Funding for HIV Services in the Era of Health Care Reform

Recent changes to the national health care system—and its impact on traditional funding streams for HIV prevention and care services—have compelled community-based organizations (CBOs) to evaluate their financial sustainability and infrastructure. At the same time, both public and private insurers now recognize the clinical and economic value of HIV testing and related prevention interventions. Reimbursement by these various insurers, through a mechanism known as “third-party billing,” is now a potential revenue source for HIV service providers.

Definitions: Medicaid is the nation’s largest health insurance provider and offers coverage to low-income people. The Affordable Care Act (ACA) expanded Medicaid coverage to many people who were previously uninsured. However, the ACA left to individual states the choice of whether and how to expand Medicaid coverage within their jurisdictions. Medicare is a federal insurance program that provides healthcare to people ages 65 years or older as well as all people with permanent disabilities. Private insurance is available to individual consumers through the marketplace established by the ACA, direct purchase, and employer programs. If your agency’s clients are not insured, it may be worthwhile to help clients obtain insurance.

Sustainability Resources: Capacity for Health, a program of the Asian and Pacific Islander American Health Forum, conducted a national assessment to evaluate the effect of health care reform on HIV service providers and their readiness to adapt to these changes. Their findings are available in the HIV/AIDS ASO and CBO Stability and Sustainability Assessment Report. The TARGET Center discusses this report and related recommendations in a webinar presentation, Sustainability: The State of HIV/AIDS Service Organizations, and provides relevant information on health care reform for frontline HIV workers in a four-part webinar series, We Can Do It! Finally, ETR’s Community Impact Solutions program developed a webinar series that explores the opportunities and challenges for HIV service provision created by this new health care and funding reality.

Self-Assessment Resources: Although health care reform has created new opportunities to collect payment for HIV-related services, the ability to take advantage of these opportunities—to bill and receive reimbursement—may require CBOs to undertake significant and, in some cases, prohibitive adjustments to existing infrastructure, service provision, and even organizational mission.

Many resources exist to assist CBOs in sustainability assessment and strategic planning, including capacity-building assistance from the CDC’s Capacity Building Branch. Other resources include: the U.S. Department of Health and Human Services’s Managed Care Readiness: A Self-Assessment Tool for HIV Support Service Agencies; the TARGET Center’s Organizational Self-Assessment Tool: Identifying Opportunities to Expand Contracting and Reimbursement from Insurance Plans; and the TARGET Center’s Sector Transformation and Organizational Sustainability.

Options for Shifting Organizational Direction

Most experts who have examined this issue agree that there are three possible responses available to HIV service CBOs. AIDS United has captured these options within the phrase “merge, grow, or go.” What follows is a description of each of these responses with a list of additional resources to help you decide which direction is right for your agency.
Option 1: Grow

Expand your agency’s internal capacity in order to meet the programmatic, financial, and administrative conditions needed for reimbursement. This option may require fundamental changes to your operational structure, including personnel, data management, and even service provision. It may also necessitate applying for special federal designation to receive reimbursement by Medicaid and Medicare or contracting directly with insurers for inclusion in their service provider networks. This option is more easily achievable by CBOs that are already licensed medical clinics, for example, those that provide family planning, sexually transmitted disease testing and treatment, or other services to medically underserved populations. Further, to implement this option, agency staff responsible for service delivery and billing will have to meet state-specific requirements to be considered “qualified providers.” Under this option, certain CBOs can remain stand-alone agencies, but meeting required standards will likely involve a substantial investment of capital and human resources.

Resources on Organizational Expansion: The HIV Medicine Association published a resource on Health Care Reform & Essential Community Providers. Two additional resources offer insight on expanding services to include qualified health care provision: the U.S. Department of Health and Human Services’s webpage on the requirements and process necessary to become a Federally-Qualified Health Center; and the National Association of Community Health Centers’s So You Want to Start a Health Center...? A Practical Guide for Starting a Federally Qualified Health Center. Two other resources offer information about contracting with state and private insurance carriers: the National Technical Assistance Center for Contracting and Reimbursement Expansion with Medicaid and Marketplace Insurance Plans’s 8 Essential Actions for Expanding and Implementing Contracting with Medicaid and Marketplace Insurance Plans; and Health HIV’s Health Insurance Contracting for HIV Prevention and Wrap-around Service Providers.

Option 2: Merge

Create some form of strategic alliance. For many CBOs, especially those with limited resources or those that do not already provide medical services, the decision to “grow” may not be realistic. Creating a strategic alliance could involve contracting with a medical clinic to assist the clinic in providing culturally competent care or recruiting hard-to-reach populations, or it could mean merging with another service agency in order to combine resources, streamline operations, or expand community reach. The desired outcome of such alliances is that the entity with which you partner or merge benefits from your agency’s experience, credibility, and connections with special target populations or modes of care. At the same time, your agency benefits from using the partner’s billing infrastructure and other funding mechanisms to finance your service operations.

Resources on Creating a Strategic Alliance: HIVHealthReform.org produced a webinar, Pathways to Collaboration, which outlines a course for integrating CBOs into Patient Centered Medical Homes and Medicaid Health Homes. The National Center for Innovation in HIV Care produced a webinar, Organizational Change to Strengthen the Continuum of Care for PLWHA, which highlights the experiences of two CBOs that chose to merge with other AIDS service organizations. MAP for Nonprofits and Wilder Research have published What Do We Know About Nonprofit Mergers?, a document that explores why and how nonprofits merge, including the effects on the agency and its staff and services before, during, and after a merger.

Option 3: Go

Leave the field of HIV service provision. If neither growing nor merging will allow your agency to remain sustainable or to do so in a way that is consistent with the mission of your organization, key stakeholders in your agency and the community it serves need to consider what role your agency can play in the future. This may result in changing your mission, taking on new services or a new client population less directly related to HIV, or, even, closing your organization. In all of these instances, there are helpful models for transitioning current clients to other providers in order to ensure continuity of care.

Resources for Leaving the Field: The National Center for Innovation in HIV Care’s webinar, Asking the Tough Questions: Self-Assessment toward Growth vs. Responsible Closure, can help you consider whether closing or shifting makes sense and, if so, how to do it in the best way possible.
Bottom Line

In the face of new opportunities and challenges, HIV CBOs must consider, and likely implement, reimbursement systems in order to sustain future service provision. The capacity and infrastructure necessary to execute this change may require significant organizational restructuring and development. Those HIV service agencies most likely to withstand these changes will be those that are open to new models of service delivery, funding, and collaboration.

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Link References

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Definitions


Sustainability Resources


Self-Assessment Resources


Option 1: Grow


“requirements and process necessary to become a Federally- Qualified Health Center”: Human Resources and Services Administration, “Program Requirements,” http://bphc.hrsa.gov/programrequirements/index.html


Option 2: Merge


Option 3: Go