

Connecting The Medicaid Dots For Vulnerable Seniors And Healthcare Providers

A White Paper By:
Robert Roth, Ph.D.
Executive Director



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Abstract

In Arizona, as well as nationwide, vulnerable seniors and their healthcare providers share in a very big problem:

- For seniors, the problem is that lack of Medicaid and Medicare Advantage enrollment frequently makes quality healthcare unaffordable.
- For healthcare providers, lack of patient Medicaid and Medicare Advantage enrollment makes critically needed revenue unobtainable.

The cause of both problems is one and the same. The “dots” that comprise the **vulnerable patient, safety net provider** and **payer** system are badly disconnected.

For the approximately one-quarter of all seniors living on incomes of less than 200% of the Federal Poverty Level, and for safety net* care providers, this problem has reached crisis proportions.

This white paper explores the dimensions of the problem and proposes a dot-connecting solution.

* Note: A Safety Net provider is a medical center that provides healthcare services regardless of an individual’s insurance status or ability to pay.

Dimensions of The Problem

Nationwide, vulnerable elderly patients receive (only) about one-half of the care that their healthcare providers recommend for them (Source: [Rand Corporation](#)).

This situation is the result of five converging challenges: 1) an exploding senior population, 2) pervasive poverty, 3) deteriorating health, 4) massive confusion over Medicare, Medicaid and Medicare Advantage benefits, and 5) safety net and rural providers not getting paid.

1. The Exploding Senior Population

The population of age 65+ Americans is exploding, both in Arizona and nationwide.

According to [AARP](#), on average, 10,000 Americans are turning age 65 *every day*.

In Arizona, the number of elderly (age 60+) will have grown from 900,000 during 2000, to 1.8 million during 2020 . . . and to almost 3.0 million during 2050 (Source: Arizona Health Futures).

2. Pervasive Poverty

The exploding senior population is poor.

[Motley Fool](#) reports that most retiree's savings, even when combined with Social Security income, are not nearly enough to sustain their quality of life.

And "Worse yet, 45% of baby boomers report having no retirement savings whatsoever."

[Kaiser Family Foundation](#) reports that, during 2016, half of all Medicare beneficiaries had an annual income of less than \$2,183 per month, and one-quarter had an annual income of less than \$1,271 per month.

3. Deteriorating Health

As seniors age, their need for healthcare increases.

[The National Council on Aging](#) reports that:

- Approximately 80% of older adults have at least one chronic disease and 77% have at least two.
- Diabetes affects 23% of the Americans aged 60+
- 90% of Americans age 55+ are at risk for hypertension, or high blood pressure.

In Arizona, America's Health Rankings (2018) reports that heart disease impacts 148,000 seniors and 258,000 are challenged by diabetes.

4. Massive Confusion

Most seniors find taking advantage of Medicare and Medicaid benefits both confusing and daunting:

- In October 2018, [Weiss Ratings](#) (a consumer research and advisory service) published a report titled *Over 50% of Seniors Say the Medicare Process is Confusing*.

The report noted that "More than 50% of seniors enrolling in Medicare during Open Enrollment find choosing the right plan confusing . . . Add in the process of choosing a supplemental plan, to cover some of Medicare's 'gaps' like co-payments, deductibles and other out-of-pocket costs and now it's even more daunting."

- A July 2017 article in the [Huffington Post](#) observed that "Medicaid is the nation's single largest insurance provider, yet millions of Americans are seemingly unaware of what it does and who it serves."

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- The [AARP article](#) *Navigating the Medicare Maze* (March 2017) discusses an analysis of 16,000 calls to AARP's consumer helpline during 2015.

The key finding is that there was a great deal of confusion over 1) How to navigate Medicare Part B, 2) What is covered under Medicare Advantage, and 3) How to afford the rising costs of prescription drugs under Part D.

An AARP spokesperson stated, "This analysis . . . makes clear that too many people with Medicare struggle to navigate the complexities of the Medicare program and to afford their coverage."

- A 2015 report by [BenefitsPro](#) notes that "There's so much confusion regarding qualifications and application requirements for Medicaid that it scares away many eligible individuals. The Urban Institute estimates that only about 66% of Medicaid-eligible adults are enrolled in the program."
- An [American Society on Aging](#) report (2014) indicated that, among the 20 million Medicare beneficiaries with incomes below 200% of the Federal Poverty Level, more than half do not receive any financial assistance through Medicaid.
- An October 2012 [U.S. News & World Report](#) titled *Medicare Too Complex for Many Seniors* concluded "Many consumers are overwhelmed by the number of available Medicare insurance plans, the complexities within those plans, and the arduous homework needed to determine their prescription drug choices and out-of-pocket costs."

Quoting a Kaiser Family Foundation report, the article noted ". . . the nation's neediest people are also the most likely to lack sufficient knowledge about Medicare."

- Kaiser Family Foundation [Barriers to Medicaid Enrollment for Seniors](#) research was conducted during 2002.

While the study is dated, our current experience indicates that key findings continue to explain why only about one-half of today's estimated 25 million Medicare beneficiaries, with incomes below 200% of the Federal Poverty Level, have the Medicaid and private insurance protection they are likely entitled to.

Key study findings include:

- The Medicaid program reaches only about one-half of all poor Medicare beneficiaries.
- Many seniors who are not enrolled in Medicaid lack awareness of the program. Lack of basic information is the biggest enrollment barrier.

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- Despite their lack of information and very real financial struggles, most seniors not enrolled in Medicaid said they were reluctant to ask for help. However, once they learned more about Medicaid, most seniors wanted to enroll.
- Medicaid enrollment is difficult for seniors. Respondents said that they felt alone and intimidated by the process.
- Rarely did a senior find out about Medicaid on his/her own and then seek enrollment. Rather, seniors who were enrolled said it is about being in the right place at the right time.
- Most currently enrolled seniors said they needed help to get through the enrollment process. They also reported that transportation problems make it difficult to go to enrollment locations.
- Respondents also reported that staying in Medicaid from year to year is just as hard as enrolling.

5. A Liquidity Crisis

Many safety net and other rural and critical access hospitals and clinics are challenged to collect the Medicaid and related private insurance revenue that they need in order to continue providing quality care to uninsured and underinsured seniors.

- The [Health Inc.](#) article *Rethinking Rural Health Solutions To Save Patients And Communities* (February 2018), reports that, across the U.S., 673 rural hospitals are at risk of closing, with 210 being at extreme risk. In addition, 60 rural hospitals did close between 2010 and February 2016.
- The [American Hospital Association](#) estimates that payments from Medicare and Medicaid lagged provider's costs by \$76.6 billion during 2018.
- HealthAffairs (May, 2018) reported that, during 2016, safety net hospitals provided [\\$38.3 billion in uncompensated care](#).
- Data compiled by [Bloomberg](#), *Hospital Bankruptcies Leave Sick and Injured Nowhere to go* (1/2020) indicates that at least 30 hospitals entered bankruptcy during 2019.
- Healthcare bankruptcy filings have soared in recent years as measured by the [Polsinelli TrBK Health Care Services Distress Index](#). The Index reports that, versus its 2010 benchmark year, bankruptcy filings in the healthcare sector nearly quadrupled as of the third quarter 2019.

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- A December 2019 article in [HEALTHCARE DIVE](#), *Disparities between care in rural, urban areas getting worse* notes that “It's common knowledge that Americans living in rural areas have poorer health outcomes than their urban counterparts. But, despite policy efforts to ameliorate disparities, the gap is not getting any better . . .”
“Rural outcomes are especially dire for chronic and behavioral health, with deaths related to chronic obstructive pulmonary disease, diabetes and suicide exponentially increasing over the past few years.”
- A July 2018 [Encounter Telehealth](#) article, *Challenges, Risks and Solutions for Critical Access Hospitals*, reports that more than 40% of rural hospitals are operating at a loss because they serve populations with high rates of poverty, less health insurance coverage, and longer travel times to access health care.

The “bottom line” is that safety net hospitals and clinics need to increase Medicaid and Medicare Advantage bottom lines. Put another way, they simply need to get paid.

A Dot-Connecting Solution

Providing vulnerable seniors with quality healthcare, and providing their doctors, clinics and hospitals with fair and prompt payment requires connecting the dots of the badly fragmented **Patient – Provider - Payer non-system**.

ACCESSMed Foundation partners with Arizona healthcare providers to:

1. Assure that low-income seniors have ready access to affordable, quality care including Chronic Condition SNP (C-SNP), Dual Eligible SNP (D-SNP) and Institutional SNP (I-SNP).
2. Assure that our provider partners are fairly and promptly compensated.

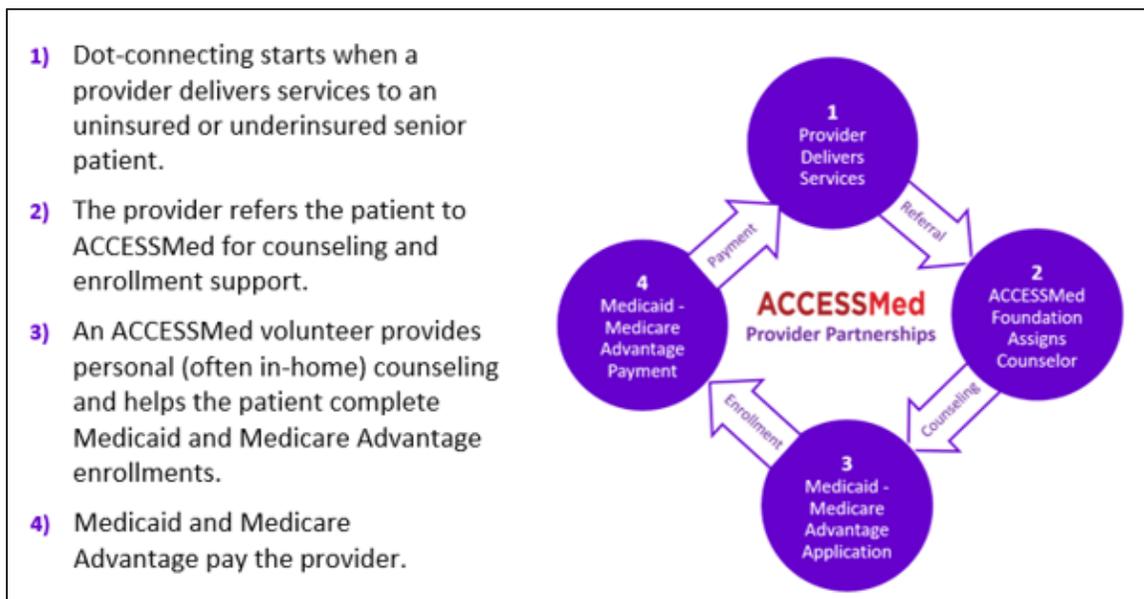


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Working with each of our partners, in their local community, ACCESSMed provides:

- In-home Medicaid and Medicare Advantage counseling and enrollment support.
- Medicaid counseling and enrollment support at community events.
- Patient/payer network adjustments in response to network changes.
- Grant-seeking to support partnering activities.

Our dot-connecting partnership process looks like this:



Through these dot-connecting partnerships, the ACCESSMed program helps providers ensure that low-income senior patients are enrolled and remain enrolled in their payer network.

ACCESSMed Volunteers

ACCESSMed volunteers play a critical role in dot-connecting. These individuals include a carefully selected group of licensed and certified healthcare insurance brokers. They have a personal dedication to the ACCESSMed mission (which is providing access to affordable, quality care for vulnerable seniors). And, each of our volunteers is knowledgeable about Arizona's continuously changing Medicare, Medicaid and Medicare Advantage landscape.

Conclusion

ACCESSMed Foundation partners with Arizona healthcare providers to:

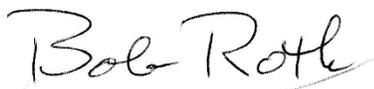
1. Provide vulnerable seniors with dual and non-dual Medicaid and Medicare Advantage insurance coverage.
2. Assure safety net providers that they will be fairly compensated.

Working with each of our partners, in their local community, ACCESSMed provides:

- Training and support for safety net provider's enrollment staff,
- In-home Medicare, Medicaid and Medicare Advantage counseling and enrollment support for vulnerable patients,
- Assistance in patient coverage realignment in response to payer network changes.
- A grant-seeking program to support our partnered activities.

Nonprofit ACCESSMed Foundation is currently seeking safety net physician, clinic and hospital provider partners throughout Arizona. We are also seeking to partner with healthcare insurance carriers and brokers.

To discuss partnering with ACCESSMed Foundation, please contact me.



Robert Roth, Ph.D.

Executive Director

director@accessmed.org

(602) 375-2412



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