



Bringing Health Home September 21–22, 2009 Pueblo, Colo.

Access Health
Muskegon County, MI

Background

Muskegon County, Michigan is providing health care through a three-way financial commitment among employers, employees and a community-owned health plan, Access Health. Through the leadership of the Muskegon Community Health Project, Access Health began in 1993 with a partnership grant from the W. K. Kellogg Foundation and the Community Foundation of Muskegon County. Chosen as one of the foundation's three "Comprehensive Community Health Models of Michigan," the project was initially tasked with assessing the needs of a community of 172,000 individuals, approximately eight percent of whom were uninsured.

The Community Health Project convened a county-wide workgroup that ultimately led to the development and implementation of Access Health. The program started with \$125,000 from a tobacco settlement and a \$132,000 loan. Access Health has since received \$900,000 in total through two direct federal appropriations that form a reserve pool to help ensure the program's solvency. Through community collaboration and the leadership of Vondie Woodbury, executive director of the Muskegon Community Health Care Project, the program has grown in size as well as substance over the years.

Population Served

In many communities, the uninsured population is composed of groups of individuals that have distinctive health and social needs. For example, in Muskegon County there are efforts designed to serve the lowest-income indigent population through the existing safety net. This portion of the uninsured population is made up primarily of adults who are not eligible for Medicaid and who are unemployed. These individuals are more likely to have chronic diseases and severe health issues (e.g., substance abuse and the complicating conditions that can result), which require attention. Therefore, the workgroup determined that Access Health should target the needs of the higher income working uninsured, who tend to be healthier overall and are already connected with the employer system. These individuals also have a greater ability to contribute to the cost of their care.

Eligibility and Enrollment

Access Health has become a community-owned health plan that helps small and mid-sized businesses provide health coverage to employees and their families. Under the plan, which began enrollment in 1999, 430 businesses provide coverage to approximately 1,500 individuals. Eligibility is limited to small and medium-sized businesses with full- or part-time employees. Seasonal, contract and temporary employees, as well as employees who have insurance, are not eligible. The median wage of the employees must be no more than \$11.50 per hour. The business cannot have carried another health insurance product for the past 12 months. Young adults between the ages of 19 and 23 can be covered as part of the plan and dependent coverage is also available (although rarely utilized). As part of the

enrollment process, families are screened for eligibility for Healthy Kids (Medicaid) and MICHild (SCHIP) programs for the children. Access Health distributes several Medicaid/SCHIP applications per week, resulting in increased enrollment. Consequently, only about 100 children are actually receiving dependent coverage through Access Health.

Outreach efforts are targeted to restaurants, day-care centers, hair salons and other small businesses. In addition, the program provided outreach to pools of employers and larger businesses that offer some commercial coverage but cannot afford to offer health coverage to all of their employees. Because the organization is a county health program that has the look and feel of a cooperative, rather than an insurance product, Access Health has been able to avoid state insurance regulations and fees.

Financing

The program is financed by a three-way partnership in which the employer and employees each pay 30 percent of the cost (\$46 per month) and Access Health covers the remaining 40 percent (\$56 per month), for a total of \$148 per month. The community share (Access Health) is made up of a combination of local government, community and foundation funds, as well as federal disproportionate share hospital (DSH) funds. This "three-share" concept has been well received both by employers and by the broader community. The idea of individuals paying for a portion of their care helps to avoid any association with the "welfare stigma" that Medicaid programs have suffered over the years. The benefit package includes local physician services, inpatient hospitalization, outpatient services, emergency care, behavioral health care, prescription drugs, diagnostic laboratory and x-rays, home health and hospice care. There is no pre-existing condition exclusion. Members choose their own primary care providers and typically pay a seven-dollar copayment for each office visit. They access prescription drugs through a pharmacy network of 12 sites across the county. Copayments for generic prescriptions (that are listed on the plan's formulary) are seven dollars; however, 50 percent co-insurance is required for brand-name prescriptions. Access Health has executed a successful campaign to elevate awareness of the product. A professional sales staff currently markets the product to eligible businesses. The plan contracts directly with providers and has secured participation from 97 percent of Muskegon County's physicians and both of the area's health plans. Several local insurance brokers have also included Access Health as part of their portfolios.

Lessons Learned

The combination of the success of the program and the charismatic leadership that is behind it has led other states and communities to pursue adopting this three-share model. In fact, Michigan's governor, Jennifer Granholm, announced in early 2004 that the state would begin pursuing a "Third-Share Partnership," which would make a similar health coverage package available throughout the state. Several other states have passed enabling legislation to test the concept. Despite the fact that the three-share concept is designed to limit financial exposure, the state budget crisis has hindered the expansion of the program. Michigan's legislature introduced the authorizing provisions in June 2004, but the proposal did not pass. Although Access Health's cost increases have remained below the average trend, continued pressures around funding the community share of the premium remain. Moreover, the federal government's renewed scrutiny of states' sources of state matching funds has raised additional concerns about the continued availability of DSH funds. At the same time, the three-share concept has recently received national attention. Access Health has served as the model for the Affordable Health Care Act (S.16), introduced for consideration by former Sen. Edward M. Kennedy (D-MA). A companion bill is under development by a bipartisan group in the U.S. House of Representatives.