



Free Medical Clinics

Impact of Affordable Care Act

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July 16, 2013



The Affordable Care Act

March 2010

President Obama signed into law, creating:

- Patient Protection and Affordable Care Act (Public Law 111-148)
- Health Care and Education Reconciliation Act of 2010 (Public Law 111-152)
- Together, commonly known as The Affordable Care Act (ACA) of 2010

Overview of ACA Proposed Changes

Affordable Care Act makes major changes in 4 basic areas:

1. Insurance company accountability
2. Lowering costs and improving quality
3. Increasing access and choice
4. Patient rights and consumer protections

Affordable Care Act Implementation Timeline: Provisions Benefiting Adults Ages 50–64

- Pre-Existing Condition Insurance Plans
 - Early retiree reinsurance for adults who have retired but do not yet qualify for Medicare
 - Preventive services coverage without cost-sharing
 - Ban on lifetime benefit caps and rescissions
 - Phased-in ban on annual limits
- CLASS Act**
- Establishment of CLASS Program (2011)
 - Designation of CLASS Benefit Plan (2012)
 - Phased-in ban on annual limits
- Medicaid expansion
 - State insurance exchanges
 - Insurance market reforms, including no rating on health, limits on age rating
 - Essential benefit standard
 - Premium and cost-sharing credits for exchange plans
 - Individual requirement to have insurance
 - Employer shared responsibility payments

2010

2011–2013

2014

Source: Commonwealth Fund Health Reform Resource Center: What's In the Affordable Care Act? (Public Law 111-148 and 111-152), www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx.

ACA and Health Care Reform Underpinnings

1. Leave “good enough” alone
 - No drastic changes
2. Share the Responsibility
 - Everybody in the pool and everyone benefits
3. Market-Based Solutions
 - Shift to competition for price and quality
4. Contain Costs
 - Focusing on the populations that have the highest health care costs
5. Innovate and Test
 - Test and pilot to avoid implementation mistakes

Adapted from Gerben DeJong, PhD, 2010



ACA is **Not**...

- A Universal Health Care system
 - A Public Option system
 - A Single Payer system
 - A Medicare For All system
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ACA **Is**...

One Step in the Path of Health
Care Reform



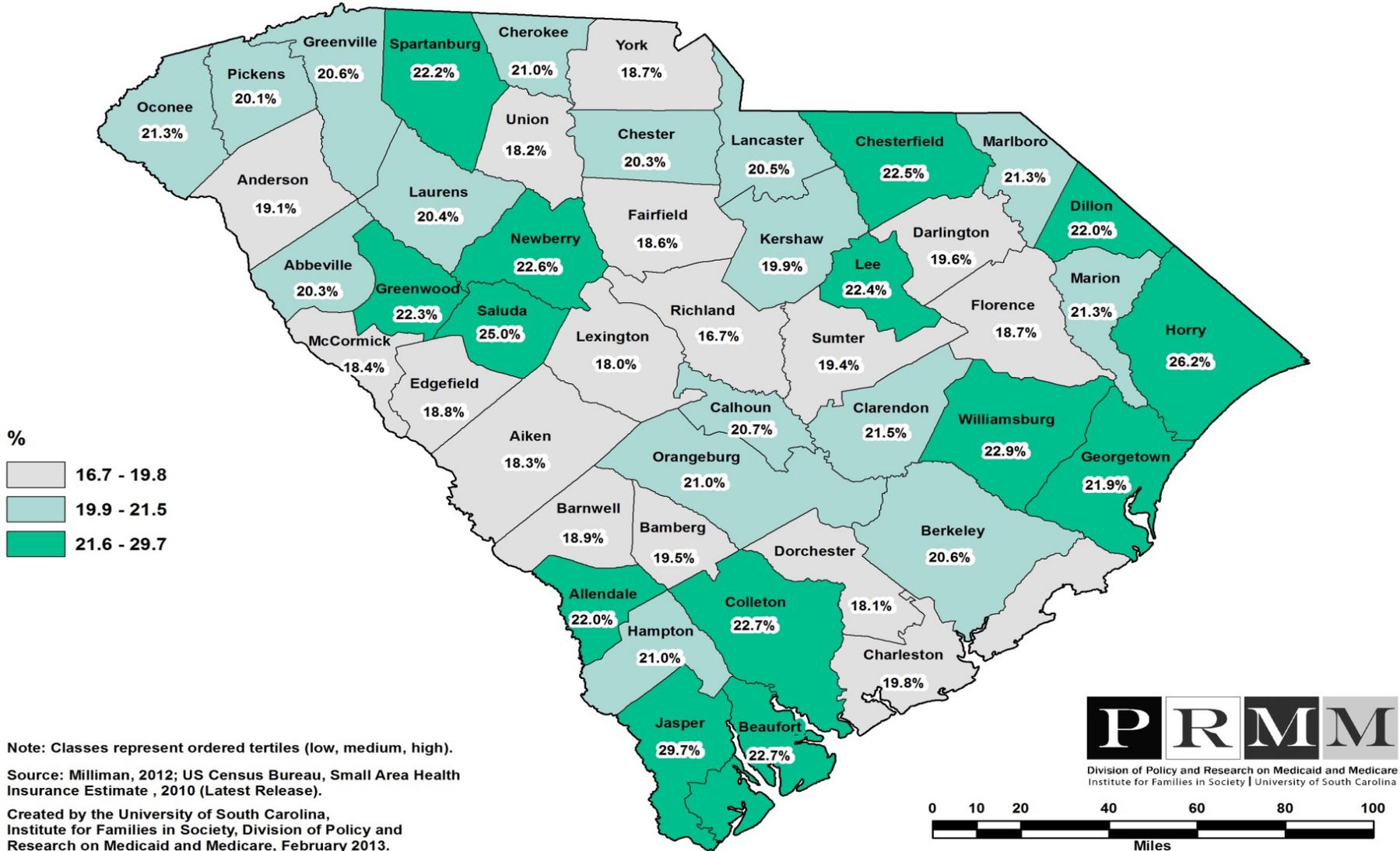
South Carolina's Uninsured and Implications Under ACA

Who Will Remain Uninsured?

- Medicaid eligible and not enrolled
- Undocumented immigrants
- Naturalized citizens here < 5 years
- Choose to pay the penalty rather than acquire insurance
- Exempt from the mandate and choose to remain uninsured (e.g., veterans, uninsured <3 mos., exempt from filing federal tax return, Native American, incarcerated, religious conscience reasons)
- Citizens without documentation
- Other <138% of FPL not eligible for Medicaid



Uninsured South Carolinians as a Percent of the Non-Elderly Population by County (N = 731,000)



Note: Classes represent ordered tertiles (low, medium, high).

Source: Milliman, 2012; US Census Bureau, Small Area Health Insurance Estimate, 2010 (Latest Release).

Created by the University of South Carolina, Institute for Families in Society, Division of Policy and Research on Medicaid and Medicare, February 2013.



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Potential Impact on Free Clinics

- Many uninsured clients of free clinics will be eligible for Medicaid and will need help through the transition into Medicaid program or health exchange.
- Opportunities for identifying new partnerships: hospitals, FQHC, and service delivery models – volunteer clinic only or hybrid (volunteer and Medicaid)

Options for Free Medical Clinics

- Maintain current free clinic business model
- Current model, and allow Medicaid eligible at clinic, without charge
- Transition to a “hybrid” model
- In eligible areas of state:
 - Apply to become a Federally Qualified Health Center (FQHC)
 - Become an FQHC “Lookalike”
 - Become a Rural Health Clinic
- Transition eligible patients to Medicaid, help them find a provider, and close clinic

What is a “hybrid clinic” model?

Enables a free clinic to become a Medicaid provider, and maintain its “free clinic roots” and mission.

- ♦ Provides medical care to low income patients (*uninsured and Medicaid*)
- ♦ Utilizes paid providers, often supplemented with volunteers (*providers and otherwise*)
- ♦ Charges fee for services on a sliding scale, which can allow for free care for lowest income patients

Core Elements of Becoming a Hybrid Clinic

- Clarity regarding mission and target patient population
- Community understanding and support
- Viable business plan
- Determine mix and allocation of paid and volunteer providers
- Adequate infrastructure
 - ◊ Electronic health record system
 - ◊ HIPAA compliant
 - ◊ Credentialing providers (*contracted*)
 - ◊ Billing capacity (*in-house or contracted*)
 - ◊ Administrative staff
 - ◊ Facility space



**ACA Presents
Opportunities and Challenges
for Free Clinics
as Critical Safety Net Providers**

Questions:

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