

General Assistance Medical Care: A Policy Discussion

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Presentation Outline

- What is General Assistance Medical Care (GAMC)?
- Impact of the Elimination of GAMC
- Restoring GAMC
- How Can you Help?



What is GAMC?

- Legislature created GAMC in 1976 to provide health coverage for very poor adults who do not qualify for any other state or federal health care program.
- Primarily low-income adults, ages 21-64, who do not have any dependent children.
- To qualify, a patient's income must be less than \$8,000 per year.

The Many FACES of GAMC Enrollees

- Average medical expenses are \$12,000/year – more than double MA or MNCare
- 60% - 80% have serious mental health and chemical dependency conditions
 - More than one third of Regions GAMC patients have a bi-polar disorder, severe depression and/or other serious mental health conditions.
- 60% Male
- 16-28% of population “homeless”
- 92% have incomes below 25% of poverty (\$225/month)

Impact of the Elimination of GAMC

- **Minnesota Hospitals**

- Elimination of GAMC is an issue for all hospitals.
 - However, 52% of enrollees live in Hennepin and Ramsey Counties
- Recipients access services at hospitals throughout Minnesota-- Direct financial and coverage impact on the entire state.
- The loss of GAMC and the impact on hospitals affects the availability of life saving care for everyone.

- **Community**

- Resources diverted from other priorities – i.e. police and corrections and local government.

Impact of the Elimination of GAMC

- **Regions Hospital**
 - Every week, Regions cares for about 240 people who qualify for GAMC at an estimated cost of \$23 million per year.
 - The loss of GAMC could increase uncompensated care at Regions by nearly 50 percent (from \$50 million to \$73 million).
 - Regions is the second largest provider of charity care in the state and in 2008, provided \$42 million in uncompensated care for 27,000 patients.
 - Regions is also the second largest provider of care for patients enrolled in GAMC, serving 4,804 GAMC patients in 2008.
 - Difficult Choice: higher premiums or reduced critical services (i.e. trauma, burn and mental health)
- **Contingency Planning --EVERY SERVICE/PROGRAM IS ON THE TABLE!**

Restoring GAMC – The Political Environment

- Commitment to find a solution – in community, legislative leaders and DHS leadership.
- Unallotment Court Decision – The impact of the decision is Unknown -- Additional lawsuits? Budget Deficit?
- A solution is needed before the session begins on February 4, 2010.
- If we take a step back from the decision to eliminate GAMC, there are three important objectives to achieve from a public policy perspective:
 - A restructured program that is financially sustainable;
 - A program that covers the needs of the uninsured and
 - Protecting the safety net providers from additional uncompensated care.

Restoring GAMC – Administration's Proposal

- **Shift GAMC Recipients to MinnesotaCare (MNCare)**
 - Nov. 6, 2009, the Governor announced an executive order that automatically transfers an estimated 28,000 current GAMC enrollees to MNCare (effective March 01, 2010).
 - Counties will pay MNCare premiums for up to six months which is when the enrollee's eligibility ends.
 - When the eligibility period is up, it's up to the individual enrollee to renew and pay premiums.

Restoring GAMC – Administration's Proposal

- **Moving GAMC Enrollees to MNCare is NOT a Solution**
 - Minnesota Care, is designed for adults with jobs who are generally healthy
 - **Gaps in MNCare**
 - Waiting Period
 - Not Retroactive
 - Hospital Limit
 - MNCare Premiums and Co-Pays are Unaffordable
 - Re-enrollment Required
 - Move Could Bankrupt MNCare
 - Leveraging of DSH Dollars

Restoring GAMC – House and Senate DFL Proposal

- **Key Proposal Elements:**

- Temporary 16 month program. Program will cover people with incomes below 75% of FPG who are not eligible for other programs.
- **Eligibility Changes** - Following categories is eliminated:
 - Pregnant women
 - Individuals in jail or sex offender programs
 - Anyone who is already enrolled in private health coverage, and
 - Individuals who “do not cooperate” with agencies in determining eligibility for Medical Assistance or SSI disability benefits.
- **Eliminates “GAMC Hospital Only” or “GHO” coverage.**
- **County Contribution** - State share of GAMC will be 90%, counties responsible for remainder. Counties required to pay MNCare premiums for people transferred from GAMC for a period of six months.
- **Provider Payments Cuts** - Rates for all GAMC services other than outpatient Rx drugs reduced to 50% of current rates.

Restoring GAMC – House and Senate DFL Proposal

- **Key Proposal Elements:**

- **Hospital Cuts** - Rates cut, according to graduated system under which hospitals with high concentrations of GAMC recipients will have lower cuts than providers with low concentrations.
- **Care Model Changes** –Program moved out of managed care into Fee for Service (FFS). Development of Accountable Care Organization (ACOs) in which county would receive money from the state and contract with providers GAMC enrollees care.
- **Drug Rebate Program**
- **Revenue**
 - Costs of maintaining the program paid for in part by increasing the Medicaid Surcharge on hospitals (1.56% to 4.97%) and managed care plans (0.6% to ?%).
- **DSH Payments** - Quarterly disproportionate share hospital (DSH) payments will be transferred to the GAMC funding account.

Restoring GAMC – House Republican Proposal

- **Key Proposal Elements:**

- **Census** –Proposals calls for the Minnesota Department of Human Services to conduct a census of GAMC enrollees over the past two years to get a better sense of who they are, where they seek care and their health-care needs.
- **MNCare Modifications** –Proposal calls for modifying MNCare to decrease delay in the hospital-claim-to-reimbursement process (i.e. "moving away" from the four-month waiting period required by MNCare before providers are reimbursed for patients' care).
- **Medical Home Model** - Creating a county-based “medical care home model,” where counties would get the MNCare premiums and determine how to provide patient care.

Restoring GAMC- What are We Doing?

- **Working with legislators and the Administration to move a solution forward**
 - Hope is that the Proposals are the starting point for an expedited legislative debate that ends the first or second week of the session.
- **Conducting an Effective Media and Grassroots Campaign**
 - Internal Messaging
 - Keep the issue in front of the media
 - Regions weekly GAMC census
 - News Articles, Editorials, Radio Spots and TPT
 - Developing messages that work with the broader public about the importance of GAMC
 - Grassroots Solutions making calls to Legislators to fix it now
 - Working with grassroots organizations to help mobilize support for issue
 - www.fixitnowmn.org

How Can YOU Help?

- Visit www.fixitnowmn.org
 - Become educated about the program and the issue
 - Write you local paper
 - Contact your legislator to fix it now!

QUESTIONS?