

THROUGH THE HEALTHCARE LOOKING GLASS

Healthcare in Peril

June 27, 2006

Summary

Accessing healthcare in Sonoma County was similar to falling down the rabbit hole in the story of *Alice in Wonderland*. Researching the problem of access uncovered a warren of amazing reports and experiences that wound along like an odyssey. Not only can it be a mysterious affair for the patient, but also many providers were unaware of what was happening down the street or across town.

As in Alice's adventures, things seemed backward. Healthcare recipients who could least afford care, were often charged the most. When these options were unknown, care was postponed until a condition became acute. This meant a swift trip to the emergency room, the most expensive healthcare that a person could receive! The bill was handed to the county taxpayers. Less expensive, equally effective care might have been accessed: if only the patient had known.

Many grand jury members had pre-conceived ideas about healthcare access. Perhaps this was because they had healthcare insurance. But we knew that many people did not. What was the situation for those people at or just above poverty level and undocumented workers? We discovered that our ideas were often uninformed. We discovered that access to healthcare programs is a system in distress. In reality, there is no system.

When a "system" has become entrenched over the years, it becomes very difficult to alter. We felt that a start must be made. The grand jury knows that the problem cannot be overhauled during our term, but maybe future juries will carry the issue forward. Healthcare systems involve the federal and state, but the failings of these systems will directly effect Sonoma County at the taxpayer level. We have recommendations that we hope will begin the discussion process and the defining of a healthcare access system in Sonoma County. Communication among the healthcare groups and consumers is vital.



Courtesy: Penguin Group (USA) Inc.

Reason for Investigation

The grand jury perceived that as taxpayers, the county provided a "safety net" to catch those unable to pay for needed healthcare services. We believed that it would include the homeless, illegal, and destitute among us. We did not know how many people that would be, but we believed a system was in place to serve them. We wanted to understand the current system and learn if it was adequate in addressing the ongoing

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needs of its citizens. The grand jury wanted to know why the responsibility for healthcare for the medically indigent working adults (MIA) fell to the county. We read newspaper articles that discussed healthcare issues relating to federal, state and local healthcare funding. When dollars for healthcare are diminished, the county taxpayers are still responsible to provide funding for the medical care of MIAs who have “fallen out” of the funded Medi-Cal system. To understand the local funding system, it is necessary to see its relation to the complete medical system.

We were told repeatedly that the problem was too big and complex. The healthcare system was broken beyond repair. The “system”, if one existed, could never be changed and there was no agency with the power to change it. The current healthcare providers were overburdened and could not assume an active role in change.

The grand jury also perceived that there was difficulty and confusion in accessing healthcare information, because there was no central system to provide information about obtaining healthcare and how to establish a provider. Police and fire departments have communication systems to help each other and the public, but healthcare facilities do not.

The grand jury was also aware of the alarming attrition of healthcare providers in Sonoma County. The high cost of living and low insurance reimbursement have driven many providers from the county. Private providers are not accepting the state funded Medi-Cal program because of low reimbursement rates. The reimbursements rates for CMSP, the county funded program for MIAs, are determined by a governing board and rates are similar to Medi-Cal. This means access using Medi-Cal and CMSP may be limited to community clinics, urgent care, or the emergency room.

Background

Under the State of California *Welfare and Institutions Code*, Title 17000, the state mandates that the counties in California are responsible for providing healthcare to “all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident” living in the county. The County Medical Services Program (CMSP) is the healthcare program that Sonoma County provides under this mandate. CMSP is an unadvertised program. The funds for this service are from a shared “risk pool” of thirty-four rural counties which form an insurance-type operation. Taxpayer dollars and the state vehicle license fees directly fund this program. As monies decrease for CMSP, the restrictions to access the system increase. The uninsured cannot afford to seek preventive and early intervention care; they often visit the emergency room. The cost of care at this intervention is very expensive. Follow-up care is difficult to obtain, so the solution is repeated visits to the ER.

California Codes/Welfare and Institutions (W&I))¹

“Section 17000. Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or private institutions.”

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“Section 17001. The board of supervisors of each county, or the agency authorized by county charter, shall adopt standards of aid and care for the indigent and dependent poor of the county or city and county.”

(Note that these sections are subject to interpretations and modifications that may be imposed by the Board of Supervisors as allowed by other pertinent sections of the W&I Code.)

In Sonoma County, the responsibility for providing healthcare to the uninsured working poor rests upon the Board of Supervisors. As a point of clarification, Medicare and Medi-Cal are forms of insurances, which are under the regulation of the federal and state governments. In our local government, we also have a Public Health Department. This department is responsible for the health of the public at large but not for the individual patient. Another way to consider this is that Public Health will respond to a big crisis involving the community but not an individual crisis.

Just because you have a job with health benefits today does not mean that it will be there tomorrow. A new federal law can change the whole system from the federal through the local levels of service. Effective July 1st, a new law will take effect requiring verification of U.S. citizenship to access Medicare and Medi-Cal. How will this change the access to healthcare in Sonoma County? Think of the healthcare system as a funnel. As participants are disqualified from the federal and state systems, the burden of their care may trickle to the local county system. The number of the uninsured local population may surely rise.

Referring to the annual survey by the Kaiser Family Foundation and Hewitt Associates, the number of large companies that provide their retirees with health benefits fell precipitously in 1991 to 46 percent and has continued to decline to 33 percent in 2005. How many more uninsured candidates for healthcare will be added? **The newly identified healthcare disfranchised group is the middle class worker.**

How many people lack health insurance? Lack of insurance is common among unemployed, self-employed, temporary and seasonal workers. Many small businesses do not provide insurance as a benefit. In addition, small employers seldom offer affordable insurance to employees and their dependents. A recent Kaiser Family Foundation fact sheet reported that 70% of uninsured individuals are employed full time. Many workers in Sonoma County live from paycheck to paycheck. An accident or hospitalization could send them to financial ruin.

People in the age range 50-64 needing services are growing. These people are not eligible for federally funded services until they reach age 65. “Over 45 million Americans under age 65 lacked health insurance coverage in 2004, an increase of 800,000 in a single year and over 6 million people since 2000.”²

Consumers with health insurance do not have a guarantee of locally available healthcare. A limited supply of services means that even with insurance, it may not be possible to access the needed service. Without insurance, the lack of service is equally acute or nonexistent.

“Medicare covers virtually all those 65 and older, while Medicaid and the State Children’s Health Insurance Program (S-CHIP) help provide coverage for millions of low-income

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people. However, there still remains a significant gap in coverage – so large that 18% of the population under 65 lacks health insurance.”)³

“There is a strong relationship between health insurance coverage and access to medical services. Health insurance makes a substantial difference in the amount and kinds of health care people can afford, as well as where they obtain care. Research has consistently shown that lack of insurance ultimately compromises a person’s health because they are less likely to receive preventive care, and are more likely to be diagnosed in the late stages of disease. Health insurance improves health and could reduce mortality rates for the uninsured by 10-15%.”)⁴

Entering the healthcare system is confusing. Access to healthcare is multifaceted. The primary facets of access are the ability to find healthcare and the ability to afford it. Services are available but they are not easily found and are difficult to access. Important but less critical aspects are the location and transportation, language translation services, and the hours of service of the healthcare facility. Recipients of CMSP are usually seen through local clinics, but these clinics are not under the control of the county. If clinics are overburdened and patients cannot be seen in a timely fashion, the system of healthcare delivery breaks. Patients then go to the emergency room, which costs the taxpayers more money.

It appeared that there was little coordination of available services. CMSP patients may move from clinic to clinic depending upon availability of services. There was little sharing of information from one clinic to another or a requirement to do so. Each clinic operated as an individual entity. There was no means to know if the service that was available yesterday was available currently. There was no central agency to provide help in finding health services. Many clinics and physicians that provide primary care services were overburdened and had waiting periods to access care.

The lack of health insurance also affects the financial well being of families and their communities. “Insurance helps reduce the financial uncertainty with healthcare, as illness and healthcare needs are not always predictable and can be very expensive. Therefore, those lacking coverage are more financially vulnerable to the high cost of care, and are burdened by medical bills.”)⁵

Healthcare availability is about profit. Hospitals are closing or cutting services due to decreasing income. Net income for Sonoma County hospitals fell 40% in the second quarter. For the year leading up to the second quarter of 2005, net income was down 38%.)⁶ For the year ending in the second quarter of 2005, hospital capital expenditures were up a whopping 90%, according to Office of Statewide Health Planning and Development data. Expansion of building space and new technologies will drive expenses in the coming year, especially as interest rates rise and make borrowing more expensive.)⁷

“Bad debt remains a growing problem for hospitals, nationally and regionally. Despite the economic recovery, the number of uninsured remains notably high and this has increased the pressure on hospitals that provide uncompensated care. Indigent care provided by Sonoma County hospitals rose from \$900,000 in the second quarter of 2004 to over \$2 million in the second quarter of 2005.”)⁸

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CMSP was established in 1982 to provide health coverage for low-income working adults aged 21-64 years in rural California counties, including Sonoma County, who are not eligible for the Medi-Cal program. As a prescribed program package, it is subscribed by the administration of Sonoma County and is a part of a larger consortium of thirty-four primarily rural counties in California. The program is administered by the Office of County Health Services (OCHS). Its services are currently administered through a contract with Blue Cross Life & Health Insurance Company to provide healthcare services for its members. Eligibility requirements must be met which include income/asset assessment and presumptive medical diagnosis.)⁹ Program eligibility requires that net income be less or equal to 200% of the Federal Poverty Level (FPL). There are no retroactive payments for services in this system. Plans consist of Emergency CMSP for two months, which will cover qualifying persons with no INS documentation, and a Share of Cost program for three months or a No Share of Cost program for six months for residents of Sonoma County. Currently, in Sonoma County, there are approximately 2,500 enrollees in this program.

Although the CMSP program exists for some, there is still an unknown number of working Sonoma County residents that will fall through the “safety net” because they exceed the eligibility requirements. This program is not the only option available to address the needs of the uninsured under Title 17000. As an example, the County of Santa Cruz had developed a local network of county-administered clinics. Access to the clinics is simple. If you are sick, you are seen at the county clinic. Perhaps this and other models should be investigated.

There appeared to be no agency that oversees the community of Sonoma County to ensure adequate resources and providers. No agency was reading the pulse of the community to determine and anticipate future needs. Our community is generally aging in average population; nursing care and specialty care are needed. Primary care physicians are retiring and not being replaced.)¹⁰ Together, shortages are anticipated to be critical within the next few years.)¹¹ The grand jury questions whether the existing programs are adequate to address the coming needs of our county.

The grand jury acknowledges that there are unexplored facets to this problem. We have begun what we hope is an ongoing dialogue and exploration of the problems and possible solutions. **The healthcare crisis is upon us and the need for repair is immediate.** The grand jury acknowledges that problems of access to care also are critical in mental health and have an obvious impact upon healthcare. We also acknowledge that the high cost of medication affects many Sonoma County residents. **The time to begin action is now.**

References

)¹ State of California, Welfare and Institutions Code, and keyword, “17000”. Cited 26 March 2006. <http://www.leginfo.ca.gov/clalaw.html>.

)²⁻⁸ The Kaiser Family Foundation, January 2006. “The Uninsured, a Primer” – Key facts About Americans without Health Insurance – Kaiser Commission on Medicaid and the Uninsured”. Cited 24 February 2006. <http://www.amsa.org/uhc/UninsuredPrimer.pdf> and www.Economy.com as extracted from “Moody’s Report”.

)⁹ CMSP fact sheet (<http://www.healthconsumer.org/cs034CMSP.pdf>)

)¹⁰ Sonoma County Medical Association. Cited 10 March 2006. <http://www.scma.org/>

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)¹¹ Sonoma State University. Cited 4 Feb 2006.
<http://www.sonoma.edu/programs/healthcrisis/>

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Investigative Procedures

In addition to following, the almost daily newspaper articles regarding current healthcare problems and initiatives, we investigated the following categories of healthcare agencies, providers and knowledgeable sources:

- Human Services Department - Economic Assistance Director and Program Planner
- Public Health Department - Director, Division Directors of Alcohol and Drug, Mental Health, Prevention and Planning, and Public Health
- Emergency Room and Hospital Administrators - Kaiser, Santa Rosa Memorial and Sutter Medical Center
- Directors, counsel and staff of Outpatient Clinics - Alliance Clinic, Family Practice Center, SouthWest Clinic, Jewish Community Free Clinic
- Sonoma County Board of Supervisors - Chairman
- Redwood Community Health Coalition – Administrators
- Sonoma State University educators investigating local access issues - Professor and a principal author of grant studies
- Sonoma County Medical Association – Official administrator
- Director of the California Program on Access to Care, Office of the President, University of California, Berkeley
- Senior Research Associate, Institute of Health Policy Studies, UCSF
- Attendance at a local business Healthcare Conference
- Title 17000, State of California Welfare and Institution Code.

Findings

- F1. In a recent survey by the Sonoma County Medical association, 47% of doctors surveyed are considering discontinuing their practices within the next five years.
- F2. Specialty care providers in some specialties are scarce. Consumers may wait for 6-8 weeks for an appointment.
- F3. Hospitals are caught in a fiscal squeeze. Higher costs for patient care are not keeping pace with flat reimbursement rates.
- F4. There is only one contractually obligated hospital to care for the uninsured in Sonoma County.
- F5. The county funds help to support eight (outpatient) community clinics in our county. Each operates as a separate entity, duplicating administrative and billing services. Each clinic operates with different payment options.
- F6. One community clinic closed its doors to new patients. It never reported to anyone that it was “full to capacity.”
- F7. Some ERs (Sutter and Kaiser) can arrange an appointment to provide follow-up care.

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- F8. The resident M.D. training program has been downsized. These practitioners have historically provided care to low income and uninsured patients. Many of the resident physicians will not stay in Sonoma County to start medical practices because of the high cost of living and the low reimbursement rates.
- F9. The Jewish Community Free Clinic sees patients that cannot afford care elsewhere. They report that patient numbers are steadily increasing. This indicates that the concept of the “safety net” for medical care is not working.
- F10. Fewer employers are providing health insurance as a benefit.
- F11. Eligibility for assistance programs is based on income according to federal poverty guidelines. The high cost of living in Sonoma County is unsustainable for workers at poverty level.
- F12. One community clinic has a waiting list of 200 patients for mental health counseling services.
- F13. Dental services for people with low income, Medi-Cal, or without insurance are very difficult to obtain.

Conclusions

The healthcare organization in Sonoma County is broken. The healthcare providers are overburdened and are not able to offer reorganization changes. Sonoma County does not have an organized healthcare system. Because there is no organized system, costly services are duplicated and patient information exchange is impeded. The outpatient clinics serve as a “safety net” to provide primary healthcare when that care cannot be obtained otherwise. There is no mechanism that can determine when the outpatient clinics have reached their limit in accepting new patients and when a new clinic should be formed. There is no provision within the county for establishing a new primary care clinic or a network of clinics. If there were adequate healthcare services, then the “free clinics” would not have a need to exist. The free clinics do not openly advertise their existence, but even so, their capacity is stretched to the limit. The Board of Supervisors is only partially addressing the problem of the lack of healthcare for the uninsured when it sends money to the local clinics and subscribes to the CMSP program. The Board may wish to investigate and support changes involving the mentioned issues. By encouraging the creation of an organized system, taxpayers would ultimately benefit.

It is reassuring to think that Alice escaped the underground insanity of Wonderland with its cat and rabbit that kept disappearing. She was able to return to a safe and stable above-ground world. It is time for the citizens of Sonoma County to seek a safe and stable solution to the problem of healthcare access. **There are alternatives to CMSP.** One such program exists in Santa Cruz County. Perhaps other models are available for comparison.

Commendations

1. Emergency room personnel do attempt to refer patients to medical assistance programs if patients identify that they are in need.
2. Application Assistants are available to help with assistance forms.
3. Multiple language translation is available in all clinics.

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4. Volunteers and local healthcare providers donate their time, and local medical and nursing students staff the Jewish Community Free Clinic.
5. Sonoma State University has an extensive consortium and program that is studying the problems of healthcare in Sonoma County.
6. Redwood Community Health Coalition is a coalition of outpatient clinic representatives in Sonoma and neighboring counties that meet monthly to discuss problems of mutual concern.

Recommendations

- R1. The grand jury recommends that within the next year, the Board of Supervisors organize a healthcare symposium with stakeholders to discuss approaches to healthcare issues in Sonoma County. The grand jury recommends that the Board of Supervisors attempt to coordinate with Sonoma State University on such a symposium.
- R2. The grand jury recommends that the Board of Supervisors develop written critical pathway system concerning healthcare access in Sonoma County.
- R3. The grand jury recommends that the Board of Supervisors create an independent, interdisciplinary agency that oversees healthcare resources, coordinates communications, and problem-solves among healthcare providers to conserve resources in the county.
- R4. The grand jury recommends that the Public Health Department and the Board of Supervisors work to develop a central information center for consumers.
- R5. The grand jury recommends that Information Services Department create an Internet link on the official Sonoma County website to give general information about CMSP and the clinics that will accept this program.
- R6. The grand jury recommends that Human Services and the Board of Supervisors research alternatives to current CMSP that will be more accessible to consumers and cost-effective to taxpayers.

Required Responses to Findings

None

Requested Responses to Recommendations

Sonoma State University – R1

Redwood Community Health Consortium – R3

Required Responses to Recommendations

Board of Supervisors – R1, R2, R3, R6

Public Health Department – R2

Public Health Department – R4

Information Systems Department (ISD) for the County of Sonoma – R5

Human Services Department – R6

Access to Healthcare Facilities? It depends!!--Who are You?					
Comparative Cost	\$\$\$	\$\$		\$	\$\$
	<u>Emergency Care</u>	<u>Urgent Care</u> <i>(Single Visit)</i>	<u>Free Clinics</u> <i>(Single Visit)</i>	<u>Primary Care</u>	<u>Specialty Care</u>
Children	Yes	Yes	Unnecessary	Yes	Yes
Employed with Insurance	Yes	Yes	Unnecessary	Yes	Yes, with limits
Employed without Insurance	Yes	Yes	Yes	Notes 1 and 5	Note 2
Medicare Covered	Yes	Yes	Unnecessary	Note 1	Note 3
Indigents	Yes	Yes	Yes	Yes	Yes
Undocumented	Yes	Yes	Yes	Notes 4 and 5	Notes 4 and 5
Prison Inmates	Unlimited Free	---	---	Unlimited Free	Unlimited Free
Veterans and Dependents	Coverage Note 6	Note 6	Note 6	Coverage Note 6	Coverage Note 6

Notes:

1. May be difficult to receive care in a timely manner
2. If paying, may be seen without primary care referral
3. Requires primary care referral
4. Requires payment
5. CMSP coverage possible
6. Eligibility for VA benefits depends upon individual circumstance