

COMMUNITY HEALTH CENTER GROWTH AND SUSTAINABILITY
STATE PROFILES

WASHINGTON D.C.



CONTENTS

Overview 2

CHC Scale 3

CHC Financial Status 6

Primary Care Need & Transformation 9

Medicaid and Health Insurance Landscape 10

OVERVIEW

Market Share & Growth

- As of 2014, there were 7 CHCs operating 40 permanent clinical service delivery sites throughout Washington D.C. CHCs are represented by the District of Columbia Primary Care Association.^{1 2}
- Washington D.C. CHCs provided 761,169 visits to 141,877 patients in 2012.³
- The number of people served by CHCs has grown by an average of 13.8% annually from 2010-2012, compared to 4.1% average annual growth experienced by CHCs nationwide.³
- CHCs serve approximately 53.4% of the Washington D.C. Medicaid population (US: 16%) and 22.7% of its overall population (US: 7%). CHCs in Washington D.C. serve 56% of the population with incomes <200% FPL, compared with 15.9% nationally.³
- Medicaid enrollment, currently at 153,000, is projected to grow by an additional 31,000 people by 2022 (20% growth); with the uninsured rate projected to decrease slightly from 11.2% to 9.5% by 2020.⁴

Policy & Reimbursement

- Washington D.C. spends about \$11,000 per Medicaid enrollee annually – the highest in the nation.⁵
- Medicaid reimbursement for Washington D.C. CHCs is governed by the federal Prospective Payment System (PPS) requirements, including use of the Medicare Economic Index to adjust CHCs' per-visit rate annually. D.C. permits rate adjustments based on any increases or decreases in the scope of services furnished by the CHC during the fiscal year.⁶
- Washington D.C. was one of the first governments to implement a Medicaid expansion under the ACA, doing so in May, 2010, shortly after the law was passed.⁷
- Washington D.C. has set eligibility limits well above those in the ACA, with childless adults eligible up to 215% FPL; parents of dependent children up to 221% FPL; and pregnant women and children eligible up to family incomes of 324% FPL.⁸
- Washington D.C. Medicaid promotes the use of Managed Care Organizations (MCOs) which are administered and overseen by the Office of Managed Care. There are four different Managed Care Plans in the District. Over 65% of the Medicaid population is enrolled in a MCO.⁹
- Washington D.C. has a locally-administered Health Insurance Exchange, run by the Health Benefit Exchange Authority and available to the public through the Washington D.C. Health Link.¹⁰ Through the first enrollment period, individuals who have selected health plans through the exchange reached a total of 10,714, against a goal of 43,000.¹¹
- Washington D.C. has one CHC with six sites participating in the "FQHC Advanced Primary Care Demonstration" program, funded by the CMS Innovation Center.¹²

CHC SCALE

Washington D.C. CHCs Compared to CHCs Nationwide

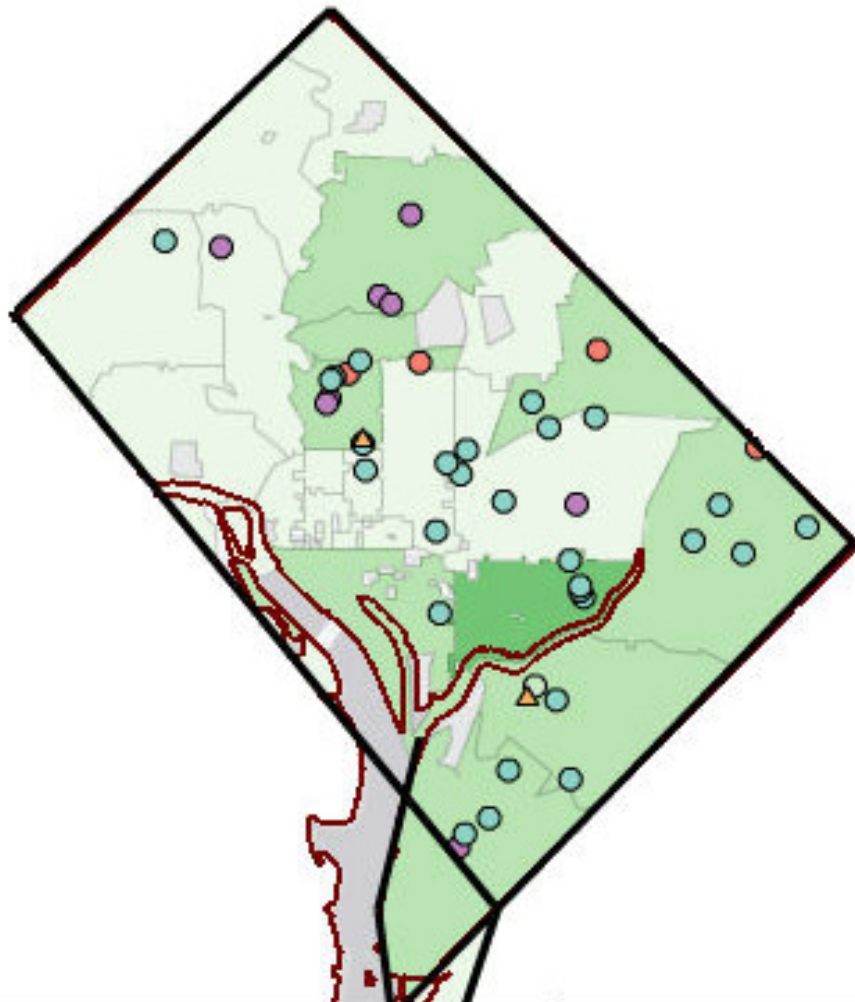
- Higher proportion of total population served
- Higher proportion of Medicaid enrollees served
- Twice the number of visits per CHC
- More than three times the growth rate in total patients and double the growth rate in visit volume, with greatest growth in mental health, and least in dental

	DC	US
Population Served (2012)		
Total patients served by CHCs	141,877	21,102,391
% of population served by CHCs	22.7%	6.8%
% of under 200% FPL served by CHCs	56.0%	15.9%
% of Medicaid Enrollees Served	53.4%	16.4%
CHC Characteristics and Volume		
Number of CHCs (2014)	7	1284
Total CHC Service Delivery Sites (2014)	40	9509
Average Sites per CHC (2014)	5.7	7.4
Annual Visits (Total) (2012)	761,169	83,766,153
Annual Visits per CHC (2012)	152,234	69,922
Annual Visits Per Patient (2012)	5.36	3.97
Visit Mix (% of Annual Visits by Service Type) (2012)		
Medical	72.2%	73.6%
Dental	7.5%	12.8%
Mental Health	11.0%	7.5%
Case Management/Enabling	9.2%	6.2%
Compound Annual Growth Rate (2010-2012)		
Total Patients	13.8%	4.1%
Total Annual Visits	9.8%	4.3%
Medical	9.1%	3.5%
Dental	6.1%	7.6%
Mental Health	22.8%	9.6%
Case Management/Enabling	6.1%	1.6%

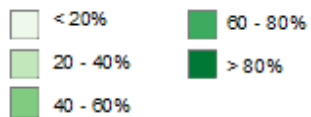
Note: All CHCs are Federally Qualified Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Share of Population Served by Washington D.C. CHCs ¹³

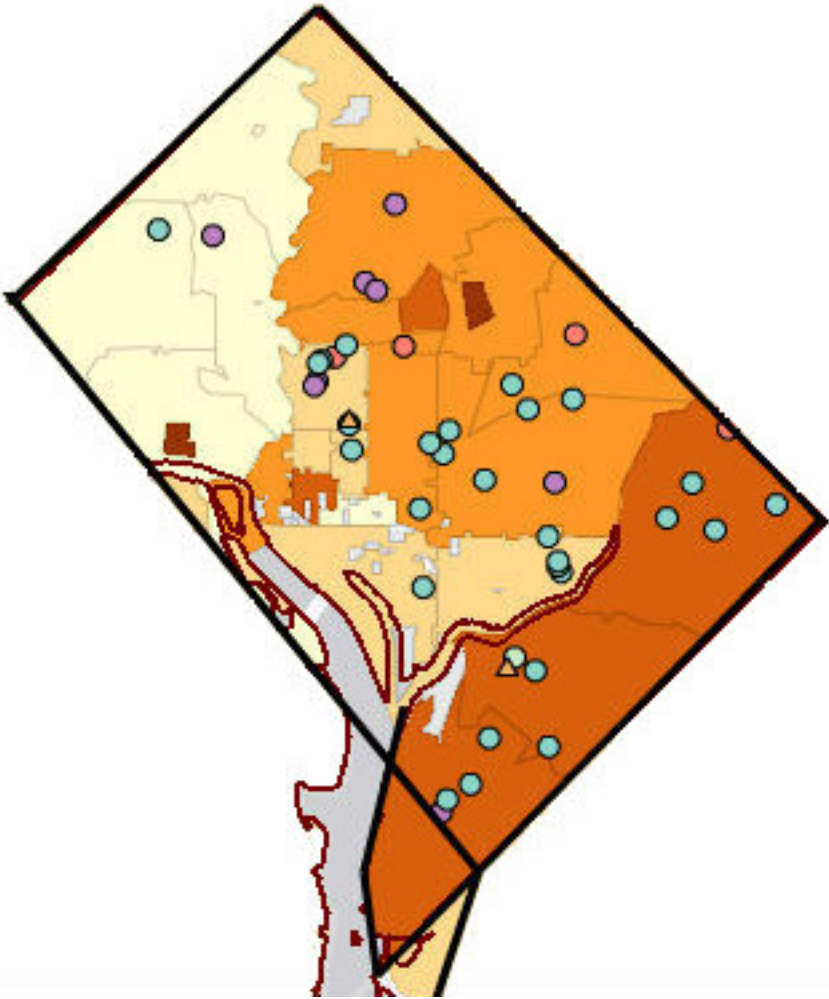


% of Total Population Served by CHCs



Colored circles represent CHC locations.
Unique color for each CHC network.

Washington D.C. Low Income Population ¹⁴



% of Low-income (Pop below 200% FPL)

- < 15%
- 15 - 30%
- 30 - 45%
- 45 - 60%
- > 60%

Colored circles represent CHC locations.
Unique color for each CHC network.

Source: UDS Mapper 2014

CHC FINANCIAL STATUS

Washington D.C. CHCs Compared to CHCs Nationwide, 2012

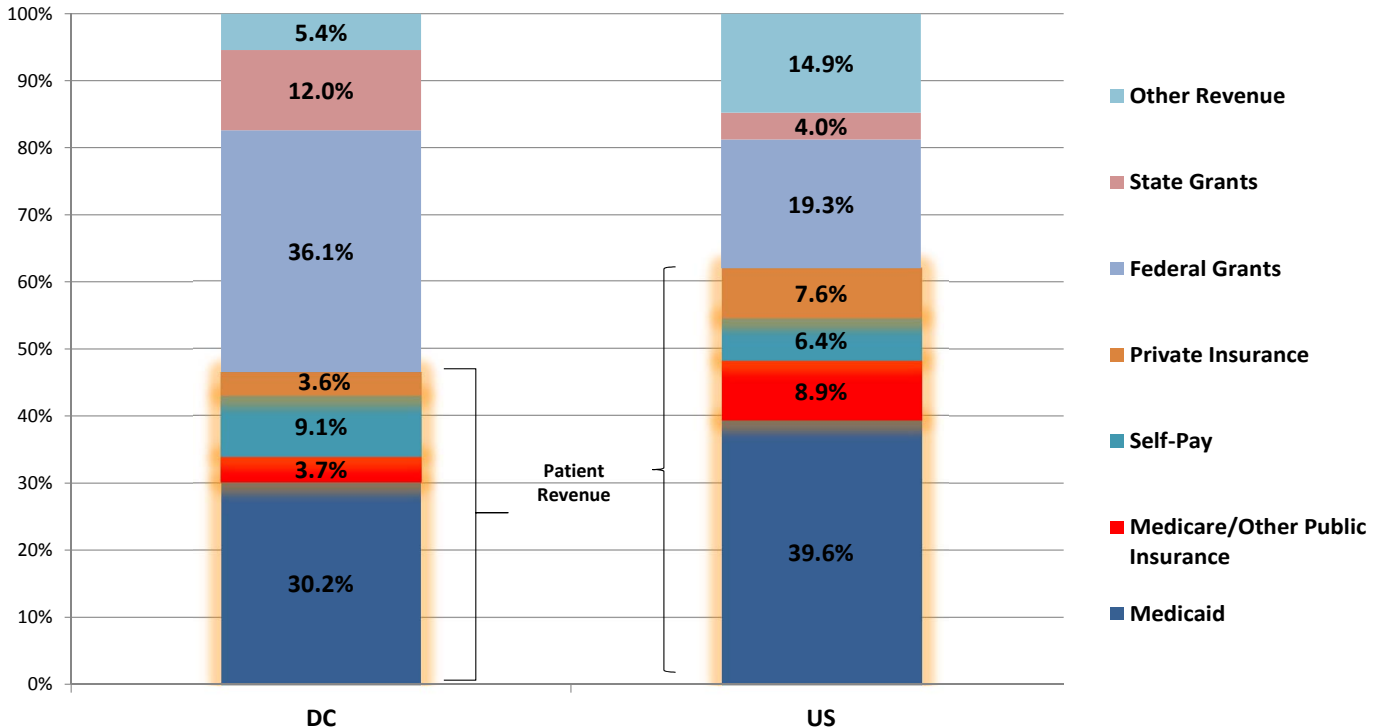
- Slightly lower proportion of revenue from patient services
- Much greater revenue from other public insurance
- Significantly lower proportion of revenue from federal grants

	DC	US
CHC Revenue Mix		
Patient Revenue	46.6%	62.9%
Medicaid	30.2%	39.6%
Medicare/Other Public Insurance	3.7%	8.9%
Self-Pay	9.1%	6.4%
Private Insurance	3.6%	7.6%
Federal Grants	36.1%	19.3%
State Grants	12.0%	4.0%
Other Revenue	5.4%	14.9%

Note: All CHCs are Federally Qualified Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Overall CHC Revenue Mix 2012



Source: UDS Summary Data 2012

CHC FINANCIAL STATUS

Washington D.C. CHCs as a Group, 2009-2011

- Median Total Assets increased by 98%
- Median Days Cash on Hand rose by 84%, from 10 to 19 days, still well below the 30-day benchmark

DC Financial Performance 2009- 2011					
	Statewide CHC Medians			% Change	Benchmark
	2009	2010	2011		
Growth					
Total Assets (\$)	\$14,619,632	\$21,459,225	\$29,012,236	98%	N/A
Total Revenues (\$)	\$13,982,512	\$19,128,367	\$34,507,870	147%	N/A
Profitability					
Total Margin (%)	2.1%	1.8%	12.7%	503%	N/A
Unrestricted Net Assets (\$)	\$3,364,451	\$3,532,223	\$4,408,576	31%	N/A
Liquidity					
Days Cash on Hand	10	26	19	84%	>30 Days
Days in Accounts Receivable	40	30	36	-11%	<60 Days

Note: CHC 990s have limitations, and certain indicators could not be accurately analyzed as a result. For a more complete picture of CHC financials, audited financial statements should be consulted.

Sources: UDS Summary Data 2009-2011 and CHC Form 990s

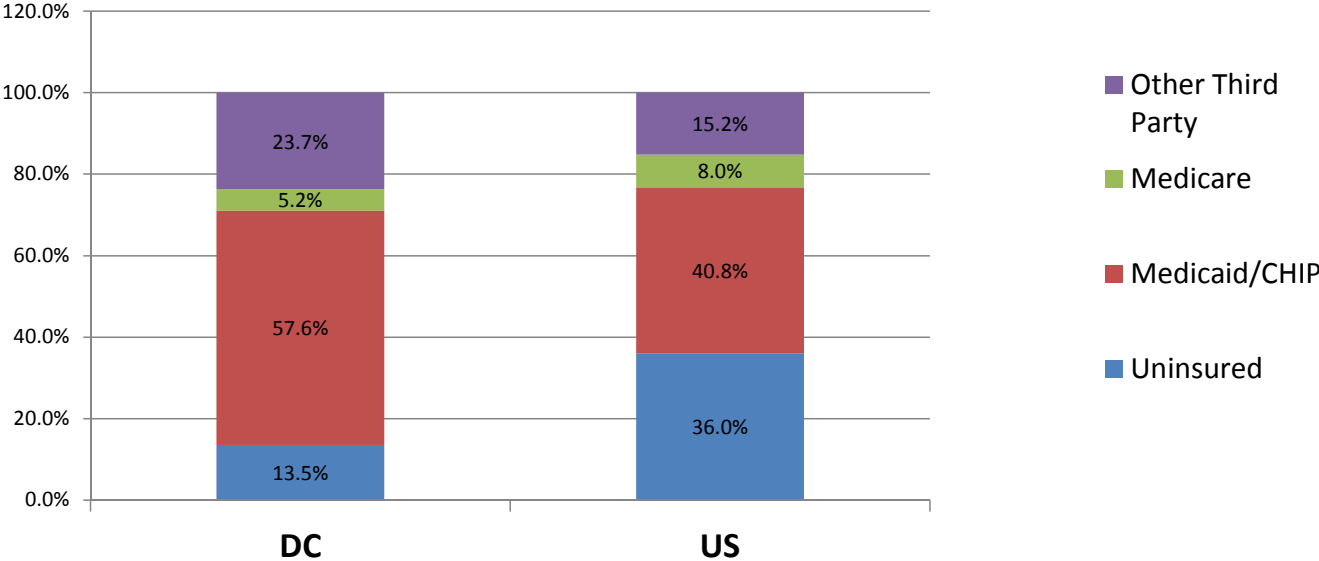
Washington D.C. CHCs Visit Mix Compared to CHCs Nationwide ¹⁴

- Slightly higher proportion visits from patients living at or near poverty
- Greater proportion of patient visits from Medicaid and/or CHIP
- Fewer patient visits from uninsured/self-pay

	DC	US
CHC Visit Mix - 2012		
<u>Income Status</u>		
Patients at or below 200% poverty level	94.7%	92.6%
Patients at or below 100% poverty level	75.0%	71.9%
<u>Coverage Status</u>		
Uninsured	13.5%	36.0%
Medicaid/CHIP	57.6%	40.8%
Medicare	5.2%	8.0%
Other Third Party	23.7%	15.2%

Source: UDS Summary Data 2012

Visit Mix by Payer - 2012



Source: UDS Summary Data 2012

PRIMARY CARE NEED

Statewide Primary Care & Prevention Clinical Indicators

- Somewhat worse than the national average on most primary care & prevention indicators
- Higher rates of death from diabetes and heart disease
- Higher proportion of children born below normal birth weights

Statewide Primary Care Shortage & Workforce Indicators

- Higher proportion of the population is underserved for primary care
- Population underserved for dental care near U.S. average

	DC	US
Primary Care & Prevention Clinical Indicators		
% births to women with late/no prenatal care	N/A	5.3%
% low birthweights	10.2%	8.1%
% adults diagnosed with diabetes	8.7%	9.3%
Adult diabetes deaths per 100,000	24.9	20.8
Adult heart disease deaths per 100,000	222.4	179.1
Avoidable Hospitalizations per 1,000	N/A	66.6
America's Health Ranking (United Health Foundation)	N/A	NA
Primary Care Shortage and Workforce Indicators		
Estimated underserved population for primary care	97,530	35,057,608
<i>% of total population</i>	15.6%	11.3%
Estimated PCPs needed to achieve target PCP:Population	43	7067
Estimated underserved population for dental	65,654	31,707,007
<i>% of total population</i>	10.5%	10.2%
Estimated dental providers needed to achieve target Practitioner:Population ratio	17	6531

Source: Kaiser State Health Facts 2012

PRIMARY CARE TRANSFORMATION

Patient Centered Medical Home ^{3 15}

- 100% of Washington D.C. CHCs have achieved PCMH recognition or certification as of 7/31/14, as compared to 58% nationally.
- Washington D.C. has received a planning grant from the Centers for Medicare & Medicaid Services (CMS) to establish health homes for Medicaid enrollees with chronic conditions.

Electronic Health Record Adoption ¹⁶

- 100% of Washington D.C. CHC sites have EHR availability (compared to 88% in the U.S.)
- Higher than the national average in 11 of the 12 EHR functionality categories

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Medicaid Policies – Highlights

- One of the earliest jurisdictions to institute Medicaid expansion - 2 months after the passage of the ACA
- Substantially higher per-enrollee Medicaid spending than national average

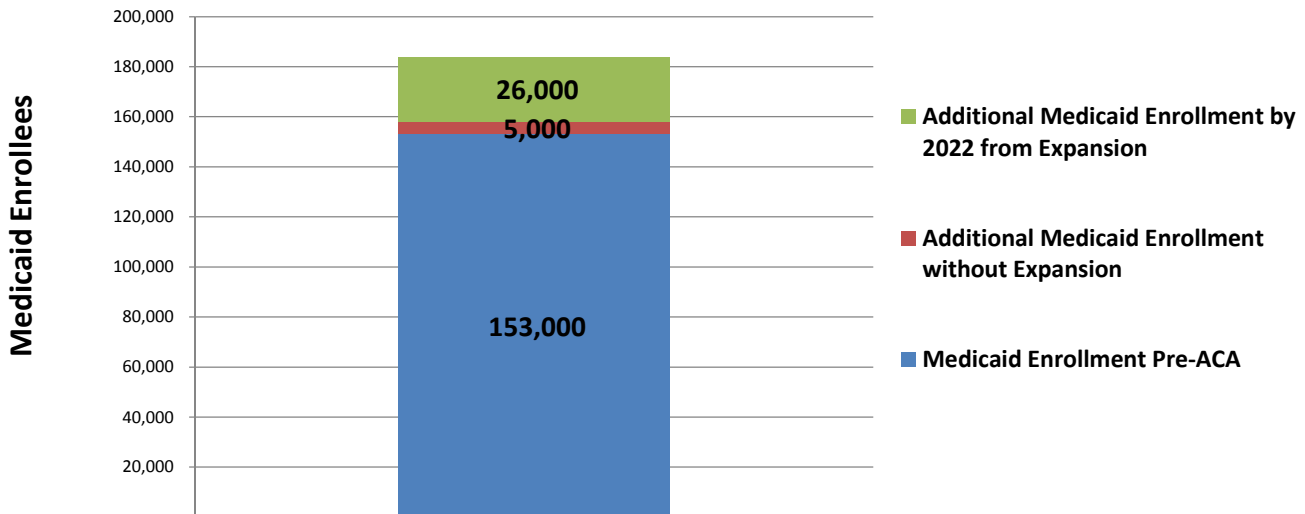
	DC	US
Medicaid Policies		
Medicaid Payments Per Enrollee	\$8,029	\$5,563
Federal Medical Assistance Percentage (FMAP)	70.0%	50.0%
Health Insurance & Medicaid Expansion		
Implementing Medicaid Expansion	Implementing	
Health Insurance Exchange	State	
Total Uninsured	70,000	53,277,000
<i>% of Uninsured Individuals (all ages)</i>	11.2%	17.2%
Medicaid Enrollment Pre-ACA	153,000	52,410,000
<i>% of Total Population</i>	24.5%	16.9%
Additional Enrollment with ACA but no Medicaid Expansion	5,000	5,659,000
Additional Enrollment with ACA and Medicaid Expansion	31,000	21,280,000
<i>% Growth in Medicaid Enrollment from ACA + Expansion</i>	20.3%	40.6%
Estimated Number Remaining Uninsured After ACA	45,000	27,930,000
<i>Estimated % Uninsured After ACA (2020)</i>	9.4%	8.7%

Source: Kaiser State Health Facts 2012, Urban Institute HIPSM 2012

Health Insurance & Medicaid Expansion – Highlights

- Implementing Medicaid expansion and a locally-run Health Insurance Exchange
- Medicaid expansion expected to increase Medicaid enrollment by >20%
- Proportion of residents who are uninsured is expected to decrease slightly from 11.2% to 9.5% over the next decade

IMPACT OF MEDICAID EXPANSION



Source: Kaiser State Health Facts 2012

Washington D.C. Medicaid Spending

Washington D.C. Medicaid spending per capita is the highest in the nation at \$11,157. This is because D.C. has a very high proportion of their population on Medicaid while also being having the second smallest population in the United States.¹⁷

While children account for nearly half of total Medicaid enrollees and healthy adults an additional 24%, those populations account for only 1/4 of the total cost of the D.C Medicaid program. The Elderly and Disabled account for more than 75% of all spending, both costing slightly below \$25,000 per person.¹⁸

Nearly 47% of all Medicaid spending is directed towards institutional care, lower than most states', indicating that a great deal of coverage is directed outside nursing home and long-term care facilities.¹⁸

Medicaid Coverage & Administration

Washington D.C. Medicaid is administered through the Department of Health Care Finance.

Enrollment in Washington D.C.'s Medicaid program saw minimal growth during the mid-2000s, but has since seen a dramatic expansion.¹⁹ The recent growth in the Medicaid program is the result of both the implementation of the Medicaid expansion, as well as higher levels of unemployment since 2008.¹⁹

Prior to Medicaid expansion, healthy low-income adults were covered under the D.C. Health Alliance program which was funded from tax revenue from city residents. With the expansion of Medicaid eligibility, 30,000 residents enrolled in the Alliance program were moved into Medicaid.

Two-thirds of Medicaid enrollees in D.C. are signed up for one of three managed care plans offered,^{19 20} with one-third in traditional fee-for-service.

Washington D.C. has opted to go beyond minimum eligibility requirements required under federal law, and the District has worked in recent years to expand the scope of who can be served by its Medicaid program, including opting for early implementation of some Medicaid provisions of the federal Affordable Care Act.²⁰

Following Medicaid expansion, the state now provides increased eligibility levels for all potential enrollees:

- Washington D.C. provides generous coverage for infants and children up to the age of 19, as well as pregnant woman (324% FPL.)
- Parents of dependent children are eligible up to 221% FPL.
- Childless adults are eligible up to 215% FPL under the expanded Medicaid program.²¹

Medicaid and CHIP Income Eligibility Limits as % of FPL

State	Separate CHIP Ages 0-19	Pregnant Woman	Parents of Dependent Children	Non-Disabled Adults
2013	300%	300%	206%	211%
2014	324%	324%	221%	215%

*There is some variability in eligibility limits for children in 2013 under Medicaid based on age; however, the eligibility level chosen reflects the year's CHIP eligibility and/or highest eligibility level under Medicaid.

Source: Kaiser State Health Facts 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Prior to the implementation of the Medicaid expansion, the D.C. Health Alliance did not provide coverage for Behavioral Health Services. Since the expansion, there has been a 25% growth in behavioral health services provided, primarily due to the increased scope of coverage. ²²

The District’s Medicaid program does not require participants to pay any co-payments for Medicaid services. ¹⁹

Washington D.C. CHC Reimbursement Policies

Medicaid reimbursement, the primary revenue source for CHCs, is governed by the federal Prospective Payment System (PPS) requirements (i.e., not an alternative payment methodology though this is permitted under federal regulations.) ²³

Each year, the PPS is escalated by a cost inflation factor. Washington D.C. uses the Medicare Economic Index (MEI) to adjust the per visit rate annually. Further adjustments may be made to take into account any increase or decrease in scope of services, including the starting date of the change. ²³

The following categories of providers are eligible to generate a reimbursable PPS encounter: MD, DMD, and NPs can generate a PPS encounter for a face-to-face visit. ²³

Other provider organizations including but not limited to Alcohol and Substance Abuse Clinics, Mental Health Clinics, and Family Planning clinics can all be reimbursed for services provided. ²³

Primary Providers Eligible for Reimbursement

State	MD	DMD	NP	Psychologist	Other
DC	Yes	Yes	Yes	No	N/A

Secondary Providers Eligible for Reimbursement

State	RN	LCSW	Physical Therapist	Dental Hygienist	Nutritionist
DC	No	Yes	No	No	No

Source: Update on the Status of the FQHC Medicaid Prospective Payment System in the States. NACHC, 2011

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Collaboration with CMS ²⁴

One Washington D.C. Community Health Center, at 6 sites, is participating in the **FQHC Advanced Primary Care Demonstration** funded by the Centers for Medicare and Medicaid Services (CMS) Innovation Center. Under the demonstration, selected FQHC Grantees receive funding to demonstrate how the patient-centered medical home (PCMH) model improves quality of care, promotes better health, and lowers costs.

Notes

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