

Impact of KanCare Expansion

Vision 2020 Committee

Self-Introduction:

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Hot Spotting by Dr Atul Gawande

- An investment in resources targeting the highest need makes the biggest impact
- An investment in insurance coverage is an incredibly sound investment in good health
- An investment in KanCare is an investment in Community Health Centers
- An investment in Community Health Centers places health care resources very strategically where there are none AND where they will have the biggest impact.

Current landscape:

- Among the most restrictive Medicaid threshold in the nation leaving about 14,000 uninsured in Lawrence, KS. We offer almost no health care resources to the poor
 - Medicaid doesn't cover the poor
 - Introduce Darla: single mom with 2 kids working half time at a minimum wage job. She makes too much to qualify for Medicaid.
 - The formula for determining poverty is arcane so we classify poverty as 200% of the Federal Poverty Level
 - Hospitals are designed for the acute and episodic (infection). Community Health Centers are designed for the chronic and longitudinal (diabetes).
- Not all of Lawrence, Kansas is health, wealthy and wise:
 - Needs assessment: 32,000 people in our service area who need our services.
 - Most frequent result of lack of insurance is that patients simply forgo care until it becomes a pressing problem
 - An ounce of prevention is worth a pound of cure. In health care, a dollar in prevention is worth 10,000 in cure.
 - Although Community Health Centers treat insured and uninsured the same, half of our patients hear "NO" from the rest of the system. Eventually they just give up.
 - Navigating the system with insurance and with good support is difficult enough.
 - Darla was diagnosed with pre-diabetes and depression. She had no support system.
 - "You all cared about me when I didn't have the energy to care about myself"
 - We can slide the copay and the deductible of those who qualify.
- Advantages of Expansion
 - Enlarges the risk pool to include fewer of the most complicated patients.
 - Investing in a non-profit 501c3 with a local board of directors at least half of whom are the patients we serve

- Investing in prevention by providing multi-disciplinary support, case management and social work.
- Expansion of Kancare is a Kansas solution
- Kancare can be improved upon but coverage is an investment in good health.
- The Uninsured are a misfit in the system
 - Providers can make decisions based on what patient needs not just on what we can get for free.
 - Hospitals are happy because it will provide a payer for expensive treatment but it will also reduce the number who need expensive treatment.

Impact of Expansion to our Health Center:

- Expansion would generate \$700,000 in new revenue from the patients we already see.
 - Expansion would allow us to hire 2 new care teams (7 new staff) to serve 3000 additional distinct patients.
 - Expansion would allow these two new care teams to serve approximately 3000 additional distinct patients through 8,000 annual visits. This in turn would generate 1.2 million in revenue, allowing us to hire even more care teams, and so on.
- Merge?
 - Double the size of our organization overnight
 - ALL of the new patients are uninsured
 - \$1,400,000 in immediate new revenue
 - A similar but accelerated growth cycle would emerge

Darla has been enormously grateful for the services we provide. We now have won her trust not just because we care for her kids but because she has let us in and now we provide care for her. She is allowing us to help her AND help her kids. Please help us say "Yes!" to these