

THE CALIFORNIA REPORT

Oakland Hospital Prepares for Affordable Care Act

Audio currently not available for this program.



Mina Kim/KQED

Alameda Health System administrator Kathleen Clanon is preparing Highland Hospital for a flood of newly insured patients under the Affordable Care Act.

Just five months away from the full implementation of federal health reform, we devote our entire show to the Affordable Care Act.

With the health law requiring most Americans to get insurance coverage next year or pay a fine, hospitals are among the health care institutions bracing for big changes. Public hospitals like Oakland's Highland Hospital are the backbone of California's safety net system. They treat the complex and varied health needs of diverse populations, often while managing tight budgets.

Guest host Mina Kim visits Highland Hospital's trauma room No. 9 to talk about some of the new challenges with Dr. Kathleen Clanon, associate chief medical officer for Alameda Health System that runs the hospital.

MINA KIM: Dr. Clanon, the Affordable Car Act provides more people with insurance coverage. That's supposed to mean fewer people will show up in your emergency room because they'll be able to see a doctor. So why are you preparing for more patients in the ER?

KATHLEEN CLANON: Well, we're preparing for that because we've seen that's what happens in Massachusetts and Hawaii and other places where lots of people who've been uninsured before get insurance. And the reason why that happens is, people may have insurance but it doesn't mean that they know how to go see a doctor in a regular practice. Everybody knows that you can go to an emergency room, and you can get seen, so it looks to people like the most efficient and easiest way to get care. They're wrong about that, but it does look like that.

KIM: Yet on the other hand, there's a chance that the newly insured will want to go elsewhere for their care, and that could mean financial problems for the hospital. So how are you balancing the need to attract the newly insured and avoid a swamped emergency department?

CLANON: We want to take care of people. We know that there will be probably about 30,000 or 40,000 people who use our services every year who will newly have insurance, and we want to continue to serve them. But we haven't had a history, really, of being a convenient or appealing place for people to come. People know they will get care when they come here, that it's going to be high-quality care, but they also worry about waiting. They worry about who's going to be in the waiting room with them. They worry about whether it's hard to get around our facilities. So we're approaching that by listening to what people are telling us about that and by upgrading our facilities and by looking at all our different processes to make sure that it's more convenient for people to get the care that they need.

KIM: No matter what happens, hospitals like Highland will have to be ready to care for the millions of people who are projected to remain uninsured even after January 2014, either because they'll refuse coverage, fall through the cracks or are living in the country illegally. So how are you dealing with that, as the state and federal governments are changing how much money they're giving public hospitals?

CLANON: Well, we are worried about that, frankly. Here in the emergency department, on an average day, we see about 300 people, and about a third of them are people who, after January, will still be uninsured. That's if the percentages stay the same. If people who have a choice stop coming here and are going to other facilities, then the percentage of people who have no care source will increase. But right now, it's at about 35 percent. The people we admit to the hospital - and we admit about, let's see, last night we admitted 46 people to the hospital, and I know that about 27 of them were uninsured - it's a little higher percentage, so they're also the sickest people. Probably we'll see an increase in the percent of them who have no insurance at all, no way to pay for their care.

KIM: Do you have a sense at all of how big a hit Alameda Health System will take

as a result of the state pulling back on money it gives to counties?

CLANON: We don't know for sure how much money we're going to be getting from the county. They're still in negotiation with the state. But we are anticipating a \$35 million loss beginning in January based on our projections of the amount that we are likely to be getting. And that is predicated on a kind of worst-case scenario where we have the same number, or even higher percentage of folks who remain uninsured and where we are unable to encourage our patients who are now insured to stick with us. So worst-case planning, we're planning on losing \$35 million, and that would be a really devastating difficulty for us to deal with.

KIM: Where would you say Alameda Health System, or Highland Hospital, is on the spectrum of being ready for the Affordable Care Act?

CLANON: Well, we've been working on it hard for the past couple years. Our leadership was maybe a little more tuned in to the changes early because of participating at the federal level and at the state level in the changes and even participating in contributing to the writing of the bill. That has helped a lot. And a lot of the details are even still being worked out now. It's really a law in evolution. As much as we participated in helping it evolve, it still means it's going to feel like we're scrambling down to the last minute to make sure that we inform everybody and to make sure that we have the space that we need to welcome everybody who's going to need us.

KIM: Dr. Clanon, thanks for talking to us.

CLANON: My pleasure.

KIM: Kathleen Clanon is associate chief medical officer at Alameda Health System.