



# EBRI News

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**FOR IMMEDIATE RELEASE: June 7, 2005**

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## **New Research From EBRI:**

### **How an Initiative to Expand Health Care Coverage In Muskegon, MI, Has Fared After More Than 5 Years**

WASHINGTON, DC—The nonpartisan Employee Benefit Research Institute (EBRI) today published a detailed examination of a unique community-based initiative to expand health care coverage to uninsured workers at small firms in Muskegon, MI.

Known as Access Health, the initiative began in 1999 with ambitious goals: enrolling 500 businesses and 3,000 residents in a “three-share” partnership involving employers, employees, and the community of Muskegon, a fairly typical Midwestern town with a faltering economy and a population with worse-than-average health outcomes. The initiative is now in its sixth year, twice as long as originally envisioned.

“It is remarkable that it prevailed at all when one considers the barriers and obstacles that any such project would face,” the study says. Some of the area’s special qualities, including Muskegon’s strong sense of community in the face of hard times and the community’s access to a wide range of individual and institutional skills, “probably kept the project going whereas it would have fizzled out in other places,” the study adds.

By the end of 2004, Access Health had enrolled more than 420 businesses and was providing health care services to 1,150 individuals, including inpatient and outpatient services, primary and preventive care services, emergency room care, and prescription drugs. The plan calls for employers and employees each to pay 30 percent of the cost of coverage and the community to pay the remainder. It was begun with a grant from the W.K. Kellogg Foundation in an attempt to fill a well-documented void in health care coverage: workers employed by small businesses that do not offer health insurance.

Written by Paul Fronstin, director of the EBRI health research and education program, and Jason Lee, director of research and policy at the National Institute for Health Care Management Foundation (NIHCM Foundation), the 29-page case study is published in the June 2005 *EBRI Issue Brief* entitled “The Muskegon Access Health ‘Three-Share’ Plan: A Case History.” The full report is available on EBRI’s Web site at [www.ebri.org](http://www.ebri.org)

The study examines the planning that went into the formation of Access Health and the obstacles that had to be overcome in program development such as benefit design, eligibility, coverage, and financing—especially funding the community’s share.

Assessing the status of the project now, the study says its analysis “paints neither a rosy nor a bleak picture” of the initiative, while offering these observations:

- Access Health has not reached its enrollment goals. But, the authors note, “Initial enrollment goals should not be used to judge the success or failure of the program. The weak national economy that developed after the introduction of Access Health likely had a large impact on employers’ ability and need to offer health benefits.”

- Views of participating employers and workers were very positive. At the end of 2004, many employers offering Access Health generally believed that it has had a positive impact on employee recruitment and retention. “Workers who were interviewed generally like Access Health, but not all workers see value in the program. As a result, some workers who are eligible for Access Health continue to choose to be uninsured.”
- While offering a “comprehensive array of health care services,” Access Health manages to remain affordable by placing some specific limits on coverage. For instance, health care services are provided only within Muskegon County. Routine dental, vision, and hearing exams are not covered. Work-place injuries and injuries and treatment for automobile accidents are not covered, nor are organ transplants and certain treatments for burns.

Access Health continues to face challenges, the study says. Its greatest financial vulnerability is the uncertain future of the community’s share, which comes from federal funds that “could be reduced or redirected” in the future, the study says. “In addition, state fiscal problems could result in fewer matching dollars, which has the potential of affecting Access Health sustainability.”

The study concludes: “Given the special conditions that existed in Muskegon, clearly it could not be duplicated measure-for-measure elsewhere. Nevertheless, other communities may be able to learn from Access Health and build their own type of multi-share program.”

Founded in 1978, EBRI’s mission is to contribute to, encourage, and enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is a private, nonprofit, nonpartisan public policy research organization based in Washington, DC. EBRI does not lobby and does not take positions on legislative proposals.

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PR# 702