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Covering the Gap – Spring 2023

Downtown Matthews, North Carolina, moves at a leisurely pace on sunny, spring Sunday mornings. The sound of birds chirping is interrupted by an occasional vehicle. A dog strains on her leash, eager to chase a grey squirrel scampering around and up the tree trunk that forms part of a bright green canopy over the town.

The streets surrounding and running through the area are lined with single and two-story brick buildings. Signs advertise law offices, dance studios, beauty parlors and financial services. An entire block of buildings, their brick painted white, windows and doors trimmed in forest green is home to a sprawling, labyrinth of an old-time hardware store. Across the street patio umbrellas are closed over the long wooden tables where people will gather and drink coffee, craft beer, wine or smoke cigars in the afternoon. Servers in black pants and white t-shirts bring plates laden with pancakes and steaming eggs to couples and families seated on the patio of a breakfast café. A toddler, face smeared with grape jelly, waves what remains of her biscuit in her clutched fist as her parents sip from heavy ceramic mugs.

Back-to-back with other local business and almost as abundant as the grey squirrels are the offices of a wide variety of medical practitioners. Pediatricians, dermatologists, chiropractors, massage therapists, podiatrists and an urgent care clinic are among the health services offered locally, all within walking distance of an expanding hospital that is part of Novant Health, a regional not-for-profit medical system.

At one end of the town park, sits another red-brick building. This weekend morning the brown benches underneath its overhanging roof and the sheltered driveway in front of its

entrance are empty and still. The rectangular white sign in front, features a stylized, colorful graphic of a family holding hands and walking towards the words, "Matthews Free Medical Clinic."

For almost two decades of growth, prosperity and rapid development in the area, neighbors earning low incomes and lacking insurance have turned to the clinic for care. In late March, a press release from Democratic Gov. Roy Cooper announced the signing of Bill 76, legislation to expand Medicaid. The state's Republican-majority senate and house of representatives had passed legislation allowing North Carolina to become the 40th state in the nation to expand coverage. An estimated 600,000 more North Carolinians will be eligible. Medical providers in Matthews are both excited and wary of the changes to come.

Amy Carr has been the Executive Director of Matthews Free Medical Clinic since 2011, one year before it moved from a small house a few blocks north to its current location. "I feel like every non-profit probably says this, but the goal is to work yourself out of a job. It is to help people get to a place where they don't need you any longer," Carr said.

Some of the clinic's patients will be in that place once the State's budget is passed. According to benefits.gov, an official website of the U.S. government, until expansion is enacted, current residents of North Carolina, with citizenship but who are not pregnant, a parent, blind disabled, less than 65 do not qualify for Medicaid regardless of their low income.

In an interview aired on PBS Newshour on Jan. 31, Republican State Sen. Phil Berger, once a fierce opponent of expansion, explained that he no longer objected because the federal government had a proven track of making its portion of payments, the public is supportive and

the person most likely to benefit was a single mom with one or two children who worked full-time, and not an able-bodied unemployed individual.

Because she sees the need for accessible healthcare every day, Carr is frustrated that this rationale has delayed coverage for people whose employers do not offer fulltime hours or health insurance for a decade. “Nearly 70% of our patients work,” she said. “It’s the people that are helping keep our economy going every single day, that are doing different jobs that we don’t even think about.”

Benefits.gov also indicates that children in a family of four with one parent working full-time and earning about \$20/hour may be eligible for Medicaid but their parents are not.

This is a population that concerns Sherry Kornfeld, owner of Early Bird Development Services. Kornfeld’s company offers physical, occupational, and speech therapy for children, birth to 21 years, in-home and in their clinic, which is a few blocks away from the small house where Matthews Free Medical Clinic was originally located.

Kornfeld said that about 50% of her patients have Medicaid and that she was excited when the bill to expand Medicaid was passed. “We have a lot of kids that their special needs are such that the parents just can’t keep a job. And then *they* don’t have healthcare so they can’t care for themselves,” she said.

Kornfeld believes that Medicaid expansion became palatable to politicians after the program was privatized in July of 2021. She described the process as, “giving a pot of money” to each member of a group of companies who were contracted to administer the Medicaid benefits in a specific region within the state, allowing the North Carolina government to budget for the expense.

The managed care structure concerns Rachel Milbourn, a clinical social worker whose practice, Sage Counseling and Consulting PLLC is a short walk from Early Bird's offices. Milbourn has also been hired by Elevance Health, the parent company of Anthem Blue Cross and Blue Shield, as a consultant on a project to develop an integrated behavioral health network for families in foster care.

Members of these families may move frequently, "What happens is any time you change regions, you change insurance companies," Milbourn said. "Even though it is Medicaid, what's offered in this region is not offered in this region."

To prevent disrupting medical and behavioral health treatments for these vulnerable foster families, Milbourn says Medicaid expansion will include a managed Child and Family Specialty Plan that will offer state-wide services.

The NC Medicaid page on NC's Department of Health and Human Services' website includes a Fact Sheet for recipients of Medicaid about the transformation to managed care. The first fact is that most patients will receive the same services as were offered in the old system, now called NC Medicaid Direct. The second is that some patients will remain with NC Medicaid Direct. The sheet also lists the name and phone numbers of the six companies currently contracted as administrators as well as contact information for the five companies that offer standard Medicaid health plans.

A 2021 study in the National Bureau of Economic Research's Working Paper Series examined the increasing popularity of managed care programs since the creation of Medicaid in the 1960s.

According to the authors, in 2016, the care of 80% of Medicaid recipients was administered by a Medicaid Managed Care contract. However, the traditional government-run system, known as fee-for-service persisted. The patients who remained in FFS typically had more complex medical needs. As a result, “despite the massive MMC enrollment growth, the majority of Medicaid spending remained in the FFS system.”

The study examines how older and/or sicker Medicaid patients fared after California required them to enroll in an MMC program. The authors conclude that more fragile patients in MMC programs used emergency departments more often, were transferred between hospitals more frequently and had an increased likelihood of dying.

Local providers can also point to one of North Carolina’s original managed care entities, Cardinal Innovations as reason for concern. The company was contracted to provide Medicaid services in Mecklenburg County, where Matthews is located. In November 2017 North Carolina’s then-Secretary of Health, Dr. Mandy Cohen ordered DHHS to temporarily assume control of Cardinal Innovations, citing, “recent unlawful actions, including serious financial mismanagement.”

The company’s leadership and board of directors were replaced, and a corrective action plan was put in place to address 13 issues including, “holiday parties held at high-end venues,” and “use of charter flights.”

Although aware of the mismanagement that has occurred in managed care, Milbourn is optimistic that the program being designed as part of Medicaid expansion will benefit foster families, “It can change the face of foster care in North Carolina and that’s huge.”

The outline of the Child and Family Specialty Plan is described in a concept paper posted on the NC DHHS website. The organization that will be contracted to manage this state-wide program will be required to deliver, “access to a broad range of physical health, behavioral health, pharmacy, long-term service, and resources to address unmet health-related needs.”

The plan will serve foster kids, their siblings, parents, guardians and custodians and encourage family members to provide care.

“North Carolina is moving to kinship-first placements because they are the most culturally competent.” Milbourn said.

She is impatient for the state budget to pass so that the process of changing foster care in North Carolina may begin.

Meanwhile Kornfeld and her staff at Early Bird are struggling with the extensive changes that have already occurred as Medicaid transitions to managed care, “Our administrative costs have tripled since July of 20,” she said. “Think about it. Let’s save money by instead of having one set of people being in charge of all of Medicaid, we’ll now pay seven administrative groups.”

She said that the proliferation of health plans and managed care programs had created an administrative burden that has caused many sole providers to close shop, “because they didn’t want to deal with it.”

In late February North Carolina Department of Health and Human Services announced a delay of the launch of Tailored Plans, a managed care program to, “serve people with complex behavioral health conditions, Intellectual/Developmental disabilities and traumatic brain injury.”

DHHS said the six month delay, until October, will allow the managed care organizations more time to contract with additional providers.

Kornfeld speculates that there were not enough providers signed up to support the previous launch, which had been scheduled for April 1.

“There’s so much fatigue from the providers from all these changes,” she said.

At Matthews Free Medical Clinic, Carr and staff are also preparing for changes, “We actually have a whole program surrounding health literacy for when a person is getting ready to transition to health insurance.”

Carr said that sometimes the transition does not go smoothly because patients develop a strong and trusting relationship with clinic staff, “We just try to share with them, you know, different options and tips for going in and developing that relationship if they can with those providers.”

She said that the wide range of services that are provided within the free clinic results in frequent visits, which helps staff get to know a patient.

“That one patient may come several times a month. They may come for blood pressure checks. We may be the only person or people that our patient speaks to that day,” Carr said.

Clinic staff also strive to get to know a patient’s individual situation to determine how to partner with the patient to improve their health. Carr says front desk staff, social workers, nurses and doctors will come together to share information and form a clearer picture, “what they share with the front desk is going to sometimes be different from [what they share with] nursing and their provider.”

Carr thinks that providing care in this collaborative manner also helps the clinic retain staff and volunteers. The clinic employs a paid staff of nine, which includes one full-time nurse practitioner.

“All of our medical doctors are volunteers. Our specialists, ancillary service providers, they’re all volunteers,” Carr said.

While the full plans for Medicaid expansion are debated and designed, some members of the medical community in Matthews are adopting a wait-and-see attitude.

Carr says she believes that there will continue to be a huge need for free clinics to serve vulnerable populations and neighbors whose income does not allow them to afford health insurance.

“The high, high cost of health insurance – I mean, in reality it is the second most expensive bill that people have behind their mortgage. It’s very, very expensive.”