

Mid-Atlantic Association of Community Health Centers

Delaware Economic Environmental Assessment:

Assessing the Impact of the Economy on Employment, Health
Insurance, the Affordable Care Act

Prepared by Parker Cohen

Table of Contents

Purpose of Report	3
Executive Summary.....	3
Methodology.....	5
I. Employment Analysis	6
II. Medicaid Trends 2007-2011	9
III. Health Insurance Markets Analysis.....	11
3.1 Summary of Changes and Implications.....	12
3.2 Health Insurance Market Analysis, 1999-2009	13
IV. Impacts of the ACA	16
4.1 Summary and Implications	17
4.2 Assumptions for ACA Analysis	18
4.3 Analysis of Estimates of the Affordable Care Act Outcomes	19
Limitations of Report	22
Conclusions	23



Purpose of Report

Delaware's economy, like the nation's, has been severely impacted by the late 2000s recession. An assessment of the economic trends in Delaware reveals a myriad of implications for community health centers, the Affordable Care Act, and the structure of health insurance markets. This report will examine the relationship that the overall economy holds with employment, health insurance markets, Medicaid, and the implementation of the Affordable Care Act. The report will also demonstrate how all of these forces have implications for CHC strategic planning, governance, and site location. The purpose of this report is to examine all of these relationships and offer CHCs the most complete information to make strategic planning decisions.

The report is divided into four primary sections:

- An overview of the regional employment situation
- An assessment of Medicaid trends throughout the state
- An examination of employment and the health insurance markets over the last decade
- Estimates of the impact of the Affordable Care Act

Executive Summary

Since 2007, Delaware's, and the nation's, economy has undergone rapid changes. Between 2007 and 2011, all three counties in the state featured declines in their labor forces, while unemployment rates at least doubled in all three of the state's counties. Moreover, every county in the state has fewer people employed in 2011 than in 2007. This report will examine how these economic forces, along with policy changes and other economic shifts, have impacted the demand for safety-net health care services and the focus for community health center strategic planning.

The recent expansion of unemployment has produced multiple shifts in insurance markets. The most striking trend that emerged over the decade shows a large percentage of residents moving from private to public insurance. Delaware has seen a strong decline in the percentage of residents who receive their insurance through their (or their spouses') employer. The trend in falling rates of employee-sponsored insurance began in the early to middle part of the decade, leveled out, and then continued during the recession where it fell to its lowest level in the decade. Additionally, beginning in 2008, Medicaid enrollment began to swell dramatically. As job losses as were incurred in the following years, the growth of Medicaid continued unabated. Since 2007, Medicaid eligibility has increased by 36 percent in the state.

The recent economic changes also have large implications for the implementation of the Affordable Care Act (ACA). Because of the aforementioned high levels of Medicaid enrollment due to unemployment, the net growth in Medicaid patients from the ACA will be lower than it would be otherwise. This may result from the possibility of many current Medicaid recipients attaining private insurance again over the next five years. Additionally, MACHC estimates that the ACA will result in 24,000-32,000 residents with



incomes under 200 percent of the poverty level by 2017 becoming insured, many of whom will be a part of the new exchanges.

The uncertain economic outlook and the ACA produce many implications for community health centers seeking to strategically plan for future growth. Demand for CHC-style services has increased greatly over the past decade as fewer people have employer-based insurance, but the net growth of the uninsured receiving insurance (especially Medicaid) will likely be smaller as a result of this public insurance growth. To continue strong patient growth, CHCs should capture low-income, non-Medicaid eligible patients (with incomes between 133-200 percent of the poverty level), who will be on the exchanges by 2014.

Due to the interrelated processes of the economy, employment, public policy, and health insurance, it is vital that CHCs follow trends in these areas. As this report will discuss, the state's employment trends have a large impact on the distribution of health insurance, which in turn has major implications for the implementation of the Affordable Care Act. In an uncertain time that features a middling economic recovery and a pending reorganization of health insurance via the ACA, it is crucial that health centers take these trends into account during strategic planning processes.



Methodology

This report uses employment data, Medicaid data, census insurance data, and quantitative analysis to reveal trends that have implications for CHCs. The purpose of examining these data is to observe the relationship between the economy and health insurance markets that effect CHCs. As can be seen in the report, the recession’s effects on employment have reverberating impacts on health insurance markets and the potential outcomes of implementing the Affordable Care Act. In examining the impacts of the Affordable Care Act, MACHC uses Delaware Health Care Commission data on the income distribution of the uninsured by poverty level to estimate what the income breakdown of the newly insured will be. MACHC also combines this income breakdown with county population data to determine the distribution of the newly insured residents by county.



I. Employment Analysis



Delaware suffered severe employment losses during the recent recession. Statewide, Delaware lost 6.5 percent of its jobs and saw its unemployment rate rise by 4.4 percentage points. As health care in America is highly tied to employment, economic shocks that result in large employment losses can lead to strong reverberations in the health insurance markets. These changes, as detailed in the report's subsequent sections, have had a large effect on the need for safety net services in the state.

Figure 1.1: Delaware Employment 2007

2007	Labor Force	Employment	Unemployment	Unemployment Rate
Sussex	90,738	87,474	3,264	3.6%
Kent	75,063	72,372	2,691	3.6%
New Castle	275,190	265,648	9,542	3.5%
Total	440,991	425,494	15,497	3.6%

Source: Bureau of Labor Statistics

Delaware's three counties, Sussex, Kent, and New Castle all have remarkably similar unemployment rates, both in 2007 and 2011 (see Figures 1.1 and 1.2). All three counties showed similar increases in their unemployment rates between 2007 and 2011. While the unemployment rates are nearly identical, it appears that New Castle County has suffered the most of the counties from the recession. All three counties showed extraordinary growth in their unemployment rates over the 5 year period, with growth rates of at least 122 percent. While Delaware's growth in unemployment parallels much of the nation's, it still represents a great increase in the need for Delawareans.

Figure 1.2: Delaware Employment 2011

2011	Labor Force	Employment	Unemployment	Unemployment Rate
Sussex	92,125	84,747	7,378	8.0%
Kent	73,230	67,408	5,822	8.0%
New Castle	260,909	239,863	21,046	8.1%
Total	426,264	392,018	34,246	8.0%

Source: Bureau of Labor Statistics

New Castle's labor force and employment levels declined the most in the state, at rates of 5.19 percent and 9.71 percent respectively. These changes show that, although New Castle's unemployment rate is comparable to the other two counties, New Castle County has been hit harder in the late-2000s recession. The large decline in the labor force, likely in part from unemployed individuals dropping out of the labor force, coupled with the nearly ten percent decline in overall employment, demonstrates the increase in need in the county.



Figure 1.3: Delaware Employment Changes 2007-2011

Changes 2007-2011	Labor Force	Employment	Unemployment	Unemployment Rate
Sussex	1.53%	-3.12%	126.04%	122.22%
Kent	-2.44%	-6.86%	116.35%	122.22%
New Castle	-5.19%	-9.71%	120.56%	131.43%
Average Change	-2.03%	-6.56%	120.98%	125.29%

Source: Bureau of Labor Statistics

The southernmost county in the state, Sussex, performed the best in the region with regards to labor force and employment changes (see Figure 1.3). Sussex County saw an increase in its labor force of 1.53 percent, with a decline in employment of 3.12 percent. Kent County's economy performed about average for the state, with a 2.44 percent decline in labor force and a 116 percent increase in unemployment.



II. Medicaid Trends 2007-2011



Figure 2.1: Delaware Medicaid Eligibility by County, 2007-2011

	2007	2008	2009	2010	2011	Percentage Change 2007-2011	Nominal Change 2007-2011
Kent	28,517	29,989	32,196	35,179	38,308	34.3%	9,791
Sussex	39,123	42,027	45,422	49,568	53,953	37.91%	14,830
New Castle	79,472	83,327	89,776	97,520	108,372	36.37%	28,900
Delaware Total	147,112	155,343	167,394	182,267	200,633	36.38%	53,521

Source: Delaware Department of Health and Social Services

As with its changes in employment, Delaware saw an almost uniform increase in growth rates of the Medicaid eligible population between counties in the period of 2007-2011 (see Figure 2.1). All three counties in the state had growth rates in Medicaid eligibility between 34 and nearly 38 percent. The state as a whole saw an increase of 36 percent in the number of Medicaid eligible residents during the period. Most of the growth in the Medicaid eligible population occurred after 2008, in the recession and recovery years of 2009-2011. Between 2007 and 2011, over 53,000 residents became eligible for Medicaid. The majority, 28,900, of the newly eligible population is in New Castle County, the state’s most populous.

The growth in Medicaid during the recession is dramatic; as the population grew roughly by five percent over this period, the population that is Medicaid eligible grew by over 36 percent. This growth poses large implications for CHCs in Delaware and for the implementation of the Affordable Care Act. The opportunities for CHCs are clear: with over 53,000 new patients eligible for Medicaid statewide, CHCs can reach many more of their targeted patients.

CHCs also face many challenges with the new Medicaid enrollment, including ensuring proper outreach to treat these populations. The most prominent challenge for CHCs involves determining if the growth in their service areas will be permanent and if these patients will remain on Medicaid for years to come. It is possible that the majority of the new enrollees will attain employer-sponsored insurance over the next five years as the economy recovers. For this reason, it is important for CHCs to follow the trends in Medicaid enrollment in their counties and regions to ensure effective strategic planning.



III. Health Insurance Markets Analysis



3.1 Summary of Changes and Implications

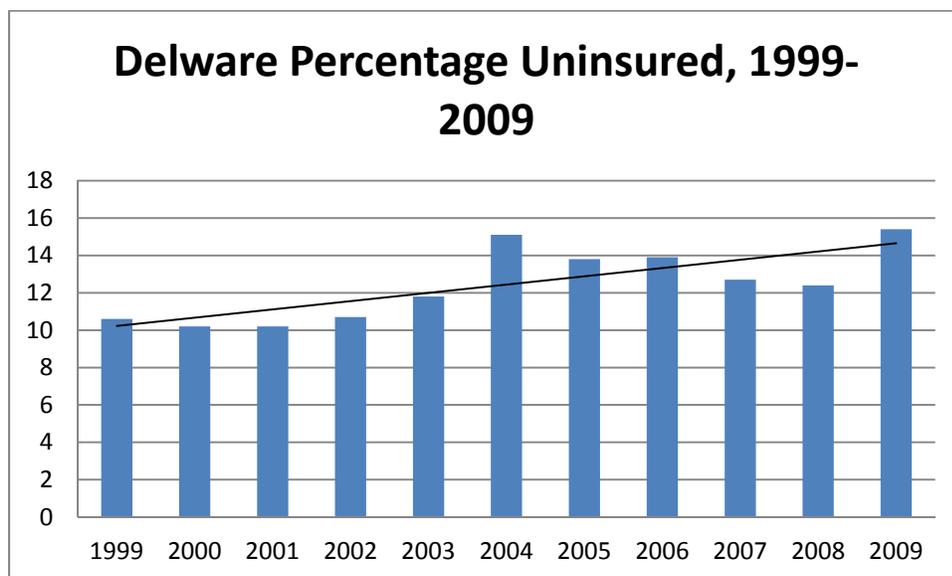
Since 1999, a reorganization in the ways Delaware residents receive health insurance has occurred. At the beginning of the last decade, a strong majority of residents under the age of 65 received their insurance through employers. Due to a variety of factors, a significant percentage of residents are no longer receiving this traditional means of insurance and are either receiving public insurance or becoming uninsured. This trend away from employee-sponsored healthcare has strengthened during the recession, and Medicaid enrollment has soared as a consequence. Concurrently, the percentage of residents who are uninsured has risen over the last ten years. This reorganization of employment and health insurance markets, with widespread implications for health care delivery and CHC operations, will be discussed in this section.

This reorganization of insurance markets has led to many environmental changes and implications for CHCs. The adjustments over the last decade have furthered the need for safety-net healthcare services statewide, as prior research has demonstrated that those who lost employer-sponsored health insurance during the decade were likely to be low-income. The growth that these changes have caused in public insurance, especially in Medicaid, has been a boon for CHCs and will likely continue as the ACA is implemented. However, it will be important to monitor the changes in private/public insurance as the economy recovers. It is expected that the percentage of residents with private insurance will increase as the recession cedes over the next five years. Thus, CHCs should incorporate these factors into strategic planning in coming years to gauge the permanence of growth in public insurance and the decline in employer-sponsored healthcare.



3.2 Health Insurance Market Analysis, 1999-2009

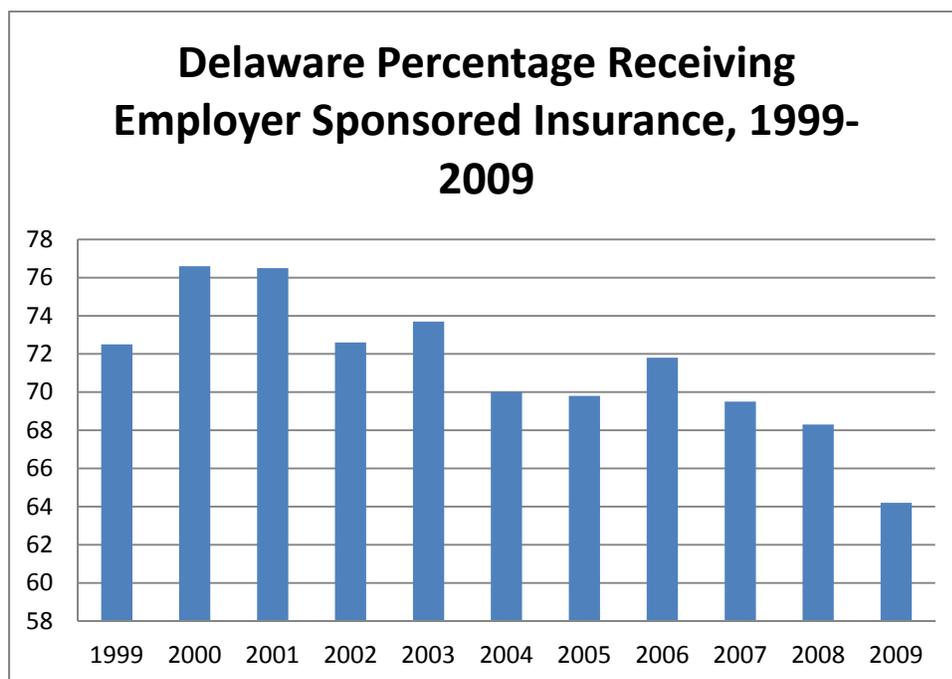
Figure 3.1: Percentage of Uninsured in Delaware, 1999-2009



Source: U.S. Census, Health Insurance Coverage Statistics, 2010

The percentage of Delawareans who are without health insurance has risen throughout the decade, with the biggest increases occurring during and after the early-2000s recession in 2002-2003 (see Figure 3.1). The percentage declined from 2006-2008 before seeing a large jump in 2009 as the recession took hold. While the available data only goes through 2009, it is probable, given the deep declines in employment during the recession, that the percentage of uninsured has increased further from the 2009 levels. If the insurance market results of the late 2000s recession follow a similar pattern as the early-2000s recession, the percentage of uninsured may remain elevated for a longer period of time than the recession itself. Additionally, with a middling economic recovery, the growth in need apparent in the above graph has likely continued and will continue for some time into the future.

Figure 3.2: Percentage of Residents Receiving Employer Sponsored Insurance, 1999-2009



As Figure 3.2 shows, since 1999 a downward trend has been occurring in the percentage of residents receiving health insurance through their employers. The percentage of residents who were receiving employer-sponsored health insurance reached its peak in 2000, when over 76 percent of the population received their insurance through this method. From 2001 to 2004, the percentage declined to 70 percent during the early-2000s recession. Between 2007 and 2009, during the late-2000s recession, the percentage of residents with employer-sponsored insurance dropped by 5.3 percentage points, with 4.1 percentage points of this drop being between 2008 and 2009. The drop between 2008 and 2009 is quite dramatic, and demonstrates the scope of change in employment and health insurance undergoing in Delaware. The trend away from employer-sponsored insurance was seen nationally over this period as well.

The Kaiser Commission on Medicaid and the Uninsured examined this drop between 2001 and 2005 at the national level. Their study determined that 48 percent of the decline in employment-based insurance was due to employers no longer providing insurance, 27 percent due to employees not electing to receive benefits, 14 percent due to employees being ineligible for insurance, and 11 percent due to the loss of a spouse's insurance.¹ The report also concluded that the decreases in employee sponsored health insurance were greatest amongst low-income workers.² In summary, it was determined that most of the decline in employee-sponsored insurance in the first half of the decade was

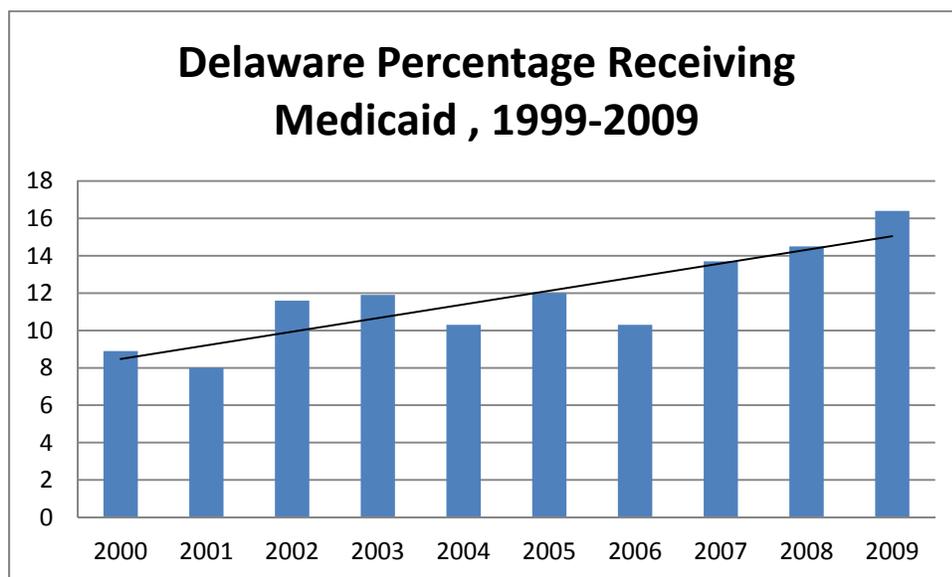
¹ The Kaiser Commission on Medicaid and the Uninsured, 2007

² The Kaiser Commission on Medicaid and the Uninsured, 2007



due to employers no longer offering health insurance to employees. An additional 14 percent of the change was due to insurance companies not accepting certain employees. Although the Delaware data only goes until 2009, it is assumed that much of the decline in employee-sponsored insurance between 2008 and 2009 was due to job losses and that these declines continued with greater unemployment. The job losses, in large part, contributed to a large 4.1 percentage point drop in the percentage with employer-sponsored insurance between 2008 and 2009. As the data is only available through 2009, it is unknown whether or not the trend continued throughout the recession; however, with the sustained job losses that were incurred throughout 2009 and into 2010, we can assume that the trend away from employer-sponsored care continued in these years. It will be important for CHCs to monitor this indicator to determine if residents are returning to employer-based health care as the economy recovers. If they do not return, there are more opportunities for CHCs to capture these residents.

Figure 3.3: Percentage of Delaware Residents Receiving Medicaid, 1999-2009



Corresponding with the decrease in employer-sponsored health insurance, the percentage of Delawareans who received Medicaid increased significantly. In 2000, 8.8 percent of Delawareans received Medicaid, and this number had risen to 12 percent in 2005 (see Figure 3.3). Between 2007 and 2009, these percentages increased significantly, rising to 16.4 percent by 2009. As identified by the Kaiser Commission on Medicaid and the Uninsured, low income residents were disproportionately impacted by the decline in employer-sponsored healthcare throughout the decade. This decline has led to an increase in the percentage of residents who attain government sponsored health insurance.



IV. Impacts of the ACA



4.1 Summary and Implications

The upcoming implementation of the Patient Protection and Affordable Care Act (ACA) will further alter insurance markets. Currently, there are an estimated 110,000 people uninsured in Delaware. With population growth, this number is estimated to grow to 118,000 people by 2017. As a result of the Affordable Care Act (ACA), between now and 2017, many of these uninsured residents will attain insurance through either Medicaid or the Health Exchanges. The results of the implementation of this law will have many effects on community health centers throughout Delaware. With the recent changes in health insurance composition and the uncertainty of ACA policy implementation, making predictions about the effects of the ACA is very difficult. The effects of the economy on health insurance also play a big role in how the ACA will impact health centers, especially with regards to Medicaid. However, we can make rough estimates on the short to medium term outcomes of the policy. These estimates should be used only as a guide, as the potential outcomes of the ACA policy may change at any time as a result of public policy decisions, economic forces, or consumer preferences.

Impact on the Uninsured

The Congressional Budget Office Estimates that 60 percent of the nation's uninsured will attain insurance as a result of the new policy. The actual percentage of newly insured in Delaware may be smaller or larger, depending on a number of factors. Thus for this analysis, we will use a range of possibilities in Delaware of between 55 and 70 percent of the nonelderly population attaining insurance by 2017 (three years after implementation). These newly insured nonelderly residents will gain coverage through four possible avenues: the new health exchanges, Medicaid, employee-sponsored healthcare for those who have found new employment or choose to take advantage of their employers' plans, or Medicare for those aging beyond age 64. Moreover, it is possible that residents could obtain insurance through private employers if they attain employment. Of the projected 118,000 uninsured residents by 2017, MACHC estimates that between 65,000 and 82,000 residents will attain insurance. An estimated 24,000 to 30,000 of these newly insured Delawareans will have incomes under 200 percent of the poverty line, while 41,000-52,000 will have incomes over 200 percent of the poverty line.

Effects on Medicaid

The Medicaid patient population will grow as a result of the ACA. Medicaid eligibility expands under the ACA to 133 percent of the federal poverty level for any individual. The total amount of growth from present day levels that will occur will be determined by the employment picture and the number of current Medicaid enrollees who attain private insurance by 2017. As a result of the 36 percent growth in Medicaid eligibility over the last five years, the ACA will likely result in a lower net growth in Medicaid by 2017 than it would otherwise. This is due to the assumption that many of the new Medicaid enrollees who were added between 2008 and 2011 will return to the workforce and attain employer-sponsored health care. If many current Medicaid patients do not attain employer-sponsored insurance by 2017, the growth in Medicaid will be higher than expected.



Implications

The uncertainty regarding the implementation of the ACA poses many challenges and opportunities for Delaware CHCs. While we can estimate the number of uninsured who will be covered in 2017, it is difficult to gauge with complete accuracy the outcomes of the new policy. With high unemployment inflating Medicaid, uncertainty about consumer behavior, and the exact nature of the exchanges yet to be determined, there are many unanswered questions about the ACA's outcomes.

As their businesses futures are intimately tied to the ACAs outcomes, CHCs must be vigilant about monitoring employment, Medicaid, and policy trends in the state, their regions, and local areas. With the number of Medicaid patients in an area being dependent on levels of unemployment, it is critical that CHCs measure these factors leading up to and beyond the implementation of the ACA in 2014. If Medicaid levels are dropping and employment is increasing in the CHC's area, it would indicate that the economy is recovering as estimated. However, if the opposite is occurring, it may indicate that Medicaid enrollment may be larger than estimated in your area. Regardless of the final number, CHCs will see increases in Medicaid enrollment in their communities by 2017. The above trends are examples what indicators will be important to follow in upcoming years.

The state will also see a large number of newly insured patients who have incomes below 200 percent of the federal poverty line. These patients will hopefully now be able to pay for health services at CHCs and allow CHCs to increase their revenue streams. With these newly insured, CHCs must work to ensure that currently uninsured patients who obtain insurance through the health exchanges continue to seek care at their centers.

4.2 Assumptions for ACA Analysis

In order to make the following estimates for the effects of the Affordable Care Act in Delaware, MACHC had to employ certain assumptions.

- Between 55 percent and 70 percent of the currently uninsured population will be insured by 2017 (three years after implementation), based on national projections
- The Delaware state population will grow by 7 percent between 2000 and 2017 (based on growth projections)
- The number of uninsured Delawareans will grow in proportion to the overall population (7 percent by 2017)
- The distribution of the uninsured by income has remained constant from 2006 levels
- All income groups of uninsured will obtain insurance at the same proportional rates.



4.3 Analysis of Estimates of the Affordable Care Act Outcomes

Figure 4.1: Insurance of Delawareans by Poverty Level, 2006, with Estimated Growth to 2017

Relation to Federal Poverty Level	Total Pop. 2006	Total Uninsured 2006	Estimated Total Pop. 2010	Estimated Total Uninsured 2010	Estimated Total Pop. 2017	Estimated Total Uninsured 2017 ³
Not Measured	1,739	673	1,826	707	1,954	756
Under 0.50	27,006	6,827	28,356	7,168	30,341	7,670
0.50 to 0.74	19,869	4,454	20,862	4,677	22,323	5,004
0.75 to 0.99	23,604	5,393	24,784	5,663	26,519	6,059
1.00 to 1.24	29,519	6,440	30,995	6,762	33,165	7,235
1.25 to 1.49	28,312	5,470	29,728	5,744	31,809	6,146
1.50 to 1.74	34,127	6,111	35,833	6,417	38,342	6,866
1.75 to 1.99	39,565	9,124	41,543	9,580	44,451	10,251
2.00 to 2.49	82,543	13,642	86,670	14,324	92,737	15,327
2.50 to 2.99	73,375	10,176	77,044	10,685	82,437	11,433
3.00 to 3.49	62,080	6,915	65,184	7,261	69,747	7,769
3.50 to 3.99	63,410	6,453	66,581	6,776	71,241	7,250
4.00 to 4.49	51,973	4,080	54,572	4,284	58,392	4,584
4.50 to 4.99	47,163	3,588	49,521	3,767	52,988	4,031
5.00 & over	245,992	15,936	258,292	16,733	276,372	17,904
Totals	830,275	105,284	871,789	110,548	932,814	118,287

Source: Delaware Health Care Commission, *Delawareans Without Health Insurance, 2006*

To conduct the analysis of the impact of the Affordable Care Act in Delaware, we relied on a breakdown of the uninsured by poverty level conducted by the Delaware Health Care Commission in 2006. In the above Figure 4.1, the 2006 data can be viewed in addition to MACHC's estimates for growth in the uninsured by 2017. This analysis allows MACHC to estimate how many residents in each income bracket will be able to attain insurance by 2017.

³ The 2017 estimated uninsured is assuming constant growth in the number of uninsured without implementation of the Affordable Care Act.



Figure 4.2: Estimated Number of Newly Insured by 2017 based on Poverty Level⁴

Poverty Level	Newly Insured by 2017	Percent of total Attaining Insurance
Under 200%	24,000-30,000	37%
Over 200%	41,000-52,000	63%
Total	65,000-82,000	100%

By 2017, MACHC estimates that between 65,000 and 82,000 residents who were uninsured will attain insurance (see Figure 4.2). Roughly 63 percent of these newly insured will be over 200 percent of the federal poverty level, while an estimated 24,000 to 30,000, or 37 percent, will be under 200 percent of the federal poverty line. Those under 200 percent of the poverty line may already be uninsured health center patients.

Figure 4.3: Estimated Number of Newly Insured by 2017 by Insurance Type

	Estimated Newly Insured, 2017	Percent of total Attaining Insurance
Will Gain Insurance by 2017 with population growth	65,000-82,000	100%
Will Join Medicaid	16,000-20,000	25%
Will Join Exchanges	36,000-46,000	55%
Individuals who are over 400% of the poverty level who will obtain insurance	13,000-16,000	20%

Of the estimated 65,000-82,000 newly insured Delawareans, an estimated 25 percent will join Medicaid as it expands to 133 percent of the poverty level, an estimated 55 percent will obtain insurance through the health exchanges, while 20 percent will be those who are over 400 percent of the poverty line and will obtain insurance through the private markets (see Figure 4.3). Of those who will join the exchanges, roughly 8,000-10,000 will be under 200 percent of the poverty line and targeted health center patients. Additionally, an estimated 5,000-8,000 uninsured residents will age into the Medicare program.

As Medicaid rates are heavily inflated over their average as a result of the recession, it is vital that CHCs monitor the levels of Medicaid in their communities. If the economy recovers as predicted over the next five-six years, Medicaid levels would be expected to drop and then rise with the implementation of the ACA. Thus the real growth in Medicaid enrollment may not change dramatically as a result of inflated

⁴ Methodology of determining estimates: Under the assumption that between 55 percent and 70 percent of the uninsured will attain insurance, MACHC multiplied the estimated 2017 number of residents both above and below 200 percent of the poverty level by .55 and .7 to attain estimates.



levels. However, if the economy continues to stagnate in the state and target areas, Medicaid enrollment will likely grow as predicted.

Figure 4.4: Estimated Number of Newly Insured by County

	Kent County	New Castle County	Sussex County
Will Gain Insurance by 2017	11,050-13,940	39,000-49,200	14,300-18,040
Will Join Medicaid	2,720-3,400	9,600-12,000	3,520-4,400
Will Join Exchanges	6,120-7,820	21,600-27,600	7,920-10,120
Individuals who are over 400% of the poverty level who will obtain insurance	2,210-2,720	7,800-9,600	2,860-3,520

New Castle County, as the state’s most populous county, will receive the most newly insured residents, followed by Sussex and Kent Counties (see Figure 4.4).



Limitations of Report

This report, although completed with the best available data, contains many limitations. With regards to trends in private insurance and uninsurance, data is only available up to 2009. It would be ideal to have 2011 data to fully measure the impacts of the recession on these variables. As mentioned in the body of this report, many limitations exist with regards to estimating the effects of the ACA. Much of the analysis we conducted was based on the Delaware Healthcare Commission's breakdown of the uninsured by poverty level. As noted in the assumptions section before the ACA analysis, in order to produce any estimates at all, many assumptions about the next five years have to be made. These uncertainties develop limitations for the report, as a number of factors, including future economic shocks, policy changes, or consumer behavior could change the course of the ACA's implementation at any given time. For these reasons, this report should be used a guide to help frame CHC's strategic planning processes with the understanding that many uncertainties in the marketplace still exist.



Conclusions

The macro economy has had immense effects on employment in Delaware in recent years. In turn, Delaware's healthcare landscape has undergone major shifts as well. For CHCs, these changes coupled with the upcoming implementation of the Affordable Care Act, require adjustments in strategic planning. The major findings of this report are as follows:

- Unemployment from the recession has led to changes in health insurance as more residents attain public insurance
- Throughout the past decade, a lower percentage of residents have received employer-sponsored health insurance, and the recession furthered this trend
- Participation in public insurance has grown during the decade, and Medicaid has grown significantly during the recession
- Effects of the ACA on Medicaid are largely dependent on unemployment trends over the next five years
- If the economy recovers as expected, many current Medicaid patients will attain employer-sponsored insurance and the net effect on Medicaid will be relatively small due to recent growth in Medicaid
- New entrants to insurance markets by 2017 will receive insurance either through Medicaid, the healthcare exchanges, employer-sponsored care, or Medicare for those who age into the program
- An estimated 26,000-30,000 uninsured residents under 200 percent of poverty are estimated to receive insurance by 2017 via the ACA

These changes carry immense implications for Community Health Centers. These major implications are as follows:

- As unemployment directly affects public insurance markets, it is important for CHCs to monitor employment trends in their areas to gauge the need for services
- The widespread growth of Medicaid will require CHCs to reach patients over a wider geographic area
- Opportunities for expansion exist in areas where the need has grown dramatically and where Medicaid and unemployment do not subside in upcoming years
- To strategically plan for Medicaid's growth from the ACA, CHCs should monitor unemployment and Medicaid enrollment to gauge the number of patients returning to employer-sponsored care
- If the economy recovers and Medicaid patients leave the program in a CHC's service area, the CHC should expect only modest net growth (from 2011 levels) in Medicaid patients via the ACA
- With an influx of newly insured who are under 200 percent of the poverty level, CHCs should actively work to attract and retain patients who join the health exchanges



