



HEALTHTrust

ACCESS DENIED?

Access To Health Care in Santa Clara County: Current Status and Future Risks

A report from

The Health Trust

October, 2008

Dear Community,

The Health Trust's vision is Silicon Valley as the healthiest region in America. With this in mind, we have a strong focus on prevention and making systemic changes to our environment to make Silicon Valley a place where everyone can enjoy optimum health.

Yet even while we focus on upstream changes so that people stay well and enjoy health, every resident in Santa Clara County will, at one time or another, need access to health care. Lack of access to insurance coverage and to quality health care services directly contributes to health disparities and rising rates of chronic disease. Health issues and medical emergencies know no boundaries and access to health care should be of concern to every individual.

Unfortunately, despite some successes in expanding insurance coverage to more people, Santa Clara County reflects nationwide trends, and our residents continue to face challenges to obtaining adequate coverage and care. In particular, Santa Clara County is facing a potential crisis in access to inpatient hospital care. This trend is especially acute in our safety net which we all depend on.

This paper explores the challenges Santa Clara County faces by providing a closer look at local data that illustrates these concerns. To ensure every resident of Santa Clara County has true access to the care they need, when they need it, community leaders and residents need to understand these challenges and take action to find solutions.

Frederick J. Ferrer
Chief Executive Officer
The Health Trust

Executive Summary

Access to health care is driven both by the availability and affordability of health insurance **and** by the capacity of health care providers to care for those who seek services. All Santa Clara County residents face the risk of profound decreases in the capacity of the region's health care system—and therefore their access to care—in the near future.

While Santa Clara County has relatively high rates of insurance coverage, a large number of residents remain uninsured or underinsured.

- In 2005, Santa Clara County had an estimated 130,000 adults and 10,000 children and adolescents without health insurance coverage.¹
- An additional 151,000 residents were underinsured, with inadequate insurance coverage.²
- Private insurance enrollment is almost certain to decrease as the downturn in the economy drives more employers to reduce or eliminate health benefits for their employees.

Individuals without health insurance and no usual source of care have worse health outcomes. Many of these individuals are low-income and non-white, leading to significant health disparities in their health status and health outcomes. These disparities are particularly evident in individuals with chronic conditions such as diabetes, HIV/AIDS and hypertension.

The capacity of the health care system has not kept up with population growth and demand.

- Santa Clara County is experiencing a shortage of physicians and other medical providers, particularly providers willing to treat the uninsured or individuals covered by Medi-Cal.
- Emergency room visits to hospitals in Santa Clara County increased 23.3 percent between 2003 and 2007. More than five hours every day of the year, at least one hospital in Santa Clara County is diverting ambulances away from its emergency room because it is at full capacity.

- Santa Clara County has one of the lowest ratios of hospital beds to population of any urban area in the nation.
- Access to specialty care can take months for those who are uninsured, underinsured or enrolled in a public insurance plan.

Access to care is likely to decrease rather than increase in the near term – the biggest risk is the potential loss of hospital beds at Santa Clara Valley Medical Center.

- Santa Clara Valley Medical Center is the leading provider of inpatient care for Medi-Cal patients and provides all Santa Clara County residents with trauma, burn, rehabilitation, and neonatal intensive care services. It is also the centerpiece of the region's nationally-recognized disaster preparedness system.
- If Santa Clara Valley Medical Center is unable to meet state legal requirements for seismic safety upgrades by 2013, more than half of its inpatient beds will be closed, impacting not just inpatient hospital care for uninsured and underinsured, but specialty care and emergency response capabilities affecting all Santa Clara County residents.

This paper explores the current state of access to both coverage and care in Santa Clara County, and the immediate and longer-term risks to continued access. Community leaders and residents need to truly understand these challenges and work together on their solutions to ensure every Santa Clara County resident has access to the care they need, when they need it.

1. 2005 California Health Interview Survey

2. JMWatt Consulting calculations from California Health Interview Survey and Cathy Schoen, et.al, "How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007," Health Affairs web exclusive 10 June 2008, Exhibit 1

Access To Care: Insurance Coverage In Santa Clara County

Nationwide Trends in Health Insurance Coverage

Across the nation, health insurance is available through three major channels: employer-based coverage; individual coverage; and public programs, including federal Medicare and Medicaid programs and the state programs that cover children under the State Children's Health Insurance Program (SCHIP). Some states and counties offer coverage through additional programs designed to cover specific populations. Sixty-one percent of non-elderly people in the U.S. have private health insurance coverage as a job benefit. This number has been gradually declining over the last 10 years.³ Among the non-elderly uninsured nationwide, 69 percent has at least one full-time worker in the family and another 12 percent has part-time workers; 90 percent of all uninsured individuals have incomes below 400 percent (\$84,800 for a family of four in 2008⁴) of the federal poverty level.⁵ The decline in insurance coverage is at least partly attributable to a decrease in the number of employers offering private coverage as a benefit, which is in turn due in part to rising premiums for employers. According to the Kaiser Commission on Medicaid and the Uninsured, between 2000 and 2007 the average annual employer group premium for private insurance for a family of four nearly doubled and the number of employers offering coverage to employees fell by 9 percent, from 69 percent to 60 percent.⁶

Health Insurance Coverage in Santa Clara County

In 2005, 61.6 percent of Santa Clara County residents aged 18 and over had private health insurance coverage through employers, and another six percent had individually-purchased private coverage.⁷ Low-income residents in Santa Clara County are covered by a variety of health insurance programs (the type of program varies based on age and income level). These programs



The Health Trust's Wellness Access and Education program helps families enroll in insurance programs including Medi-Cal and Healthy Families. Assistance is provided in English, Spanish and Vietnamese.

include Medicaid (known as Medi-Cal in California), Medicare, Healthy Families (California's SCHIP program), and Healthy Kids, a locally-funded program to insure children living in families with incomes below 300 percent of the federal poverty level (\$63,600 for a family of four). According to the 2005 California Health Interview Survey, an estimated 98 percent of young children, 97.4 percent of adolescents, 88.5 percent of adults over 18 and more than 98.6 percent of seniors (people over age 65) in Santa Clara County report some form of health insurance coverage. The rates of insurance coverage of Santa Clara County residents compare well to the state as a whole, and are on par with other area counties.

Percent of Persons "Currently Insured" by Age				
County	Age 0-11	Age 12-17	Age 18-64	Age 65+
Santa Clara	98	97.4	88.5	98.6
Alameda	96.8	97	84.1	99.6
San Mateo	100	95.6	88.5	100
San Francisco	99.6	100	86.9	100
All California	94.1	92.5	81.2	99.3

Source: 2005 California Health Interview Survey

3. September 2008 Kaiser Commission on Medicaid and the Uninsured, Key Facts. *The Uninsured and the Difference Health Insurance Makes.*

4. In January of each year, the federal government releases an official income level for poverty called the Federal Poverty Income Guidelines, and often informally referred to as the "Federal Poverty Level." The benefit levels of many low-income assistance programs are based on these poverty guidelines.

5. KCMU/Urban Institute analysis of ASEC Supplement to the CPS, March 2008.

6. September 2008 Kaiser Commission on Medicaid and the Uninsured, Key Facts. *The Uninsured and the Difference Health Insurance Makes.*

7. California Health Interview Survey, 2005.

8. Region refers to "Health Care Service Region (HCSR)" – a full mapping of all the communities and unincorporated areas of Santa Clara County that is used for health planning.

The County of Santa Clara was one of the early successes in implementation of the "two-plan model" for Medi-Cal managed care, which requires some Medi-Cal beneficiaries to enroll in either Santa Clara Family Health Plan (a "local initiative" which was created by the County as a separate agency) or Blue Cross HMO (the "commercial plan" alternative). The County was also the first in the nation with its Children's Health Initiative (offering Medi-Cal, Healthy Families and Healthy Kids), which provides outreach and enrollment for uninsured children as well as coverage for children living below 300 percent of the federal poverty level (\$63,600 for a family of four) who are not eligible for other insurance programs. Recently, the County launched the Coverage Initiative,

which is comprised of two programs – Valley Care, which targets self-employed and employees in businesses with fewer than 10 employees, and Healthy Workers, which will target employers and employees in businesses with 11-50 employees and will be administered by the Santa Clara Family Health Plan. The County's Healthy Generations program is focused on the special needs of low income elders with chronic disease. Persons receiving health coverage through these public programs live in every region⁸ of the County; there is no region where less than five percent of the population is enrolled. More than 20 percent of residents are enrolled in some neighborhoods, particularly in downtown San Jose and the Franklin-McKinley and East Valley neighborhoods.

Access to care means ... Recovery and not having to declare bankruptcy at age 20

Tara Berendes calls the bizarre accident that she experienced four years ago a "tall tale" – a story that would be unbelievable if it were not true.

While driving to Colorado to start their married life, Tara and her new husband, Josh, were involved in an auto accident on a Utah highway where another vehicle lost control in a construction zone and flipped over, landing on top of Tara's car. Both of the couple were hurt, but Tara's injuries were severe, especially a traumatic brain injury that put her into a coma for weeks and wiped out nine months of memories prior to the accident.



"I watch the video of my wedding but I can't remember it," she said. "It's like it happened to someone else." Other lost memories include her graduation from college and her honeymoon.

After a month in a Utah hospital, Tara was flown to Santa Clara Valley Medical Center still in a coma.

When she woke nine days later, she began weeks of intense recuperation in the Traumatic Brain Injury center where physical therapists, speech therapists, occupational therapists and recreational therapists helped her re-learn how to move, talk, and perform daily life skills. She also received care for her shattered knees and burns on her face, arm and shoulder.

Tara enrolled in Medi-Cal insurance coverage at the age of 16 when she began to live independently. Because she was under 21 at the time of the accident and was still classified as a student attending college out of state, Medi-Cal covered the cost of the hospital in Utah and her extensive treatment at Santa Clara Valley Medical Center.

"Can you imagine what that bill must have been? Without Medi-Cal I would have had to declare bankruptcy at the age of 20," she said.

Santa Clara County Residents, by Age Group and Insurance Type, 2005										
INSURANCE TYPE	AGE GROUP									
	Child (0-11)		Adolescent (12-17)		Adult (18-64)		Senior (65+)		All	
	#	%	#	%	#	%	#	%	#	%
Total	305,000	100	136,000	100	1,113,000	100	175,000	100	1,729,000	100
Uninsured	6,000	2.0*	4,000	2.6*	128,000	11.5	2,000	1.4*	140,000	8.1
Medicare & Medi-Cal ⁹	0	-	0	-	9,000	0.8*	37,000	21.0	45,000	2.6
Medicare & Other	0	-	0	-	2,000	0.2*	109,000	62.4	111,000	6.4
Medicare only	0	-	0	-	12,000	1.0*	17,000	9.7	28,000	1.6
Medi-Cal	66,000	21.8	23,000	16.7*	86,000	7.7	0	-	175,000	10.1
Healthy Families/CHIP	11,000	3.5*	5,000	3.7*	1,000	0.1*	0	-	17,000	1.0
Employment-based	199,000	65.3	90,000	66.7	787,000	70.7	7,000	4.0*	1,083,000	62.7
Privately purchased	15,000	5.0	11,000	8.1*	74,000	6.7	3,000	1.5*	103,000	6.0
Other public	7,000	2.4*	3,000	2.3*	14,000	1.3*	0	-	25,000	1.4

* Estimate statistically unstable due to small sample size.

Source: California Health Interview Survey 2005

Who Are the Uninsured in Santa Clara County?

Despite relatively high rates of insurance coverage, 8.1 percent of Santa Clara County residents (about 140,000 individuals in 2005) remain uninsured, representing all age and racial/ethnic groups.¹⁰ In 2005, 38,000 of the uninsured in the County lived in households with incomes of more than \$60,000.¹¹ A lack of health insurance is most common among Hispanic males, and young adults between the ages of 19 and 24.¹² Based on national data on employment among the non-elderly uninsured, almost 98,000 residents of the County have at least a part-time job and lack health insurance coverage. Low and middle income adults have the highest rates of being uninsured and the greatest difficulty obtaining employer-based or individual coverage. Information from the Santa Clara Valley Health and Hospital System shows that only 39 percent of workers with incomes under 300 percent of the federal poverty level (\$63,600 for a family of four) have employer-based coverage, compared to 85 percent of higher-income adults.

9. People with Medicare who have limited income and resources may get help paying for their out-of-pocket medical expenses from Med-Cal.

10. California Health Interview Survey, 2005

11. California Health Interview Survey, 2005

12. California Health Interview Survey, 2005 and Santa Clara County Public Health Department behavioral risk Factor Survey, 2005-2006.

13. The study classifies individuals as underinsured if they experience at least one of three indicators of financial exposure relative to income: (1) out-of-pocket medical expenses for care amounted to 10 percent of income or more, (2) medical expenses amounted to at least 5 percent of income for those at or below 200 percent of Federal Poverty Level, (3) deductibles equaled or exceeded 5 percent of income.

Uninsured Persons by Income Level Santa Clara County, 2005			
Income % of Federal Poverty Level (FPL)	Estimated Population in Income Group	Estimated % Not Insured*	Estimated # Not Insured*
0-99% FPL	181,000	20.3	37,000
100-199% FPL	241,000	20.1	48,000
200-299% FPL	178,000	9.5	17,000
300% FPL and above	1,129,000	3.4	38,000
All	1,729,000	8.1	140,000

* As of date of survey. Some respondents who were insured at the time of the survey had gaps in coverage during 2005.

Source: 2005 California Health Interview Survey

Even Those with Insurance May Lack Adequate Coverage

Many individuals in Santa Clara County who have some form of health insurance still face financial challenges in obtaining access to care because their coverage is limited or includes high deductibles and/or co-pays in order to receive care. These individuals are “underinsured” – a rapidly expanding middle-class problem. The Commonwealth Fund Biennial Health Insurance

Survey collects national data on three indicators of underinsurance: out-of-pocket medical expenses relative to family income, medical expenses as a percentage of income for low-income individuals, and deductibles as a percentage of income.¹³

These indicators are designed to identify those people whose coverage limits may force them to choose between basic necessities, such as food and housing, and medical care. Based on an analysis of the cumulative effect of these three indicators of under-insurance, the percent of individuals with insurance coverage who are underinsured increased from 12.3 percent in 2003 to 19.8 percent in 2007, nationwide.¹⁴ Sixteen percent of those who were considered underinsured in the Commonwealth Fund survey data had incomes of \$60,000 or more.

The trend in private insurance coverage is toward higher deductibles and co-pays which may lead to continued growth in the number of people who are underinsured and an increasing impact on higher wage workers. In 2008, an estimated 35 percent of workers in small firms (3-199 employees) who had insurance were enrolled in a plan with an annual deductible of \$1,000 or more, compared to 16 percent of such workers in 2006. Similarly, for workers in large firms (200+ employees), the percent with deductibles of \$1,000 or more increased from 10 percent in 2006 to 18 percent in 2008.¹⁵ Co-payments for employer-sponsored plans have also been increasing. Between 2004 and 2008, the percent of plans with co-payments of \$10 per primary care visits dropped from 19 percent to 13 percent while the percent with co-payments of \$25 per visit doubled from nine percent to 18 percent.¹⁶

Applying these national data to the population in Santa Clara County, the number of underinsured adults in the County is estimated to have increased 37 percent between 2003 and 2005, from 110,000 to 151,000.¹⁷

14. Commonwealth Fund Biennial Health Insurance Surveys, 2003 and 2007

15. Kaiser Family Foundation/Health Research and Education Trust Survey of Employer-Sponsored Health benefits, 2006-2008

16. Kaiser Family Foundation/Health Research and Education Trust Survey of Employer-Sponsored Health benefits, 2004-2008

17. JMWatt Consulting calculations from California Health Interview Survey and Cathy Schoen, et.al, “How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007,” Health Affairs web exclusive 10 June 2008, Exhibit 1

18. Health of Previously Uninsured Adults After Acquiring Medical Care Coverage JAMA 2007 vol. 298 No 24, December 26, 2007

19. US Department of Health and Human Services, Agency for Health Care Research and Quality, National Health Disparities Report, 2005.

20. <http://www.annals.org/cgi/content/abstract/149/3/170>

21. For more detailed data and citations see the Health Trust website at <http://www.healthtrust.org/initiatives/communities/facts.php#3>

22. Closing the Divide: How Medical Homes Promote Equity in Health Care: Results from the Commonwealth Fund 2006 Health Care Quality Survey June 2007 volume 62

The Consequences of Being Uninsured

A lack of insurance coverage can have significant health implications. Recent studies by researchers at the American Cancer Society and at Harvard Medical School have linked a lack of insurance to significantly worse outcomes from chronic conditions¹⁸ such as diabetes, HIV/AIDS and hypertension. Those without health insurance report more problems obtaining care, are diagnosed at later stages of disease, and get less therapeutic care. Individuals without health insurance are also sicker when they enter hospital care and are more likely to die during a hospital stay.¹⁹ Chronically ill patients without insurance are less likely than those with coverage to have visited a health professional and to have a usual source for care, or “medical home.” They are more likely to identify their standard site for care as an emergency department.²⁰ Individuals without health insurance are at significantly higher risk of financial problems as well.

Disparities in health outcomes are well documented for racial and ethnic minority populations, who are also more likely to be uninsured and low-income. In Santa Clara County, about 60 percent of the population is non-white, and the rates of insurance coverage are much lower for these population groups. Disparities are evident in local data that show higher incidence of type 2 diabetes, higher cancer incidence and morbidity, and higher HIV/AIDS infection rates among non-white populations in Santa Clara County.²¹ The Commonwealth Fund found that when adults have insurance and a medical home, racial and ethnic disparities in care are reduced or even eliminated.²²

Access To Care: Health System Capacity

Health insurance is a first step to access – necessary but not sufficient in most instances. Another determinant of access to care is the capacity of the health care system to serve the people who need care. Capacity for inpatient and specialized care can be assessed by the number of available hospital beds, ambulance diversions from emergency rooms because of full capacity, and the availability of high-end trauma, intensive care and other services. Measures of capacity in ambulatory or outpatient care include the number of providers and wait times to get care.

System Capacity for Inpatient and Specialized Care

Access to inpatient care in Santa Clara County is provided by 11 acute care hospitals. One is a nonprofit, two are Kaiser Foundation Hospitals, four are operated by for-profit private hospital systems, one is a district hospital, one is a University hospital, one is a children's hospital (owned by Stanford University) and one is Santa Clara County's public hospital, Santa Clara Valley Medical Center (SCVMC).

Licensed, Available and Staffed Beds in Hospitals in Santa Clara County Calendar Year 2007				
Hospital	Licensed Beds	Available Beds	Staffed Beds	Plans for Future
Community Hospital of Los Gatos	143	143	55	Possibility of closure as acute care hospital
El Camino Hospital	399	320	320	Replacement hospital to open summer 2009; 300 licensed beds
Good Samaritan Hospital	359	332	330	Ancillary expansion only
Kaiser Foundation Hospital – Santa Clara	327	327	271	Replacement hospital opened 8/1/07; net gain 41 licensed beds
Kaiser Foundation Hospital – Santa Teresa	248	233	176	Opened shelled bed unit; net gain 20 licensed beds 2007
O'Connor Hospital	358	260	202	
Lucile Packard Children's Hospital	272	264	264	Expansion toward 361 licensed beds
Regional Medical Center of San Jose	204	184	184	Expansion toward between 247 and 278 licensed beds
St. Louise Regional Hospital	93	90	90	
Santa Clara Valley Medical Center	574	521	521	Replacement in two phases to maintain 574 licensed beds
Stanford Hospital	613	456	456	Replacement hospital toward 600 licensed beds
TOTALS	3,590	3,130	2,869	

"Sources: OSHPD ALIRTS System, 5/27/2008; OSHPD Quarterly Financial Reports, 4 Quarters, 1/1/07 - 12/31/07; press reports and hospital websites"

Santa Clara County had a total of more than 3,100 hospital beds in 2006, serving a population of close to 1.7 million residents. Hospital bed capacity as measured as beds per 1,000 population is 1.8. In San Francisco County there are 3.8 beds per 1,000, and the average across U.S. urban areas is 2.6.²³ By this measure, access to hospital beds in Santa Clara County is 44 percent below the United States average for urban areas and more than 50 percent below San Francisco County. Despite the low bed capacity in Santa Clara County, there are no known plans for significant increases in hospital beds. Instead, current information on hospital capital plans and possible hospital closures indicates that there will be 120-150 fewer hospital beds in 2013 than there were in 2004.²⁴ Based on the assumptions in this information, the bed capacity in Santa Clara County hospitals is projected to fall to 1.6

per 1,000 residents.²⁵ Access to emergency room care in Santa Clara County hospitals overall was negatively impacted by the closure of San Jose Medical Center in December, 2004. In 2003, prior to the closure, hospitals in Santa Clara County diverted ambulances from their emergency rooms because of capacity limitations for a total of 1,849 hours. In 2007 the total number of diversion hours was 1,965, an increase of 6.3 percent.²⁶ These data indicate that for over five hours every day of the year at least one hospital in Santa Clara County is diverting ambulances from its emergency room because it cannot handle any additional patients.

Access to care means ... Extraordinary treatment of an incredibly rare disorder

When Christian and George Delaney's second daughter was born at O'Connor Hospital in June of 2007, they knew right away that something was wrong. Sofia was not breathing.

Two days later Sofia was transferred to Santa Clara Valley Medical Center's Neonatal Intensive Care Unit where she was to spend the next four months, fighting for her life as a result of a very rare genetic disorder that has only a few hundred documented cases worldwide.

Sofia's diagnosis of Congenital Central Hypoventilation Syndrome, a condition that knocks out the automatic breathe reflex so that the individual stops breathing when asleep, was one of the fastest on record. Since it is so rare, babies are tested for everything else imaginable before it is considered and it can take months for doctors to work their way down the list of possible diagnoses. In Sofia's case, the doctors ruled out every other diagnosis in less than a week.

"Our doctors were contacting people in Italy and France, following up on every lead about effective treatments. Their dedication to our daughter was astonishing, and they were always there to answer our questions," said Christian.



Sofia has had several surgeries, countless visits to the clinic, and too many frightening medical crises. But she has grown into a happy and active 15-month-old toddler who is now able to breathe on her own when she is awake, although she still must be connected to a ventilator when she sleeps. Her condition is permanent, but an innovative implant surgery when she is kindergarten age will help her mechanically breathe when her body lets her down.

"There aren't enough words to describe the phenomenal care and help our family received from our health care team," Christian added. "We continue to be impressed, appreciative and grateful that this extraordinary health care resource was available to us when we needed it."

23. American Hospital Association, *Hospital Statistics 2008* and JMWatt Consulting calculations

24. JM Watt Consulting estimates based on public data sources.

25. American Hospital Association, *Hospital Statistics 2008* and JMWatt Consulting calculations, based on published reports of construction projects in process. Assumes that Valley Medical Center is able to replace 272 beds at risk of closure due to State seismic mandates and that Community Hospital of Los Gatos continues in operation.

26. California OCHPD Annual Utilization Report of Hospitals

System Capacity for Ambulatory Care

Ambulatory or outpatient care is provided by an array of private physicians and physician groups, primarily serving those who have health insurance coverage, and by providers in the clinics of the Community Health Partnership (the local consortium of community clinics) and the Santa Clara Valley Health and Hospital System²⁷ (SCVHHS) which serve both insured and uninsured residents of Santa Clara County. The capacity of the ambulatory care system in Santa Clara County is limited by the supply of both primary and specialty care providers. Like other geographic areas in California, Santa Clara County is experiencing a shortage of physicians, nurses and allied health professionals. Recent reports highlight the severity of the physician shortage, resulting in unfilled job openings for physicians and ultimately in longer wait times to get appointments and decreased access for patients.²⁸ Among the primary reasons cited for the shortage of physicians in Santa Clara County are the high cost of living and decreasing reimbursement levels relative to the cost of providing care. As the physician shortage becomes more severe, and as reimbursement levels from insurance plans continue to decrease relative to costs, reliance on less costly primary and specialty care providers (i.e., nurses and nurse practitioners) increases. This may not be a viable solution to capacity problems since the UCSF Center for Health Professions reports that there is a significant shortage of licensed nurses in California.²⁹

The public and nonprofit health care “safety net” providers in Santa Clara County have been experiencing increasing demand for ambulatory care services, putting a strain on their ability to provide all of the care that is needed. Medi-Cal reimbursement has not increased in recent years, while physician practice costs have increased faster than general inflation. As a result, fewer private providers accept Medi-Cal, forcing a higher

number of Medi-Cal patients to seek care at facilities operated by Santa Clara County Health and Hospital System or community clinics.³⁰ In 2008, only 59 percent of primary care providers in SCVHHS clinics and 65 percent of primary care providers participating in the Community Partnership clinics are able to accept new patients.³¹ Data from clinics run by Santa Clara County Health and Hospital System show 750,849 patient visits in fiscal year 2008.³² Forty-six percent of patient visits to SCVHHS providers were covered by Medi-Cal with another 24 percent of the visits not covered by any source of insurance. These data represent a 14 percent increase in total patient visits since 2005, and an increase of 18 percent for Medi-Cal patient visits and 17 percent for uninsured patient visits in the same time period. Patient visits to community clinics in Santa Clara County show an increase of 7.3 percent in patient encounters between 2003 and 2007.³³

A recent study by Pacific Health Consulting Group³⁴ on specialty care access found significant issues in Santa Clara County. The study surveyed safety net providers in Santa Clara County and found that providers have a difficult time arranging referral appointments for their patients, particularly for gastroenterology, orthopedics, ophthalmology, and neurology services in the Santa Clara County safety net.



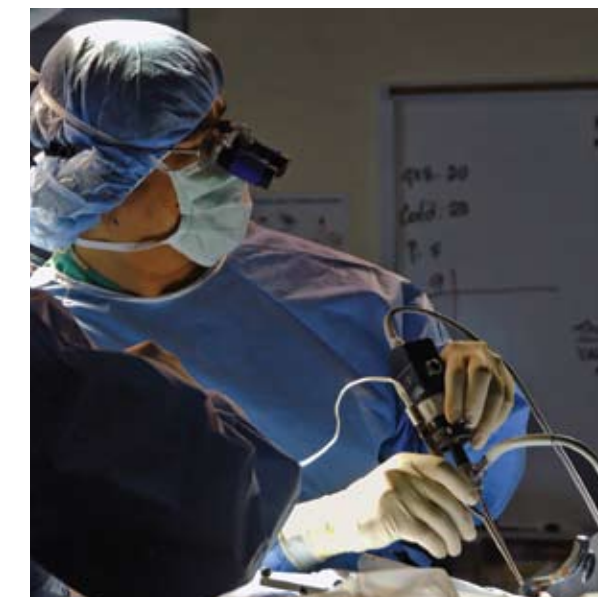
Only Lucile Salter Packard Children’s Hospital at Stanford and Santa Clara Valley Medical Center have received the State’s highest designation as Regional Neonatal Intensive Care Units.

27. Santa Clara Valley Health and Hospital System includes Santa Clara Valley Medical Center (the County public hospital) and the Valley Health Centers (clinics) and Valley Health Plan (a County-owned and managed health care plan), and the County’s Public Health, Mental Health and Alcohol and Drug Services Departments.
 28. *Physician Shortage in Silicon Valley Could Reach Critical Level*, Silicon Valley/San Jose Business Journal, January 11, 2008.
 29. California’s Nursing Labor Force: Demand, Supply and Shortages. Joanne Spetz, PhD et al, NWI Final Labor Market Report, 2008.
 30. In a May 2008 press release, Richard Frankenstein, MD, president of the California Medical Association, stated that the “chronic under-funding [of Medi-Cal] is forcing many doctors to leave the Medi-Cal program, which in turn deprives...vulnerable patients access to primary and preventative medical care.”
 31. Valley Health Plan Primary Care Physician List, 1/08, www.valleyhealthplan.org downloaded 10/1/08
 32. SCVMC records
 33. California OSHPD Primary Care Clinic patient Utilization Database
 34. Pacific Health Consulting Group *Specialty Care Access Survey Preliminary Findings* January 14, 2008. Data submitted by SCVMC and Community Health Partnership.
 35. California OSHPD Annual Utilization Report of Hospitals
 36. California OSHPD Annual Utilization Report of Hospitals

Across all specialties, it is most difficult to arrange specialty consultations for persons who are uninsured, and often difficult to arrange specialty appointments for persons with Medi-Cal coverage. Many private specialists are reticent to see uninsured patients, or those on Medi-Cal, knowing they will receive a low reimbursement rate for the visit. Within the safety net, there are insufficient resources to provide enough appointments to see all of the patients needing specialty care. Some primary care providers indicated that they limit the referrals they try to make due to the difficulty in getting access for their patients. Wait times for specialty referral appointments in many specialties were cited as being months long.

Emergency department visits are also one of the measures of demand for and capacity of the ambulatory care system. Uninsured individuals and people who are unable to access care in a timely way through private providers or outpatient clinics end up using the emergency room as a primary source of care. Emergency department visits increased by 23.3 percent in Santa Clara County between 2003 and 2007.³⁵ Hospital admissions

from emergency departments increased 36.1 percent during the same time period, which may indicate that individuals who came to the emergency department were sicker.³⁶ As another indication of the increasing demand for care in the safety net, Santa Clara Valley Medical Center’s emergency room had 58,508 patient visits in 2007, an increase of almost 15 percent since 2003.



It can be a long wait to get a referral appointments to specialists, especially gastroenterology, orthopedics, ophthalmology, and neurology services in the Santa Clara County safety net.

Access to care means ... Continuous care and advice for living with a chronic disease

Jose Luis Comerena was diagnosed with diabetes only two years ago, but the disease has already cost him his sight and the amputation of both legs. He recently was enrolled in Valley Care, a new County insurance program for citizens who have not had any health insurance coverage for at least 90 days and whose family income is less than 200 percent of the federal poverty level.

Access and Education program. He and his wife attend weekly meetings to learn to manage Jose’s diabetes.



“The first thing I learned about was nutrition,” Jose said. “We learned how to prepare foods so that we consume less fat and calories. We learned how to maintain a balanced diet.”

Diabetes cannot be “cured,” but medical experts say that individuals with diabetes can lead long and healthy lives if they have access to medical supervision, insulin-monitoring supplies, medication, and chronic disease management education.

He also has started to attend a chronic disease management workshop offered in Spanish by The Health Trust’s Wellness

Risks And Challenges Looking Ahead

Many residents of Santa Clara County already face challenges to accessing health care including a lack of insurance, inadequate insurance that forces high out-of-pocket payments, provider shortages, and very tight capacity for hospital inpatient and emergency care. The providers and patients in the safety net experience the implications of these challenges to access every day. Unfortunately, these challenges are not likely to decrease in the near term, and there are significant risks to even maintaining the current levels of access in Santa Clara County.

Seismic Requirements

The biggest threat to health care access in Santa Clara County comes from a state law setting new seismic safety standards for hospitals. By 2013,³⁷ all hospitals must be able to remain standing with easy access to exits after an earthquake; by 2030 state law requires that all hospitals be fully operational after a major earthquake. These seismic safety standards were passed into law after the Northridge earthquake in 1994 without any funding mechanism to support the upgrades that would be necessary at almost all hospitals in the state. In Santa Clara County, most of the hospitals need significant upgrades to meet the seismic standards for 2013 and all of the affected hospitals are exploring ways to pay for the improvements. A major risk for Santa Clara County residents is that its public hospital, Santa Clara Valley Medical Center, will not be able to fund upgrades in order to meet these standards, without a significant investment to replace some of its oldest patient buildings.

Founded in 1876, Santa Clara Valley Medical Center is the region's busiest hospital, and it is the only hospital in Santa Clara County that cares for all residents, regardless of insurance coverage or ability to pay. At the center of Silicon Valley's health care safety net, Santa Clara Valley Medical Center provides care to those most at risk for poor health and limited access to care. In 2007, Santa Clara Valley Medical Center handled 17 percent of the total inpatient days of hospitals in Santa Clara County,³⁸ but 47.3 percent of Medi-Cal patient days and 93 percent of indigent patient days.³⁹

In order to comply with the state seismic standards, Santa Clara Valley Medical Center needs to rebuild areas of the hospital that contain 52 percent of its beds - 272 beds in total. Although the state has mandated seismic safety improvements, it does not provide any funding for construction or seismic upgrades. If the seismic requirements are not met, Santa Clara Valley Medical Center will be forced to close 272 beds. This will result in more than 11,000 admissions having to go to other hospitals, which is about 47,000 patient days annually (130 patients per day) having to be accommodated by other hospitals.



More than five hours every day of the year, at least one hospital in Santa Clara County is diverting ambulances away from its emergency room because it is at full capacity.

In addition to providing these much needed hospital beds, Santa Clara Valley Medical Center also provides high-quality specialized treatments for emergency medical care, trauma, burns and rehabilitation from severe spinal cord and brain injuries - and in some cases, the only such treatment in the region. For example, trauma care is not provided by every local hospital. Santa Clara Valley Medical Center is one of only two hospitals (the other is Stanford) that has been given the state's highest trauma center designation. Santa Clara Valley Medical Center receives the largest

number of air and ground transports of critically ill patients through the countywide 9-1-1 emergency call system. Additionally, Santa Clara Valley Medical Center is the Bay Area's only remaining burn trauma center. Santa Clara Valley Medical Center is also in the process of being designated as one of two pediatric trauma centers for Santa Clara County, the other being Lucile Packard Children's Hospital in Palo Alto. As the provider of these specialized services that are available to all residents of the County, Santa Clara Valley Medical Center is at the center of Silicon Valley's medical emergency response system.

As Santa Clara County's only public hospital, Santa Clara Valley Medical Center has a primary obligation to provide general acute care services for its residents. This means having services and hospital beds for members of the community who have Medi-Cal or other government sponsored health insurance or coverage. If the number of Santa Clara Valley Medical Center hospital beds is reduced so significantly, the hospital would no longer have the capacity to provide beds for

other services that are not mandated, such as burn, rehabilitation and trauma services. Patients requiring emergency care would need to be transported to other hospital emergency rooms more often, and those hospitals will be challenged to meet this increased volume of patients. Since Santa Clara Valley Medical Center provides a majority of the care to the uninsured and Medi-Cal patients, the reduction of beds would mean patients needing routine surgical or medical care will likely to face long delays. They may face delays at Santa Clara Valley Medical Center or at another hospital, depending on whether or not arrangements could be made and if a hospital bed is available. A reduction of hospital beds at Santa Clara Valley Medical Center will impact the patients and staff of every other hospital in Santa Clara County. It could also limit the region's ability to respond in a major disaster or even a seasonal spike in inpatient hospital care such as during flu season.

Access to care means ... Expanding the safety net for the uninsured

Every Wednesday afternoon, dozens of adults line up at Washington School in downtown San Jose hours before the doors open to the RotaCare Clinic, a free healthcare clinic staffed by volunteers and managed by the RotaCare Bay Area nonprofit organization.

They come to the RotaCare Clinic with a variety of acute and chronic conditions, injuries and illnesses, including diabetes, asthma and hypertension. Most are the uninsured working poor and some are homeless. An appointment at a community clinic or a visit to a hospital emergency department to see a doctor may mean a long ride on public transportation, babysitting arrangements, and/or hours away from work they cannot afford.

So they come to the RotaCare Clinic in their neighborhood to wait. In 2007, the three RotaCare

Clinics in Santa Clara County, in San Jose, Gilroy and Mountain View, served more than 4,300 patients, a number that could easily be doubled or tripled if more volunteers were available to meet the need. Many weeks, people needing medical attention must be turned away.



"We are proud of work in bringing free medical care to those who have the most need and the least access," said Tammy Janosik, Executive Director of RotaCare Bay Area. "But the question is whether residents of Silicon Valley should have to rely on volunteer doctors, nurses and other health care providers to get the care they need. We are a critical part of Santa Clara County's safety net, but we are constantly scrambling for volunteers and funding and there is no guarantee to the public that we will always be here."

37. Subject to a two-year extension to 2015 for hospitals that demonstrate reasonable retrofit/replacement progress by meeting requirements specified in state law (SB 1661).

38. California OSHPD 2007 Public Patient Discharge data

39. California OSHPD 2007 Public Patient Discharge data

A Growing Population

The population of Santa Clara County is projected to grow by 21.8 percent between 2000 and 2020, with the highest growth rates among non-white groups and among the elderly. The Hispanic population is expected to grow 42.8 percent and the multi-race population is expected to grow 34.6 percent, while the population of seniors over 65 year of age is expected to almost double with a growth rate of 93.4 percent. With this population growth will come an increased demand for health services. Of particular concern is the growth in the elderly population. Based on data published by the California HealthCare Foundation, individuals over the age of 65 use four to 20 times more acute care hospital days than those under 65.⁴⁰ Given the low ratio of hospital beds to population, this growth in demand will strain the capacity of the system in Santa Clara County.

The Economic Downturn

Recent economic conditions point to near term increases in rates of unemployment, uninsurance, and under-insurance. During the economic recession of 2000 to 2004, the number of uninsured in the United States increased by six million, largely due to a decline in employer-

sponsored insurance coverage.⁴¹ Although Santa Clara County has relatively high rates of insurance coverage now, it is almost inevitable that employers will respond to another prolonged economic downturn by either reducing the levels of coverage offered to their employees or eliminating health insurance coverage entirely.

The economic downturn is also likely to exacerbate the availability of private providers who accept Medi-Cal. A 10 percent reduction in Medi-Cal reimbursement rates was included in the recently-passed California state budget even though Medi-Cal rates are already inadequate compared to the cost of providing patient care and are believed to be one of the major contributors to the decline in private physicians who will accept Medi-Cal patients. The state budget action has been contested in the U.S. Court of Appeals; the appellate judge recently ruled that the rate reduction likely would result in fewer private physicians who will accept Medi-Cal patients and reduce access to care for Medi-Cal beneficiaries.⁴² Medi-Cal reimbursement is likely to continue to be a political “football” as long as the state’s economic and budget crisis continues.

Santa Clara County Population by Age Group, 2000, Estimated 2008 and Projected 2020				
Age Group	2000	2008	2020	% Growth 2000-20
0 - 4	119,418	127,400	129,400	8.4%
5 - 19	318,589	339,800	402,300	26.3%
20 - 44	730,318	778,900	673,000	-7.8%
45 - 64	353,733	377,300	534,700	51.2%
65+	160,527	171,200	310,500	93.4%
Total	1,682,585	1,794,600	2,049,900	21.8%

Source: US Census Bureau, Census 2000 SF1, Table P-12 and JMWatt Consulting projections from Association of Bay Area Governments, Projections 2007 and California Department of Finance, May 2007

40. Snapshot: Beds for Boomers: Will Hospitals Have Enough? Jennifer Joynt, California HealthCare Foundation, September 2008
 41. The U.S. Economy And Changes In Health Insurance Coverage, 2000–2006, John Holahan and Allison Cook, Health Affairs, 27, no. 2 (2008): w135-w144 (Published online 20 February 2008)
 42. <http://www.californiahealthline.org/Articles/2008/9/18/Appeals-Court-Issues-Blow-to-State-Case-for-MediCal-Cuts.aspx>
 43. American College of Emergency Physicians. Report from the front lines: emergency physicians say uninsured patients live sicker, die younger. March 12, 2003)

Conclusion

There is a clear link between health care access and health outcomes. The uninsured live sicker and die younger.⁴³ Lack of coverage contributes to health disparities and is particularly detrimental to people with chronic disease. Santa Clara County has been successful in enrolling many residents without private insurance coverage in public insurance programs. However, thousands remain without coverage and economic trends make it likely that the number of uninsured will begin to rise. Moreover, health insurance alone is not enough to guarantee access to health care; the health care system also needs adequate outpatient and inpatient capacity. Insufficient reimbursement rates and provider shortages mean many patients—especially those on Medi-Cal—can’t readily find a health professional to see them. The

most immediate threat facing Santa Clara County is a potential crisis in access to inpatient hospital care. The potential closure of half of Santa Clara Valley Medical Center’s hospital beds could set off a domino effect, limiting access across the health care system to all Santa Clara County residents.

To ensure every resident of Santa Clara County has access to the care they need, when they need it, community leaders and the public need to understand these challenges. To achieve solutions they must continue to support innovative ways of providing coverage, ensure adequate capacity of the health care system, and secure adequate financing and support for the safety net.

Access to care means ... Walking again because trauma care was close by

Sara Cole describes herself as “a regular mom going about her business,” loading her sons’ bicycles into her parked car in Los Gatos, when she was struck by a drunk driver in September of 2007. Her legs were shattered so badly, it took three paramedics to stabilize her on a stretcher before they could take her to a hospital, and first responders doubted that she would be able to keep her legs.



She was rushed to Santa Clara Valley Medical Center’s Level 1 Trauma Unit, just a few miles away from the accident site.

She spent three weeks in the Intensive Care Unit, followed by months of hospitalization for surgeries and rehabilitation. Doctors re-established the vascular network in her legs, restoring circulation and treated her injured nerves.

Miraculously, the mother of four is now able to walk again.

Although she was unfamiliar with Santa Clara Valley Medical Center and its trauma care, she now knows that without its emergency and follow-up care, “I wouldn’t have my legs.”



About The Health Trust

A charitable foundation, The Health Trust was founded in 1996 from the sale of three local nonprofit hospitals. For more than 12 years the organization has been a leader in Silicon Valley and a catalyst for community partnerships that identify health issues and work together to find innovative solutions. The Health Trust engages in policy and education, provides grants and continues its legacy of providing health services including Meals On Wheels, AIDS Services, Children's Dental Services, and health education and insurance enrollment assistance through its Wellness Access and Education Program. In January of 2008, The Health Trust announced a \$30 million investment in three initiatives - Healthy Living, Healthy Aging, and Healthy Communities. As a 501(c)3 nonprofit, The Health Trust seeks partners, including donors and volunteers, to support its work. To learn more and join us in our effort to make Silicon Valley the healthiest region in America, please visit www.healthtrust.org.

2105 S. Bascom Avenue, Suite 220
Campbell, CA 95008
(408) 559-9385
www.healthtrust.org