Local Health Departments' Changing Role in Provision and Assurance of Safety Net Services

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Summary

The purpose of this study was to examine changes in local health departments' (LHDs) role in provision and assurance of safety net services and how these changes have been influenced by recent increases in Medicaid managed care. We drew a stratified, random sample of 340 LHDs and interviewed 255 of the directors of these LHDs. A majority of directors believed the uninsured often fall through the cracks in the existing system. They also believed that private providers alone cannot serve as a dependable safety net. Moreover, a majority of directors admitted that they do not have enforceable means of assuring access when they do not directly provide services. For these reasons, most LHDs continue to serve as safety net service providers.

All directors understood that LHDs need to perform core functions, but only a small minority (13%) believed LHDs should focus exclusively on the core functions and discontinue direct provision of personal health services. However, when directors were asked to assume that no one lacked health insurance, more than half of them (52%) stated that LHDs should discontinue direct involvement in provision of personal health services and focus exclusively on core functions. The other half of directors believed that even universal insurance would not eliminate the need for LHDs to directly provide personal health services for the uninsured. They explained in open-ended responses that LHDs provide unique personal health services and have developed unique skills and capacities for dealing with lower income groups, including immigrants and the homeless.

Recent trends, such as increased proportions of Medicaid recipients enrolled in managed care and increases in the number of uninsured, have weakened the capacity of many LHDs to directly provide safety net services. Over half (51%) of LHDs lost at least some Medicaid clients to private providers, generally due to increases in Medicaid managed care. As we hypothesized, LHDs that lost Medicaid clients to private providers were much more likely to have experienced

decreased Medicaid revenues and total revenues, decreased provision of services to the uninsured, and decreased accessibility of services for the uninsured.

As expected, loss of Medicaid clients was most likely in states with greater increases in the proportion of Medicaid recipients enrolled in Medicaid managed care. In their open-ended responses, directors generally attributed losses of Medicaid revenues and the resulting decreased capacity to serve the uninsured to the rise of Medicaid managed care in their area.

The majority of LHDs (67%) reported having no enforcement power to assure that under-served or vulnerable groups have access to quality services not directly provided by the LHD. And only about half of LHDs monitored or systematically assessed the accessibility and quality of those services to the uninsured and underinsured.