



**Testimony Medicaid Commission
FirstHealth Community Voices
July 11, 2006**

Thank you for the privilege to address the Commission.

My name is Roxanne Leopper. I am Policy Director at FirstHealth of the Carolinas, which is a not-for-profit health care system serving rural North Carolina. FirstHealth is a W.K. Kellogg Foundation Community Voices learning laboratory and HCAP grantee. As a health system in a rural area, FirstHealth sees up close the economic, political and cultural barriers that stand in the way of its core purpose of caring for people.

FirstHealth has been working hard to improve the health status of the communities it serves and to remove barriers to care such as access to coverage. A few of our efforts include the utilization of outreach workers in the community, the establishment of Dental Care Centers for Medicaid and uninsured children, the use of a mobile health van to reach the underserved population for preventive screenings, the implementation of two programs to cover the working uninsured and last year our health system provided over \$10 million in charity care. As a health system, we defined the issue of the working uninsured in our region. Here are a few of the statistics (2005 NC BRFSS regional data):

- Currently the uninsured rate in North Carolina is 20 percent
- In our four county region, the uninsured rate is 17 percent with one county at 22 percent uninsured
- 25 percent of employed men under the age of 65 are uninsured
- 47 percent of working uninsured are non-whites in three county region
- 44 percent of working uninsured individuals in the three county region have a high school education or less compared to 8 percent for individuals with some college

The data show disparities in gender, ethnicity and educational level. Uneducated, black men are at greater risk for being uninsured. These men are not covered through government programs. They are household caregivers; if they get sick and cannot work then families go without resources such as food and shelter, the basic hierarchy of needs.

FirstHealth decided to address the issue at the local level through the creation of a small business health insurance product, FirstPlan, which is offered through its subsidiary FirstCarolinaCare. FirstPlan is targeted to employers with 50 or fewer employees. This plan required the health system, the insurance company, the providers and the employers to collaborate in order to offer an affordable, comprehensive insurance product. Three key tools were utilized to implement FirstPlan:

- Care credits for employers (there is 100% participation requirement)
- Subsidized premiums for employees (\$10 or less wage employees)

- Reduced provider reimbursement for low wage employees

FirstCarolinaCare conducts worksite enrollment meetings, onsite health screenings and referrals to case and disease management services. This product has insured 1,375 individuals in 132 businesses with approximately 20 percent being previously uninsured.

When the health system, in partnership with the Chamber of Commerce and physicians, made a major effort to enroll 400 currently uninsured individuals, there was not a widespread jump in enrollment despite a major reduction in premium. The reasons are manifold, but small business and often their low-paid employees cannot even afford greatly discounted health care without external assistance. Equally discouraging was the fact that businesses who are currently subsidizing the uninsured through their own existing plans are not willing to get involved so everyone can benefit.

The lesson learned is communities are willing to contribute to the solution however; assistance is needed from the state and federal government to implement programs that encourage small businesses to provide coverage options for their employees. In addition, health systems cannot afford to continue to provide millions of dollars in charity care with the number of uninsured individuals increasing daily.

Recommendation:

- Men make up the majority of the uninsured population. Reevaluate the eligibility requirements and benefit packages to include populations who are otherwise eliminated from coverage opportunities.
- Health care coverage should include comprehensive delivery of services with oral and mental health benefits for children and adults.
- Utilize a system of care management for chronic disease patients to decrease overall costs and provide additional funding to cover more of the uninsured.
- Work with the states to form public-private partnerships to decrease overall costs and provide additional funding to cover more of the uninsured.