

General Assistance Medical Care

**MNACHC Many Faces Conference
10/22/09**

**Michael Scandrett
Director, Minnesota Safety Net Coalition**



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What is GAMC?

- General Assistance Medical Care
- State-funded health care program for low-income Minnesotans who don't qualify for other state and federal programs
- Primarily low-income adults, ages 21 to 64, who do not have any dependent children
- Income at or below 75% FPG (\$8,122/yr)
- Total enrollment (as of 7/2/09): 33,562 individuals



Background: 2009 Legislative Session

- Historic state budget deficit: \$4.8 billion for FY10-11
- End of session showdown, unexpected outcome
- Governor signed bills, line-item veto of GAMC, and cut program through “unallotment”



GAMC Elimination

- Eligibility expected to end 3-1-10
- Termination notices would be sent 2-1-10
- Legislature convenes 2-4-10
- Unusual pre-session negotiations expected
- Agreement of Governor and Legislature necessary to prevent termination of coverage



GAMC Population

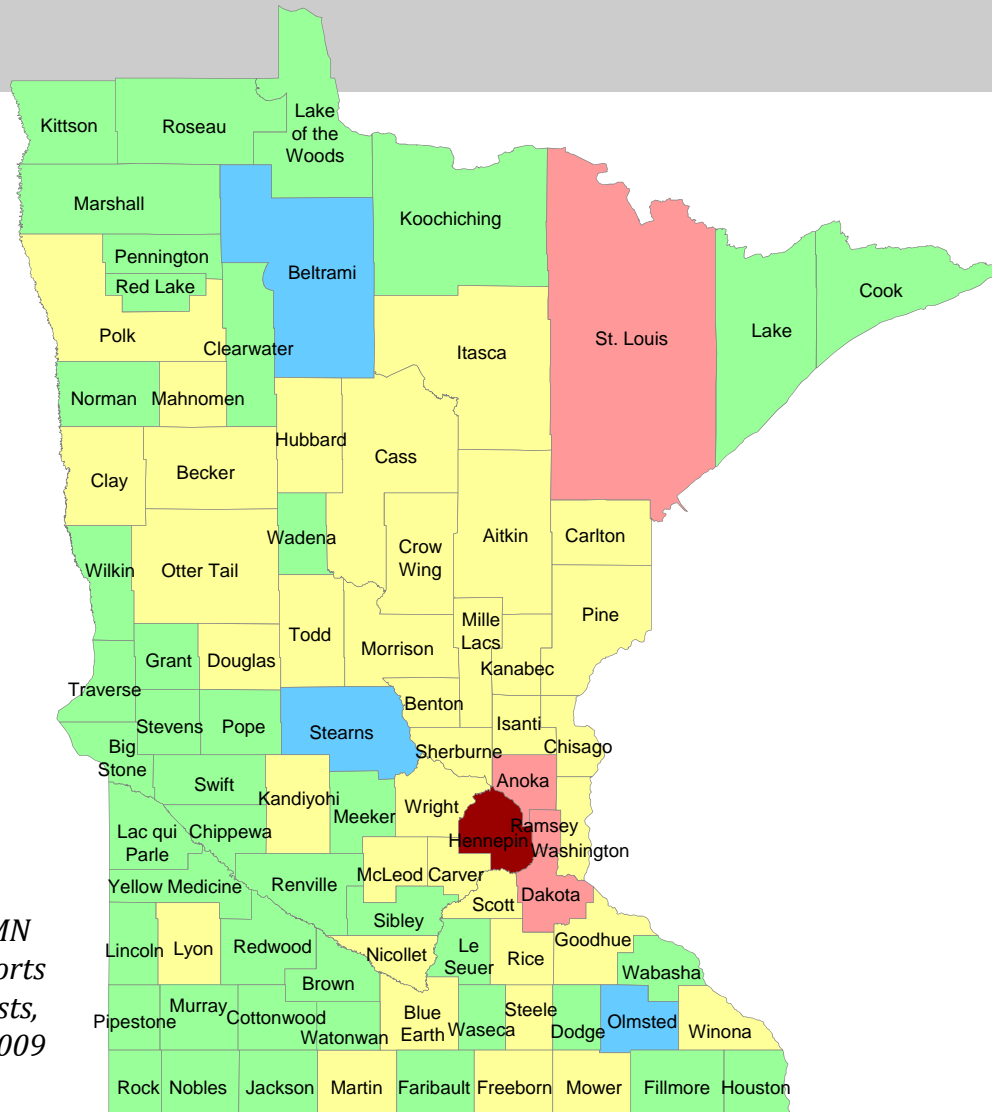
- 60% male
- 16-28% of population is “homeless”
- 92% incomes below 25% of poverty (\$225 month)
- 10% reported having some earned income

*Source: MN DHS Reports & Forecasts,
9/22/2009 DHS-MNACHC Meeting*

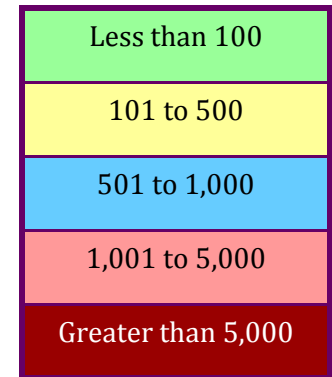


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Minnesota's GAMC Enrollees, By County

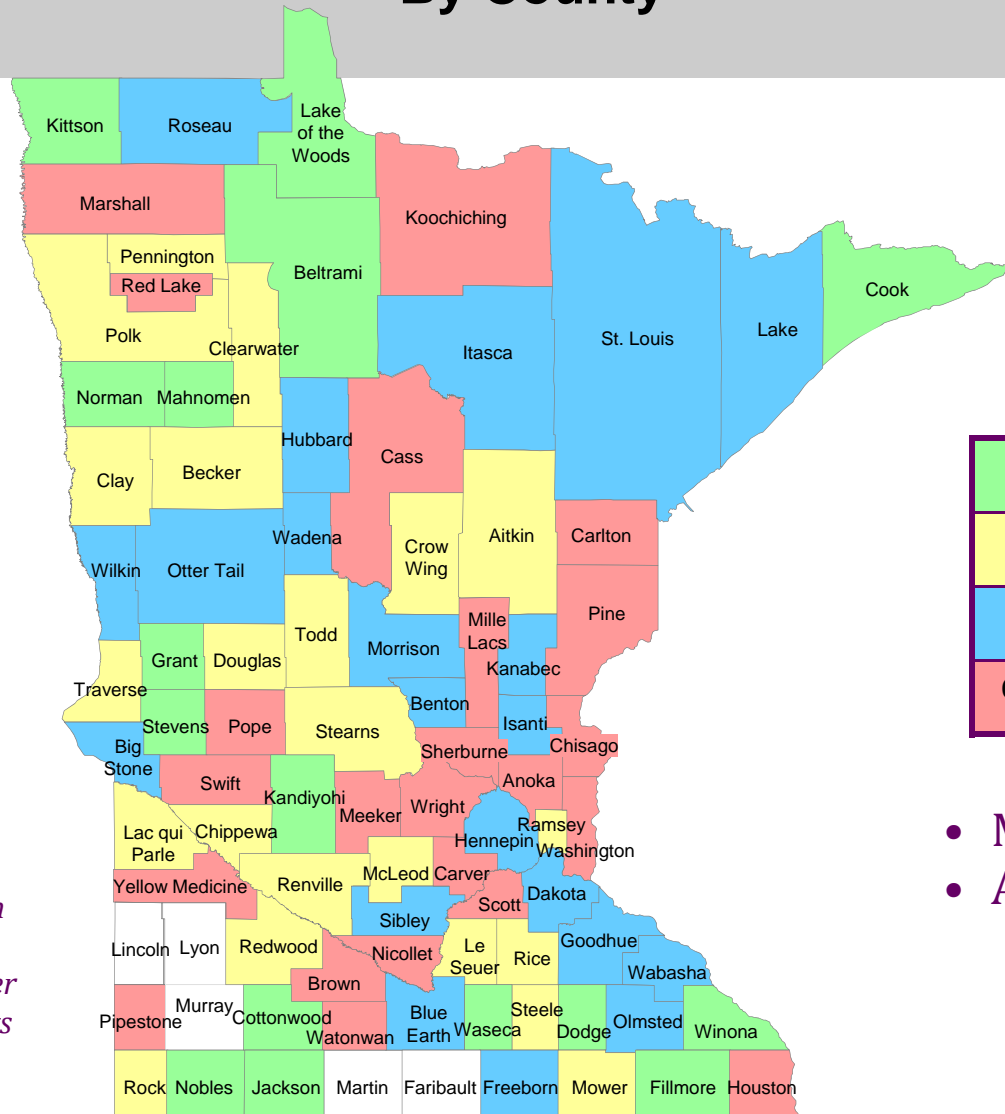


52% of enrollees live in Hennepin & Ramsey counties



Source: MN DHS Reports & Forecasts, August 2009 Reports

Minnesota's GAMC Costs Per GAMC Enrollee By County



Source: MN
DHS, MN
County Human
Service Cost
Report, October
2009 & Reports
and Forecasts
DHS

- Median = \$7,171
- Average = \$7,243

Health status of GAMC enrollees

- 60 – 80% have mental health and/or substance abuse issues
- 40 – 60% have 1 or more chronic medical diagnoses
- 52% of patients had at least one visit to the Emergency Room during the year



Categories of People Covered by GAMC

“FREQUENT FLIERS”

High-cost patients with serious chronic conditions and/or mental health issues.
Use ER/hospitalized frequently

11,000

“AFFORDABLE COVERAGE”

People who cannot afford to pay the MinnesotaCare premiums and copayments

11,000

“ONE TIMERS”

Uninsured people treated for an accident or episode of acute illness

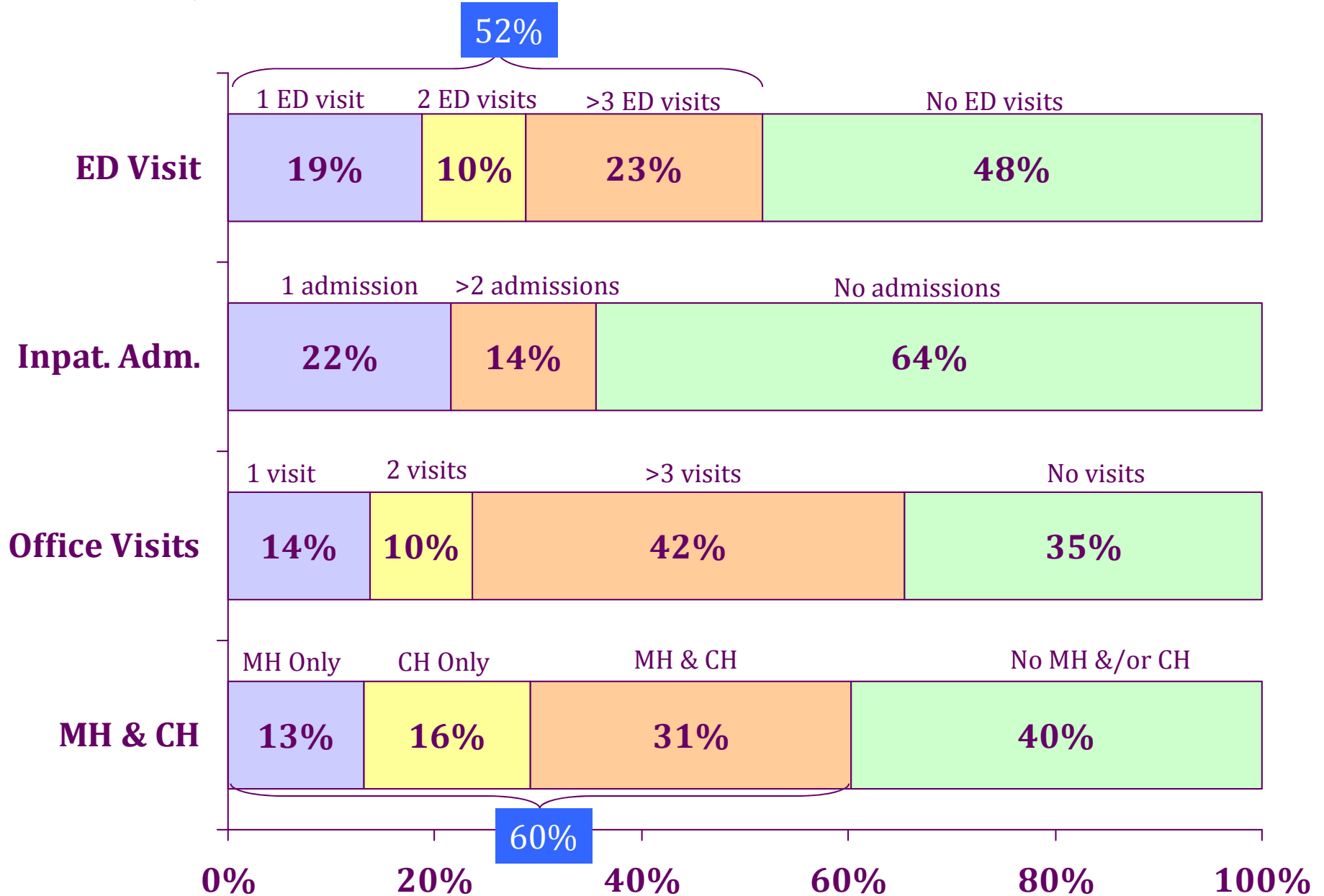
700

“DISABLING CONDITIONS”

People with serious mental illness, chemical dependency and/or chronic medical conditions.
Possibly determined to be disabled with proper documentation and enrollment assistance.

13,500

Of the 34,810 GAMC enrollees in SFY2008...



The Faces of GAMC

- People who lost their jobs and health coverage and had a medical emergency
- People who had a medical emergency and lost their jobs and health coverage
- People who cannot afford health coverage
- People devastated by serious mental illness or chemical dependency
- Veterans coping with PTSD, MI or CD
- Low-income parents whose children grew up
- People from all parts of the state and all walks of life



Consequences for Individuals

- Reduced access to primary and preventive care, chronic care services and medications
- Health status more likely to deteriorate
- More likely to have a medical, MH or CD crisis
- More likely to be arrested
- Higher ER and hospital use
- More likely to lose housing



Consequences for Providers

- More uninsured patients and uncompensated care
- Financial stress
- Forced reductions in programs, services, capacity
- Increased charges to insurers and private paying patients



Consequences for Safety Net Hospitals

- Required by law to treat uninsured patients
- Loss of funding for patients will require cuts, diminished capacity or longer waits for other programs and services of value to the community, e.g.,
 - Teaching programs for doctors and health care workers
 - Level 1 trauma center and ambulance services
 - Burn center, poison control center, hyperbaric chamber
 - Emergency/disaster preparedness system
 - Mental health and dental services



Consequences for the Community

- Higher total costs, even though *state* costs will decrease
- Increased costs to local governments (social services, police, corrections and health care)
- More people on the streets and in crisis (psychiatric, CD, homeless, unemployed)
- Higher health care costs and health insurance premiums
- Higher property taxes



Consequences for the Community

- Resources diverted from other priorities:
 - *State and local government*
 - *Police and corrections*
 - *Hospital, clinic and ER services*
 - *Nonprofits, faith-based groups and foundations*
- Adverse economic impact
 - e.g. HCMC: \$43M loss for 2010
 - More job losses after layoffs in 2009



GAMC: Program Options

1. Maintain GAMC program as it exists
2. Reform GAMC to reduce costs
3. Shift GAMC recipients to MNCare/HCAF
4. Enroll recipients in federal programs
5. Create alternative program(s), such as locally funded programs with a state match
6. Let the state GAMC program end without creating an alternative





Preliminary Safety Net Coalition Recommendations

1. Program Reforms
2. Temporary Bridge Funding
3. Permanent Funding
4. Everyone Covered
5. Comprehensive Strategies for the 4 GAMC Subgroups



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SNC Recommendations

1. Frequent fliers: reform the care model to reduce costs
2. Disabling conditions: enroll people in SSI, MA
3. Affordability group: waive or pay premiums and copays for MNCare; establish alternative programs
4. One-timers: spread burden of hospital uncompensated care more evenly



GAMC: State Funding Options

1. Cut other parts of the state budget
2. Cut payment rates paid to hospitals, clinics
3. Raise taxes (General Fund)
4. Raise health care taxes (HCAF)
5. Require counties to pay part of costs
6. Provide partial funding to local programs



GAMC Alliance

- Alliance of many groups seeking a solution
- Propose program reforms to reduce costs
- Describe consequences of ending program
- Identify funding and program options
- Public awareness campaign
- Policy advocacy
- Bipartisan negotiations



Timeline

- Develop legislation by November-December
- Get the necessary support from legislators and the Governor in January
- Expedite a bill through the legislative process in February
- Implement short-term and long-term changes



Challenges

- Politics: health care is politically charged
- State budget: no money, more cuts
- Rural vs. metro: problem concentrated in central Twin Cities
- Health Care Access Fund & provider taxes
- Economy: more unemployed, uninsured
- Silos: cost-shifting, unintended consequences



Questions?

Michael Scandrett
MN Safety Net Coalition
Halleland Health Consulting

600 US Bank Plaza South
220 South 6th St
Minneapolis, MN 55402
612-573-2923

mscandrett@halleland.com



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