

## The Maryland Health Enterprise Zone Initiative Reduced Hospital Cost and Utilization in Underserved Communities

The following is a synopsis of “The Maryland Health Enterprise Zone Initiative Reduced Hospital Cost and Utilization in Underserved Communities,” published in 2018 in Health Affairs.



### What is already known on this topic?

Although the U.S. has made strides in improving health equity, significant health disparities persist and are contributing to the rise in health care costs. These disparities are rooted in socio-contextual factors such as access to medical care, socioeconomic status, and geographic location. Extensive research has found that multi-level community-based interventions can be effective at improving health outcomes and reducing health care costs.

### What is added by this article?

The authors looked at whether Maryland’s Health Enterprise Zone Initiative was associated with reductions in hospital use. The initiative is intended to address health care disparities among residents who experience significant health inequities and to support cooperation between state and local health care entities to both address the needs of underserved populations and reduce health care costs. Criteria for eligibility to participate in the Health Enterprise Zone Initiative included economically disadvantaged communities, defined by zip code boundaries, with populations of at

least 5,000 people. Zip codes where the Medicaid enrollment rate or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) participation rate was above the median for all Maryland ZIP codes were deemed eligible. Additionally, zip codes must have had life expectancies below the state median or percentages of low-birthweight infants above the state median. To attract private health care practitioners to medically underserved communities and promote integrated care, the state provided resources and incentives to each selected zip code. These incentives included grant funding, loan repayment assistance, tax credits for income and hiring, and priority for entering Maryland’s multi-payer Patient Centered Medical Home Program.

The researchers used a mixed-methods approach to evaluate Maryland Health Services Cost Review Commission data on hospital inpatient stays and emergency department visits from 2009 to 2016, as well as hospital readmission data from the Chesapeake Regional Information System for 2012 to 2015. They conducted qualitative interviews with 31 Maryland residents and 21 providers (including physicians, nurse practitioners, pharmacists, and care coordinators), and focus groups with 18 residents to collect contextual evidence.



The researchers found that the initiative was associated with fewer inpatient stays and more emergency department visits during the study period. Health care providers and residents reported that the initiative improved residents' access to care and helped them practice healthy behaviors that improved their health outcomes.



## What are the implications of these findings?

These findings can be used to help states implement initiatives with community-based organizations and health care systems that use funds and resources to support underserved communities. The results suggest that promoting healthy behaviors and improving primary care and preventive services can reduce the use of costly inpatient care. Additionally, the results support increased financial investment in similar initiatives. Future studies could examine how hospitals or health plans could provide additional support in order to support statewide community-based initiatives aimed at reducing health expenditures.

## Resources:

- Centers for Disease Control and Prevention. A Sustainability Planning Guide for Healthy Communities. Atlanta, GA: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; 2012. [https://www.cdc.gov/nccdphp/dch/programs/healthycommunitiesprogram/pdf/sustainability\\_guide.pdf](https://www.cdc.gov/nccdphp/dch/programs/healthycommunitiesprogram/pdf/sustainability_guide.pdf)
- Centers for Disease Control and Prevention. Health Equity-Oriented Strategy Selection, Design, and Implementation. Atlanta, GA: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services; 2013. <https://www.cdc.gov/nccdphp/dnpao/state-local-programs/health-equity-guide/pdf/health-equity-guide/Health-Equity-Guide-sect-1-5.pdf>
- Robert Wood Johnson Foundation. Visualizing Health Equity: One Size Does Not Fit All <https://www.rwjf.org/en/library/infographics/visualizing-health-equity.html>

## Citation:

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*The findings and conclusions in this report are those of the authors and do not necessarily represent the official position of the Centers for Disease Control and Prevention.*



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