

# GOP budget proposal could kill essential health care programs

\$1.3 billion cut would cost billions more in rising costs

By [Todd A. Heywood](#) | 02.15.11 / 8:36 am

A budget proposal introduced by Congressional Republicans last week would end federal funding for Community Health Centers, and that, experts say, would devastate a key program that provides access to health care for thousands of Michigan residents.

The [proposal](#) comes as part of a plan to fund the remainder of the current fiscal year. The current budget plan will eliminate \$100 billion in spending for the remainder of the current fiscal year. Congress has to approve funding, either by continuing resolution or by final budget allocation, by March 4, of the government runs out of cash.

The GOP took over the U.S. House promising to cut \$100 billion from the budget, but an earlier Republican proposal only cut \$74 billion, and the [Tea Party politicians raised a ruckus](#), resulting in a proposal to cut the remaining \$26 billion.

Included in that \$100 billion cut is a line item to reduce funding for Community Health Centers by \$1.3 billion. Nationwide, the programs serve 20 million people, says Dana Lawrence, communications manager for the [Michigan Primary Care Association](#). In Michigan, there are 29 federal recognized Community Health Centers serving 600,000 patients.

Lawrence says of the residents served in Michigan, 68 percent fall below the federal poverty line, while 75 percent of them are either insured by Medicaid or have no insurance at all.

“All told, Michigan Health Centers stand to lose \$5,593,356 in immediate funding and 96,986 patients would lose access to care,” Lawrence said.

But these numbers only tell part of the story. Under the Affordable Care Act, Community Health Centers are envisioned as a key point of entry and expansion of access to medical care. If the cut comes through as proposed, Lawrence says that will halt that expansion in its tracks.

Marcus Cheatham, spokesperson for the Ingham County Health Department, said the Community Health Centers are key to getting a grip on health care costs.

“You are building out the capacity to serve those people who are currently uninsured to have a place to access care,” Cheatham said. He notes that right now, the country does not have the capacity to provide medical care to the millions of uninsured patients. The health centers were part of a plan that involves “many moving parts” envisioned by the Affordable Care Act. Those centers, he says, are key to making sure all the people who will be going onto insurance rolls as a result of health care reform have a place to get services.

“They (the Congressional Republicans) are basically say we no longer have a plan for uninsured folks,” Cheatham said. “It’s really really serious. It is really calling into question whether Congress has a plan on what to do with healthcare access for all these uninsured patients.”

Cheatham points out that the Affordable Care Act envisions allowing many Americans to enroll in Medicaid. The problem with that, he notes, is that many current providers simply cannot afford to accept new Medicaid

patients because of the low reimbursement rates for services. The health centers, he says, are exceedingly more cost efficient, and thus are able to accept new Medicaid enrolled patients at those low reimbursement rates.

Because the only alternative to such centers for uninsured patients is the emergency room, both Lawrence and Cheatham say that cutting that \$1.3 billion will dramatically raise costs for the government, for medical providers and for insured patients.

“This cut would drastically raise costs in the health care system generally, and the Medicaid program specifically, by billions of dollars as patients who lose access to primary care seek care in emergency rooms and have worsening health,” says Lawrence. “The expansion of Health Centers under the Affordable Care Act is projected to save up to \$122 billion in total health care costs between 2010 and 2015.”

The use of emergency rooms by non-emergency patients often result in hospitals taking large hits to their financial bottom lines. That cost is in turn spread out and added to the billing of insurance covered patients, says Cheatham.

“Health Centers are extremely cost-effective – currently saving the health care system \$1,093 per patient per year through efficient delivery of needed care,” says Lawrence.

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