



# Safety Net Providers in Michigan: 2014

September 2015

*Editor's Note: Counts for FQHC delivery sites in 2013 were updated to reflect the total number of permanent, seasonal, and administrative/service delivery sites in operation.*

In 2014, the Affordable Care Act's (ACA) major coverage expansions—the individual health insurance marketplace and Medicaid expansion—significantly altered the health care landscape. In Michigan, more than 340,000 Michigan residents selected a marketplace plan by March 2015, and as of August 2015, approximately 606,000 Michigan residents had enrolled in the Healthy Michigan Plan, Michigan's Medicaid expansion program.<sup>1,2</sup> As a result of the ACA's coverage expansions, Michigan's uninsured rate decreased from 11 percent in 2013 to approximately 8 percent in 2014.<sup>3,4</sup> These changes have had a major impact on safety net providers across the state.

This brief looks at trends between 2008 and 2014 with regard to Michigan federally qualified health centers (FQHCs) and free clinics.

## Key Findings

- Between 2013 and 2014, the number of FQHC delivery sites in Michigan grew from 210 to 220. During this time, the number of free clinics in Michigan decreased from 73 to 71.
- Between 2013 and 2014, the number of total patients who received care at Michigan FQHCs increased by 7 percent to approximately 600,000 patients.
- The number of patients seeking mental health services increased by 67 percent since 2008, stabilizing between 2013 and 2014. In 2014, nearly 26,000 patients were served.
- Between 2013 and 2014, the number of Medicaid patients served by FQHCs increased by 24 percent, from 250,000 to more than 308,000 patients; and, the number of privately insured patients increased by 28 percent, from 78,000 to nearly 100,000 patients.
- In 2014, approximately 125,000 FQHC patients in Michigan (21 percent) were uninsured, a 28 percent decline from 2013.
- In response to the ACA's coverage expansions, some free clinics are changing their structure or service scope, including converting to an FQHC or adopting new policies to serve underinsured or Medicaid patients while continuing to see uninsured patients.

<sup>1</sup> ASPE Issue Brief: Health Insurance Marketplaces 2015 Open Enrollment Period: March Enrollment Report. The Department of Health and Human Services. March 10, 2015.

[http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/Mar2015/ib\\_2015mar\\_enrollment.pdf](http://aspe.hhs.gov/health/reports/2015/MarketPlaceEnrollment/Mar2015/ib_2015mar_enrollment.pdf) (accessed 9/4/2015).

<sup>2</sup> Health Michigan Plan Progress Report. Michigan Department of Health and Human Services. August 31, 2015. [http://www.michigan.gov/documents/mdch/Website\\_Healthy\\_Michigan\\_Plan\\_Progress\\_Report\\_12-01-2014\\_475355\\_7.pdf](http://www.michigan.gov/documents/mdch/Website_Healthy_Michigan_Plan_Progress_Report_12-01-2014_475355_7.pdf) (accessed 9/4/2015).

<sup>3</sup> Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, 2013. The Center for Disease Control and Prevention. June 2014.

<http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201406.pdf> (accessed 9/4/2015).

<sup>4</sup> Health Insurance Coverage: Early Release of Estimates From the National Health Interview Survey, 2014. The Center for Disease Control and Prevention. June 2015.

<http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201506.pdf> (accessed 9/4/2015).

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## Changes in Capacity

### Growth in Federally Qualified Health Centers in Michigan

Federally qualified health centers (FQHCs) are defined as organizations that receive federal funding, under Section 330 of the Public Health Service Act, to provide comprehensive primary care services to uninsured and underserved populations. In an effort to expand access to care and increase provider capacity, Affordable Care Act (ACA) funds were appropriated between fiscal years (FY) 2010 and 2014 to expand access to care, including funding for FQHCs. In FY2014, community health center organizations in Michigan received approximately \$80.8 million, or 43.9 percent of the total ACA grant funding awarded to the state in that year.<sup>5</sup>

Between 2013 and 2014, the number of FQHC delivery sites in Michigan grew from 210 to 220.<sup>6</sup> Sixteen of Michigan's 83 counties experienced an increase of one or more sites. Of those, four counties had previously had no FQHC sites. Macomb County experienced the largest growth (five new clinics), followed by Barry, Cass, Grand Traverse, Huron, Marquette, Oakland, and Wayne Counties, each growing by two clinics. Twelve counties experienced a decline in FQHCs by one or more.<sup>7</sup> By 2014, 55 of Michigan's 83 counties had at least one FQHC delivery site. **FIGURE 1**

<sup>5</sup> Lausch, Kersten, Fangmeier, Joshua, and Udow-Phillips, Marianne. *Affordable Care Act Funding: An Analysis of Grant Programs under Health Care Reform — FY2010–FY2014*. (Ann Arbor, MI: Center for Healthcare Research & Transformation. Feb. 2015): <http://www.chrt.org/publication/affordable-care-act-funding-analysis-grant-programs-health-care-reform-fy2010-fy2014/#accordion-section-2>.

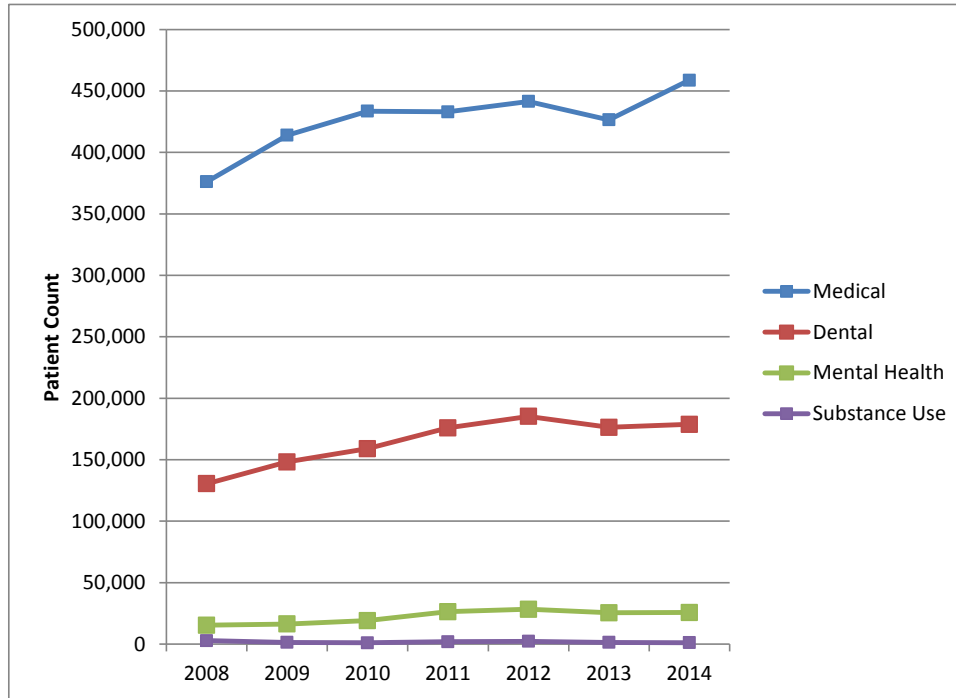
<sup>6</sup> In addition to FQHC service delivery sites, there were 14 FQHC Look-Alike sites operating in 2013 and 18 in 2014. FQHC Look-Alikes are health centers that meet the same requirements as FQHCs but do not receive federal grant funding.

<sup>7</sup> Counties that experienced a decline in one to three clinics were: Alpena, Antrim, Arenac, Charlevoix, Cheboygan, Gratiot, Kalamazoo, Kent, Lenawee, Montmorency, Muskegon, and Saginaw Counties.



as a result of increased funding resources and an increasing demand for such care.<sup>8</sup> Additionally, there has been a general increase over the past several decades in patients with mental health disorders seeking treatment.<sup>9</sup> These factors may have contributed to the increasing rates seen in the FQHC population:

**Figure 2: Number of FQHC Patients, by Service Type, Michigan, 2008–2014**



Service Type	2008	2009	2010	2011	2012	2013	2014
Medical	376,153	413,965	433,564	432,986	441,401	426,552	458,695
Dental	130,503	148,206	158,969	175,885	185,229	176,388	178,812
Mental Health	15,402	16,356	19,094	26,382	28,397	25,454	25,684
Substance Use	2,811	1,478	1,095	1,953	2,253	1,451	1,249
<b>Total Unique Patient Count</b>	<b>469,457</b>	<b>514,987</b>	<b>537,847</b>	<b>546,245</b>	<b>570,009</b>	<b>558,059</b>	<b>595,684</b>

SOURCE: CHRT, using the HRSA Bureau of Primary Health Care Section 330 Grantees Uniform Data System, 2014.

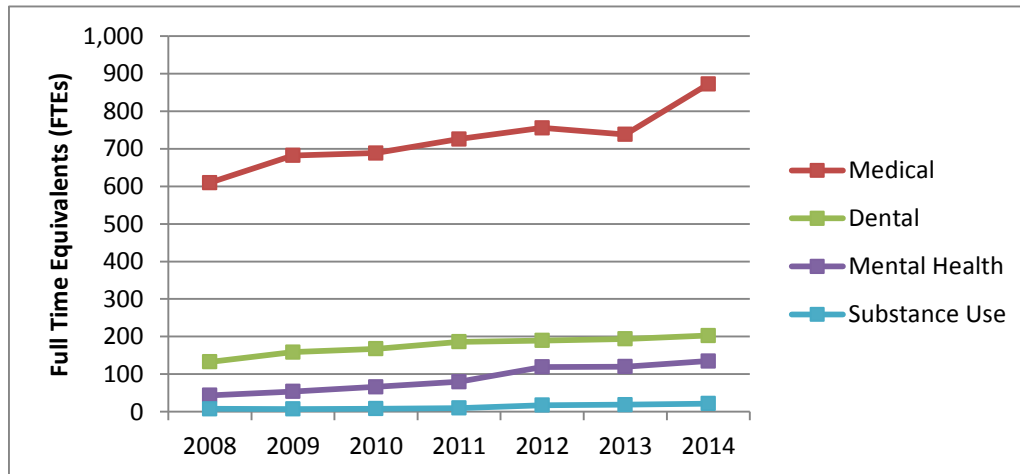
<sup>8</sup> P. Shin, J. Sharac, and Z. Barber et al., *Community Health Centers: A 2013 Profile and Prospects as ACA Implementation Proceeds* (Menlo Park, CA and Washington, DC: Kaiser Family Foundation, March 2015): <http://kff.org/medicaid/issue-brief/community-health-centers-a-2013-profile-and-prospects-as-aca-implementation-proceeds/> (accessed 7/16/2015).

<sup>9</sup> D. Mechanic, “More people than ever before are receiving behavioral health care in the United States, but gaps and challenges remain,” *Health Affairs*, August 2014, 33(8):1416–24.

### Growth in FQHC Providers

Between 2013 and 2014, FQHCs in Michigan increased the number of full time equivalent (FTE) staff across all provider types. In particular, medical providers increased by 18 percent (to 871.8 FTEs), substance use providers increased by 17 percent (to 21.9 FTEs), mental health providers increased by 12 percent (to 135.0 FTEs), and dental providers increased by 5 percent (to 202.8 FTEs). **FIGURE 3**

**Figure 3: FQHC FTEs, by Provider Type, Michigan, 2008–2014**



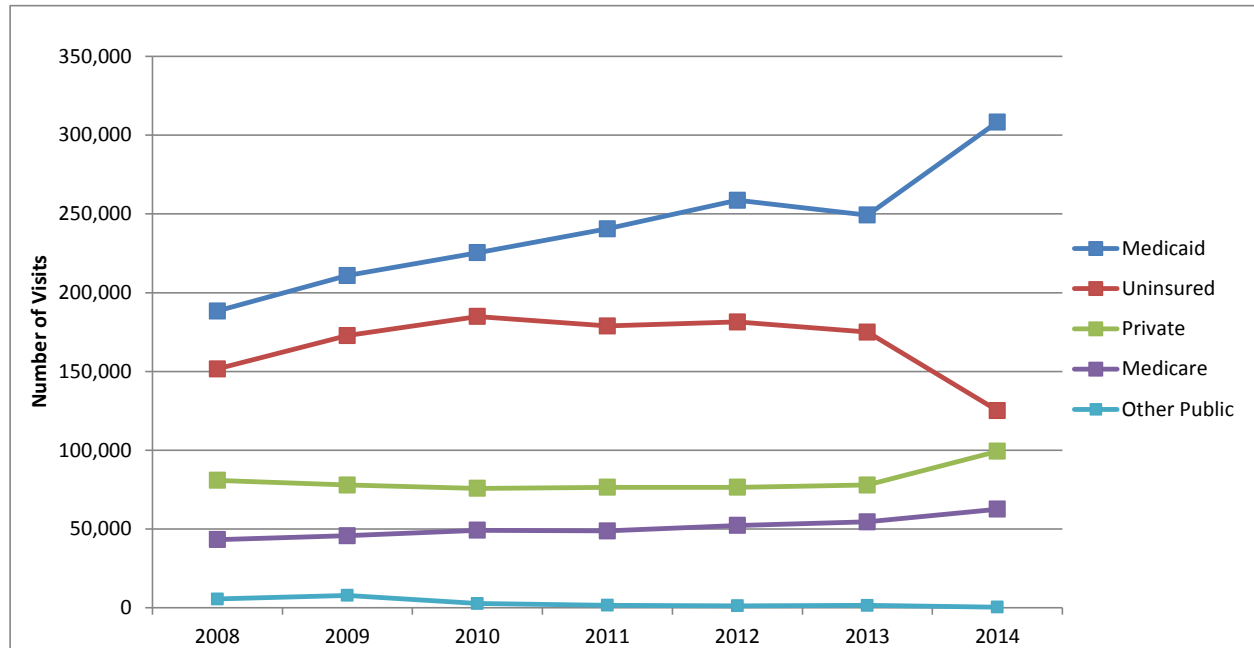
Provider Type	2008	2009	2010	2011	2012	2013	2014
Medical	609.7	682.2	688.6	725.6	755.1	738.1	871.8
Dental	132.7	158.8	167.7	186.3	189.5	194.0	202.8
Mental Health	44.0	54.2	66.2	79.7	119.2	120.2	135.0
Substance Use	7.7	7.3	8.3	10.0	17.4	18.7	21.9
<b>Total FTEs</b>	<b>794.1</b>	<b>902.5</b>	<b>930.8</b>	<b>1,001.5</b>	<b>1,081.2</b>	<b>1,070.9</b>	<b>1,231.5</b>

**SOURCE:** CHRT, using the HRSA Bureau of Primary Health Care Section 330 Grantees Uniform Data System, 2014.

### Changes in Coverage among FQHC Patients

Between 2013 and 2014, Michigan FQHCs experienced a substantial shift in the volume of Medicaid, privately insured, and uninsured patients. The number of Medicaid patients seen at FQHCs increased by 24 percent from 250,000 to more than 308,000 patients (representing more than half of all patients served in 2014). The number of privately insured patients increased by 28 percent, from 78,000 in 2013 to nearly 100,000 patients in 2014. In 2014, approximately 125,000 FQHC patients in Michigan (21 percent) were uninsured, a 28 percent decline from 2013. This was the lowest number and percentage of uninsured patients over the seven-year period. **FIGURE 4**

**Figure 4: Number and Proportion of FQHC Patients, by Coverage Type, Michigan, 2008–2014**



	2008		2009		2010		2011		2012		2013		2014	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
<b>Medicaid</b>	188,352	40.1%	210,891	41.0%	225,356	41.9%	240,545	44.0%	258,694	45.4%	249,279	44.7%	308,303	51.8%
<b>Uninsured</b>	151,613	32.3%	172,728	33.5%	184,890	34.4%	178,903	32.8%	181,448	31.8%	175,008	31.4%	125,195	21.0%
<b>Private</b>	80,813	17.2%	77,857	15.1%	75,786	14.1%	76,473	14.0%	76,461	13.4%	77,837	13.9%	99,312	16.7%
<b>Medicare</b>	43,199	9.2%	45,691	8.9%	49,134	9.1%	48,765	8.9%	52,227	9.2%	54,512	9.8%	62,533	10.5%
<b>Other Public</b>	5,480	1.2%	7,820	1.5%	2,681	0.5%	1,559	0.3%	1,179	0.2%	1,423	0.3%	341	0.1%
<b>Total</b>	469,457	100.0%	514,987	100.0%	537,847	100.0%	546,245	100.0%	570,009	100.0%	558,059	100.1%	595,684	100.0%

**SOURCE:** CHRT, using the HRSA Bureau of Primary Health Care Section 330 Grantees Uniform Data System, 2014.

### Changes to Number and Structure of Free Clinics in Michigan

Free clinics are nonprofit organizations that provide medical, dental, pharmaceutical, mental health, and other services to uninsured individuals by licensed volunteer providers for little or no cost. Between 2013 and 2014,



## Conclusion

Safety net providers are experiencing numerous changes – including demand, service mix, and insurance coverage – due to the ACA. Between 2013 and 2014, FQHCs in Michigan experienced an increase in demand for services and a growth in the number of delivery sites in the state. In 2014, FQHCs served more Medicaid and privately insured patients and fewer uninsured than any other time during the seven-year period due to changes in health coverage mix. Some free clinics in Michigan have evolved in response to changes in coverage for their patient population, including changing their structure or service scope to meet the evolving needs of their community. While there are fewer uninsured patients in the safety net population than there were prior to the ACA, FQHCs and free clinics will remain important providers of low-cost and free services for those who remain uninsured.

## Methodology

### FQHC and Free Clinic Data

Federally qualified health center data were obtained from the Health Resources and Services Administration (HRSA).<sup>13</sup> The number of patients and providers was collected for medical, dental, mental health, and substance use services. Medical staff included: physicians, nurses, nurse practitioners, physician assistants, and certified nurse midwives, while dental staff included dentists and dental hygienists. Both mental health and substance use providers were already categorized by HRSA into respective groups. Counts of delivery sites were provided by the Michigan Primary Care Association, based on the list of FQHCs and Look-Alikes listed in the HRSA delivery sites directory.

Free clinic data were obtained by collected historical data from Free Clinics of Michigan (FCOM) as well as current listings of free clinics on the FCOM website. Blue Cross Blue Shield of Michigan also provided historical data for their free clinic grantees between 2013 and 2014.

FQHC delivery sites and free clinics included in this analysis were in operation as of the end of the measurement year.

**Suggested Citation:** Peters, Claire, Fangmeier, Josh, and Udow-Phillips, Marianne. Safety Net Providers in Michigan: 2014. September 2015. Center for Healthcare Research & Transformation. Ann Arbor, MI.

<sup>13</sup> Health Resources and Services Administration, *Health Center Data & Reporting*. <http://bphc.hrsa.gov/datareporting/index.html>