ACA’s fate will affect community health centers

Repealing the Affordable Care Act would create repercussions for a significant component of Minnesota’s health care safety net.

By William E. Conroy, MD, and Jonathan Watson, MPIA

The Neighborhood Involvement Program (NIP), a community clinic in Minneapolis, was founded in 1968. On one evening each month for more than 20 years, one of this article’s authors (Conroy) joined physicians and other health care volunteers there to provide free or low-cost medical care and other services to people with limited or no health insurance. Starting in 2010, as more NIP patients became eligible for health insurance under the Patient Protection and Affordable Care Act (ACA), many were able to seek care at conventional clinics. Patient volumes at NIP diminished, ultimately leading to the clinic’s closure in 2014.

The sadness NIP volunteers and staff experienced in losing this neighborhood fixture was offset by the reassurance that positive changes in health care availability had obviated the need for our services.

Enacted by the 111th U.S. Congress, the ACA was signed into law by President Barack Obama on March 23, 2010. Nationally, the number of people without health insurance fell from 16.0 percent in 2010 to 8.9 percent in the January-June period of 2016.

Now, with single-party control of the U.S. presidency, Senate, and House of Representatives, full or partial repeal of the ACA by the 115th Congress seems possible.

The ACA in MN

The Minnesota Department of Human Services estimates that the ACA has allowed 300,000 Minnesotans to secure insurance coverage; delivered $2 billion per year in federal funding; spurred improvements in care delivery; supported efforts to reduce waste, fraud and abuse in public programs; and driven initiatives to improve efficiency, quality and technology—all while lowering members’ monthly costs by 15 percent among the state’s largest group of public health care program enrollees.

In Minnesota, 17 community health centers comprise an important segment of the state’s health care safety net. The organizations provide primary medical, dental and behavioral health care services to low-income residents at more than 70 locations in underserved urban and rural areas. The ACA’s impact on these centers has been dramatic. In 2010, 42.3 percent of people served by Minnesota’s community health centers were uninsured; by 2016, 29.1 percent were uninsured. Patient volumes at Minnesota community health centers grew from 168,750 patients in 2010 to 173,751 patients in 2015.

In addition, the ACA’s expansion of Medicaid has accelerated improvements in the care that community health centers provide. After ACA enactment, community health centers in states that expanded Medicaid—when compared to centers in states that did not—improved treatment and outcomes for patients with chronic diseases. Specific improvements included increased quality of asthma treatment, Pap testing, body mass index assessment and hypertension control.

Consequences of repeal

An ominous warning from the Minnesota Department of Human Services suggests that ACA repeal would place Minnesota in a situation far worse than it was in before the law was enacted. The ACA prohibits denial of coverage based on pre-existing conditions; its repeal would threaten the insurability of an estimated 744,000 state residents who have such conditions, adding to the pool of uninsured people who require safety-net health care.

Medicaid expansion has also been a key driver in providing health insurance to many people who were uninsured before the ACA’s enactment. If the law is repealed, nearly 300,000 Minnesotans will lose that coverage. The projected risk of so many people losing health care coverage would threaten the stability of the state’s safety net system—and drive up providers’ costs of providing uncompensated care.

Based solely on the changes in patient volumes and on the numbers of uninsured patients at community health centers since the ACA was enacted, an estimate suggests that if the ACA is repealed and the rate of uninsured patients approaches the level seen before the law’s enactment, Minnesota’s remaining community health centers will be forced to absorb nearly 23,000 additional uninsured patients.

Compounding that threat is the possible shift to fixed funding of Medicaid, accomplished either through block grants to states or per-capita funding caps. Because these funding approaches would no longer adjust to swings in the economy, states would become responsible for larger coverage shortfalls. To reconcile these ballooning gaps in funding, states would be forced to consider
a number of options, including reducing the number of people eligible for Medicaid, limiting coverage for those remaining enrolled, imposing additional cost-sharing on low-income residents, raising taxes, or lowering payments to physicians and other health care providers. Lower Medicaid payments would reduce access to health care—especially specialty care. That could “result in adverse medical outcomes and potentially higher costs from avoidable emergency department visits and hospitalizations.”

In addition to potentially having to endure the repercussions of ACA repeal and Medicaid changes, community health centers also face a looming loss of direct support. Currently, the nation’s 1,200 community health centers receive a mix of discretionary and mandatory federal funding. The mandatory portion—making up 70 percent of the centers’ grant funding—is slated to expire on September 30, 2017. If that expiration occurs as scheduled, Minnesota’s community health centers will lose $20 million in federal grants. That would force the centers to dramatically scale back their services.

In the absence of an adequate health care safety net, people are likely to defer preventive services and postpone evaluation of illness—behaviors linked to poorer health outcomes and additional costs. Since NIP closed, Minnesota’s remaining community health centers have served increasing numbers of patients, many of whom receive care funded by various programs of the ACA. Repealing the act would carry the potential to strike community health centers with a combination of burgeoning patient demand and diminishing resources. At the very moment these centers would be most needed to deliver quality care in a cost-effective manner, the overwhelming burden of ACA repeal could render this reliable system incapable of providing adequate health care for the underserved.

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REFERENCES

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