Safety net clinics in Minnesota face loss of federal funds

As Congress debates health care, $27 million in federal aid for state’s rural and needy is in jeopardy. Cutsbacks and closures could follow.

By Glenn Howatt [Star Tribune](http://www.startribune.com/glenn-howatt/10645091/) | JULY 27, 2017 — 9:57PM

While the U.S. Congress continues to debate the future of Obamacare and Medicaid, Minnesota’s safety net clinics worry that they will lose $27 million in federal aid that helps pay for health care of the uninsured.

Unless Congress acts by October to renew the funding, Minnesota’s 17 safety net providers would have to cut services and possibly close some of the more than 70 clinics across the state.

That would create repercussions throughout the health care system, but especially in some rural parts of the state where safety net clinics are the sole health care provider. In some instances, patients are already traveling more than 50 miles for care.

“In rural Minnesota, sometimes we are the only game in town regardless of your insurance status,” said Jonathan Watson, director of public policy for the Minnesota Association of Community Health Centers, an umbrella group for the nonprofit clinics.

The loss of funds would directly impact care for the 52,000 uninsured patients they see annually, but service cutbacks could affect more than 130,000 other patients at these clinics who have government or private health insurance coverage.

“It is a significant part of our budget,” said James Platten, chief executive of Open Cities Health Center in St. Paul. “There’s just a lot of people that need this assistance.”

Open Cities, which recently reopened a second clinic that had been closed, serves some of St. Paul’s poorest communities.

“With the population that we serve, it is going to create a problem,” Platten said. “They come in and are sick and need help because their diabetes is out of control or blood pressure is high.”

The funding, which provides $3.6 billion annually to more than 1,400 safety net providers nationwide, was first authorized in 2010 as part of the broader health care policy changes that led to the Affordable Care Act.

All eight U.S. House members representing Minnesota have signed a letter of support for reauthorization of the funds.

“While Congress has been working to fund national security this week, I also look forward to advancing access to affordable health care through these community health centers,” said GOP Rep. Jason Lewis. “These provide important services in my district, especially for lower-income men and women, and I support congressional efforts to extend their funding.”

But the legislative path is uncertain as Washington also wrestles with tax cuts, the federal budget and the ongoing, contentious efforts to rewrite federal health care policy.

“We are caught up in the repeal to the Affordable Care Act and changes in Medicaid and health care reform in general,” said Michael Holmes, chief executive of Scenic Rivers Health Services, who testified last month at a U.S. House committee about the need to reauthorize the funds.

“We would have to close two to three sites and there would be a corresponding reduction in access and service delivery,” Holmes said.

Scenic Rivers serves an 8,300-square-mile area with six medical clinics and four dental clinics spread over three counties in northeastern Minnesota. It also provides staffing for critical access hospitals in Cook and Bigfork.

“We have patients traveling fairly long distances to get care,” Holmes said. “These are communities that have no other access to care.”
The federal money at risk provides about $2 million of Scenic Rivers' $12 million annual budget. Of the 12,000 patients it sees, one-fourth are uninsured.

In addition to the potential loss of community health center funding, clinics are concerned that proposed Medicaid cuts would increase demand for services.

“We are facing a double whammy of increasing numbers of the uninsured and potential decreases in the money that we use to offset the cost of care,” said Holmes. “It really creates a level of uncertainty in how we do business.”

Since Minnesota expanded its Medicaid program under the Affordable Care Act, the number of uninsured patients that safety net clinics see has fallen about 26 percent, with a commensurate increase in patients covered by public programs.

But a cut to the money that helps offset the cost of caring for the uninsured would also affect insured patients, because clinics would have to cut staff, shorten clinic hours, limit outreach and even close some locations, advocates say.

“I would argue that this is going to impact all 180,000 patients that we serve,” said Watson. “You would scale back overall operations.”

The funding has received bipartisan support and was reauthorized in 2015 after its initial five-year appropriation, but that renewal was for only two years.

“We're concerned that despite bipartisan support for health centers and our mission, Congress hasn't yet acted to extend and stabilize this critical funding,” said Dan Hawkins, a senior vice president at the National Association of Community Health Centers in Washington, D.C. “We're hopeful that Congress will act well before the September 30th deadline to avert this cliff.”

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