



Examining the Impact of the Great Recession on the Operations of the Chippewa Valley Free Clinic

Daniel Smith (Economics)
Faculty Collaborators: Eric Jamelske (Economics)



Introduction

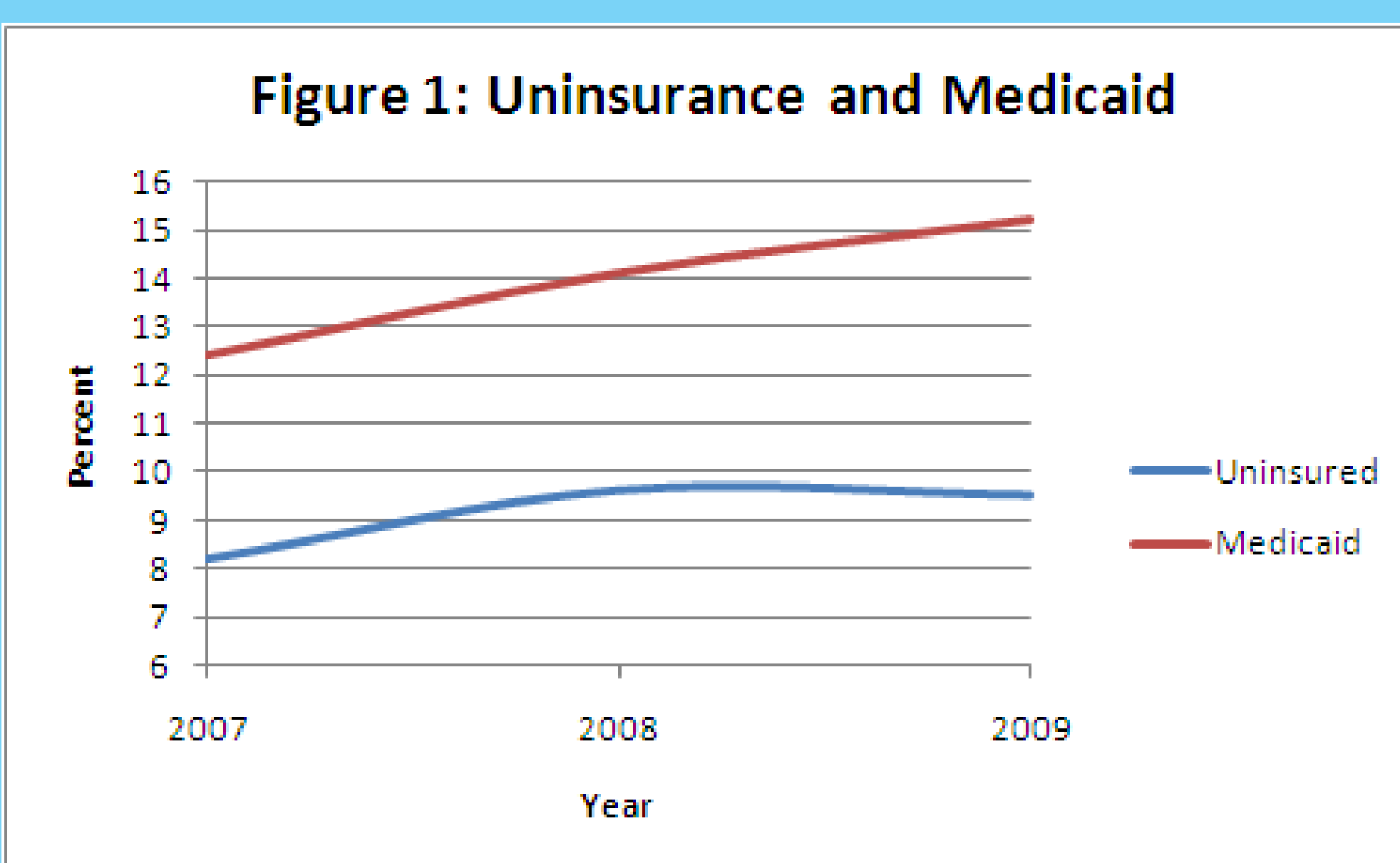
The recent economic downturn has come to be known as the *Great Recession*. By most accounts, this has been the deepest economic downturn since the Great Depression with substantial job losses and rising unemployment. With this degree of job loss it was also the case that many people found themselves without access to their normal health care services. Therefore, one might expect that people would be actively seeking other options to meet their health care needs. This study examines the effects of the *Great Recession* on the operations of the Chippewa Valley Free Clinic. In particular, we highlight the trends in patient utilization of clinic services. In addition, we also report the impact on donations and other funding sources for the clinic.

Background

The Chippewa Valley Free Clinic was founded in 1997 with the mission of serving those in the Chippewa Valley who had no other health care alternatives. It is run by a few paid staff members and a large number of volunteers. Volunteers come in a wide variety, from physicians, nurses, and pharmacists to medical room volunteers and receptionists.

Since the onset of the *Great Recession*, the percentage of unemployed persons in Eau Claire has increased from 4.5% in 2007 to 7.4% in 2009 and has remained relatively high at 7.2% in 2010. As you may expect, it is also the case that the number of uninsured individuals has increased as have the number of people covered by Medicaid. In particular, from 2007 to 2008 the percent of uninsured Wisconsinites increased from 8.2% to 9.6% (Figure 1). Similarly, the percent of Wisconsinites receiving Medicaid increased from 12.4% in 2007 to 15.2% in 2009. Overall, the result has been an increase in the number of individuals seeking alternative forms of health care. Despite the various available government assistance programs such as Medicaid and BadgerCare, there is still a shortage of resources thus suggesting an increased need for free clinic services.

Note: Unemployment data from <http://www.bls.gov>
Insurance data from <http://www.census.gov>



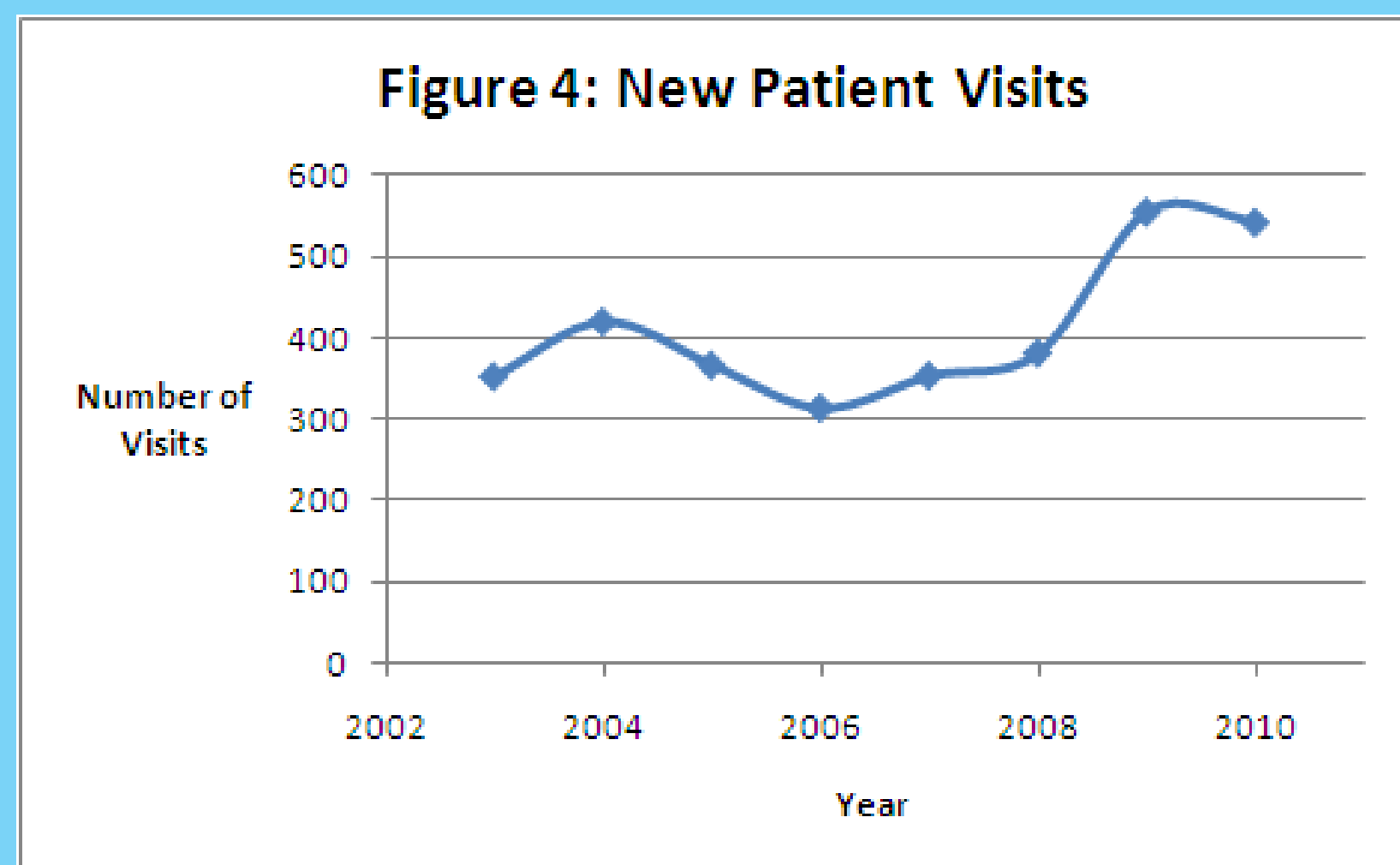
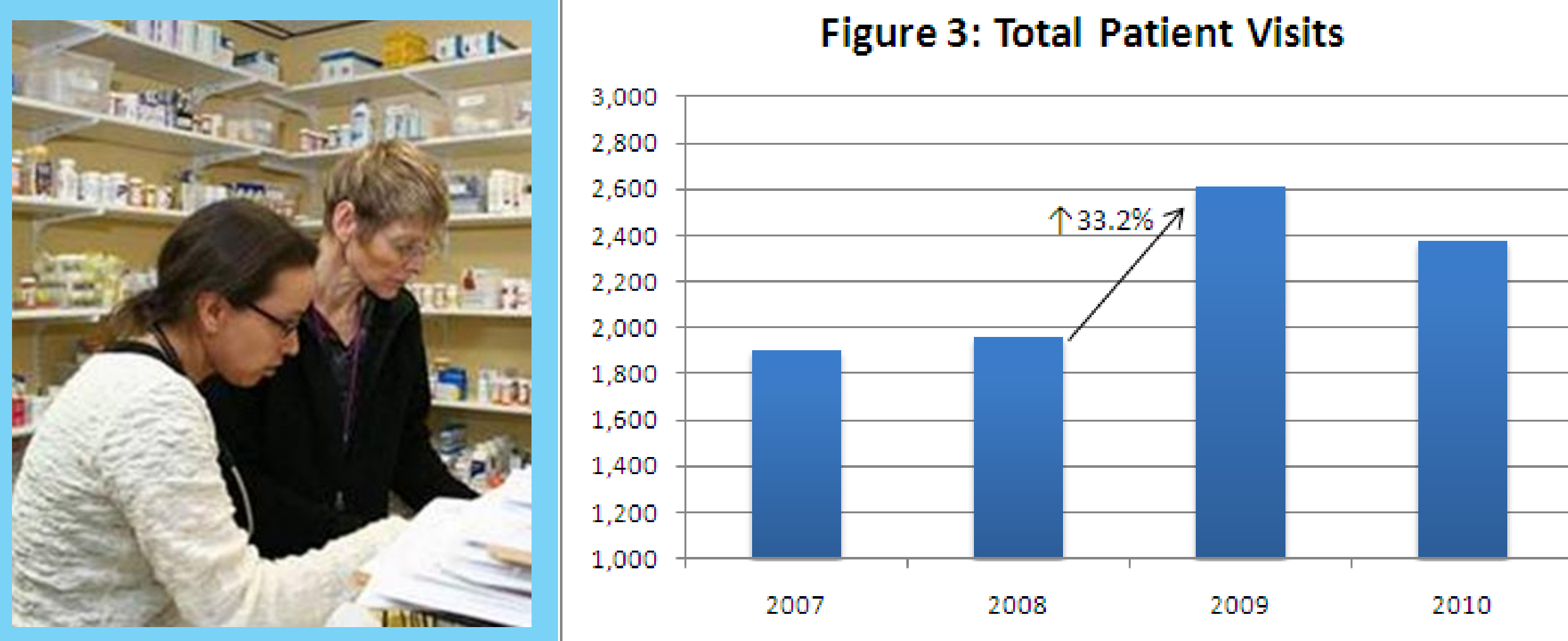
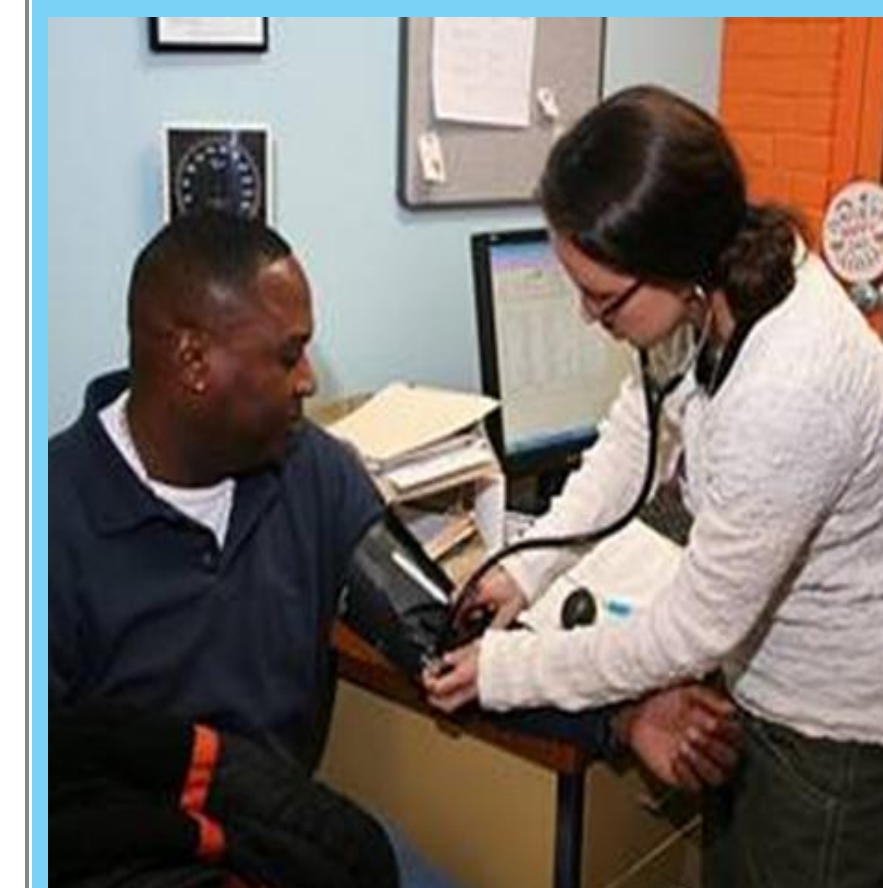
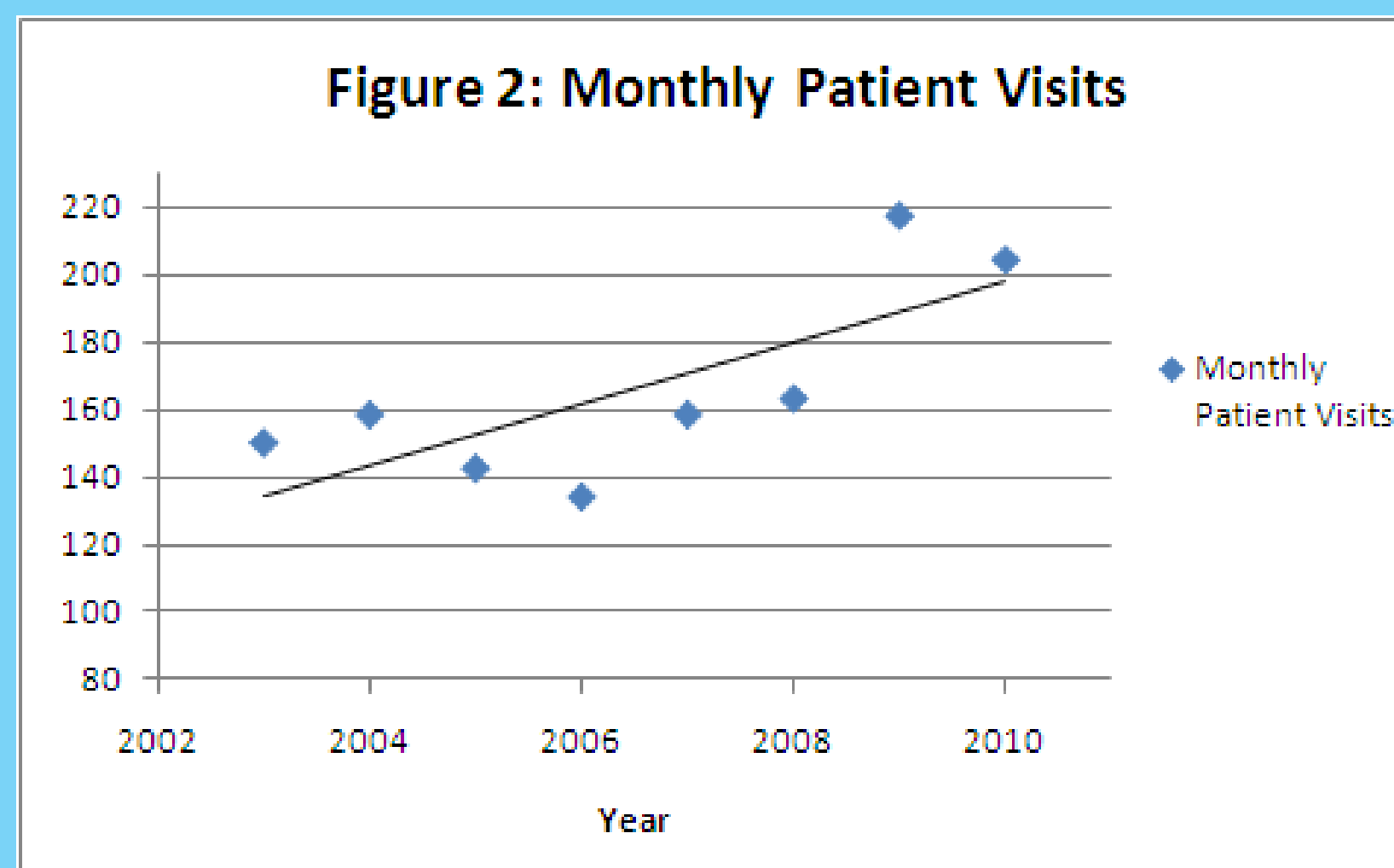
Acknowledgements

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In addition, I would also like to thank Dr. Eric Jamelske for his assistance in mentoring me.

Utilization

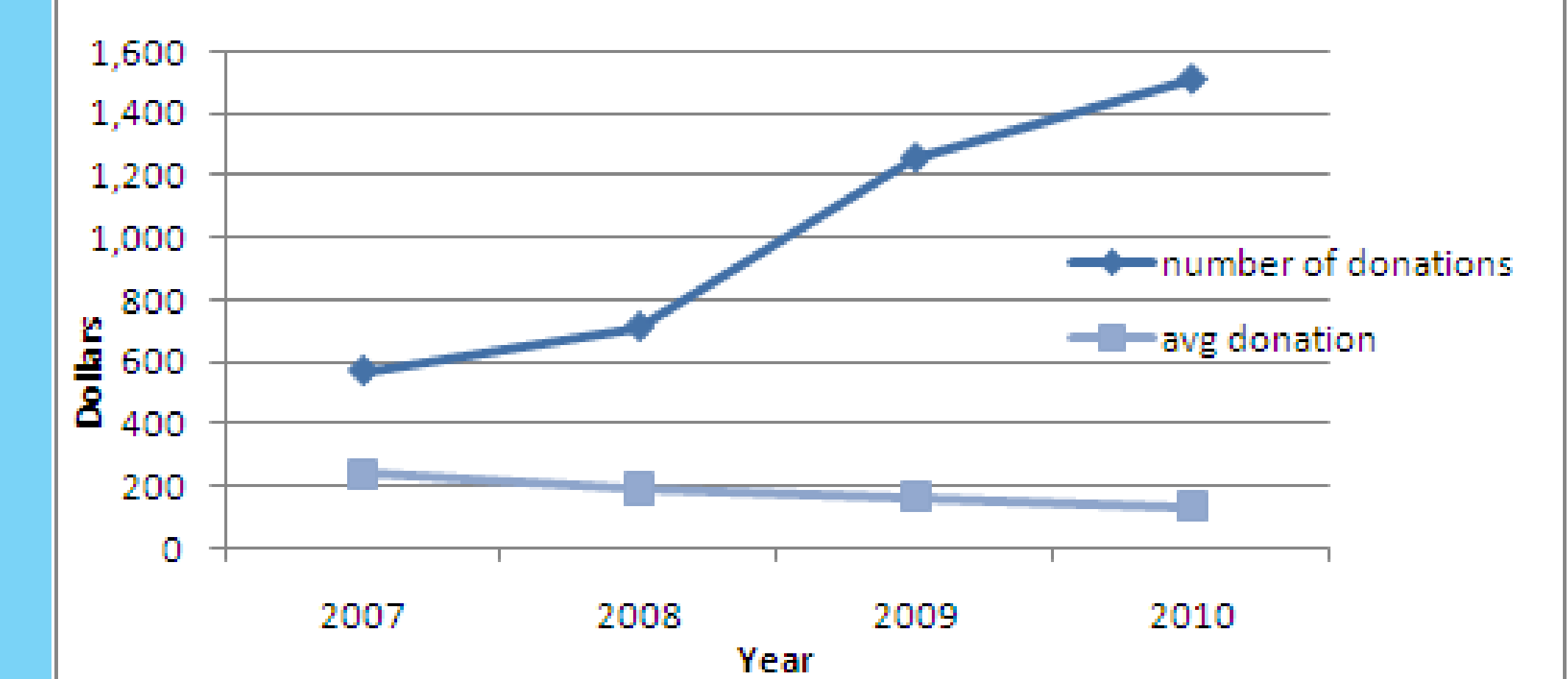
As this project focused on trends in utilization of free clinic services, the first area of research concerned the number of patient visits. As illustrated in Figure 2, the number of monthly patient visits has increased over time. From 2008 to 2009, there was a 33.2% increase in the number of total patient visits, and from 2008 to 2010, a 20.9% increase (Figure 3). This suggests that the recession had a major impact on the number of patients that have been utilizing the services of the free clinic. This increase can be accounted in large part due to an influx of new patients (patients that have never been to the clinic). Specifically, Figure 4 shows there were 175 more new patient visits in 2009 compared to 2008, a 45.9% increase. This trend stayed consistent through 2010. The fact that the increase in total patient visits is largely due to new patients indicates that people have been resorting to alternative health care services in response to the recession.



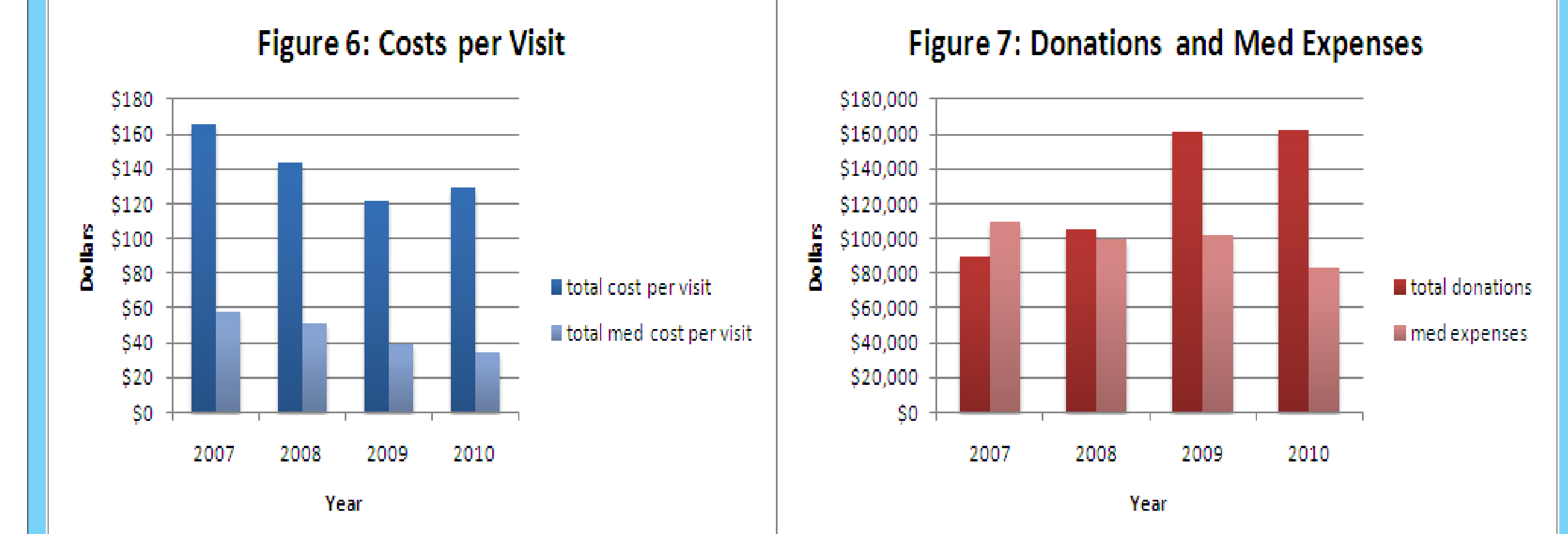
Funding

One might expect that with a troubled economy there would be less money available for the clinic from donations and other resources. This was not the case for the Chippewa Valley Free Clinic as they have shown a substantial increase in net donations (\$89,144 in 2007 to \$162,159 in 2010). There are a couple of factors that can help explain this. First, the clinic began a number of new campaigns in an effort to increase donations and had excellent results. While the average dollar amount of each donation fell (from \$239 in 2007 to \$133 in 2010), the total number of donations increased substantially (Figure 5). This resulted in a 55% increase in income from donations.

Figure 5: Donations and Average Amount



Another unexpected observation was that as the number of patient visits rose, especially in 2009, there was not an equivalent rise in expenses. It is logical to expect that, holding all other variables constant, a rising number of patient visits would lead to a higher number of services and medications provided and ultimately result in higher net expenses. So what changed? – One explanation is that the clinic began using a new system of preparing and distributing medications. They began buying bulk packages of medications and counting them in the clinic rather than having the local pharmacy prepare them. The result was a lower medication cost per patient visit (from \$58 in 2007 to \$39 in 2009) and lower total cost per visit (Figures 6 and 7).



These cost saving measures and donation increases have allowed the clinic to support the increase in patients seeking services. By becoming more efficient, they have been able to use donor dollars to help more patients and have helped increase the quality of life for many people in the Chippewa Valley area that would otherwise have no access to health care services.

Although it is hard to quantify the amount of patients that have come to the clinic as a result of job loss or loss of insurance, it certainly seems consistent with expectations that the recent economic downturn has propelled people to seek alternative forms of health care. Also, since the number of new patients has risen substantially it could be reasonably inferred that the increase in patient visits was a result of more people seeking services rather than the clinic simply being able to support more individuals.

Despite all the negative impacts associated with the recession, it is encouraging that the Chippewa Valley Free Clinic was not only able to survive but thrived during these tough times by creatively seeking donations and cutting costs without compromising services.