

***“When you have your health,
you have everything.***

But, what if you don’t?”

**Virginia Health Care Foundation:
Growing and Strengthening
Virginia’s Health Care Safety Net**

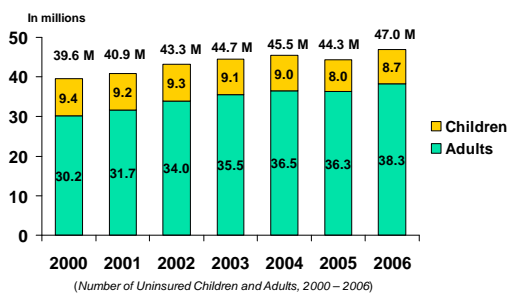
Virginia Commonwealth University
MPH Program
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Sherrina Gibson
VHCF



Why is a Health Safety Net Necessary?

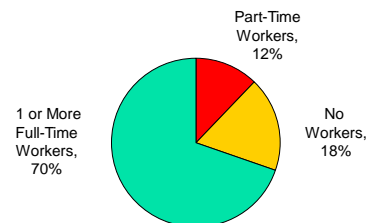
The Number of Uninsured is Growing



Note: Sums may not equal totals due to rounding.
SOURCE: KCMU and Urban Institute estimates based on the March Current Population Surveys, 2001-2006.

Why is a Health Safety Net Necessary?

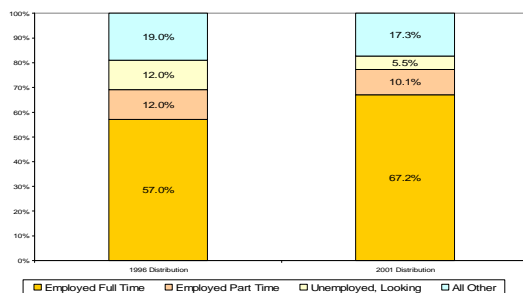
An estimated 70 percent of uninsured adults (age 21+) in Virginia work full-time, and another 13 percent work part-time.



Source: Urban Institute Tabulations of the 2005 and 2006 Annual Social and Economic Supplement to the Current Population Survey

Why is a Health Safety Net Necessary?

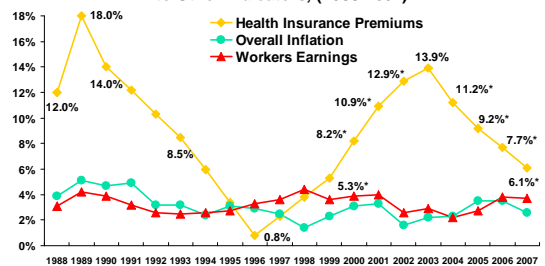
Full-time workers represent an increasing share of uninsured adults
(67 percent in 2001 compared to 57 percent in 1996).*



* Difference appears to be statistically significant at the 90 percent confidence level.

Why is a Health Safety Net Necessary?

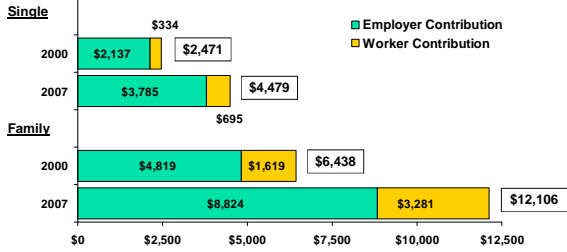
Increases in Health Insurance Premiums Compared to Other Indicators, (1988-2007)



* Estimate statistically different from previous year shown, p<0.05. No statistical tests are conducted for years prior to 1999.
Notes: Data on premium increases reflect cost of premiums for family of four. The average premium increase is weighted by co-varied workers.
SOURCE: KFF/HRET Survey of Employer-Sponsored Health Benefits, 1999-2007; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996, HAA, 1988, 1989, 1990; Bureau of Labor Statistics; Consumer Price Index (U.S. City Average of Annual Inflation, 1988-2007); Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1988-2007.

Why Is a Health Safety Net Necessary?

Average Annual Premium Costs for Covered Workers, 2000 and 2007



Note: Family coverage is defined as health coverage for a family of four.
SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000 and 2007.

Why Is a Health Safety Net Necessary?

- About \$1.45 billion in care for the uninsured in 2005 was uncompensated.
 - About \$538 million donated by health care providers to uninsured patients
 - Health care providers likely pass on some of the cost of uncompensated care to insured patients
 - Insured patients in Virginia pay up to \$100 more per year for health care*
- About \$159 million provided by government sources to hospitals.

SOURCE: Joint Legislative Audit and Review Commission, Options to Extend Health Insurance Coverage to Virginia's Uninsured Population, 2006.
* Based on \$538 million in donated care and 5.4 million Virginians with private health insurance.



Why Is a Health Safety Net Necessary?

- Half of U.S. bankruptcies, affecting 2 million people, are attributable to illness or medical bills.
- There has been a 2200% increase in medical bankruptcies from 1981-2004.
- Three quarters of those bankrupted by illness were insured when they first got sick. Rising health care costs, skimpier policies and the cancellation of coverage when illness causes job loss have augmented the financial risk.

SOURCE: Health Affairs, 2/05

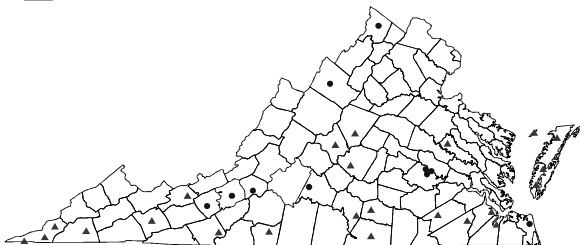


VHCF: Good Business Practices for the Safety Net

- VHCF established as a public/private partnership by the General Assembly and its Joint Commission on Health Care in 1992.
- Over the past 16 years, VHCF has blended the best of the private sector (*nimbleness, a "bottom line" approach and resources*) with the best of the public sector (*policy expertise and resources*) to help build Virginia's health safety net.



Virginia Free Clinics & Community Health Centers (1992)



- Free Clinics (10 organizations)
- ▲ Community Health Centers (14 organizations with 23 sites)

Virginia Free Clinics & Community Health Centers (2007)



- Free Clinics (53 organizations with 65 sites)
- ▲ Community Health Centers (29 organizations with 85 sites)

Key Drivers in Growth of Virginia's Health Safety Net

- VHCF grants of over \$17.6 million to free clinics and community health centers since 1992.
- Anthem grants of \$7.75 million to free clinics since 1992.
- President Bush's initiative to expand community health centers (\$6.4 million since FY01).



VHCF Impact Statewide

- Over 1.6 million patient visits via VHCF grantees.
- \$467 million (AWP) in free prescription medications for 144,000 uninsured Virginians.
- 41,000 children enrolled in state child health insurance programs (FAMIS).
- 71 new providers to medically underserved areas (126,000+ patients).



VHCF Support of Richmond Area Health Safety Net (Cumulative)

- 30 grants to local health safety net providers to:
 - increase number of patients;
 - add dental or mental health services;
 - obtain free meds for eligible patients;
 - enroll eligible children in FAMIS programs.
- Underwrite a majority of the Community Rotations of residents from VCU Dental School (Northern Neck, Norfolk, Lynchburg, Roanoke).
- Capacity-building grants to Virginia Association of Free Clinics to strengthen the management and infrastructure of Virginia's 48 free clinics.
- Expansion grant to Virginia Primary Care Association to maximize the impact of President Bush's community health center initiative in Virginia.



VHCF Support of Richmond Area Health Safety Net (Cumulative)

- Bensley Clinic (Chesterfield)
- Bon Secours Care-A-Van
- Central Virginia Health Services (Charles City and King William/Dawn)
- CHIP of Richmond
- CrossOver Health Center
- Free Clinic of Goochland
- Homeward (Freedom House)
- Irvin Gammon Craig Health Center
- IVNA
- MCV Dental School – Mobile Unit
- REACH
- Richmond Area High Blood Pressure Center
- Senior Connections
- Vernon J. Harris Community Health Center
- Virginia Dental Association



RxRelief Virginia



- Local grants to hire caseworkers, who help eligible uninsured Virginians with chronic illnesses apply for free prescription medicines from the brandname pharmaceutical companies' Patient Assistance Programs.
- VHCF administers the program, and the caseworkers utilize *The Pharmacy Connection*, a special VHCF-developed software, to expedite and track the application and delivery process.
- **In FY07, RxRelief Virginia was operating in 67 localities and generated \$18.7 million (AWP) in free prescription meds with only \$1 million in state funds.**



VHCF: Good Business Practices for the Safety Net

- VHCF is a "venture philanthropist" and scrutinizes projects as a prudent investor:
 - Readiness to initiate proposed project?
 - Capacity to successfully implement?
 - Viable plan to sustain?
 - Demonstrated community support?
 - Capacity to measure and interpret results?

If not, VHCF provides technical assistance and support.



VHCF: Good Business Practices for the Safety Net

- VHCF's strong emphasis on sustainability has paid off.
- 89% of VHCF "graduates" operate at or above the levels they demonstrated as VHCF grantees, for at least three "post-funding" years.



VHCF: A Health Safety Net Entrepreneur

- VHCF is entrepreneurial in its approach to growing and strengthening the health safety net. It identifies unmet needs and creates innovative solutions.

SeniorNavigator

- A website and network of 547 local *SeniorNavigator* centers which help seniors and their caregivers find the health and aging information and services they need.
- Over 21,000 services, 2,000 links, 650 articles, "Ask an Expert" feature
- "Spun off" to independence in July 2005 after five years of incubation.

RxPartnership

- Freestanding nonprofit "broker" which solicits free meds in bulk from drug companies and distributes to 21 nonprofit affiliates.
- GlaxoSmithKline, Merck & Co., Novartis Pharmaceuticals and Abbott participating.
- \$15 million in free meds to fill 75,000 prescriptions for over 14,000 uninsured Virginians in 2.5 years.



VHCF: A Health Safety Net Entrepreneur

Healthy Communities Loan Fund

- Special loan terms and packages to attract primary care providers to medically underserved areas. (\$9 million/71 new providers)
- BB&T, Robert Wood Johnson Foundation and 12 provider associations are partners.
- Won prestigious "Main Street Economic Development Award" from American Bankers Association in 2001

Virginia Health Careers

- Reference manual which profiles 90 health careers and Virginia schools that offer degrees for each.
- For secondary and college students and "career changers". Helps rural areas "grow their own" health providers.



VHCF Generates Tremendous ROI

- Over the past twelve years, VHCF has leveraged an average of more than \$11 in cash, health services and other in-kind contributions for every \$1 expended.



Partnerships Essential to VHCF and Safety Net

- Partnerships are the knots that hold the individual strands of the safety net together.
- Each VHCF grantee, initiative and product relies on an array of partners.



VHCF: Preparing the Health Safety Net For the Future

- Virginia is better off than many states.
- But, only rudiments of a safety net exist in most localities.
- Next phase → Ensuring that all components of the local health safety net are designed to function well over the long term, and integrate services.





VHCF: Preparing the Health Safety Net For the Future

- With the number of uninsured growing, and no end in sight, Virginia will need a health care safety net for a very long time.
- VHCF is dedicated to making that net strong and vibrant.

