The Colorado Health Foundation™



ACA Leads to More Robust Care in San Luis Valley

For decades, residents of the vast San Luis Valley have found their way to basic health care services. No one was turned away. But many left emergency rooms and doctors' offices with no means to fill a prescription, no plan for handling a chronic illness or no way to pay for desperately needed specialty care.

In the wide and sometimes unforgiving landscape between the San Juan and the Sangre de Cristo mountains, the Affordable Care Act has deepened the health care experience for many.

"We're not caring for more patients, but we're giving more care for patients," said Gregory McAuliffe, MD, chief medical officer at San Luis Valley Health.

Integrated care, the provider fee and the ACA have combined to bring about changes that improve patient care. "All those pieces have made health care more robust than it was 10 years ago," McAuliffe said.

San Luis Valley Health employs about 650 and serves more than 46,000 people living in a six-county, 8,192-square-mile agricultural plain (nearly as large as New Jersey).

The flagship campus is a 49-bed hospital in Alamosa that provides medical/surgical intensive care, intensive care and obstetrical services. The emergency department sees more than 12,000 patients a year, and paramedic-staffed ambulance crews respond to approximately 2,400 calls annually.

In recent years, San Luis Valley Health expanded beyond the main campus to include Conejos County Hospital in La Jara, and five primary and specialty care clinics throughout the valley.

The partnership with Conejos County Hospital was a lifeline for the 17-bed, critical-care hospital, which, like many rural hospitals across the nation, was in a fragile financial position. Elsewhere in Colorado, small hospitals in remote places from Leadville to Holyoke struggle to shore up crumbling buildings or attract medical professionals. Some Colorado rural hospitals see up to 80 percent of their revenue from Medicare and Medicaid, which pay bare-bones reimbursement with no margin for error, according to the Colorado Hospital Association.

The American Hospital Association reports that nearly 40 percent of critical access hospitals – a designation for many isolated rural facilities – have negative operating revenue.

“(Conejos County Hospital was) smaller and their financials were much more vulnerable. They were facing significant change or closure,” said Konnie Martin, CEO at San Luis Valley Health. The merger also helped the regional medical center, she said, because it helped provided a bigger, integrated network.

Similarly, the inclusion of clinics helped both the center and the clinics. “We didn’t lose all of the providers and have to start over,” Martin said.

Improving the Bottom Line

With many services under one umbrella as well as an affiliation with Centura for advanced care, San Luis Valley Health readily provides integrated care that is conveniently located and relatively seamless for patients.

In addition, since the various facilities qualify for different types of payments, the organization benefits from a broad base of reimbursement formulas.

“We have a prospective-payment hospital (fee for service), a critical access hospital, provider-based clinics, provider-based rural health clinics and traditional fee for service,” Martin said. “We are using every opportunity to build the best

business model for our community to preserve care and build services.”

While integrated care benefits delivery of care and the organization’s finances, the provider fee allows for more comprehensive services to Medicaid patients. For example, a patient who would have received care only for an acute incident before the provider fee may now be eligible for follow-up and specialty care as well as prescriptions. Among the many changes brought by the ACA was expansion of preventive care and of health care insurance availability.

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>
> Konnie Martin, CEO, San Luis Valley Health

Continuous eligibility for Medicaid is now more common. In the past, Medicaid and insurance eligibility, and therefore coverage, went on and off. The situation was bad for both patients and the system. “Interrupted health care results in no health care,” McAuliffe said.

Over the past five years, San Luis Valley Regional Medical Center added specialty care in cardiology, oncology and neurology. In addition, services have been expanded in obstetrics and gynecology, pediatrics and orthopedics. Units that provide preventive services, such as mammography, are busier.

“We’re able to finance and provide services in a sustainable fashion for the patients,” McAuliffe said. Previously, he explained, “it was hit and miss. It was financially impossible to support those specialty services.

“On the other end, we had fewer people who had Medicaid who were able to access the services. It helped on both sides – both on the provider side and on the patient side,” he added.

Creating a Sustainable System

While integration of services, the provider fee and the ACA have allowed San Luis Valley Health to expand services, these changes have also brought challenges.

“The health care system itself is complex and the Affordable Care Act didn’t simplify it at all,” Martin said. “For the average consumer, regardless of what expertise they bring in the door, it’s hard to understand the system and get through it.”

To help ensure that valley residents receive appropriate health care coverage, Connect for Health Colorado selected the center to host a certified assistance site where residents can register in person for coverage, including potential eligibility for private insurance subsidies or Medicaid.

The site has been busiest, of course, during open season. It helped 1,179 applicants register for coverage in the first enrollment and 1,219 in the second. But even at other times assistance is available to help with problems.

Donna Wehe, San Luis Valley Health patient access manager, is painfully aware of a range of problems, including what she calls the “family glitch,” where a wife, for example, has coverage through an employer, but the expense of adding her husband would be prohibitive. The availability of the expensive coverage,

however, prevents the husband from qualifying for low-cost coverage through the marketplace.

Some residents need help understanding that an increase in income may also mean an increase in premiums or a bigger tax bill. Some need advice when they receive calls throughout the year urging them to switch their plans in the next open season. College students and unmarried couples expecting children present challenges, too.

“We really want to educate our patients,” Wehe said.



Making the ACA work in rural Colorado means patient care from doctors like Dennard Ellison.

The ACA has also brought complications for professionals. Some well-intentioned technology requirements waste time and money, even going so far as distracting doctors “from what they’re trying to do: care for patients,” McAuliffe said.

The payer mix has improved in the valley, but it is still challenging. The vast majority of patients who recently became eligible for health care coverage qualified for Medicaid instead of commercial insurance. For every patient who received private coverage through the exchange marketplace, 10 patients qualified for Medicaid, officials said.

“Medicaid is a far better payer than no payer,” Martin said. “But compared to our peers in urban areas, there’s a pretty drastic difference.”

According to Martin, the organization needs a bottom line, even if it is modest. “Even though we’re only talking about usually single-digit margins, they matter,” she said.

One reason for a balanced budget with a margin is the need to maintain and replace equipment and facilities. Failure to have a balanced budget with a margin for an extended time has contributed to the fragile finances of many rural critical access hospitals. “You get to a point where you don’t have anything left,” she said.

Another reason is that a sustainable budget is needed to recruit and train professionals. “We have to be able to demonstrate and give them confidence that we’re here for the long haul,” Martin said. Pay in the valley is competitive with that in urban areas, she added.

Integrated care, the provider fee and ACA help San Luis Valley Health maintain a modest return back into infrastructure and investment, according to Martin.

“My outlook for our organization and our community is a positive one,” she said. “We are strongly committed. We feel very invested in making sure the community has health care.”

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