

COMMUNITY HEALTH CENTER GROWTH AND SUSTAINABILITY
STATE PROFILES

RHODE ISLAND

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OVERVIEW

Market Share & Growth

- As of 2014, there were 8 CHCs operating 37 permanent clinical service delivery sites throughout the state of Rhode Island. The primary care association representing CHCs is the Rhode Island Health Center Association.^{1 2}
- Rhode Island CHCs provided 564,446 visits to 134,905 patients in 2012.³
- The number of people served by CHCs increased by an average of 5% annually between 2010-2012, compared to 4.1% average annual growth experienced by CHCs nationwide.³
- CHCs serve approximately 31.1% of Rhode Island's Medicaid population (US: 16%) and 13.1% of its overall population (US: 7%). Rhode Island CHCs serve 32% of individuals with incomes <200% FPL, compared with 15.9% nationally.³
- Medicaid enrollment, currently at 174,000, is projected to grow by an additional 48,000 people by 2022 (28% growth); the uninsured rate is projected to decrease from 12.2% to 6.2%.^{3 4}

Policy & Reimbursement

- Rhode Island spends slightly over \$8,200 per Medicaid enrollee annually – the 5th highest in the nation.⁵
- Rhode Island CHCs reimbursed by Medicaid use an alternative payment methodology which largely incorporates the Federal Prospective Payment System (PPS).⁶
- Rhode Island has implemented Medicaid expansion. With Medicaid expansion, Rhode Island has set eligibility limits for adults at 138% FPL; for pregnant women at 258%; and for children at a family income up to 266% FPL.⁷
- Almost all CHC patients who are Medicaid beneficiaries are mandatorily enrolled in Rhode Island's managed care program.⁸
- Rhode Island has established its own state-run health insurance exchange called healthsourceri.com.^{9 10} Through the first enrollment period, individuals who have selected health plans through the exchange reached a total of 28,485, surpassing a goal of 12,000.¹¹
- Rhode Island is participating in several CMS Innovation programs, including the "Multi-Payer Advanced Primary Care Program" and been awarded a State Innovation Model "Design Award."¹²

CHC SCALE

Rhode Island CHCs Compared to CHCs Nationwide

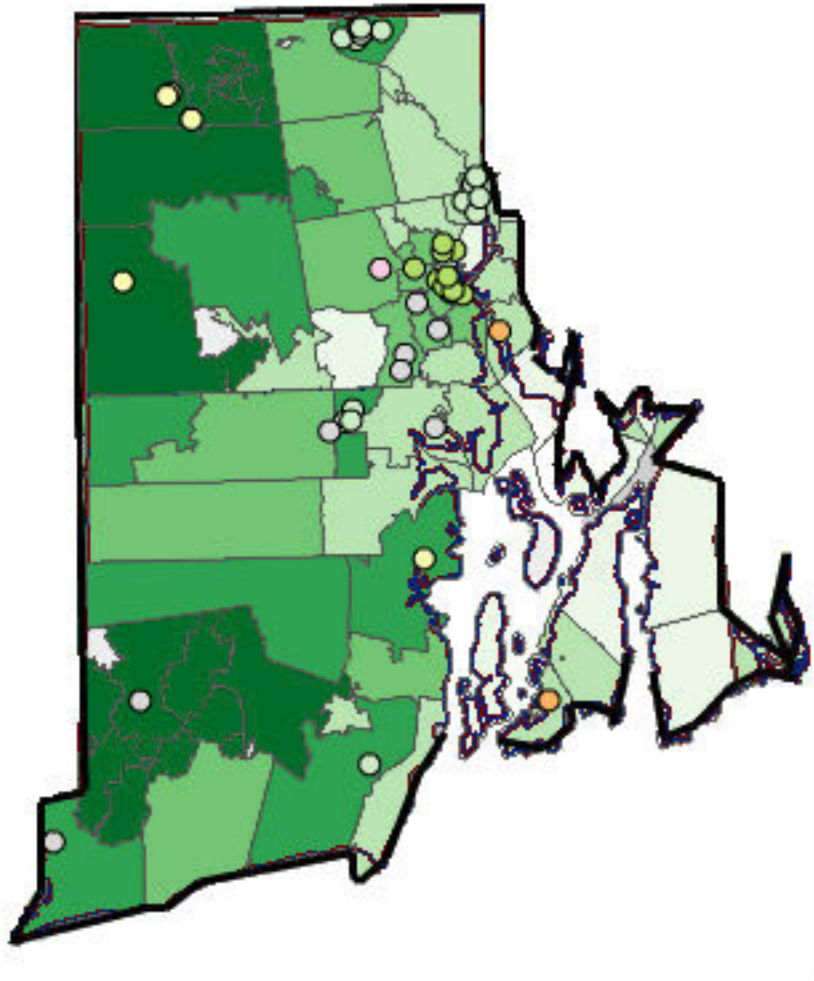
- Nearly double the percentage of the total population and Medicaid enrollees served
- Near the national average in visits per CHC
- Significantly higher proportion of dental visits
- Higher than average annual growth rate

	RI	US
Population Served (2012)		
Total patients served by CHCs	134,905	21,102,391
% of population served by CHCs	13.1%	6.8%
% of under 200% FPL served by CHCs	32.0%	15.9%
% of Medicaid Enrollees Served	31.1%	16.4%
CHC Characteristics and Volume		
Number of CHCs (2014)	8	1284
Total CHC Service Delivery Sites (2014)	37	9509
Average Sites per CHC (2014)	4.6	7.4
Annual Visits (Total) (2012)	564,446	83,766,153
Annual Visits per CHC (2012)	70,556	69,922
Annual Visits Per Patient (2012)	4.18	3.97
Visit Mix (% of Annual Visits by Service Type) (2012)		
Medical	66.9%	73.6%
Dental	22.2%	12.8%
Mental Health	6.0%	7.5%
Case Management/Enabling	4.9%	6.2%
Compound Annual Growth Rate (2010-2012)		
Total Patients	5.0%	4.1%
Total Annual Visits	5.2%	4.3%
Medical	4.3%	3.5%
Dental	5.7%	7.6%
Mental Health	8.3%	9.6%
Case Management/Enabling	11.1%	1.6%

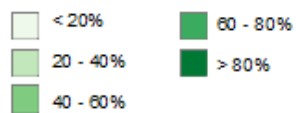
Note: All CHCs are Federally Qualified Health Centers receiving Section 330 grants. Lookalikes not included.

Source: UDS Summary Data 2010-2012, 2014

Share of Population Served by Rhode Island CHCs ¹³

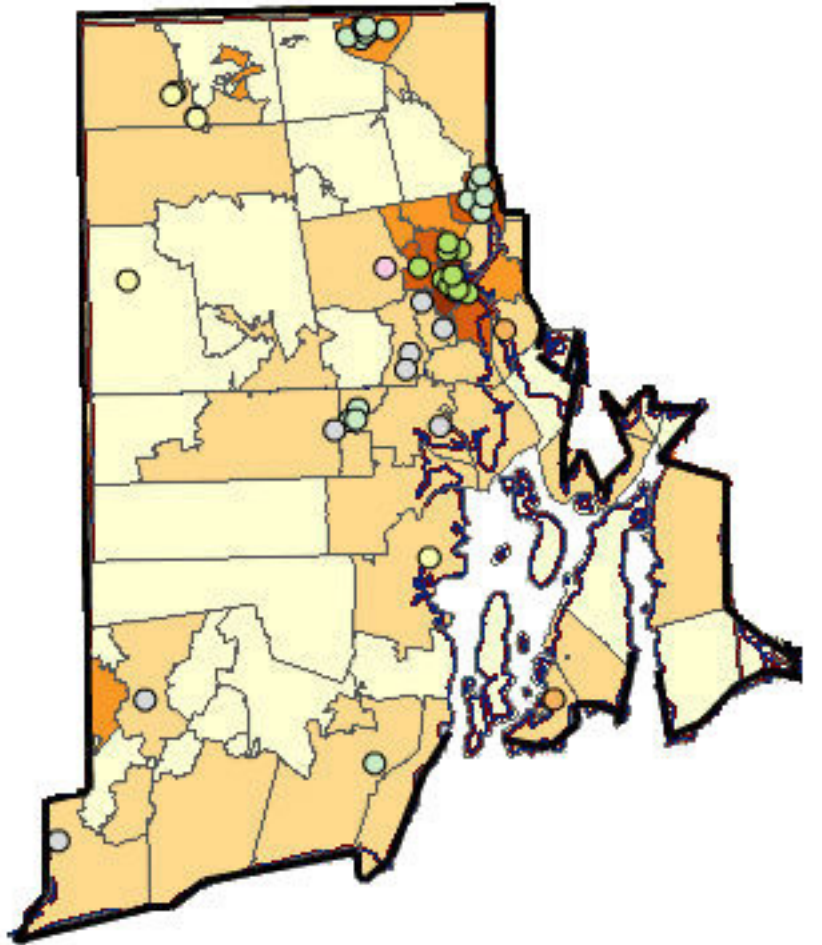


% of Total Population Served by CHCs

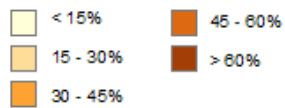


Colored circles represent CHC locations.
Unique color for each CHC network.

Rhode Island Low Income Population ¹⁴



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



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

CHC FINANCIAL STATUS

Rhode Island CHCs Compared to CHCs Nationwide, 2012

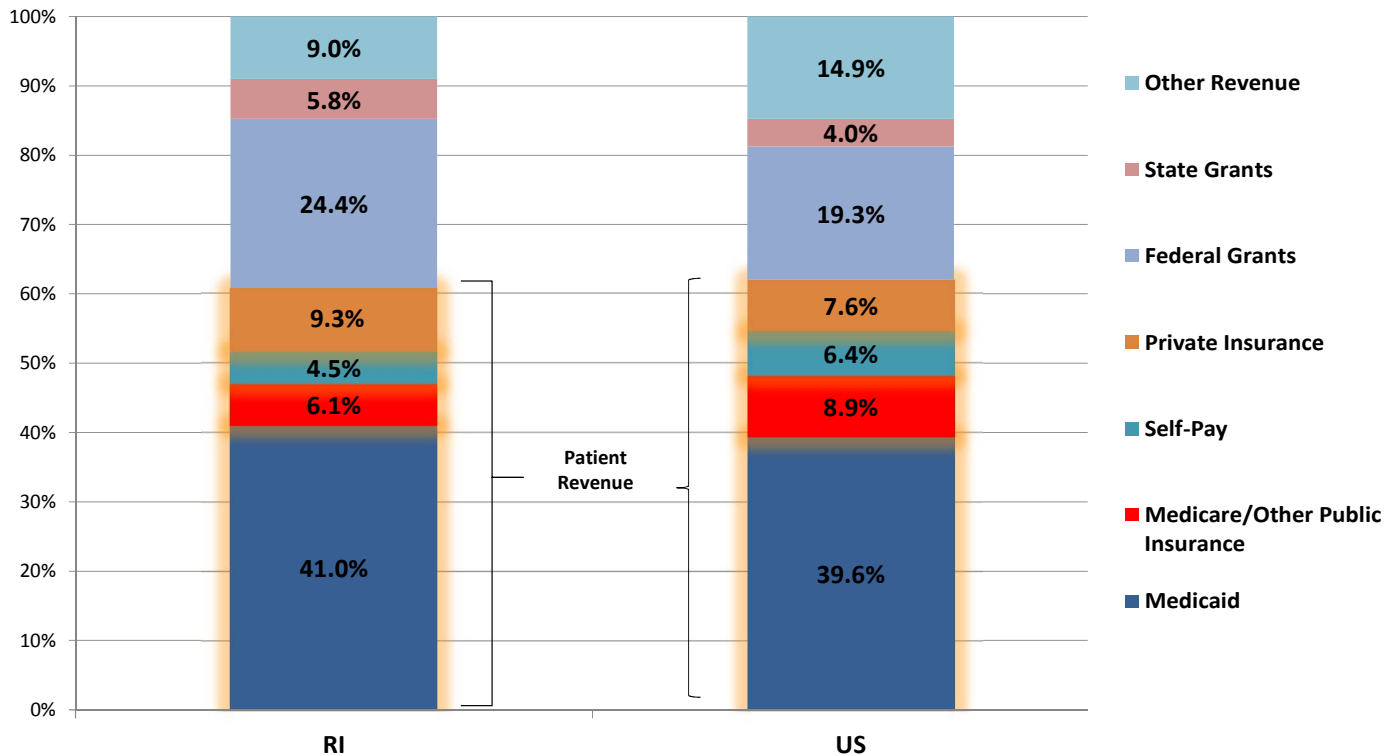
- Similar proportion of revenue from patient services
- Similar proportion of patient revenue from Medicaid
- Slightly higher proportion of revenue from private insurance
- Greater proportion of federal grants

	RI	US
CHC Revenue Mix		
Patient Revenue	60.9%	62.9%
Medicaid	41.0%	39.6%
Medicare/Other Public Insurance	6.1%	8.9%
Self-Pay	4.5%	6.4%
Private Insurance	9.3%	7.6%
Federal Grants	24.4%	19.3%
State Grants	5.8%	4.0%
Other Revenue	9.0%	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

Rhode Island CHCs as a Group, 2009-2011

- Median Total Assets increased by 31%
- Unrestricted Net Assets grew by 30%
- Median Days Cash on Hand rose by 23%, from 46 to 56 days, well above the 30-day benchmark

RI Financial Performance 2009- 2011					
	Statewide CHC Medians			% Change	Benchmark
	2009	2010	2011		
Growth					
Total Assets (\$)	\$9,183,247	\$9,742,650	\$12,000,593	31%	N/A
Total Revenues (\$)	\$9,683,825	\$11,335,074	\$10,629,236	10%	N/A
Profitability					
Total Margin (%)	6.2%	6.1%	1.0%	-84%	N/A
Unrestricted Net Assets (\$)	\$6,531,313	\$8,485,269	\$8,517,442	30%	N/A
Liquidity					
Days Cash on Hand	46	60	56	23%	>30 Days
Days in Accounts Receivable	33	22	27	-18%	<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.

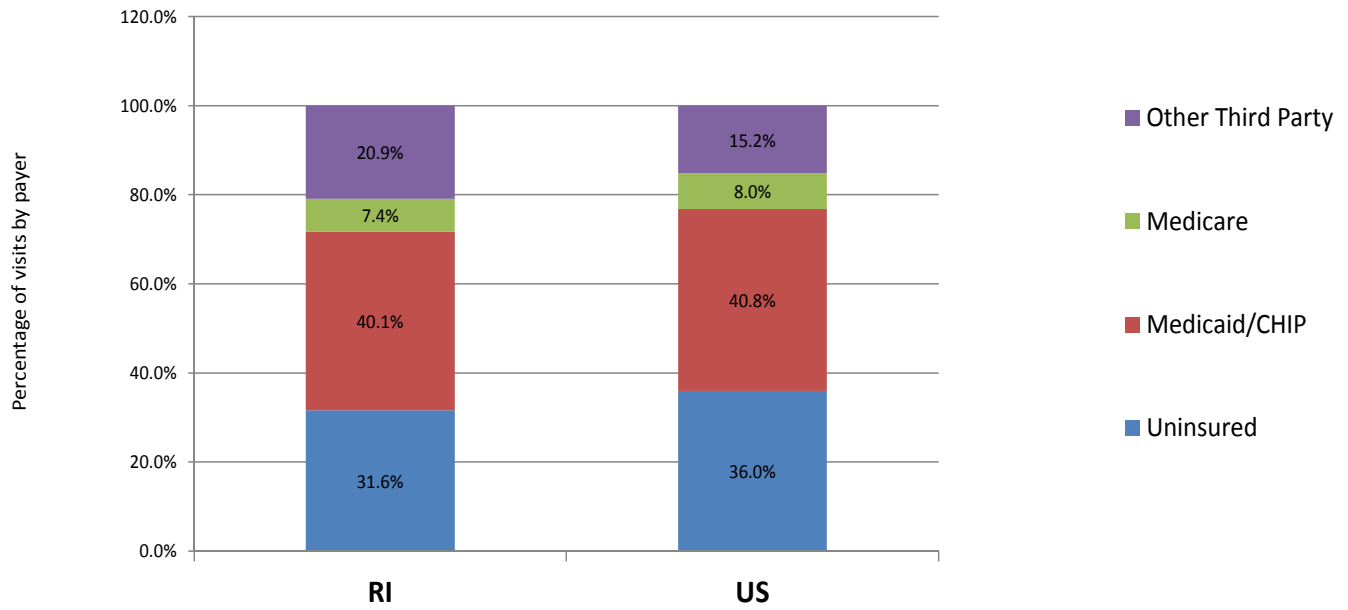
Rhode Island CHCs Visit Mix Compared to CHCs Nationwide

- Near national average in most categories
- Slightly lower proportion of visits from uninsured population
- Other third party payments, typically commercial insurance, is above national average

	RI	US
CHC Visit Mix - 2012		
<u>Income Status</u>		
Patients at or below 200% poverty level	90.8%	92.6%
Patients at or below 100% poverty level	70.5%	71.9%
<u>Coverage Status</u>		
Uninsured	31.6%	36.0%
Medicaid/CHIP	40.1%	40.8%
Medicare	7.4%	8.0%
Other Third Party	20.9%	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

- Better than national average on most primary care & prevention indicators
- Ranked #19 in America's Health Rankings®

Statewide Primary Care Shortage & Workforce Indicators

- Slightly lower proportion of population is underserved for primary care.
- Population underserved for dental is at about the national average.

	RI	US
Primary Care & Prevention Clinical Indicators		
% births to women with late/no prenatal care	1.3%	5.3%
% low birthweights	7.7%	8.1%
% adults diagnosed with diabetes	7.5%	9.3%
Adult diabetes deaths per 100,000	16.0	20.8
Adult heart disease deaths per 100,000	167.1	179.1
Avoidable Hospitalizations per 1,000	70.6	66.6
America's Health Ranking (United Health Foundation)	19	NA
Primary Care Shortage and Workforce Indicators		
Estimated underserved population for primary care	97,567	35,057,608
<i>% of total population</i>	9.4%	11.3%
Estimated PCPs needed to achieve target PCP:Population	36	7067
Estimated underserved population for dental	102,810	31,707,007
<i>% of total population</i>	10.0%	10.2%
Estimated dental providers needed to achieve target Practitioner:Population ratio	33	6531

*Percent of total population underserved for primary care is calculated based on the number of primary care physicians in designated HPSAs and total HPSA population. Since HPSA designations are not automatic, but rather require an application process, it is speculated that the estimated underserved population is understated and reflects the fact that certain areas do not have HPSA designations.

PRIMARY CARE TRANSFORMATION

Patient Centered Medical Home ^{3 15}

- 88% of Rhode Island CHC sites have achieved PCMH recognition or certification as of 12/31/13, compared to 44% nationally.
- The Chronic Care Sustainability Initiative (CSI-RI) invested \$100 million in primary care; payment to participating practices began in October 2008; five payers including Medicaid fee-for-service, Medicaid Managed Care, and commercial plans have supported the project; the project now has participation of nearly 100% of Rhode Island payers and purchasers.
- In 2009, the Rhode Island Health Insurance Commissioner enacted a policy requiring all insurers to increase their spending on primary care as a proportion of total health spending by one percentage point per year over five years.
- In 2011, Rhode Island enacted the Rhode Island All-Payer Patient Centered-Medical Home Act, which requires the participation of state-regulated health insurers going forward in a PCMH collaborative.
- Rhode Island is one of the eight states selected to participate in the Medicare Advanced Primary Care Practice (MAP-CP) demonstration program.
- Rhode Island was awarded a \$15.9 million Beacon Community grant in July 2010 to increase the effective use of Health Information Technology in medical homes.

Electronic Health Record Adoption ¹⁶

- 100% of Rhode Island's CHC sites are using EHRs
- Rhode Island performs better than the national average in 11 of 12 EHR functionality categories

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Medicaid Policies – Highlights

- Among the highest per-enrollee Medicaid spending in US
- Expanded coverage to childless adults and increased provider payments will likely increase access ¹⁷

	RI	US
Medicaid Policies		
Medicaid Payments Per Enrollee	\$8,229	\$5,563
Federal Medical Assistance Percentage (FMAP)	51.3%	50.0%
Health Insurance & Medicaid Expansion		
Implementing Medicaid Expansion	Implementing	
Health Insurance Exchange	State	
Total Uninsured	126,000	53,277,000
<i>% of Uninsured Individuals (all ages)</i>	12.2%	17.2%
Medicaid Enrollment Pre-ACA	174,000	52,410,000
<i>% of Total Population</i>	16.8%	16.9%
Additional Enrollment with ACA but no Medicaid Expansion	8,000	5,659,000
Additional Enrollment with ACA and Medicaid Expansion	48,000	21,280,000
<i>% Growth in Medicaid Enrollment from ACA + Expansion</i>	27.6%	40.6%
Estimated Number Remaining Uninsured After ACA	72,000	27,930,000
<i>Estimated % Uninsured After ACA (2020)</i>	6.2%	8.7%

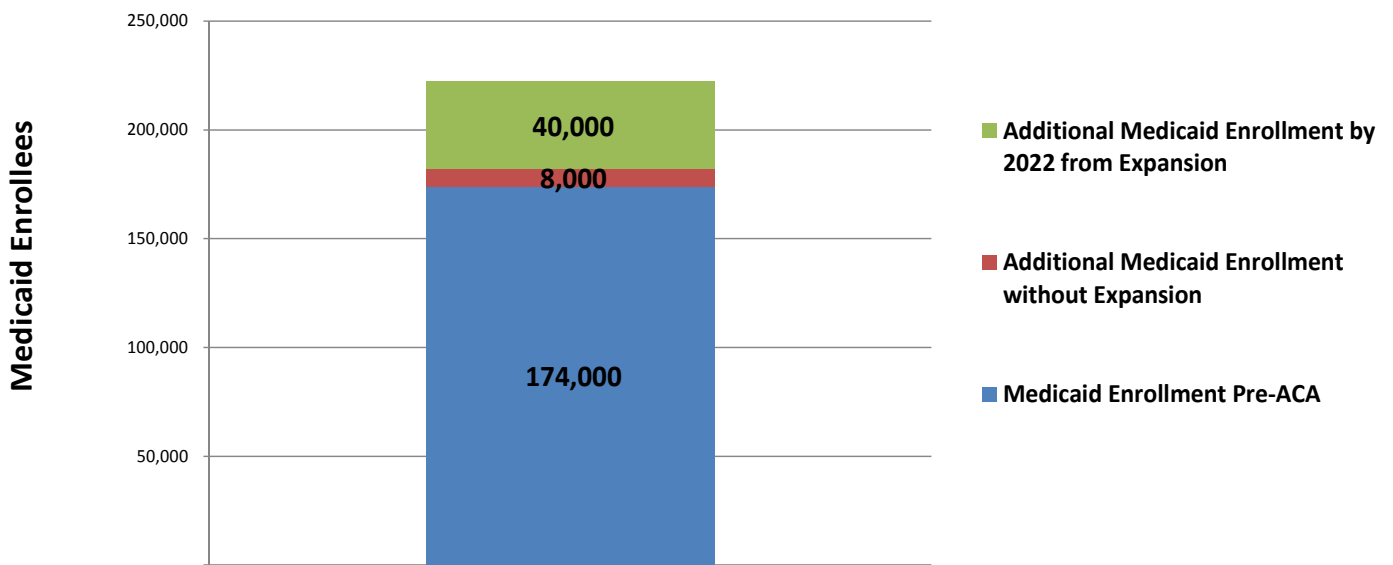
Source: Kaiser State Health Facts 2012, Urban Institute HIPSM 2012

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Health Insurance & Medicaid Expansion – Highlights

- Implementing Medicaid expansion
- Growth in Medicaid enrollment expected to be over 25%.
- Set up a state-run health insurance exchange called healthsourceri.com
- Proportion of uninsured lower than national average
- Proportion of residents who are uninsured projected to decline from 12.2% to 6.2% from 2012 through 2020

IMPACT OF MEDICAID EXPANSION



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

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Rhode Island Medicaid Spending

Rhode Island spends just over \$8,200 per Medicaid enrollee annually – the 5th highest in the nation for all health care services provided.⁵

Rhode Island's Medicaid program spent approximately \$1.8 billion in FY 2012. The State's Medicaid expenditure is divided among several state agencies, with \$1.4 billion of total expenditure managed by the Office of Health and Human Services (OHHS), and \$366 million managed by the Department of Behavioral Healthcare, Developmental Disability and Hospitals (BHDDH).¹⁸

Children and families, who are the predominant CHC clientele, account for 69% of total enrollment and 27% of total expenditure, with total 2012 expenditure of \$474 million for all services, ambulatory, hospital and other services. The largest share of Medicaid expenditures are for adults with disabilities and the elderly.¹⁸

Medicaid expenditures are highly concentrated, as the top seven percent of users account for nearly two-thirds (66%) of expenditures.¹⁷ Eighty-three percent of expenditure for high cost users is for Elders and Adults with Disabilities. The largest categories of expenditure for high cost users are nursing facilities and residential and rehabilitation facilities for persons with developmental disabilities.¹⁸

Expanded Spending on Primary Care¹⁹

In 2009 the Office of the Health Insurance Commissioner, a state agency with broad regulatory authority over commercial health insurers, embarked on a process to strengthen and expand primary care in the state.

In their efforts, the agency created a series of standards for achieving their goals and developed a policy for increasing payments to primary care providers.

The regulation required each insurer's proportion of medical expense allocated to primary care for the twelve months starting January 2010 to be one percentage point higher than actual spending for the twelve months starting January 2008. This proportion was then to increase by one percentage point per year for five years. At the end of 2014, on average, 11 percent of commercial insurers' medical expenses were to be devoted to primary care.

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Medicaid Coverage & Administration

Rhode Island operates its Medicaid program pursuant to its 1115 waiver approved by CMS in 2009. It has a block grant-like structure, with an aggregate state and federal funding cap of \$12.1 billion over a five year period.²⁰

Eligibility limits under the Medicaid expansion are:

- Family income up to 266% FPL for children
- Up to 258% FPL for pregnant woman
- Up to 138% FPL for parents and childless adults²¹

Rhode Island does not require any co-payments for residents participating in the state Medicaid program. Premium payments are limited to those above 151% FPL.²²

Medicaid and CHIP Income Eligibility Limits as % of FPL

	Children Ages 0-19	Pregnant Woman	Parents of Dependent Children	Non-Disabled Adults
2013	250%	185%	181%	N/A
2014	266%	258%	138%	138%

*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

Rhode Island CHC Reimbursement Policies

Rhode Island has adopted a Medicaid per visit reimbursement methodology for community health centers, which is compliant with the prospective payment system.¹⁰ Rhode Island devotes a nominal amount of funding to CHCs for indigent care.

The rate determination methodology recognizes the reasonable costs of providing services and provides for monthly wraparound payments to fully compensate CHCs for services to patients in health plans. Reimbursement rates for any one CHC are capped at 125% of the median rate for all Rhode Island CHCs.

More categories of providers are eligible to generate a reimbursable PPS encounter than is typical in other states. MD, DMD, NP, LSCW and nutritionist face-to-face visits generate a PPS encounter.²³

MEDICAID AND HEALTH INSURANCE LANDSCAPE

Primary Providers Eligible for Reimbursement

State	MD	DMD	NP	Psychologist	Other
RI	Yes	Yes	Yes	Yes	DO

Secondary Providers Eligible for Reimbursement

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

Source: Kaiser State Health Facts 2012

Collaboration with CMS²⁴

Rhode Island is collaborating with the Centers for Medicare and Medicaid Services (CMS) Innovation Center on a number of programs intended to develop and test service delivery models. The models typically provide incentive payments to participating providers, and include:

- **CHC Advanced Primary Care Demonstration** – Select CHC Grantees will receive funding to demonstrate how the patient-centered medical home (PCMH) model improves quality of care, promotes better health and lowers costs. There are 3 grantees and 3 total health centers participating in the demonstration in Rhode Island.
- **Multi-Payer Advanced Primary Care Practice Initiative (MAPCP)** – a Medicare program promoting Advanced Primary Care (APC) practices.
- **State Innovation Model** – Rhode Island was one of 16 states to receive Model Design funding to produce a State Health Care Innovation Plan.

The model is expected to leverage the opportunities provided by the state’s Health Benefits Exchange and Medicaid initiatives. Planning activities will facilitate a multi-stakeholder process to review current state payment and delivery system reform initiatives, identify data sources and baseline data for outcomes measures and financial analysis, and identify policy lever changes available and needed to effectuate the State Health Care Innovation Plan.

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