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FACT SHEET: Community Giving Programs of Medicaid- Focused Health Plans

Introduction

The Association for Community Affiliated Plans (ACAP) is a national trade association representing 42 nonprofit safety net health plans in 23 states. ACAP's mission is to represent and strengthen not-for-profit, safety net health plans as they work in their communities to improve the health and well being of vulnerable populations. The typical ACAP plan was founded by a community health center, community hospital, or another community-based organization that serves safety net populations. Collectively, ACAP plans serve over 6 million enrollees, over 50% of individuals enrolled in Medicaid-focused health plans. Approximately 25% of the individuals enrolled in fully capitated arrangements are covered by ACAP Plans.

Given their status as nonprofit safety net health plans with close ties to the local communities they serve, it is no surprise that ACAP member plans place high value on giving back to their communities. They work closely with safety net providers to ensure that low-income communities receive quality, affordable health care. Additionally, the 42 plans collectively donate millions to charities within their communities and many have established formal community giving programs. This fact sheet highlights four ACAP plans and the unique community giving programs they created to serve their communities better.

Options for Corporate Structure

There are many ways for a health plan to develop a community giving program, but the fundamental question appears to be: is it better to keep the program in-house or to establish a separate foundation with a separate board and governance structure? The answer depends on what best suits the needs of the founding health plan. Below are some reasons why ACAP plans chose to develop either in-house community giving programs or establish separate 501(c)3 organizations for their charitable initiatives.

In-House Community Giving Programs

Some ACAP plans have chosen to incorporate their community giving program into their existing corporate structure. Generally, this is done by creating a department within the plan that is dedicated to managing and overseeing the community giving program. The main reason for



keeping the program part of the health plan's internal operations is to avoid the administrative burden of an additional corporate structure to manage and maintain. Additionally, in a smaller health plan where senior staff often wears multiple hats and may be in charge of more than one functional area, keeping the community giving program in-house allows the plan to have greater control of resources. Often in these plans, the community giving program is run by a senior staff member also in charge of other functional areas, such as marketing or community relations.

Establishing a Separate 501(c)

Several ACAP plans chose to establish a separate 501(c)3 charity for their community giving programs. There may be overlap in staffing between the two organizations, but they generally have separate boards and officers. ACAP plans that established separate corporate entities for their community giving programs do so to clearly delineate between pure health plan operations and the activities of the community giving program. If the community giving program anticipates doing any outside fundraising, it may find it easier to solicit funds from outside organizations if their functions are clearly separate and autonomous from its founding health plan. Additionally, if the community giving program engages in educational forums or policy discussions, establishing a separate corporate entity may provide greater credibility.

ACAP Community Giving Programs

Hudson Health Plan Launches Hudson Center for Health Equity & Quality (Hcheq)



In 2004, Hudson Health Plan, an ACAP member plan based in Westchester County, New York, established a separate not-for-profit called the Hudson Center for Health Equity & Quality (Hcheq). Hcheq serves as a regional voice on health policy issues and the use of information technology to improve and streamline state-sponsored health insurance programs in New York. Hcheq's mission is to promote quality improvement, advocate for universal health care, and support the development of health information technology.

To promote quality improvement, Hcheq developed CareFocus, a disease registry that provides a searchable, reportable database for people with chronic illnesses. CareFocus was designed in collaboration with the New York Diabetes Coalition and was funded by government grants. It helps physician offices better monitor their patients with diabetes and send reminders when patients are due for tests or examinations. Additionally,



demographic data stored in the database can be extracted for research purposes. Hcheq is currently evaluating the feasibility of continuing to support disease registries in provider offices.

In its advocacy for universal health care, Hcheq developed the “Cover Everybody” campaign. The campaign advocates for a “concerted effort...to evaluate how the nation’s citizens and policymakers can work together – to cover everybody.”¹ Cover Everybody has used traditional advocacy techniques such as writing op/ed pieces and letters to the editor to voice support for universal health care and the need to streamline the health care system.

Another Hcheq effort involves streamlining the facilitated enrollment process in New York State by developing and marketing an electronic enrollment application. In New York, Medicaid health plans and other community organizations are responsible for implementing the facilitated enrollment process as regulated by the State; this process is “paper-driven, time-consuming, error-prone, and costly.”² The purpose of Hcheq’s Facilitated Enrollment Electronic Application (FEEATM) “is to automate the eligibility verification, enrollment, and recertification processes for subsidized managed care programs.”³ The product, which was developed by Hudson Health Plan, can be used by other health plans, community based organizations, and social service agencies that do facilitated enrollment. Hudson Health Plan transferred the license to Hcheq which now develops, distributes and supports the product. Hcheq uses revenues generated by sales of FEEA to reinvest back into supporting and strengthening FEEATM.

Hcheq has recently received funding from an outside organization to develop a new promotional campaign called Intact America. The purpose of Intact America is to promote the appreciation of the intact body, and to advocate against circumcision of baby boys by the U.S. medical establishment. Hcheq will do the start-up legal work, file the 501(c)(3) application, develop a fundraising strategy and donor outreach effort, develop consistent messaging for grass-roots organizations around the country, establish a web presence, help to form the board of directors, and eventually spin the organization off as an independent entity.

Hcheq has also begun publishing a newsletter called *Hcheq Reports*. *Hcheq Reports* highlights important issues relevant to health care reform, information technology and

¹ <http://www.covereverybody.org/home.html> “Should We Cover The Uninsured?” © 2006 Hudson Center for Health Equity & Quality.

² <http://www.hcheq.org/feea.html> “FEEA Introduction.” © 2008 Hudson Center for Health Equity & Quality

³ <http://www.hcheq.org/feea.html> “FEEA Introduction.” © 2008 Hudson Center for Health Equity & Quality



health policy. The inaugural issue highlighted the importance of promoting “real world” quality improvement research “to identify the best way to ensure that appropriate care is delivered consistently to all patients.”⁴ Unlike traditional medical research which relies on randomized control trials to determine cause and effect, quality improvement research relies on data from actual, ongoing health care facilities and organizations, making a controlled study nearly impossible. While there are challenges to working with such data, it is important for health care organizations that want to promote higher quality care to constantly examine their processes to better understand which factors lead to improvements in care.

Hcheq is led by Georganne Chapin, the CEO of Hudson Health Plan. Senior staff of Hudson Health Plan provide some in-kind support to Hcheq. Hcheq also has a small dedicated staff to help support these projects. Funding for Hcheq come from small grants, such as the one to support Intact America, and FEEATM revenues, which are reinvested back into FEEATM to support the product’s growth and expansion. Hcheq shares selected services with Hudson Health Plan and reimburses the plan for rental space and overhead.

The Healthy Kids Fund from the Santa Clara Family Health Foundation



The Santa Clara Family Health Foundation was established by the Santa Clara Family Health Plan in 2000 as a 501(c)3 nonprofit. It serves as the primary fundraising vehicle to support Healthy Kids and the Children’s Health Initiative in Santa Clara County, California. Healthy Kids was established in Santa Clara County to offer health insurance for children whose families are not eligible for Medi-Cal and Healthy Families, California’s Medicaid and SCHIP programs. Healthy Kids receives funding from both public and private sources, including Santa Clara County, the City of San Jose, FIRST 5

⁴ Pennar, Karen. “Promoting “Real World” Quality Improvement Research”, *HCHEQ Reports*, Spring 2008, Page 1. (c) 2008, Hudson Center for Health Equity & Quality.



Santa Clara County (tobacco tax funds), individuals, corporations, and from some of California's largest health foundations.

Healthy Kids provides comprehensive medical, dental, vision, and mental health coverage to eligible children. Healthy Kids' county-wide provider network includes 569 primary care providers, 1,892 specialists, 330 ancillary providers, almost 400 dentists, over 200 vision care providers, 70 mental health professionals, 7 hospitals, and over 200 pharmacies.

The program is designed to be affordable—families pay an income-based premium share of \$4 to \$14 per child per month, with a maximum cost of \$42 per family per month. Additionally, Santa Clara Family Health Plan maintains a hardship fund to provide premium assistance for families with unusual financial difficulties.

The Children's Health Initiative is a companion to Healthy Kids and is an outreach program to educate families in Santa Clara County about health insurance for low-income children. Through its outreach and fundraising, the mission of the Foundation is ultimately to find "health insurance for every child in Santa Clara County."⁵ Together, the Children's Health Initiative and Healthy Kids have been significant in reducing the number of children without health insurance in Santa Clara County by 75% in the last ten years.

Santa Clara's Healthy Kids program was the first of its kind in the state of California. Since it started in 2001, nearly all funding comes from the county, the city of San Jose, local non-profits, Santa Clara Family Health Plan and a few large foundations. With advice and support from leaders in Santa Clara County, more than 25 other California counties have similar programs. Unfortunately, a statewide effort to implement universal health coverage for all children in the state, based on this model, failed in early 2008. This combined with state and county budget cuts and reduced foundation support has led the Foundation to expand its focus on increasing corporate and individual support for the program.

An external evaluation of the Healthy Kids program by the Urban Institute and Mathematica Policy Research, Inc., provides solid data that the health of kids on the program has improved significantly. Specifically, the report highlights the following improvements in children's access to care with Healthy Kids:

⁵ http://www.healthykidsfund.org/About_Us/au_SCFHF.asp (c) Santa Clara Family Health Foundation 2008



- Outreach to families for Healthy Kids has doubled the number of children enrolled in Medi-Cal and Healthy Families;
- Use of preventive care increased by 11%;
- Repeated sick visits decreased by 50%;
- Children miss half as many days of school; and
- Parental worry about meeting children's health needs fell from 61% to 38%.⁶

The Santa Clara Family Health Foundation hopes to use the results to increase support from private sector donors.

The Foundation raises between \$10-12 million per year and uses these funds to pay the premium for approximately 9,000-10,000 children in Santa Clara County each year. In 2007, approximately 11,000 children received health insurance through the Healthy Kids fund. Despite impressive fundraising there are still about 1,000 children on the Healthy Kids waiting list.

The Foundation has a full-time Executive Director and two other staff members. The health plan provides salary and administrative support to the Foundation.

The CareSource Foundation



The CareSource Foundation is a 501(c)3 nonprofit and was formed in 2006. It is funded by CareSource, an ACAP member plan primarily based in Ohio and serving both Ohio and Michigan. The CareSource Foundation's mission is to advance the health and well-being of underserved people in the communities served by the plan.

⁶ "Stable Health Insurance Coverage Keeps Kids Healthier", (c) Santa Clara Family Health Foundation, 2008



The Foundation primarily funds two types of grants. Responsive grants are grants of moderate amounts that are targeted to areas of need including children’s health, crisis support for women and children, and special needs populations. Responsive grants are single year grants that utilize a simple grant proposal format. The grants are given to individual non-profit organizations or a collaboration of non-profits.^{7,8}

Examples of responsive grants include:

- \$12,000 to Goodwill Easter Seals to provide free developmental screenings in area daycare centers;
- \$14,500 to Somali Community Action Network to provide health literacy for the growing Somali population in Ohio;
- \$7,500 to Womanline for sexual abuse detection and prevention services;
- \$10,000 to Reach Out for support of charitable pharmacy services for the critically ill and uninsured; and
- \$12,000 to the Children’s Defense Fund to support the women’s advocacy network across Ohio.

The Foundation also funds new Signature grants. These grants are focused on two critical health trends: issues of the uninsured and childhood obesity/lifestyle issues. Signature grants are high impact, involve a significant level of Foundation involvement, and are visible on a community/statewide/national level. Signature grants can be for single or multiple year funding.

A recent example of a Signature grants is the \$175,000 given to Public Health Dayton & Montgomery County to support a regional childhood obesity/health lifestyle initiative which envisions the involvement of hundreds of community partners from education, recreation, social services, business, government, and education sectors.

Eligible community organizations may submit grant proposals on a quarterly basis and priority is given to those proposals that best fit one or more of the Foundation’s priority funding areas. Additionally, preference is also given to proposals that impact geographic areas where the health plan has significant membership.

The CareSource Foundation recently launched “Bridge Grants” designed to address last-resort issues of CareSource members, particularly those in the aged, blind and disabled population such as wheelchair ramps and critical home modifications. CareSource will

⁷ <http://www.csmg-online.com/en/About/CareSourceFoundation/default.htm> “About CareSource Foundation (c) CareSource Management Group

⁸ *The Big Picture*, 2007 Community Report. CareSource Foundation (c) CareSource Management Group



leverage the skills of their social workers team to partner with volunteer organizations across Ohio who will help to provide hands-on solutions.

Annually the CareSource Foundation distributes up to \$1 million to community organizations. The Foundation is funded by a portion of health plan revenues and functions much like a traditional corporate foundation. The Foundation has an Executive Director and partial administrative support which are covered by the health plan.

L.A. Care Health Plan's Community Health Investment Fund



L.A. Care Health Plan serves nearly 800,000 enrollees in Los Angeles County, California, and is the nation's largest public health plan. As part of its efforts to support initiatives that strengthen the safety net, L.A. Care launched the Community Health Investment Fund (CHIF) in 2000. Through CHIF and the Children's Health Initiative of Greater Los Angeles (Children's Health Initiative), L.A. Care has committed almost \$80 million over the past seven years to expand health care coverage for children, improve health care access for the uninsured and persons with disabilities, and expand oral health services.⁹

The Community Benefits Department of L.A. Care Health Plan administers the CHIF program, which is funded primarily through annual budget allocations. Most grant initiatives use an external review committee of experts to review proposals and recommend funding to L.A. Care's Board of Governors.

L.A. Care has provided over \$50 million of funding to support the Children's Health Initiative in Los Angeles County. The Children's Health Initiative is a diverse coalition of community groups, foundations, health plans, labor, and business organizations that has raised more than \$100 million for Healthy Kids, a comprehensive health insurance program for children from families with income less than 300 percent of the Federal Poverty Level who do not qualify for other health care programs. Healthy Kids has nearly

⁹ *Fulfilling the Promise of Health Care to Vulnerable Populations*. L.A. Care Health Plan, 2009, page 19.



35,000 children enrolled in comprehensive health coverage that includes medical, dental, vision, and mental health care.¹⁰

CHIF's other major programs focus on oral health, supporting safety net providers in Los Angeles County, and improving access to health care for seniors, persons with disabilities, and the uninsured. Through the Oral Health Initiative, L.A. Care has given over \$7 million since 2003 to fund free dental services at clinics and community organizations throughout Los Angeles County. Together, L.A. Care's oral health grantees have provided dental services to more than 166,000 children and adults, including homeless populations and people with disabilities.

Another key priority is infrastructure support for the safety net. Through its Dr. Robert E. Tranquada Health Care Safety Net Awards, L.A. Care provided over \$4 million in funding to 11 community-based clinics for projects such as information technology, medical equipment and clinical space expansion. Another example of support is providing funding to 83 clinic sites, representing over 60% of the safety net clinics in Los Angeles, for adaptive equipment such as adjustable exam tables and accessible weight scales to serve seniors and people with disabilities. It is estimated that over 225,000 patients have benefited from this equipment to date.

Summary and Conclusions

ACAP plans are proud of their commitment to and support for their local communities. They are leaders in Medicaid managed care and have consistently demonstrated innovative approaches to solving challenges in Medicaid managed care.^{11, 12} Each of the plans profiled in this report offers a unique way to support innovation, develop creative solutions, and provide supplement funding of core services for community organizations that serve vulnerable populations, whether that support is through its in-house infrastructure or through a separate 501(c)3 entity. Hudson Health Plan developed Hcheq in order to promote quality improvement, universal health care, and improvements in health information technology. The Santa Clara Family Health Foundation raises funds to provide health insurance to thousands of children in Santa Clara County. The CareSource Foundation supports a broad variety of programs that support one of the foundation's funding priorities (the uninsured, critical health trends in children's health, and broader

¹⁰ *Fulfilling the Promise of Health Care to Vulnerable Populations*. L.A. Care Health Plan. 2009, page 19.

¹¹ Brodsky, Karen L. "Best Practices in Specialty Provider Recruitment and Retention: Challenges and Solutions." The Commonwealth Fund. August, 2005.

¹² Arora et al. "Medicaid Health Plans: A Turnkey Solution for Expanding Health Insurance Coverage: Case Studies of California and Massachusetts." The Lewin Group. July 22, 2007.



prevention and community health issues). Like the Santa Clara Family Health Foundation, L.A. Care's Community Health Initiative Fund also devotes significant funding to expanding children's health insurance coverage as well as providing support to programs that serve the uninsured or treat those with chronic illnesses.

Community giving programs add value to their founding health plan by identifying and promoting community-based initiatives and programs that enhance care and improve health for vulnerable populations. They can also serve as catalysts for broad-based, state-wide change. For example, as result of the Santa Clara Family Health Foundation's efforts to fund insurance programs for uninsured children, 25 other counties have developed similar programs. Hcheq frequently hosts information forums or publishes resource directories on important, challenging national health policy issues such as health information technology or promoting universal access to health care. The CareSource Foundation has funded many programs across Ohio that promote health improvements or directly service low-income families in need of high-quality care. The Community Health Investment Fund of L.A. Care has spent significant money across Los Angeles County to improve access to dental services and to support safety net clinics. All of these programs demonstrate the added value they bring not only to their founding health plans but to the larger communities they serve.