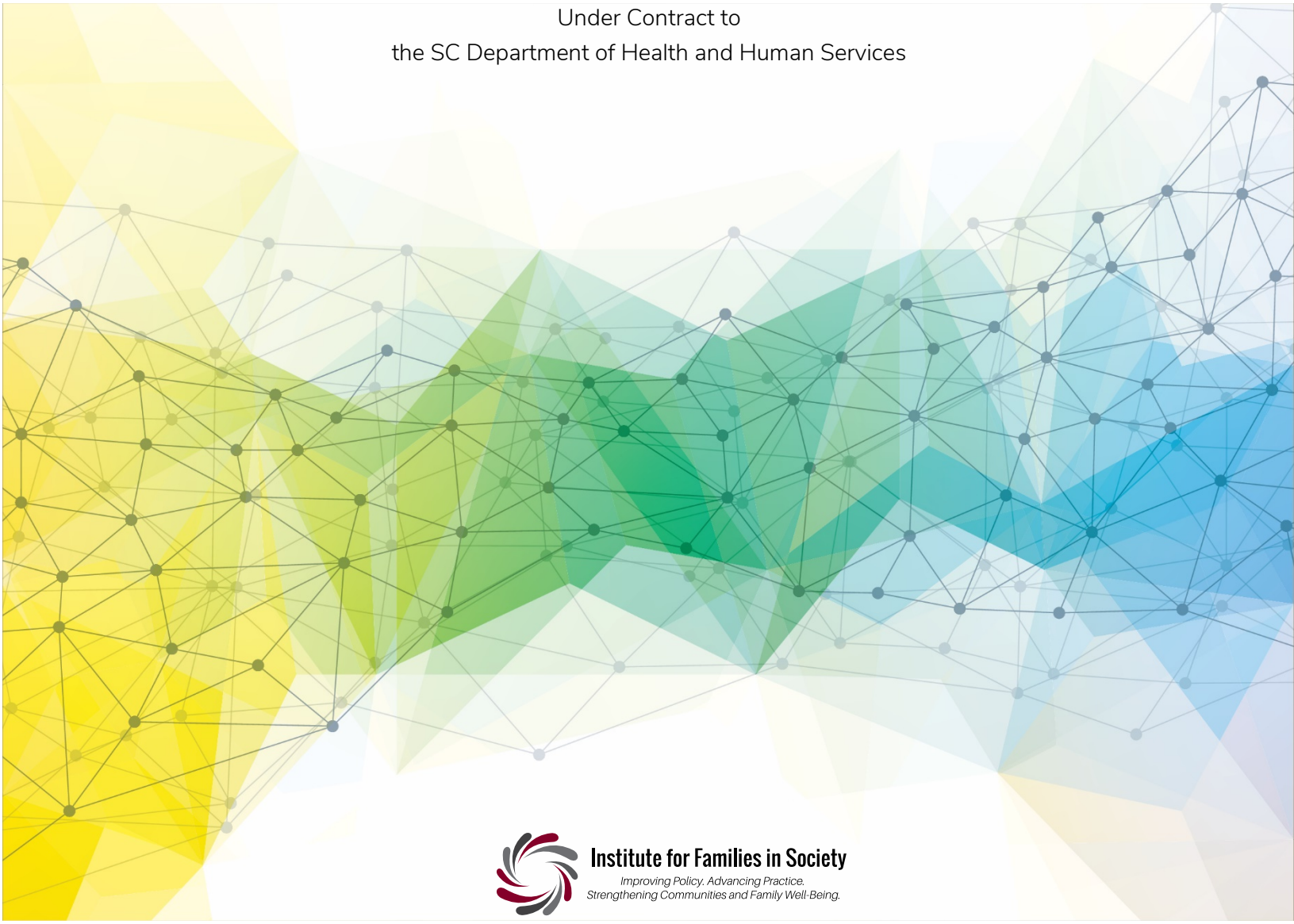
SC Legislative Safety Net Proviso Report

Developed by the University of South Carolina Institute for Families in Society

Under Contract to

the SC Department of Health and Human Services



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The submission of this report was delayed in order to allow for availability of 2018 census data and other data elements to assess safety net providers and the populations they serve.

INTRODUCTION

This section provides information on the definition and relevance of South Carolina's urban/suburban/rural continuum, highlights general population trends, and identifies key characteristics of the South Carolina Medicaid fee-for-service (FFS) population. With a population of over 4.8 million residents, South Carolina is the 23rd most populous state in the U.S. and the 40th largest state in terms of geographic area. It is comprised of 46 counties totaling 32,000 square miles (roughly 20 times larger than Rhode Island and half the size of Wisconsin and of Florida). South Carolina has 67 Medically Underserved Areas with more than 95% of the population living in a Primary Care Health Professional Shortage Area (HPSA), 66% living in a Mental Health HPSA, and 61% living in a Dental Care HPSA.

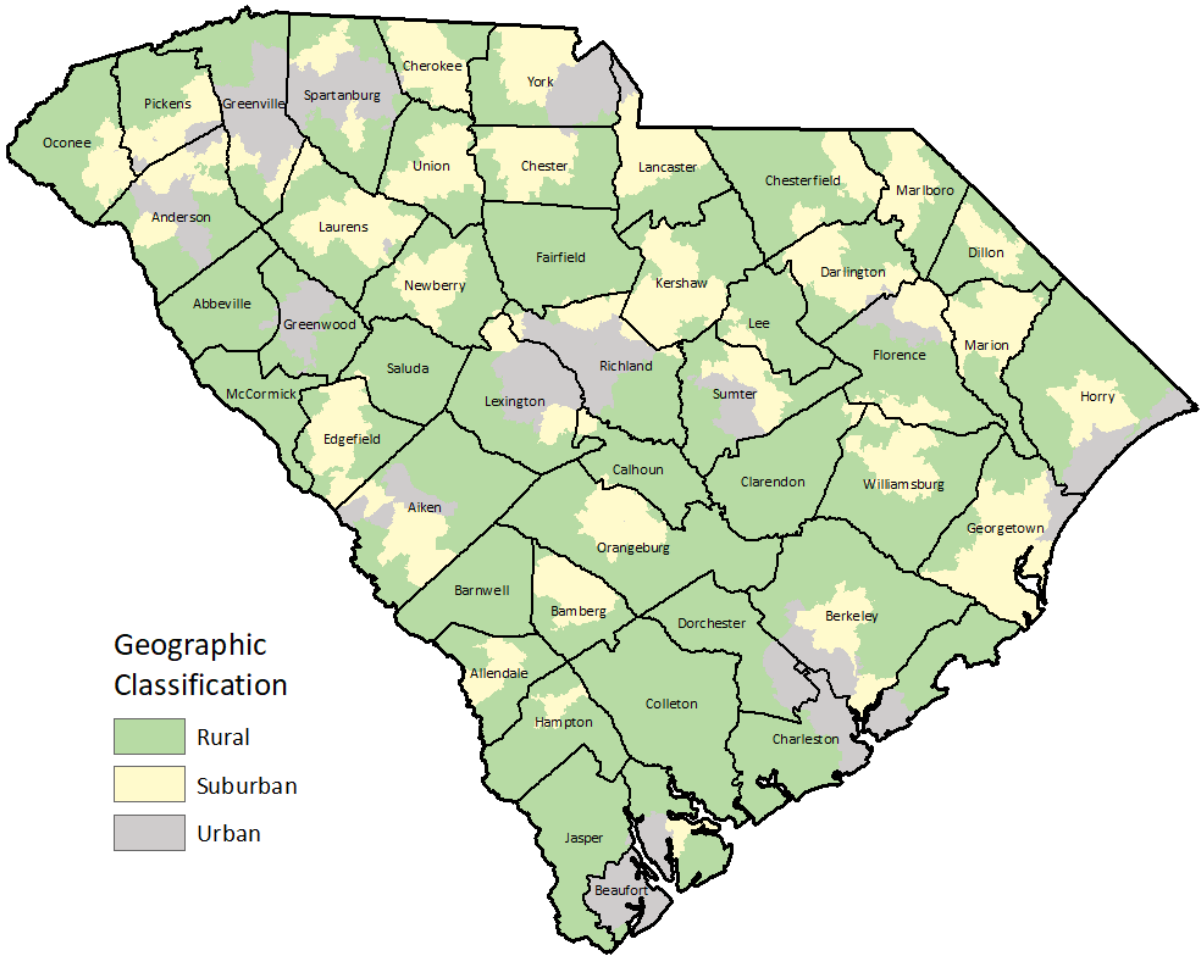
South Carolina has 65 general acute care hospitals. Neighboring states, North Carolina and Georgia, have 25 and 21 acute care hospitals, respectively, in counties bordering SC. These hospitals, along with a network of 167 in-state Federally Qualified Health Centers (FQHC) provide critical healthcare services for SC residents. Further details about the South Carolina urban/suburban/rural continuum, general population trends, and Medicaid FFS population characteristics appear in the sub-sections that follow.

SOUTH CAROLINA'S URBAN/SUBURBAN/RURAL CONTINUUM

Geographic access to care can be quite different in large urban centers, suburban areas, and remote rural regions. Distinguishing urban, suburban, and rural areas in South Carolina provides greater ability to discern important geographic differences in healthcare accessibility for South Carolina Medicaid FFS enrollees.

The U.S. Census Bureau classifies all individuals in the nation as either "urban" or "rural" residents. Those living in census-designated urbanized areas of 50,000 or more people or urban clusters of 2,500 to 49,999 people are classified as "urban." All other residents are classified as "rural." Based on this definition, Institute for Families in Society (IFS) has developed a geospatial classification system specific to South Carolina to distinguish urban, suburban, and rural ZIP Code Tabulation Areas (ZCTAs) in the state. ZCTAs are Census enumeration units that spatially approximate United States Postal Service (USPS) 5-digit ZIP Code mail delivery areas. The IFS classification system reflects the level of urbanization (i.e., the relative mix of urban and rural residents) in each of the state's 424 ZCTAs. In this 3-class taxonomy, urban/suburban/rural classes are specified as follows: **Urban**: greater than 72.5% urban; **Suburban**: between 43.0% and 72.5% urban (inclusive); **Rural:** less than 43.0% urban. See Figure 1.

Figure 1. *Urban, Suburban, and Rural ZIP Code Tabulation Areas in South Carolina*

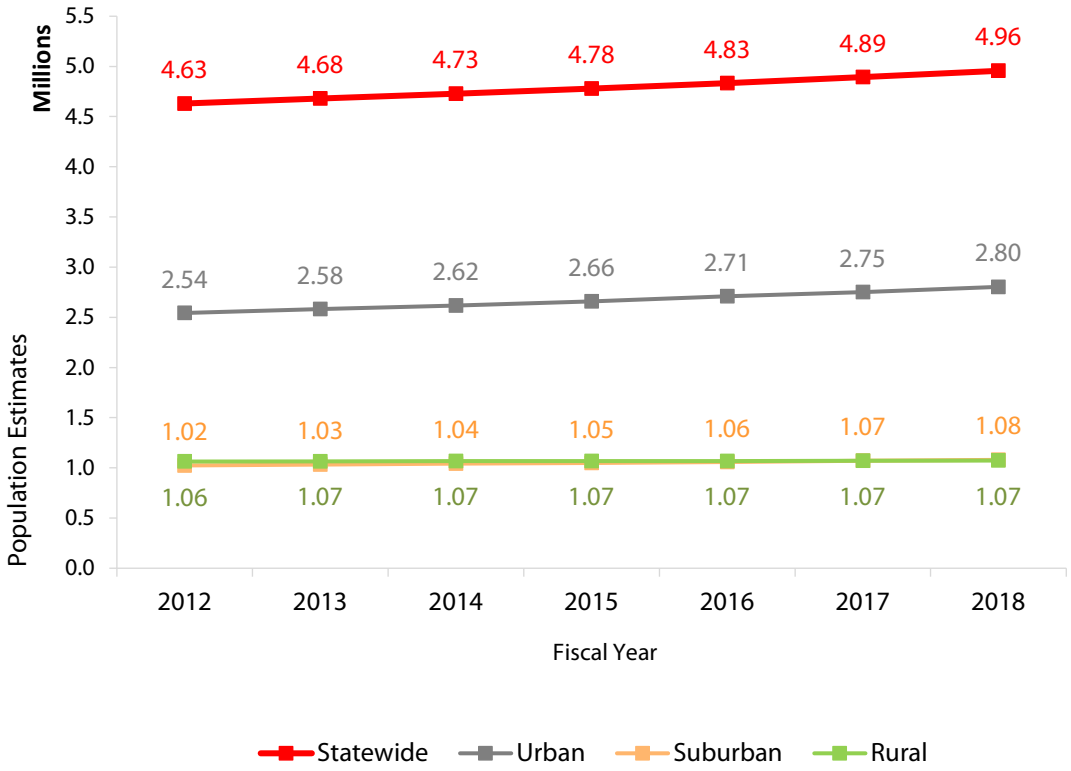


SOUTH CAROLINA GENERAL POPULATION TRENDS, 2013 TO 2018

An examination of general population trends in South Carolina provides context for the assessment of the state's Medicaid FFS population and can inform planning for future population change (growth or decline) across the urban/suburban/rural continuum.

Based on U.S. Census Bureau/American Community Survey (ACS) 5-year estimates, the state's total population rose from roughly 4.68 million in 2013 to 4.89 million in 2017, an increase of approximately 4%. During this time, the greatest absolute population growth (~170,000 individuals) and relative growth (~7%) occurred in urban areas of the state (Figure 2).

Figure 2. *Total Population in South Carolina, 2013 to 2018*



Slower population growth occurred in suburban (~4%) and rural areas (<1%). While the rural adult population increased by more than 2% from 2013 to 2018 (Figure 3), the child population in rural areas decreased by about 4% (Figure 4).

Figure 3. *Adult Population (Ages 18+) in South Carolina, 2013 to 2018*

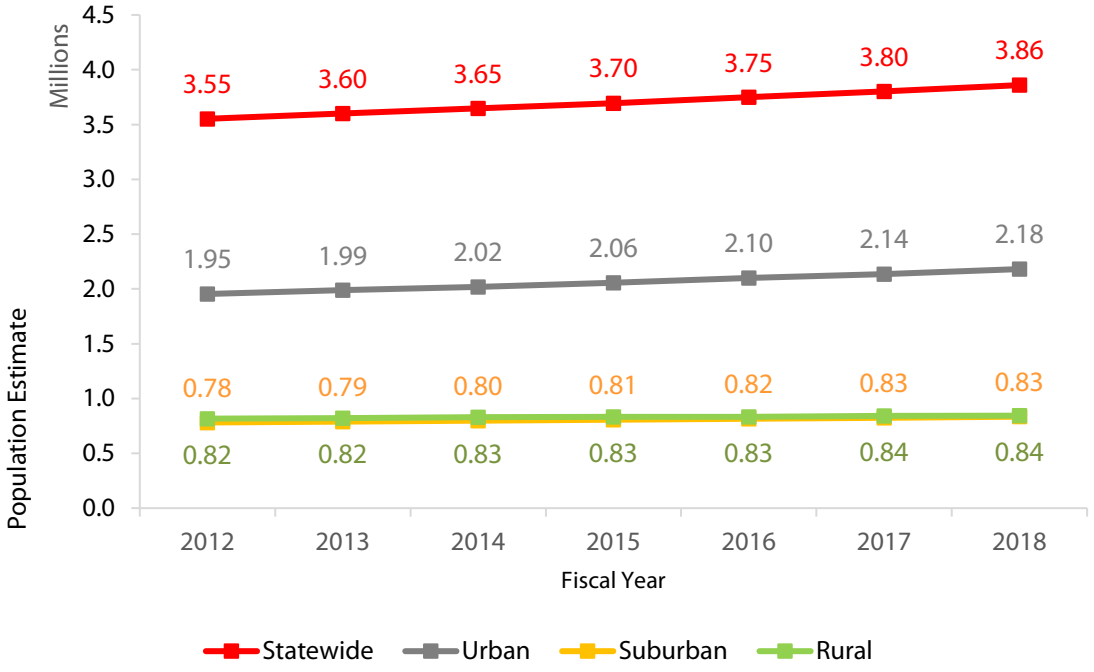
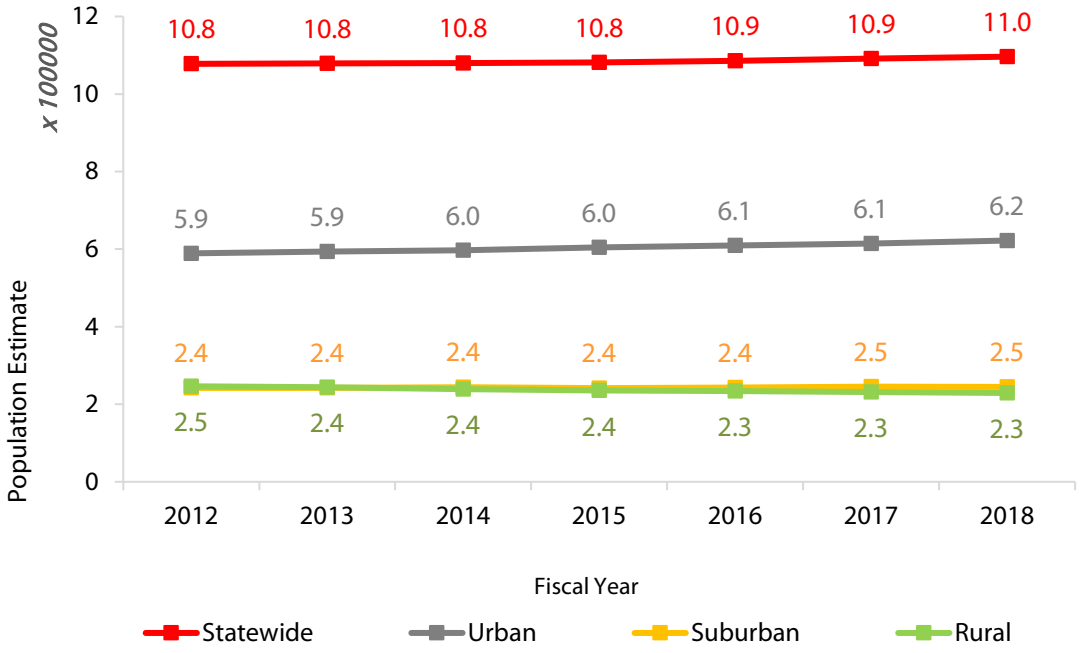


Figure 4. *Child Population (Ages 0-17) in South Carolina, 2013 to 2018*



SAFETY NET FACILITIES

A safety net facility is one that provides care to all individuals regardless of their insurance status or ability to pay. Safety net facilities in South Carolina include Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and Free Medical Clinics (FMCs). One of the goals of the Safety Net Proviso was to increase the state's safety-net providers. For each of the three safety net providers, a map showing locations of 2013 and 2018 facilities is provided along with the rural, suburban, urban categories presented earlier.

Table 1. Safety Net Facility Locations by Year and Percent Change

Safety Net Facility Locations by Year

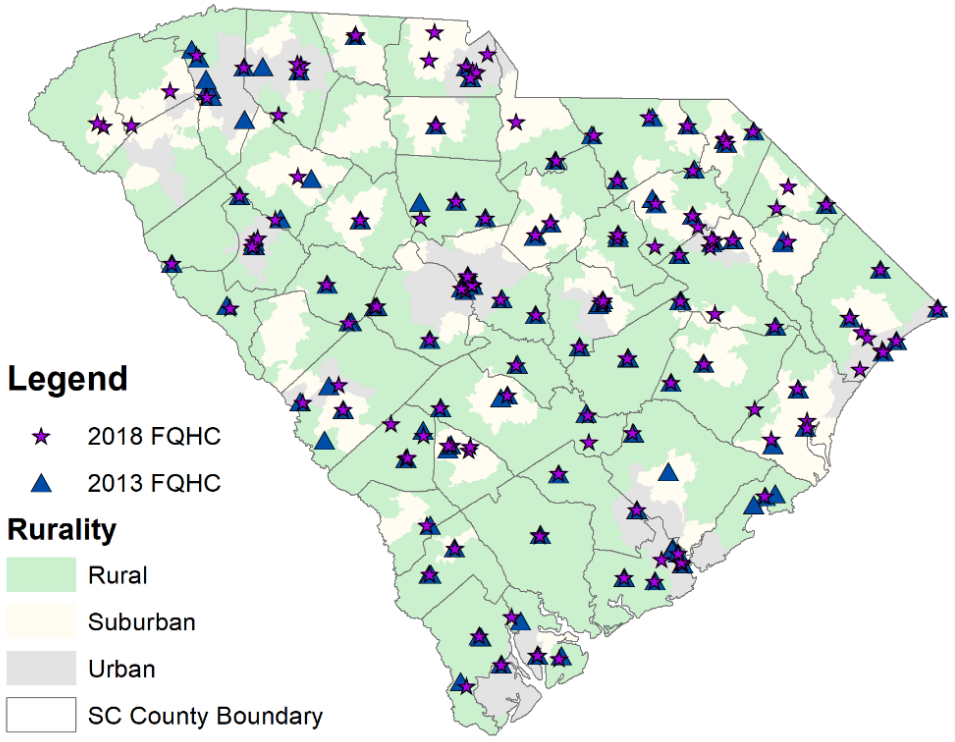
	2013		**2018**		**Percent Change**	
	Rural	Total	Rural	Total	Rural	Total
Federally Qualified Health Center (FQHC)	59	127	61	157	3	24
Rural Health Clinic (RHC)	60	119	38	86	-37	-28
Free Medical Clinic (FMC)	5	51	18	74	260	45

Federally Qualified Health Centers (FQHC)

In 2013, there were 127 FQHCs of which 59 were located in rural ZCTAs. In 2018, there were a total of 157 FQHCs; a 24 percent increase from 2013. The rural FQHCs increase by more than 3% for a total of 61 rurally located facilities. The location of these FQHCs in 2013 and 2018 are mapped in Figure 5 below.

Using Euclidean distance (i.e., straight-line) service areas from FQHC facilities in 2013, there were only four ZCTAs not within 30 miles of an FQHC. These four ZCTAs were rural and accounted for almost 20,000 residents. The additional FQHCs added by the end of 2018 accounted for complete statewide coverage, in other words, all residents were within 30 miles of an FQHC. This addition added accessibility to almost 20,000 rural residents.

Figure 5. FQHC locations 2013 and 2018

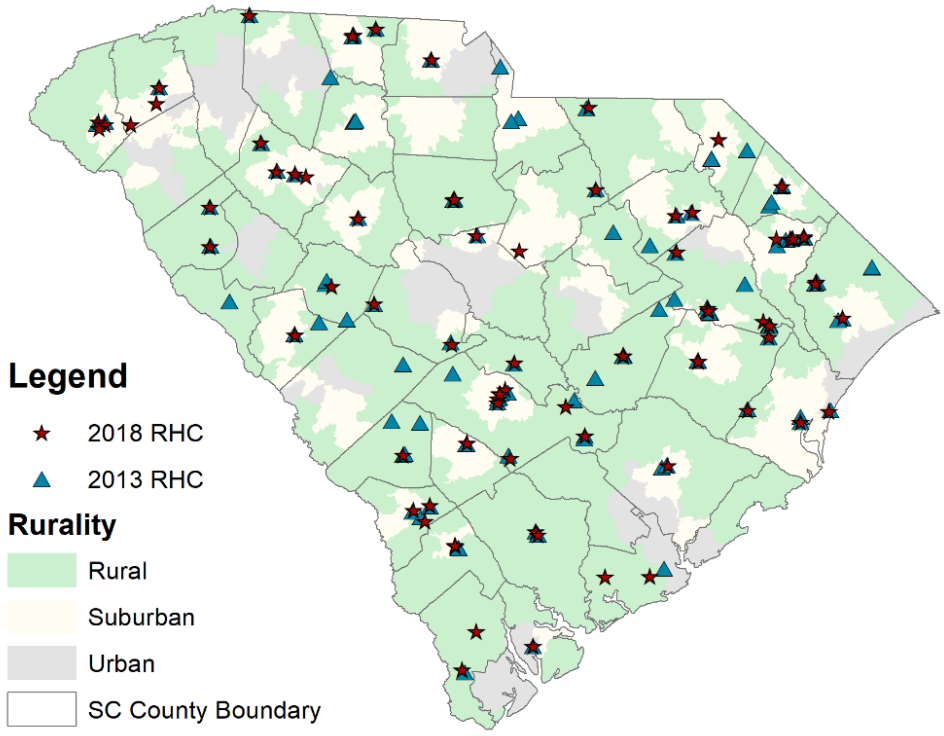


Rural Health Clinics (RHC)

Rural Health Clinics underwent a 28% decrease in the number of facilities in South Carolina from 2013 (N=119) to 2018 (N=86). The rural locations of these RHCs dropped by 37% from 60 locations in 2013 to 38 locations in 2018. Figure 6 below displays the locations of the RHCs in 2013 and 2018.

When measuring if residents had access to RHCs, 30-mile Euclidian distance was assessed. Even with a 28% decrease in facilities, there was no change in access statewide. All residents had an RHC within 30 miles of their ZCTA in 2013 and in 2018.

Figure 6. RHC locations 2013 and 2018

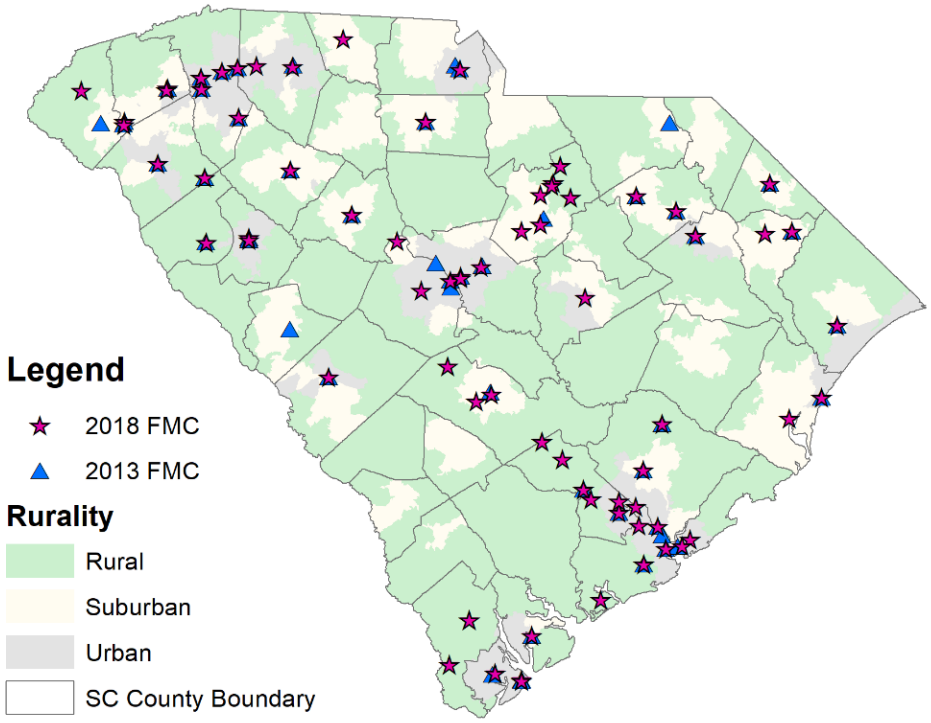


Free Medical Clinics (FMC)

Free Medical Clinics saw the greatest increase in facilities from 2013 to 2018. The number of FMCs increased 45% from 2013 (N=51) to 2018 (N=74). The rural locations went from 5 FMCs in 2013 to 18 locations in 2018, which was a 260% increase. Figure 7 below displays the locations of the FMCs in 2013 and 2018.

In 2013, residents in 10 ZCTAs (8 rural and 2 suburban) were not within 30 miles (measured by Euclidean distance) of an FMC. This accounted for almost 22,000 residents. By 2018, more than 17,000 of these residents had an increase in access and were within 30 miles of an FMC. Only one suburban ZCTA with 4,200 residents still is not within 30 miles of an FMC.

Figure 7. FMC locations 2013 and 2018



SUMMARY

In summary, the Safety Net Facilities in South Carolina have expanded and maintained their reach to rural areas even with the loss of some facility locations. Safety Net Facilities play a pivotal role in providing care to the underserved rural population.

APPENDIX

South Carolina Legislative Safety Net Proviso 33.22

(DHHS: Rural Health Initiative) From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative in the current fiscal year, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to implement this initiative. Recurring and non-recurring funding for the Rural Health Initiative may be carried forward by the department and expended for the same purpose.

A. The Department of Health and Human Services shall incentivize the development of primary care access in rural and underserved areas, leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group, and continue to leverage the use of teaching hospitals to ensure rural physician coverage in counties with a demonstrated lack of adequate access and coverage through the following provisions:

    1. Rural and Underserved Area Provider Capacity - the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of $1,000,000, and the USC School of Medicine in the amount of $2,000,000 to further develop statewide teaching partnerships. The department shall also expend $5,000,000 in accordance with a graduate medical education plan developed cooperatively by the Presidents or their designees of the following institutions: the Medical University of South Carolina, the University of South Carolina, and Francis Marion University.
    2. Rural Healthcare Coverage and Education - The USC School of Medicine, in consultation with the South Carolina Office of Rural Health, shall continue to operate a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus, through clinical practice, training, and research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least $1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February first of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance

Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

3. Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to $500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose. Additionally, the department shall use up to $200,000 of the recurring funds appropriated for the Department of Aging's Geriatric Physicians Loan Forgiveness program.
4. Statewide Health Innovations - At least $2,000,000 must be expended by the department to contract with the USC School of Medicine to develop and continue innovative healthcare delivery and training opportunities through collaborative community engagement via ICARED and other innovative programs that provide clinical services, mental and behavioral health services, children's health, OB/GYN services, and/or chronic disease coverage gaps. In consultation with the Office of Rural Health, the department must ensure collaborative efforts with the greatest potential for impact are prioritized.

B. The department shall continue to investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years.

    1. In the current fiscal year, the department is authorized to establish a DSH pool, or carry forward DSH capacity from a previous period as federally permissible, for this purpose and/or if deemed necessary to implement transformation plans for which conforming applications were filed with the department pursuant to this or a previous hospital transformation or rural health initiative proviso, but for which additional negotiations or development were required. An emergency department that is established within 35 miles of its sponsoring hospital pursuant to this or a previous hospital transformation or rural health initiative proviso and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the South Carolina Telemedicine Network.

2. The department may solicit proposals from and provide financial support for capital expenditures associated with the replacement of two or more rural hospitals, not to exceed one-quarter of the total project capital budget. Such a plan must be submitted by a hospital system approved to advise a rural transformation project, and the project must be subject to ongoing advisement by the submitting facility, or subject to acquisition by the advising facility. The advised facility must be designated as a critical access hospital in a county experiencing not less than four percent decrease in population between the most recent decennial censuses and have been deemed eligible to participate in the rural transformation pool in a prior fiscal year. The department shall require such written agreements which may require project milestone, last-dollar funding, and other stipulations deemed necessary and prudent by the department to ensure proper use of the funds.

C. The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations. Not later than January 1, 2019, the department shall submit to the President of the Senate and Speaker of the House of Representatives an evaluation of the state's safety-net providers that includes, at a minimum, Federally Qualified Health Centers, Rural Health Clinics, and to the extent applicable to funding received by the state, free clinics.

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