

Monitoring the Healthcare Safety Net in New Jersey

Safety Net Monitoring Network
First Multi-State Conference Call
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State Health Policy

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- Created in 1999 to conduct research in state health policy
- “Access to Care” one of core research areas
- Some projects initiated & supported by state agencies (mostly NJ)
- Others are investigator initiated w/independent funding
- Research products: center reports, academic papers, chartbooks, policy memos & briefings, newsletter/issue briefs, conferences

Key features of NJ

- High PC income: Ranked 3rd in 2004
- Average uninsured rate: Ranked 25th in 2002
- Large immig pop: 6th largest #, 3rd largest % in 2000

- U.S. Census Bureau ==> NJ is all urban
- CSHP measure ==> 20-25% of population in “inner cities” ==> more poverty, uninsured, HC access problems

- High cost state: cost-of-living, health insurance premiums
- Fairly generous SN support (high Medicaid DSH state)

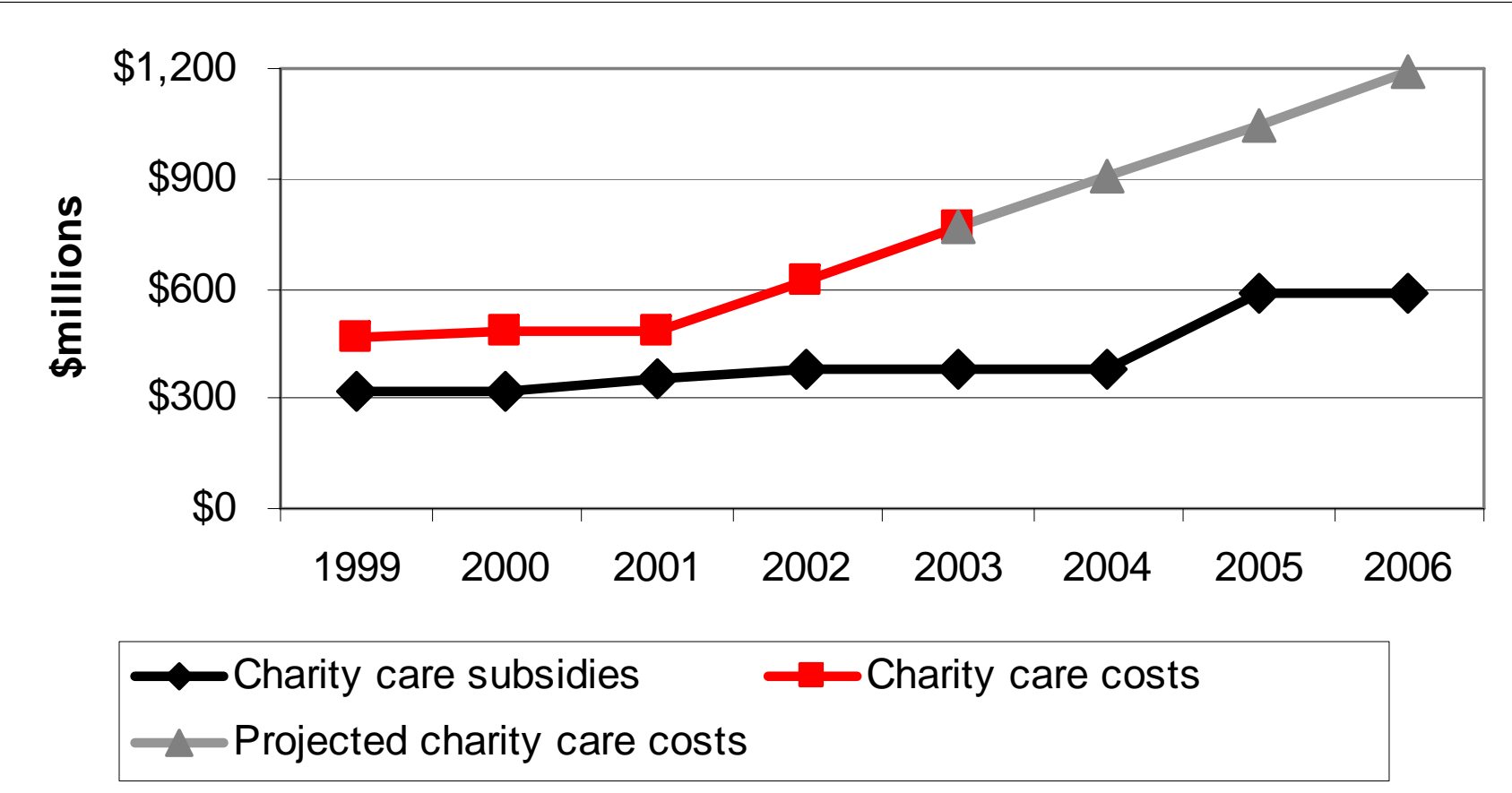
Project 1: Optimizing the Delivery of Hospital Charity Care

- Funded by Johnson & Johnson
- State law: all hosp must provide all necessary care regardless of ability to pay
- State provides claims-based subsidies
- Subsidies based on Medicaid rates & other factors
- Medicaid DSH match, typically retained by treasury
- Patients receive free or discounted care

- Some project findings
 - CC use/costs growing rapidly
 - Elderly overtaking children in CC volume
 - Vast majority of CC users are non-elderly adults w/income < 200FPL
 - Pregnancy, mental health, substance abuse treatment very common

CC Subsidies vs. Costs

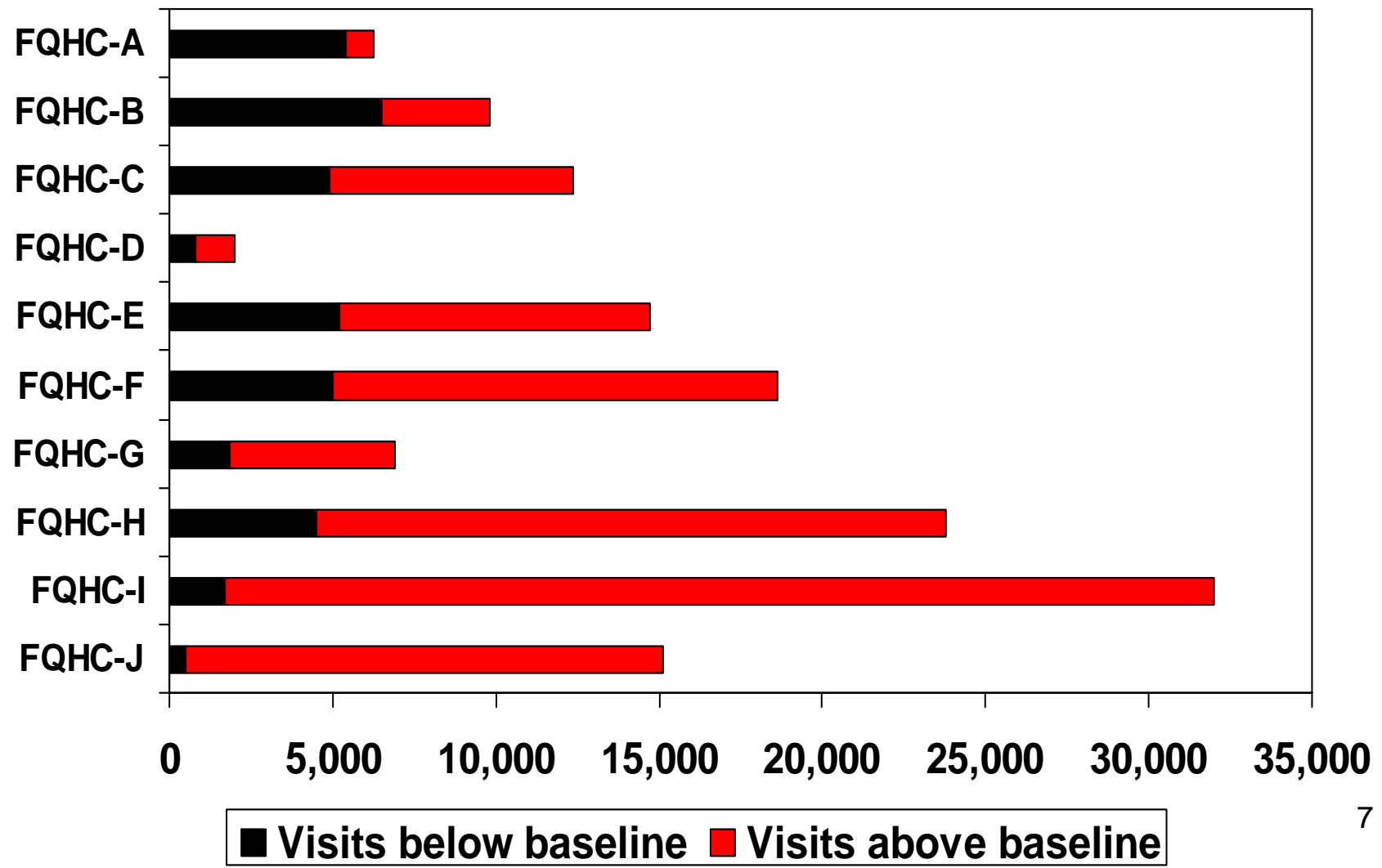
(Subsidies for SFY's, not inflation-adjusted)



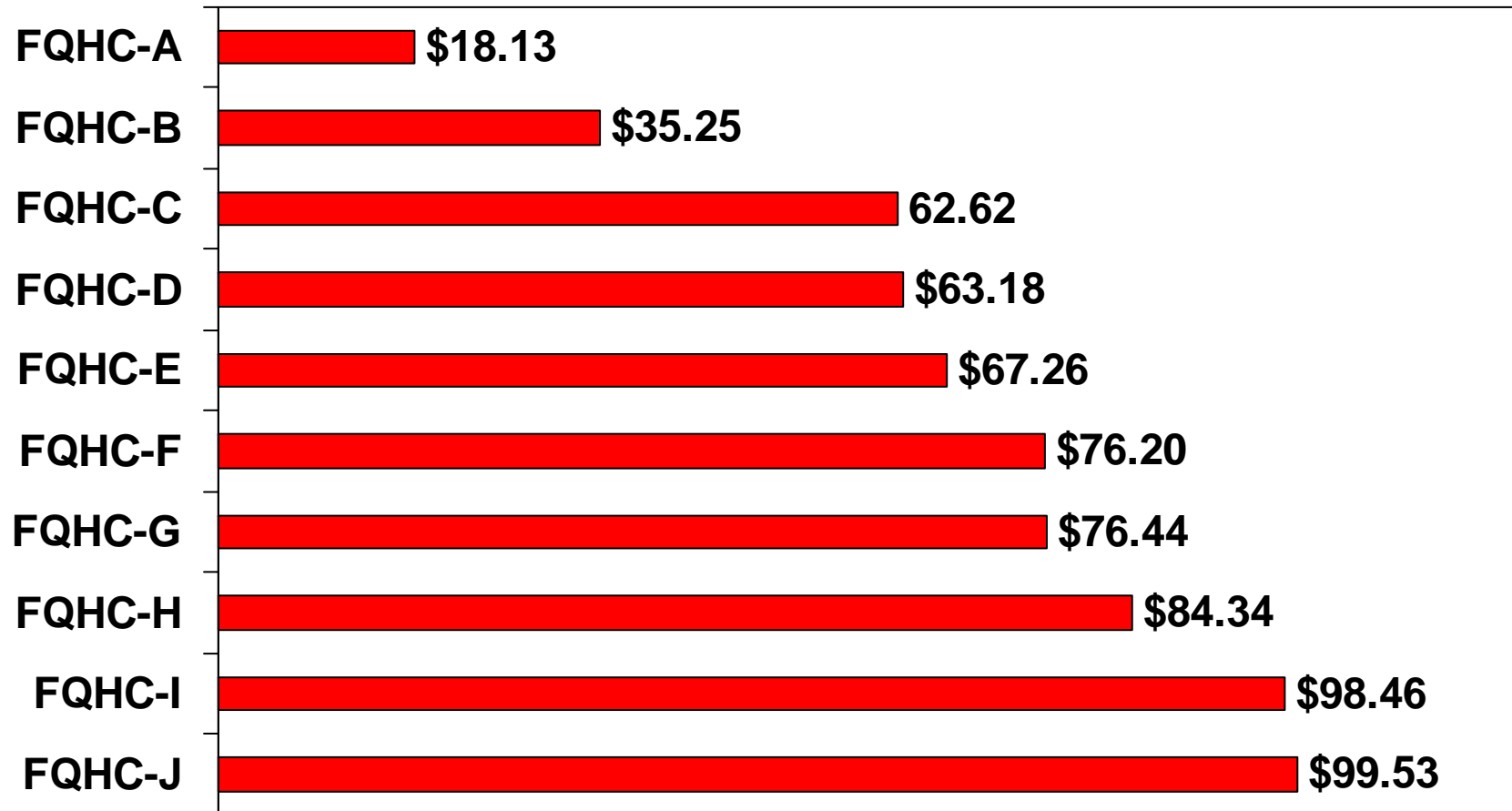
Project 2: State Subsidies to FQHC's in NJ

- Funded by NJDHSS
- 20 agencies with 67 locations in early 2005
- State subsidy for uninsured visits (\$11m in SFY-04)
 - Primary care
 - Patient income < 250FPL
- Payment formula became outdated & inequitable
- State interest in improving quality of care
- Project ==> review FQHC support in other states, develop reform options, simulate consequences
- Formula reformed in SFY-06

Baseline requirements relative to uninsured volume varied significantly across FQHC's (SFY-2003)



As a result, payment per uninsured visit varied significantly across FQHC's.



Project 3: Healthcare Access Monitor

- Funded by NJDHSS w/\$ from Community Health Systems
- Community HC Assets Protection Act: State can appoint independent HC access monitor subsequent to hospital acquisition/conversion at purchasing hospital's expense
- Monitor HC access indicators for vulnerable populations living in affected service area (e.g., charity care, Medicaid, ACS admissions)
- Difference-in-difference approach: pre/post acquisition, service area vs. other parts of the state
- Quarterly and annual reports to NJDHSS

Other SN/Access Projects

- ED Utilization & Surge Capacity (NJDHSS)
 - Analysis of ED utilization, hospital occupancy, disaster planning, potentially avoidable ED use
- Angiography Disparities & Hospital Regulatory Reform (AHRQ)
 - Evaluation of CON reform in NJ
 - Designed to encourage minority access to cardiac angiography

Emerging issues

- Healthcare Access Study Commission
- Hospital “right-sizing”
- CC reform (including “supplemental funds”)
- FQHC expansion
- Electronic FQHC billing records ==> opportunity for statewide quality measurement
- Interest in MA universal coverage plan

- State budget problems continue
 - Limited options
 - Diversion of attention from health policy