patient records can be quickly shared across County providers.
  - Important and more complete medical information can be accounted for quickly.
- Potential Challenges for County Providers:
  - Heavy upfront implementation and ongoing costs.
  - Initial productivity and revenue losses transitioning from paper records.
  - Most EMR costs will be absorbed by hospitals and physicians while many benefits accrue to payers and consumers.

## Longer Term Strategy 1: Consider Establishing a Pilot Accountable Care Organization (ACO)

The recently passed Federal health reform legislation includes provisions encouraging the creation of Accountable Care Organizations (ACOs), initially limited to Medicare. ACOs are defined by the Medicare Payment Advisory Commission (MedPAC) as a health care provider or group of providers, including primary care and specialty physicians and hospitals, accountable for the cost and quality of care delivered to a defined population. In contrast to the current fragmented model of care, ACO goals include coordinating and integrating care to slow cost growth and improve quality through:

- Provider payment reform and financial incentives.
- Improved efficiency (process redesign, efficient purchasing of medical devices, etc.).
- Improved quality (reduced adverse events and preventable ED visits, admissions and re-admissions; improved patient satisfaction).

There are a wide range of potential ACO models including varying levels of provider involvement and support.

- Potential Benefits for Genesee County include:
  - The ability to complement other national health reform initiatives, including:
    - Patient centered medical home pilots.
    - Electronic health records.
  - The opportunity to build on the infrastructure established by existing community resources and the recommended short-term strategies summarized above.
- Potential Challenges for Genesee County include:
  - The ability to comply with expected federal qualifying criteria for demonstration participants, including:
    - Acceptable legal structure for the ACO and participants to receive and distribute payments.
    - Minimum number and types of physicians required.
  - The need for time and capacity building in key health sector operational areas such as HIT and care management process redesign.

### *Next steps for the community to consider include:*

- Consider Federal funding for an ACO planning grant.
- Facilitate action planning by local stakeholders through the GFHC.

## Longer Term Strategy 2: Continue Assessing the Feasibility of Expanding Graduate Medical Education in Genesee County

The American Association of Medical Colleges (AAMC) estimates the annual economic impact of Michigan's medical schools and teaching hospitals is about \$18 billion. Expanding local graduate medical education capacity could help address projected physician shortages and advance health care and education as local economic development engines and alternatives to manufacturing.

During 2009 Hurley, Genesys and McLaren Medical Centers and Michigan State University (MSU) discussed expanding MSU's program in Flint by increasing the numbers of 2nd, 3rd and 4th year medical students. A critical ongoing challenge is the caps imposed by Congress in 1996 limiting the number of residents paid for by Medicare. Caps discourage teaching hospitals from increasing numbers of residents or training programs and are how government limits physician supply.

However, in May, 2009, two Senate and House bills titled The Resident Physician Shortage Reduction Act of 2009 were introduced to increase the number of Medicare-supported hospital residency positions by 15,000. Preference would be given to primary care, general surgery and training in non-hospital settings. Both bills are currently in committee in the Senate and House.

### *Next steps for the community to consider include:*

- Continue exploring the feasibility of expanding medical education capacity in Flint through MSU.
- Work with your congressional representatives to support passage of the Act.

## **Health Impact Assessment Next Steps**

On balance, we believe that the recommended strategies emerging from the community health care impact study will strengthen the community's health sector as a vehicle for future economic growth. While challenges remain, we believe implementing some or all proposed strategies will reduce fragmentation of care in an efficient and effective manner, help assure optimal use of public and private financial resources, improve population health status and position Genesee County for the future of national health reform.

Immediate next steps for the community to consider include:

- Triaging and prioritizing recommended strategies to support an official community request for federal aid.
- Developing and submitting an official request for federal aid.
- Deploying the process and scorecard of performance measures developed to monitor future community impacts and the status of intervention strategies.
- Developing and planning the implementation of proposed strategies for intervention.

*Please direct inquiries regarding the Health Care Impact Study to the Greater Flint Health Coalition, as listed below:*

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*This Executive Summary was prepared by The Lewin Group, Inc. for the Greater Flint Health Coalition to assist in creating actionable strategies to support an official request for federal aid to the federal Director of Recovery for Auto Communities and Workers.*



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