Project Title: Grant Funds for the Establishment of Alternate Non-Emergency Services

Providers: Hamilton Community Health Network, Inc./Hurley Medical Center

Applicant Name: Michigan Department of Community Health
Medical Services Administration

Address: Capitol View Bldg., 7th Floor, 201 Townsend, Lansing, Michigan 48913

Phone Number: 517-241-2966 (phone) 517-241-1200 (fax)

Applicant Preference

We request that Hamilton Community Health Network, Inc. (HCHN) a Federally Qualified Community Health Center located in Flint, Michigan that provides primary healthcare to the underserved and uninsured population of Genesee County, be considered for preference for the "Grant Funds for Establishment of Alternate Non-Emergency Service providers" based on fulfillment of the following criteria:

1) All of Hamilton Community Health Network sites are located in MUP and MUA designated areas with scores of 41.22 to 56.70. The Health and Resources and Services Administration designation as a MUA/MUP census tracts for the areas served by HCHN includes: 1,2,3,4,5,6,7,8,9,10,11,14,17,18,19,20,21,22,23,24,25,26,27,and 28 in the north part of Flint and 103.2,103.4,104,105.02,106.01,106.03,106.04,107,108.1,108.2, 108.3,113.02,114, 115.01,115.02,115.03,115.04,121,122.01,122.02,123,125.01 and 125.02.

2) All of the Hamilton Community Health Network sites are located in Health Professional Shortage Areas with scores ranging from 4 to 14. (See HRSA datawarehouse documentation).

3) HCHN currently has a Memorandum of Agreement (MOA) with Hurley Medical Center for the inclusion of the Hurley Medicine/Pediatric Residency program at their clinical sites and are a participant with the Hurley Medical Center Primary Healthcare Organization. This MOA has been in existence since 2001 and has been critical to the success of recruitment and retention of primary care providers for Hamilton Community Health Network.

4) Hamilton Community Health Network has had numerous discussions with Hurley Medical Center over the past year in regard to formal implementation of an ER Diversion Plan. A long term goal of this initiative would be the establishment of an Urgent Care site at Hurley Medical Center staffed by Hamilton Community Health Network providers. The impact to the current emergency services delivery system would substantial. The program would be phased in over the next one to three years and would include:

- Option of diversion to an existing Hamilton Community Health Network site during peak periods of ER utilization for Level I or II visits
- Implementation of a Utilization Review process to identify Medicaid patients who have over utilized the ER and follow-up with these patients to establish a primary care provider within the Hamilton Community Network system
- Identification of patients with chronic care conditions that could be managed through established chronic care models at Hamilton Community Health Network
- Implementation of an "open access" model for immediate access during regular hours of operation at Hamilton Community Health Network
- Establishment of an Urgent Care within Hurley Medical Center staffed by Hamilton Community health network providers

HPSA Designation Criteria:

State: Michigan
County: GENESEE
Date of Last Update: From 01/01/2001 To 09/10/2007
HPSA Score (lower limit): 0

Discipline: Primary Medical Care
Metro: All
Status: Any
Type: All Types

Results: 48 records found.

HPSA Name	ID	Status	Type	FTE	# Short	Score	Last Updated
049 - GENESEE COUNTY							
CARO/OTTER LAKE/NORTH BRANCH SA	126999262Z	Designated	Geographic Area	11.3	13.0	10	06/20/2006
FOREST TOWNSHIP		Designated	Minor Civil Division				
LOW INC - SOUTH FLINT/BURTON	126999263L	Designated	Population Group	0.9	1.2	13	05/02/2002
C.T. 0033.00		Designated	Population Group				
C.T. 0035.00		Designated	Population Group				
C.T. 0040.00		Designated	Population Group				
C.T. 0113.01		Designated	Population Group				
C.T. 0113.02		Designated	Population Group				
HAMILTON COMM	126999264L	Designated	Community Health Center	1.0	3.0	4	10/26/2002
LOW INC - FLINT	1269992689	Designated	Population Group	12.6	7.6	14	11/04/2005
C.T. 0001.00		Designated	Population Group				
C.T. 0002.00		Designated	Population Group				
C.T. 0003.00		Designated	Population Group				
C.T. 0004.00		Designated	Population Group				
C.T. 0005.00		Designated	Population Group				
C.T. 0006.00		Designated	Population Group				
C.T. 0007.00		Designated	Population Group				
C.T. 0008.00		Designated	Population Group				
C.T. 0009.00		Designated	Population Group				
C.T. 0010.00		Designated	Population Group				
C.T. 0011.00		Designated	Population Group				
C.T. 0012.00		Designated	Population Group				
C.T. 0013.00		Designated	Population Group				
C.T. 0014.00		Designated	Population Group				
C.T. 0015.00		Designated	Population Group				
C.T. 0017.00		Designated	Population Group				
C.T. 0018.00		Designated	Population Group				
C.T. 0019.00		Designated	Population Group				
C.T. 0020.00		Designated	Population Group				
C.T. 0021.00		Designated	Population Group				
C.T. 0022.00		Designated	Population Group				
C.T. 0023.00		Designated	Population Group				
C.T. 0024.00		Designated	Population Group				
C.T. 0025.00		Designated	Population Group				
C.T. 0026.00		Designated	Population Group				
C.T. 0027.00		Designated	Population Group				
C.T. 0028.00		Designated	Population Group				
C.T. 0029.00		Designated	Population Group				
C.T. 0032.00		Designated	Population Group				
C.T. 0034.00		Designated	Population Group				
C.T. 0037.00		Designated	Population Group				
C.T. 0038.00		Designated	Population Group				
C.T. 0103.04		Designated	Population Group				
C.T. 0103.05		Designated	Population Group				
C.T. 0105.01		Designated	Population Group				
C.T. 0108.11		Designated	Population Group				
C.T. 0108.12		Designated	Population Group				
C.T. 0122.02		Designated	Population Group				

Abstract

Hamilton Community Health Network (HCHN) and Hurley Medical Center, a nearby non-profit hospital, have a history of working in partnership on many community projects. They currently have a Memorandum of Understanding for the inclusion of the Hurley Medicine/Pediatric Residency Program within their clinic sites. HCHN has a contractual relationship with Hurley laboratory services to provide phlebotomy at all sites and they are both participants in the Genesee County Primary Health Organization. Both organizations have identified the need to address the issue of emergency room usage for non-emergency visits by Medicaid beneficiaries and have targeted it as a healthcare priority.

The implementation of the **A** (access) **C** (case management) **E** (establish primary care providers) project will involve the implementation of three key components.

Access to after-hours care through expansion of open access availability by HCHN providers for non-emergent visits weekday evenings and Saturdays. A long term goal is the establishment of an Urgent Care facility located within Hurley Medical Center and staffed by contracted HCHN providers.

Case Management Services for Medicaid patients identified as frequent utilizers of the ER for non-emergent care and those patients who have identified chronic care conditions.

Establish a primary care home for Medicaid patients who do not have an identified primary care provider.

Goals identified for the ACE Project within the first year include: 1) Reduction of non-emergent ER visits by the Medicaid population by 10% a quarter within the first year of implementation. 2) An increase in the number of Medicaid patients who receive services by a Case Manager by 25% per quarter within the first year of program implementation. 3) Appropriate documented follow-up for 90% of Medicaid patients who are identified as frequent ER utilizers within the first year of program implementation and 4) Establishment of dashboard indicators for ER utilization by the Medicaid population to be reviewed on a monthly basis.

The total project budget is $248,804.00

The expected outcomes as a result of implementation of this project include:

- A decrease in hospitalizations for Genesee County residents through effective chronic condition management
- An improvement in county health indicators as a result of implementation of case management services and identification of primary care homes for Genesee County recipients
- Appropriate utilization of services by the Genesee County population
- Efficient data tracking and benchmarking of ER utilization
- Ability to establish a proactive approach as a result of effective data management.

Project Narrative

Statement of Project/Need

Hamilton Community Health Network, Inc., known as Hamilton Family Health Center in Flint, Michigan is entering into its 25th year as the only Federally Qualified Health Center in Genesee County. The health center has a total of 5 sites. Three of the sites provide primary care services that include Pediatrics, OB/Gyn, Hospitalists and Behavioral Health. An additional two sites provide dental services. Four of the sites are located within the city of Flint, Michigan; the additional site is within five mile proximity. The health center serves a diverse patient base with 53% African American, 41% white, 3% Hispanic and 2% other including Middle Eastern Americans and Asian Americans. The percentage of total encounters is approximately 48% Medicaid, 35% uninsured, 13% Medicare and 4% private insurance.

These combined socio-economic indicators create significant access issues to primary care in Genesee County and the City of Flint. Genesee County has three hospitals in the county, two that are located within the Flint city limits. Because of significant financial losses and cutbacks that are a result of the poor economic climate in the state, these hospitals have also suffered financially. Clinics have closed and medical benefits have been terminated creating more individuals on state plans or with no insurance at all. The lack of an established medical home for these individuals has resulted in increased use of hospital emergency departments for conditions that should have been handled in the primary care setting. Treatment rendered is for episodic care rather than preventative care. When you couple that with a fragile and diminishing primary care physician network; the results are individuals utilizing more than one physician for their healthcare needs. This can lead to duplication of already scarce services, an increase in the

probability of medical errors, multi-pharmacy/medication issues and/or lost records. Rising costs and insufficient resources force patients to delay care, increasing the likelihood of unnecessary hospitalizations. The lack of access to primary care, contributes to the problem because the patient is never able to establish and receive continuity of care for management of their healthcare needs.

Statistics on utilization of the emergency room by Medicaid recipients in the state of Michigan are 84,228 visits per 236,501 beneficiaries resulting in a utilization rate of 35.7 per 100 Medicaid recipients. Approximate annual wasted expenditures on avoidable emergency room visits in the state of Michigan were $726,928,960.00 in 2006 according to a study conducted by the National Association of Community Health Centers. This total was considerably higher than the majority of comparable states.

The utilization of the Hurley Medical Center ER for non-emergent medical care in the year 2007 was **65 per 100 Medicaid recipients**. The total number of Medicaid recipients seen in 2007 was 75,866. Of that total 49,325 were categorized as non-emergent care, which is **almost double that of the state average!** This number reflects all patients that were seen in the Emergency Room and coded as primary care or non-emergent visits by Medicaid as the payer source.

Hurley Medical center is designated as a Level I trauma center. The nearest Level I center is the University of Michigan Hospital over an hour away. The majority of visits are for primary care services. These low level visits are utilizing precious space and provider time that could be better used seeing the high level trauma cases. The inappropriate use of the ER directly impacts the ER's ability to handle other emergent needs. Hurley Medical Center and HCHN

have been tracking the statistics for several years. Utilization trends have shown a steady increase in ER use for non-emergent case over the past three years.

HCHN and Hurley Medical Center, a nearby non-profit hospital, have a history of working in partnership on many community projects. They currently have a Memorandum of Understanding for the inclusion of the Hurley Medicine/Pediatric Residency Program within their clinic sites. HCHN has a contractual relationship with Hurley laboratory services to provide phlebotomy at all sites and they are both participants in the Genesee County Primary Health Organization. Both organizations have identified the need to address the issue of emergency room usage for non-emergency visits by Medicaid beneficiaries and have targeted it as a healthcare priority.

The implementation of the A (access) C (case management) E (establish primary care providers) project will involve the implementation of three key components.

1) **A**ccess to after-hours care through expansion of open access availability by HCHN providers for non-emergent visits weekday evenings and Saturdays. A long term goal is the establishment of an Urgent Care facility located within Hurley Medical Center and staffed by contracted HCHN providers.

2) **C**ase Management Services for Medicaid patients identified as frequent utilizers of the ER for non-emergent care and those patients who have identified chronic care conditions.

3) **E**stablishment of a primary care home for Medicaid patients who do not have an identified primary care provider.

Project Justification

The ACE Project addresses several of the key barriers to access for non-emergent care for Medicaid recipients in the HCHN service area. A combined approach addressing 1) access to primary care 2) identification and follow-up to establish primary care "homes" and 3) periodic review of utilization by Medicaid recipients within the service area will effectively establish formal processes within the health care delivery system to reduce ER utilization for non-emergent visits of the target population.

Access to Care - Data from several studies regarding utilization of ER's for non-emergent use, site inability to access primary care as a primary reason for the increase in ER utilization. Implementation of expanded service hours to include weekday coverage until 8 P.M and weekend coverage to include Saturdays will provide open access to Medicaid recipients without the need for an appointment. The Open Access System will replicate the reason many Medicaid recipients are forced to utilize an ER for non-emergent visits. The patient will be able to be seen when they need to be seen. The primary care ER visits that indicate a non-emergent condition are often due to migraine headaches, otitis media, upper respiratory viruses, strep throat and other ailments that must be dealt with as they occur without the need for an appointment.

An additional long range goal of the program is to establish an Urgent Care that is staffed by HCHN providers and located within Hurley Medical Center. Implementation of an on-site Urgent Care will divert all primary care patients to an appropriate environment for treatment and have an immediate impact on the ability to decrease inappropriate utilization of the ER by the Medicaid population.

Case Management Services-Implementation of case management to oversee patient care coordination of services will provide a resource to match Medicaid recipients with a primary care home. Currently, several Medicaid recipients in the greater Flint area slip between the cracks without ever establishing care with their assigned primary care provider. By establishing a formal feedback loop with Hurley Medical Center, many of these patients can be assigned to a primary care provider. This becomes critically important when dealing with patients with chronic care conditions. Patients with diagnoses of Heart Disease, COPD, Diabetes and Behavioral Health issues need an established plan of care to prevent further ER visits for exacerbation of symptoms. Case Managers can provide patients with education regarding disease processes, work jointly with clients to establish self management goals, instruct clients regarding the proper use of medication and other numerous healthcare issues. HCHN utilizes established chronic care models that have documented improved outcomes for its patient populations through the Bureau of Primary Health Collaborative.

Implementation of a Formal ER Utilization Review Process- Establishment of a formal system to review ER utilization for non-emergent care for both Hurley Medical Center and HCHN will provide a mechanism for evaluation of program effectiveness on a continual basis. The identified data will be tracked by a utilization review employee on a monthly basis and shared with the Management Team of HCHN. These reports will allow HCHN to identify trends and establish systems for reduction of ER utilization for non-emergent care utilizing the Plan, Do, Check, Act performance improvement process and focus principles. Any increase in utilization by specific members or groups can be immediately identified and processes can be implemented to reverse negative trends. The implementation of a formal review process will also

allow the clinic to evaluate the effectiveness of its expanded hours and adjust schedules if necessary.

Project Goals and Outcomes

Goals identified for the **ACE Project** within the first year include:

1) Reduction of non-emergent ER visits by the Medicaid population by 10% a quarter within the first year of implementation.

2) An increase in the number of Medicaid patients who receive services by a Case Manager by 25% per quarter within the first year of program implementation.

3) Appropriate documented follow-up for 90% of Medicaid patients who are identified as frequent ER utilizers within the first year of program implementation.

4) Establishment of dashboard indicators for ER utilization by the Medicaid population to be reviewed on a monthly basis.

Outcomes anticipated as a result of implementation of the ACE Project are:

- A significant decrease in the amount of expenditures for non-emergent ER visits in Genesee County

- Reduction in costly Medicaid recipient ER diversions as result of emergency room overcrowding

- A decrease in hospitalizations for Medicaid recipients through effective chronic condition management

- An improvement in county health indicators as a result of implementation of case management services and identification of primary care homes for Medicaid recipients
- Appropriate utilization of services by the Medicaid population
- Efficient data tracking and benchmarking of ER utilization
- Ability to establish a proactive approach as a result of effective data management

Studies have consistently shown that having a health care home where the Medicaid recipient receives the majority of his or her healthcare in a regular, consistent, patient centered manner improves health outcomes and controls healthcare costs.

Estimate of Impact to Beneficiaries

The target area identified for the ACE Project is the Genesee County Area. The projected numbers of individuals who will benefit directly from the project are the 443,883 residents of Genesee County, according to the 2005 County profile, and more specifically the 61,914 persons within Genesee County currently enrolled in a Medicaid Qualified Health Plans. Of that number, 13,500 children are enrolled in Medicaid programs.

The number of uninsured is expected to increase further as a result of the devastating impact of the automotive market decline in the Flint area. According to recent data, Flint, Michigan is the poorest area in the state. Over 20% of the population is currently unemployed and 26.4% live below the poverty level. The median household income is $28,015.00, nearly $14,000.00 less than the median income for Genesee County and the median income for Genesee County is $3,000.00 lower than the median income in the state of Michigan.

Description of Magnitude of the Impact to Medicaid

The utilization of the emergency room at Hurley Medical Center for non-emergent care by Medicaid recipients is 65/100 visits; almost double that of other Michigan emergency rooms. Current statistics from Hurley Medical Center indicate that over 60% of their Medicaid recipients have received non-emergent care through their emergency room over the past year. The current number of Hamilton Community Health Network Medicaid recipients is 11,488 from the 2006 UDS report. Enrollment in the state of Michigan Medicaid program is expected to increase substantially in the Genesee County area as the county continues to feel the economic impact of the automotive manufacturing decline. Recent data from the 2006 HCHN UDS report indicates that the number of Medicaid recipients has increased by over 10% in the last year and that number will continue to increase.

The ACE Project will have a dramatic impact on reducing that number substantially by providing an increased access to primary care during hours that have been identified as "high utilization hours for primary care" by Hurley Medical Center. These hours are from 5 P.M. to 8 P.M. each weekday evening and 9 A.M. to 3 P.M. on Saturdays. In addition to increased availability, the identification of high utilizers and implementation of case management services for the chronically ill will decrease use of the ER for non-emergent medical visits further.

The recent expansion of one of Hamilton Community Health Networks' clinic sites to one evening per week has been met with favorable results. Utilization of the service has been running an average of four visits per hour. Current financial burdens and insufficient provider staff have delayed the ability to expand these services to other times and other sites. If program expansion is feasible with the assistance of additional funding, the approximate number of

primary care visits diverted out of the ER to HCHN will be approximately 6600 visits annually. The savings to the Medicaid program based on savings of ER fees, which are approximately double the charge of the average PPS rate of $140.00 for HCHN, is approximately **$917,280.00 annualized**. This is a conservative estimate. According to a recent study conducted by the National Association of Community Health Centers, ER charges may be two to five times higher than charges for a typical private physician office.

In addition, the goal of identification of primary care homes for current ER utilizers will reduce the utilization rate by an approximate 40% over the next year. Based on the current rate of utilization of the Hurley Medical Center ER for primary care visits by all Genesee County residents, emergency room utilization would be reduced by 19,730 visits. At an average savings of approximately $140.00 an encounter, saved by providing care in a primary care home instead of the ER, that equates to an additional savings of **$2,762,200.00**. A substantial cost savings for the Medicaid program. The overall estimated impact to the Medicaid program would be an approximate $3,679,480.00 annually.

Sustainability of the Project

The ACE project needs support in the form of project start-up costs to provide the additional services needed to make this project a success. Initially, the majority of the expense will be in the form of salaries for additional personnel to staff the expanded hours and provide the additional case management and utilization review services. Once the project has been in existence for a year it will be self supporting. Additional encounters generated as a result of expansion of hours and identification of patients in need of a primary care provider will provide enough revenue to support the program. Revenue generated by additional encounters will be

approximately $930,000.00. This approximate amount is based on the current PPS rate of approximately $141.00 per encounter time's 6600 encounters.

Evaluation Plan

The ACE project will be evaluated utilizing both analyses of data collected internally and the use of an outside consultant at the end of the project to provide an objective analysis and further recommendations for the program.

Internally, the project team that consists of the HCHN CEO, HCHN Medical Director, HCHN Case Manager, Hurley Medical Center Emergency Room Medical Director, and Hurley Medical Center Utilization Review Manager will establish baseline data of current utilization rates of the ER for non-emergent visits by all payer types. This data will be benchmarked on a monthly basis to evaluate the effectiveness of the program. In addition, HCHN will track rate of ER utilization and hospitalizations for its case management population to determine if case management services have been effective in reducing ER utilization, inpatient hospital admissions and Medicaid program cost.

Additionally, the health center will distribute a baseline survey of its patients to determine satisfaction with accessibility of clinic services. The Hurley Medical Center will also distribute a baseline survey to its ER patients to determine why the ER was chosen instead of a primary care provider for visits determined to be non-emergent. The surveys will be repeated at quarterly intervals and results will be analyzed by the Performance Improvement Coordinator and presented to the Performance Improvement Team for analysis and application of the Plan, Do, Check, Act if re-engineering is needed.

At the conclusion of the project year an outside consultant will be utilized to do an independent analysis of the data and provide recommendations to further strengthen the program based on the data results.

Description of Project Implementation Readiness

Hamilton Community Health Network and Hurley Medical Center have a proven track record in collaboration to improve the quality of delivery of health care services to their service area population. They have identified the existing problem of inappropriate ER utilization and are ready to take the necessary steps to develop the systems outlined in the ACE project to successfully decrease utilization of their ER services for non-emergent care by the Medicaid population. The timeline for the project with associated tasks is as follows:

Implementation Task	Effective Date	Status
1. Formal development of the ACE Project team	10-01-07	
2. Initiate recruitment of additional Primary Care Provider	10-01-07	
3. Initiate process to hire additional case manager, utilization review, and support staff	10-1- 07	
4. Gather baseline data	10- 1 07	
5. Develop a schedule for expanded hours	11-01-07	
6. Distribute first baseline market survey at HCHN and HMC	11-01-07	
7. Market expansion of hours to service area	11-01-07	
8. Implement expansion of hours	12-01-07	
9. Conduct quarterly surveys	3-01-08 6-01-08 9-01-08	

10. Conduct Annual Evaluation	10-01-08	
11. Conduct baseline feasibility study to establish Urgent Care Services at HMC	1-01-08	
12. Urgent care Clinic on Hurley Medical Center campus fully operational	1-01-09	
13. Develop bid for consultant to evaluate alternate non-emergency services program	6-01-09	

Budget

Estimated Budget Total for October 2007-September 30, 2009 is **$248,804.00.**

Federal Grant Year 2007

Total Expenses for the Grant Year 2007 equal **$226,304.00.**

Line Item	**Expense**
Personnel/Fringe benefits	$211,304.00
Contractual cost	$5,000.00
Supplies	$10,000.00
Equipment	$0
Other Costs	$0
TOTAL Year One	**$226,304.00**

Personnel/Fringes include: A 0.75 FTE physician to staff the expanded hours of the Urgent Care Services. His salary expense would be $90,500.00 and fringes would be $26,245.00 based on the current .29 of salary calculation for HCHN.

A 1.0 FTE Case Manager would be hired to provide the case management services. Salary for this position would be $36,050.00; fringes for the position are $10,545.00 based on the .29 fringe calculation.

A 0 .5 FTE Utilization Review position would be hired to provide the utilization review and management specific to the ACES project. Salary for this position would be $20,500.00 based on current salaries for this position. Fringes would be $5945.00 based on the .29 calculation.

A 0.75 FTE support position would be hired to staff the expanded hour urgent care Clinic. Salary for this position would be $16, 682.00. Fringes would be $4837.00 based on the 0.29 calculation.

Contractual Costs are for marketing services to notify the service area of the available expanded hours and services within Hamilton Community health network.

Supplies will be additional patient educational materials for the Case Managers.

Total Expenses for Grant Year 2008 equal $22,500.00

Line Item	**Expense**
Personnel/Fringes	$0
Contractual Costs	$12,500.00
Supplies	$10,000.00
Equipment	$0
Other costs	$0
Total Year Two	**$22,500.00**
Grand Total for Project	**$248,804.00**

Personnel/fringes: Expenses for personnel and fringes are zero in year two because the project should be close to self sustaining through increased revenue from the Medicaid PPS system to HCHN for the increased productivity as a result of diversion from the ER to their primary care sites.

Contractual Costs: In year two contractual costs would be utilized to hire an outside consultant to do an objective review of the ACES program. The additional $2,500.00 would be for marketing to announce the opening of the Urgent Care center located in Hurley Medical Center.

Supplies: The additional supply expense would be to provide educational materials for the case management patients.