



How Safe is Orange County's Health Care Safety Net?

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Introduction and Purpose

A series of focus group discussions among key informants, followed by a public Town Hall Forum, centered on Orange County's human services and social services safety net issues were conducted. These community discussions were intended to provide additional information for the development of this “white paper.” The purpose of this paper is to provide a foundation of information and summary research, which is intended to focus on Orange County health care issues to prepare CSU campuses to respond to a call for proposals for the SAFETY NET program, if funded by Learn and Serve America. “Learn and Serve America supports and encourages service-learning throughout the United States, and enables over one million students to make meaningful contributions to their community while building their academic and civic skills. By engaging our nation’s young people in service-learning, Learn and Serve America instills an ethic of lifelong community service (Source: Learn and Serve America). This paper will provide the foundational knowledge needed for an understanding of the current health care safety net for the underserved in Orange County and the county’s ability to sustain and enhance this through collaborative effort, funding, and volunteerism.

Meaning of “Safety Net” Terminology and Background

In the absence of universal health insurance, a health care “safety net” is the default system for the care of millions of low-income Americans with little or no health insurance as well as many in the Medicaid system (Institute of Medicine, 2000). Safety net health care providers are those who deliver a significant level of health care to uninsured, Medicaid, and other vulnerable patients. This system of health care institutions and providers is not well organized and varies significantly from community to community in an attempt to serve this “medically underserved population.” These providers include community clinics, health department clinics, public and private hospitals, private physicians, community agencies, and multiple other community resources.

The Health Resources and Services Administration under the U.S. Department of Health and Human Services (USDHHS, 2008) defines the term "medically underserved population" as a population of an urban or rural area designated by the Secretary as an area with a shortage of personal health services or a population group designated by the Secretary as having a shortage of such services.

The Health Care Safety Net Act of 2008 amends the Public Health Service Act to reauthorize appropriations for FY2008-FY2012 for health centers to meet the health care needs of medically underserved populations. Among the multiple items covered in this legislation are that it requires the study of the economic costs and benefits of school-based health centers and their impact on the health of students, including an analysis of the impact of such centers on underserved populations. This law also requires the establishment of a mechanism for the dissemination of initiatives, best practices, and other information that may assist health care quality improvement efforts in community health centers that serve medically underserved populations. It also mandates guidance on integrating health centers into State and local emergency response plans to better meet the primary care needs of populations served by health centers during public health emergencies. All of this research and resultant projects are to be funded through the grant process with over \$13 billion in new federal funding.

Health Care Reform: Patient Protection and Affordable Care Act (PPACA)

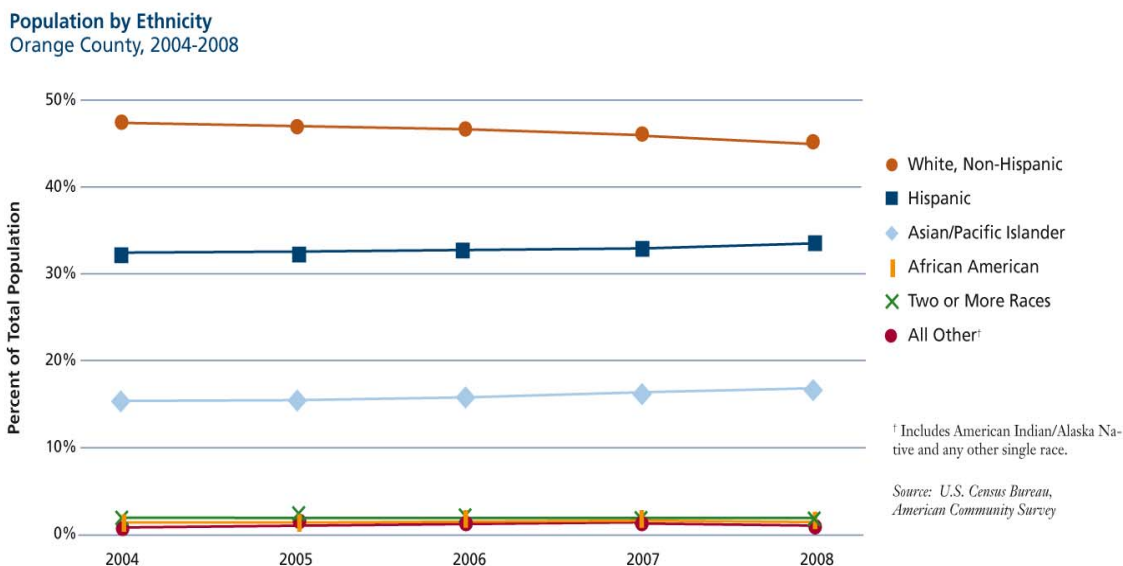
On March 23, 2010, HR 3590 (PPACA) was signed into law, however, the impact has not been fully realized because implementation has just begun and will continue through 2018 according to The White House health care website. The PPACA addresses multiple areas of reform, such as; preventive care, fighting to eliminate health disparities, control of chronic disease, and promotion of primary care for Latinos, African Americans, and Asian American and Pacific Islanders with increased coverage for seniors and families. Prior to 2018, the date of full PPACA implementation, the current safety net for Orange County will have to suffice for medically underserved populations.

Demographic Aspects of Orange County

Orange County, California, the third largest county in Southern California, includes 34 cities with suburban and coastal living. The population of Orange County is 3,139,017 (January, 2009), which is behind Los Angeles with over 10,000,000 and San Diego with a population of about 3,200,000 (Source: Orange County 2010 Community Indicators Project; *Orange County Health Needs Assessment, 2010*, p. 3.)

Racial and ethnic diversity (Source: *2010 Community Indicators Report*,; State of California, Department of Finance, Population Projections for California and Its Counties 2000-2050, by Age, Gender, and Race/Ethnicity):

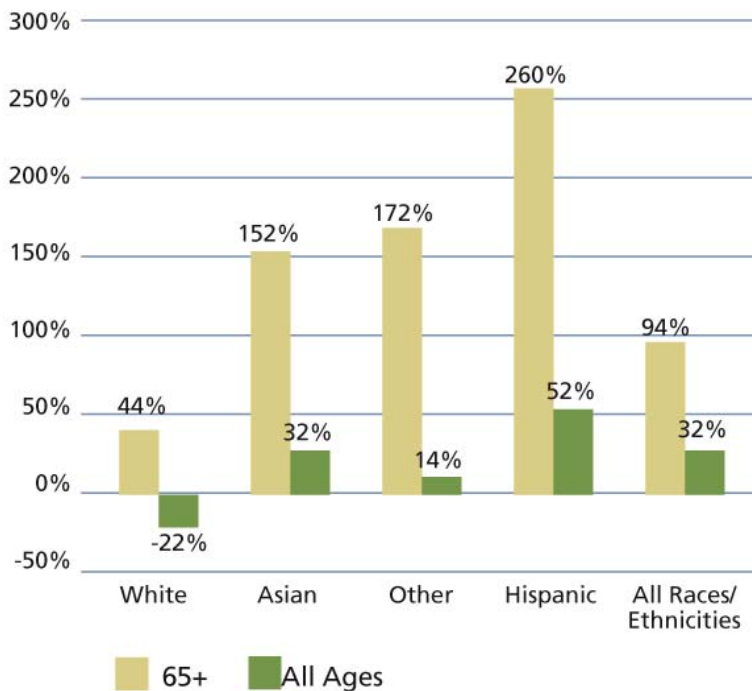
1. Orange County possesses significant racial and ethnic diversity
2. 46% of Orange County residents self-identify as non-Hispanic white, followed by 34% Hispanic (who may be of any race), and 16% Asian/Pacific Islander (*2010 Community Indicators Report*, p. 4.)
3. Slightly less than 2% of residents are African American, another nearly 2% are two or more races, and the remaining 0.6% are American Indian/Alaska Native or any other single race (*2010 Community Indicators Report*, p. 4.)
4. Thirty percent of the people living in Orange County in 2008 were foreign born (*2010 Community Indicators Report*, p. 4.)
5. 45% of Orange County's adult population speaks a language other than English at home, half of whom are bilingual (*2010 Community Indicators Report*, p. 4.)



Age: (Source: *2010 Community Indicators Report*; State of California, Department of Finance, Population Projections for California and Its Counties 2000-2050, by Age, Gender, and Race/Ethnicity):

1. In 2008, Orange County had a median age of 36 years, but great growth is projected for the older population (*2010 Community Indicators Report*, p. 5.)
2. 25% of the population was under 18 years and 11% were 65 years and older (*2010 Community Indicators Report*, p. 5.)
3. Projections from 2010 through 2050 anticipate a 94% increase in the older adult population, compared to a 27% increase among all ages (*2010 Community Indicators Report*, p. 5.)
4. Thus, the proportion of the population that is 65 years and older will increase from a projected 11% in 2010 to 22% in 2050 (*2010 Community Indicators Report*, p. 5.)

Projected Change in Older Adult Population Compared to All Ages, by Race/Ethnicity
Orange County, 2010-2030



Source: State of California, Department of Finance, *Population Projections for California and Its Counties 2000-2050, by Age, Gender and Race/Ethnicity*, Sacramento, California

Education (Source: California Department of Education; *Orange County 2010 Community Indicators Report*, p. 12):

1. Academic achievement is improving throughout the county and narrowing educational gaps.
2. The gap between the highest and lowest performing school districts (Irvine Unified and Santa Ana Unified) – is closing.
3. Approximately 40% of students countywide take the courses necessary to be eligible for UC/CSU enrollment, and this has not changed in the past 10 years.

Income (Source: *Orange County 2010 Community Indicators Report*; U.S. Bureau of Economic Analysis):

1. In 2007, Orange County’s per capita income of \$50,463 was higher than the state and national averages (*Orange County 2010 Community Indicators Report*, p. 24.)
2. Economists date the start of the recession as December, 2007, thus the 2008 per capita income figures may show weakening (*Orange County 2010 Community Indicators Report*, p. 24.)
3. Orange County’s cost of living was the third highest among peer regions, which are among the highest of the 300 metro areas analyzed, but cost of living has decreased in the past year due to recessionary factors (*Orange County 2010 Community Indicators Report*, p. 23.)

Current Economic Crisis – Impact on Orange County

The U.S. is currently experiencing the harshest financial crisis since the Great Depression. “California has been particularly hard-hit by the recession, and despite its diverse business climate, Orange County has not been spared bad economic tidings (as indicated by an increase in unemployment and home foreclosures, dwindling public resources, as well as other cutbacks by businesses). In addition, funding cuts enacted by the state government to resolve a staggering budget deficit have further added to the bleak economic landscape” (Source: Orange County Health Needs Assessment, Special Report, 2009, “*From Prosperity to Poverty: The Changing Conditions of Orange County*,” p. 1).

This report portrays a struggling economy with wide-ranging effects on Orange County residents.

Unemployment/Lack of Health Insurance (Source: OCHNA “*From Prosperity to Poverty: The Changing Conditions of Orange County,*” 2009)

1. “After years of positive gains in coverage among Orange County adults and children, **9.3%** of adults (18+) and **3.5%** of children (0-17) lacked primary health coverage in 2007 (p. 1).”
2. “In 2007, almost **60%** of adults who lacked primary health coverage were employed full-time, employed part-time, or self-employed (p. 1).”
3. “2008 data from the American Community Survey showed that **10.9%** of children and **19.1%** of adults lacked health coverage in Orange County. It is anticipated that these percentages will be higher in 2009 (p. 1).”
4. “Unemployment in Orange County has reached 9.6% and 12.1% in California, as of August 2009 (p. 2).”
5. “Medi-Cal (nationally referred to as Medicaid, and in Orange County, called Cal-Optima) enrollments have increased by **9.1%** since last year; in July 2008 the number of enrollments reached **308,489**, and in July 2009 the number of enrollments reached **336,707** (p. 2).”
6. “Enrollments in the Healthy Families (SCHIP) program have been steadily increasing; in July 2008, **82,470** individuals were enrolled in the program, and in August 2009, **85,064** individuals were enrolled (p. 2).” “The Healthy Families program, California’s State Children’s Health Insurance Program, extends low cost health, dental and vision care coverage to nearly 1 million low-and moderate-income children (18 and under). Well over **80,000** of Healthy Families recipients live in Orange County; they lacked private health care coverage, but did not qualify for no-cost Medi-Cal and are U.S. citizens, nationals or qualified aliens residing in California (p. 16).”
7. “From July 2006 to July 2009, the number of MSI members has almost doubled (from **14,763** to **28,603**) (p. 2).” “The Medical Services Initiative (MSI) program is a county-funded safety net program that provides medical care to Orange County’s medically indigent adults (21 to 64 years) previously

covered by Medi-Cal. Services are limited to medically necessary treatments that protect life and/or prevent impairment in health status or function (chronic conditions or medical traumas) and are offered for a period of 12 months at a time (p. 17).”

8. “More Orange County families may turn to community clinics for low-cost primary health care (p. 2).”

Middle Class Move to Poverty

As jobs and health insurance losses continue to rise in the current economic crisis, it is readily apparent that for many, especially those who have experienced only a middle class lifestyle, this is a new and terrifying experience, and the health safety net may be their only option. Community clinics and other resources are currently experiencing these new faces in their service areas, which increases the burden on the current safety net system.

Crime Rates/Domestic Violence

The research data verify the positive correlation between economic instability and increased levels of child abuse and domestic violence. In Orange County, the number of reported child abuse cases increased (23,321 to 29,055) from 2006 to 2008 (Source: OCHNA Special Report, 2009, “*From Prosperity to Poverty: The Changing Conditions in Orange County*,” p. 34). Family violence of any type has an impact on the whole family and the society in which they reside. The physical and mental health costs are considerable in the immediacy and may become long lasting for the individuals involved, and increase the burden on the current safety net system.

Decrease in Grants and Donations for Community Health Resources and Care

The National Philanthropic Trust (NPT) indicated that charitable giving grows about one-third as fast as the stock market, which is currently reeling from a severe financial crisis, thus charitable giving is diminished. For the health sector, average rates of growth in giving were positive but historically do not increase during recessions. It can then be reasoned that if donations to the health related community clinics and resources are more likely to remain static during recessionary times, any increased demand for their services would become unsustainable without added funds. Previous data in this report verify that the safety net for Orange County cannot

be sustained at the current level without more funding through grants, donations, and volunteerism.

Current Safety Net Resources in Orange County

1. Community Clinics (Source: OCHNA Special Report, 2009, “From Prosperity to Poverty: The Changing Conditions in Orange County”, p. 19)

Community health centers make up a significant portion of the health care safety net and are becoming increasingly important as more individuals face economic obstacles, which is seen in increased utilization trends. These community health clinics are often viewed as the primary setting for health care due to the affordability and quality of the services provided. “In Orange County, there are over 30 free and/or low-cost clinics, with five of them offering dental services for both children and adults. In addition, there are 16 public clinics which meet specific needs, such as birth control, pregnancy testing, childhood immunizations, physical examinations for teens and children, refugee health services, etc.”

Encounters in Select Orange County Primary Care Clinics, 2006-2008*			
Select Orange County Primary Care Clinics	2006	2007	2008
Clinica CHOC Para Ninos	22,627	24,161	27,226
Laguna Beach Community Clinic	15,579	15,787	16,714
Nhan Hoa Comprehensive Health Clinic	21,580	23,343	27,411
Planned Parenthood/Orange and San Bernardino Counties Costa Mesa	12,641	13,272	18,633
Share Our Selves Free Medical Clinic	16,064	18,679	20,367
Sierra Health Center	30,388	21,365	22,374
VNCOC Asian Health Center	9,334	10,764	15,168

*Utilization Trends - Encounters in Select (2008 total = 46) Orange County Primary Care Clinics, 2006-2008
(Source: Office of Statewide Health Planning and Development, Healthcare Information Division, State of California, Primary Care and Specialty Clinics Annual Utilization Data for 2006, 2007, and 2008.)*

2. Orange County Healthcare Agency Clinics

In addition to the above community clinics, there are a total of 3 clinics (Santa Ana, Westminster, and Buena Park) which provide medical care under the direction and control of the Orange County Health Care Agency.

3. Public and Private Hospitals, Physicians

Both Orange County's Cal-Optima and Medical Services Initiative (MSI) programs contract out for their member's health services with both public and private hospitals, private physicians, and the community clinic network. It follows that with the current strain on the economy, increased utilization trends will be expected for these hospitals and physicians servicing this population, thus even this group of providers (as members of the safety net) will face uncertain futures.

Greatest Assets in Health Care and Health Care Reform Projections

The safety net focus group identified the following categories as assets in Orange County health care:

1. The safety net health care providers are innovative as they attempt to achieve "more with less" in this period of fiscal constraint.
2. The safety net health care providers possess core values, which present as an altruistic approach in the service of their clients, thus "client focused."
3. In the MSI program, only about 29% of those who qualify are currently utilizing the system, thus it is reasoned that these individuals are seeking out other resources with some success, such as family, friends, etc., so this spares available resources for others in need (Source: Personal Communication, Dan Castillo, MSI program.)
4. Healthy people contribute to the Orange County economy, thus validating the need for and support of the health care safety net providers.
5. Growing ethnic diversity in Orange County has encouraged ethnically sensitive health care efforts to serve Asian/Pacific Islander and Latino/Hispanic populations through specialized clinics and personnel.
6. Efforts at coordination of care and resources are increasing to stabilize the safety net in Orange County, such as the work at "2-1-1 Orange County," a non-profit organization which offers a comprehensive information and referral system linking

Orange County residents to community health and human services and support. Callers seeking assistance can dial 211 (toll-free) 24 hours-a-day and be connected to trained, multilingual Information and Referral specialists. This organization's services are similar to the "9-1-1 medical emergency" service, and supported by a massive database of health resources and personnel (Source: ("2-1-1 Orange County".))

Greatest Challenges in Health Care for Orange County

Through both health care safety net focus group discussions and research of the issues, the following areas of challenge were identified:

1. Lack of access to culturally sensitive health care was clearly targeted as a challenge for Orange County medical providers with 54% of Orange County residents self-identifying as other than the previous majority of non-Hispanic white (U.S. Census Bureau). Of the 46 individual clinics in the community clinic system in Orange County, only two specialize in Asian/Pacific Islander health care with the residual offering specialized or at least some services for the Latino/Hispanic population. Providing culturally sensitive and competent health care is more than just overcoming linguistic barriers. It includes working within the cultural context of an individual to achieve positive health outcomes, and this requires medical staff and resources that have received this additional training. With increasing need and decreased financial subsidies, the current level of care is not sustainable in Orange County.
2. Improved mental health care with enhanced behavioral outcomes was clearly identified as a need for Orange County by the focus group, however, when surveyed on the reason for their inability to access the treatment or counseling that was recommended for them, 26.3% of Orange County adults identified cost and lack of insurance coverage as a major barrier (*"Piecing Together Orange County's Mental Health Outlook,"* OCHNA, 2009, p. 12, 13). Also, the responsibility for mental health care (as a result of the 1963 Community Mental Health Center Act) has spread the responsibility across multiple agencies and sectors, which places a greater burden on families and consumers. The mental health care system is complex to navigate, thus the health care safety net must bridge the gap for these underserved populations.

In Orange County, 16.3% of adults reported concerns about their mental, emotional, or behavioral problems in the previous year (OCHNA, 2009, p. 5).

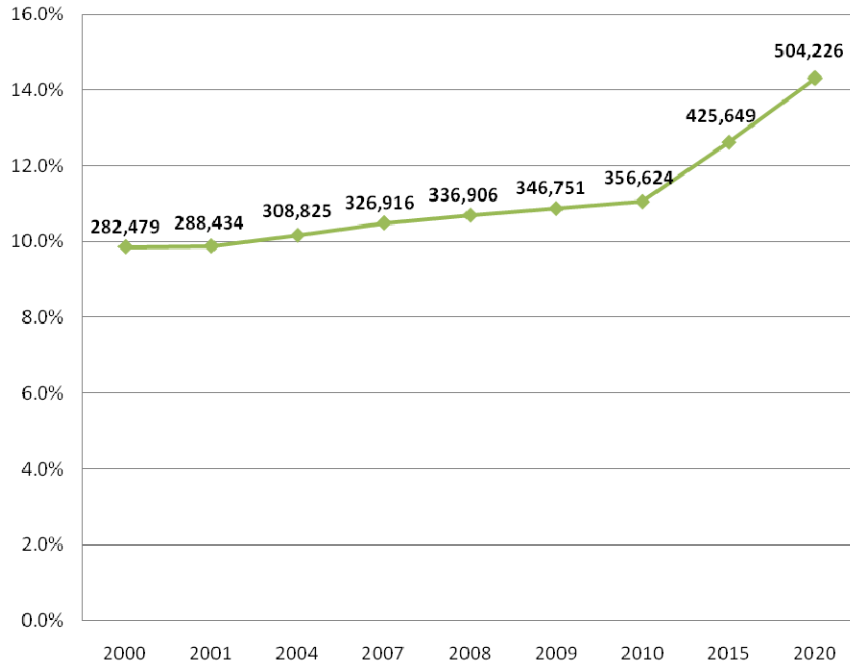
3. Negative Health Outcomes Due to Obesity Epidemic – Impact on Safety Net

According to 1999 to 2002 data from the National Health and Nutrition Examination Survey (NHANES), and several studies have demonstrated that the burden of obesity is disproportionately borne by the economically and socially vulnerable. African Americans and Mexican Americans have higher rates of obesity than do comparable Whites. The 1999–2002 NHANES data indicate the prevalence of overweight or obesity to be 63% for White adults, 70% for Black adults, and 72% for Mexican American adults (Trotter, Bowen, and Beresford, 2010). It has also been shown that individuals with a lower socioeconomic position have been shown to be at increased risk for obesity related diseases, such as diabetes, cancer, and cardio-vascular disease, which is a fact that would potentially burden the Orange County safety net resources for years in the future.

4. Aging Population Increasing – Impact on Safety Net Resources (Source: *Growing Older in Orange: A Report on Older Adults*, OCHNA, 2010, p. 4)

“In 2000, an estimated **9.9%** of the Orange County population were adults 65 years of age and older. In 2010, the population of adults 65 years and older increased to **11.1%**. In 2020, it is projected that more than **14.0%** of the Orange County population will belong to the 65 and older category. Much of the projected growth can be attributed to the aging —baby boomer population, consisting of individuals born between 1946 and 1964 as defined by the U.S. Census Bureau. In 2007, there were an estimated **311,754** adults between the ages of 55 and 64 in Orange County.” As this elder population increases, so also will the diagnosed cases of Alzheimer’s disease, cardio-vascular disease, diabetes, arthritis, cancer, and other related conditions with “aging” as a non-controllable risk factor. These are chronic diseases with increased costs associated with quality of care issues, thus further taxing the O.C. health safety net.

Proportion and Number of Adults 65+ in Overall O.C. Population, 2001-2020¹



Source: State of California, Department of finance: Race/Ethnic Population with age and Sex Detail, 2000-2050. (Graph printed with permission, OCHNA, “Growing Older in Orange County: A Report on Older Adults,” P. 4.)

5. Limited Orange County Budgets – Impact on Safety Net

Due to the uncertainty of the State of California budget capabilities in this continuing economic recession, it is not reasonable to assume that the financial woes will resolve in the immediate future without intervention, thus Orange County has developed strategic plans to address their own health care needs. “Orange County is the largest municipal area in the United States without a county hospital and has more Medicaid beneficiaries than in 16 states. For uninsured and underinsured families in the County, the safety net of health services is a critical lifeline” (Source: Health Funder’s Partnership of Orange County).

Although originally founded in 1999, the collaborative model, Health Funder’s Partnership of Orange County, intended to improve local health by enhancing the impact and efficiency of health philanthropy and health service delivery by forming the Safety Net Coalition in 2004. “Over 40 organizations came together and continue to collaborate in the development of strategic interventions to create and sustain a

comprehensive health care safety net for the most vulnerable members of our community” (Source: Health Funder’s Partnership of Orange County).

“As a result, Access OC and the Children's Health Initiative of Orange County were established and \$51 million in federal funding was obtained to expand and enhance the Orange County Health Care Agency Medical Services Initiative. In July 2008, the Health Funders Partnership of Orange County, in association with the County of Orange Health Care Agency and the Coalition of Orange County Community Clinics, launched the Primary Care Initiative. The focus is to provide a strong and effective, financially stable primary care system that supports the health care needs of low income residents” (Source: Health Funder’s Partnership of Orange County.)

Next Steps Identified

1. Improve Access to Care (Elderly, Families, Uninsured)
2. Address Health Disparities – Multi-Cultural Approach
3. Develop Strategic and Collaborative Approaches to Integrated Health Care System

Conclusion

This paper provided the foundational knowledge and summary research required for an understanding of the current health care safety net for the underserved populations in Orange County, California. Based upon the Town Hall Forum and discussions with key informants in the health care delivery system, this collaborative effort explored issues of sustainability of the current system. Crucial topics of health care reform legislation, the Health Care Safety Net Act of 2008, and current systems of financial subsidy, such as Medicare, Medicaid, MSI, volunteer, and philanthropic efforts were discussed. Recessionary economics further heighten the gravity of sustainability in Orange County as jobless rates increase, and health insurance disappears as more of the middle class are introduced to poverty. While Orange County possesses many assets to remediate the less than positive outlook, such as innovation, and a sense of collaboration in medical providers of primary care and hospital care, the focus group still identified projected impediments in their sustainability analyses. Challenges in Orange County health care delivery include; limited access to culturally sensitive health care with an increasing culturally diverse population, need for improved mental health outcomes, rising obesity epidemic with chronic disease

consequences, and an increasingly older population with accompanying chronic disease diagnoses. Strategic and collaborative approaches to an integrated health care system were consistently stated as the method of approach for Orange County's ability to sustain and enhance quality health care for underserved populations. State and federal health care reform, although started, will be slowly phased in through 2018, thus it is incumbent on the Orange County concerned citizenry and health care leaders to design caring, innovative, and cost effective health care for its own population – a humanistic endeavor that also produces a healthy workforce to stimulate the economy.

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