

The Washington Post

As more get insurance, community clinics must grow to meet demand

By Chadwick Matlin
Sunday, March 28, 2010; G03

Nine months ago, I was in Nashville, standing in an empty hardware store that was supposed to become a community health center by October 2009. The same day, President Obama was in the White House Rose Garden, telling us that a health-care overhaul was going to be passed soon. After months of delays, the health center is finally set to open next week. After months of delays, Obama finally signed a completed health-care bill on Tuesday.

It's only fitting that their progress was indirectly related. Nationally, community health centers were desperately hoping for health-care reform.

Without it, health centers could suffer through the status quo, but there's no way they would have had the freedom to expand. That expansion is necessary to keep up with increased demand for medical services for the newly unemployed and uninsured. But now that health reform is law, health centers -- and their quirky, nonprofit, federally subsidized business model -- are the lynchpin of making sure we can actually treat all these newly insured Americans.

Outside of veterans' hospitals, community health centers are the closest thing we have to government-supplied health care. Every one of them is nonprofit, with the government (federal and state) bankrolling them in part through grants. Their task is noble: to provide medical care even to the uninsured, regardless of their ability to pay. Of course, that assumes the health centers have the resources to do so.

Those resources -- staff, supplies, equipment -- cost money, especially when you're trying to woo a medical student with hundreds of thousands of dollars in debt to work amidst urban blight or in a rural backwater. To pay for those doctors, then, you need revenue. And to generate revenue, you need people to pay for services. That's where the insured come in.

As of now, 60 percent of health-care patients have some kind of insurance. They pay for the 40 percent who do not. On the surface, the system appears to work. Mainly because there's no way for it not to. Nationally, health centers have been breaking relatively even, overall -- in 2008, they had \$10.065 billion in costs, \$10.059 billion in revenue.

That's because the centers have calibrated their costs down to how much money they can bring in. And that calibration has left many patients without adequate care. In order to expand, health centers need even more people who can pay for not only their own care, but also for that of the uninsured. This need has grown increasingly acute; last year, health centers saw a 21 percent increase in uninsured patients as employees got laid off and lost their coverage.

Advertisement

InterestPlus Online Savings 

Get paid. **Twice.**

Get a great
1.30% APY* + **10% bonus**
with a balance of \$2,500 on interest earned*

- Great rate
- No fees
- Easy transfers[®]

[Get Started](#)

 MEMBER FDIC

REPLAY

That influx put a greater strain on the system, one that the stimulus stepped in to alleviate. The government funneled \$2 billion to community health centers, partly as a stopgap measure to fortify the existing infrastructure when all those newly unemployed came coughing through the door, and partly as an investment in a future Obama was convinced would soon come -- a future with new centers to help freshly insured Americans.

House Speaker Nancy Pelosi (D-Calif.) broadly articulated the point right before the vote Sunday night: "This began over a year ago under [Obama's] leadership in the American Recovery and Reinvestment Act."

When I was touring that empty health center in Nashville last summer, the woman in charge, Mary Bufwack, told me she was appreciative of the stimulus money that helped build it. But a lack of health-care reform would just as soon tear it down. It's "wonderful because now we have a doorway in. I hate to think it's a doorway to nowhere," she told me then.

Now, we at least know who's waiting on the other side of that doorway: 32 million people eager to flash their new insurance cards. A large swath of them are going to end up in community health centers like Bufwack's. Of those 32 million, 16 million are going to be insured through Medicaid, which means they're probably living in low-income areas. Those are precisely the places where nonprofit groups put community health centers.

Bufwack estimates that two-thirds of her patients who are currently uninsured will be covered by the new Medicaid provision. For those millions, health centers aren't just safety nets, they're often the only line of defense.

Which makes the stimulus investment, premeditated though it was, seem prescient. Yet even that \$2 billion infusion wasn't enough to prepare the system for a crush of newly insured patients.

Luckily for the health centers -- but not so lucky for those currently ill -- the Medicaid expansion and the new insurance mandate don't kick in until 2014. That gives them some time to build a few new wings, hire several new doctors and go to Costco for a few new filing cabinets. To do all that, the new health law gives the centers \$11 billion. When the insured masses start knocking on the door, the health centers had better be ready.

Because if they aren't, we're going to have a problem. A Massachusetts kind of problem: After the state forced its residents to have health insurance, it realized it didn't have enough doctors to actually care for all these people. The same thing will happen nationally if health centers don't get their act together in time.

It's fortunate that the health centers' business models are well suited to scale up. The biggest drag on health centers' growth thus far has been the lack of insured patients. With more people insured, they'll have more revenue to toss around, which will help them build more centers for the people who still aren't insured -- illegal immigrants, mainly. And because they're nonprofit, they don't have to siphon money from this huge new revenue stream. It just goes back into the system.

Or as Bufwack might put it, it just goes back around the revolving doorway.

[View all comments](#) that have been posted about this article.

Post a Comment

[View all comments](#) that have been posted about this article.

You must be logged in to leave a comment. [Login](#) | [Register](#)

Submit

Comments that include profanity or personal attacks or other inappropriate comments or material will be removed from the site. Additionally, entries that are unsigned or contain "signatures" by someone other than the actual author will be removed. Finally, we will take steps to block users who violate any of our posting standards, terms of use or privacy policies or any other policies governing this site. Please review the [full rules](#) governing commentaries and discussions. You are fully responsible for the content that you post.

Sponsored Links

Bose® Official Store

Shop award-winning products from the most respected name in sound.
www.Bose.com

Thinking Forward®

Register Now for Free Information, Tools & Advice for Bipolar Patients
BipolarTreatmentInfo.com

Looking to Trade Options?

Jon & Pete Najarian Give Expert Advice and Research Starting at \$99
www.optionMONSTER.com

[Buy a link here](#)

© 2010 The Washington Post Company