10 - 0471
This document is made available electronically by the Minnesota Legislative Reference Library as part of an ongoing digital archiving project. http://www.leg.state.mn.us/lrl/lrl.asp

Community Clinic Grant Program

Report to the Minnesota Legislature 2010

Minnesota Department of Health

March 31, 2010

MINNESOTA MDH DEPARTMENT OF HEALTH

Commissioner's Office
625 Robert Street N
P.O. Box 64975
St. Paul, MN 55164-0975
(651) 201-5000
www.health.state.mn.us

Community Clinic Grant Program

March 31, 2010

For more information, contact:
Health Policy Division/Office of Rural Health and Primary Care
Minnesota Department of Health
85 E 7th Place, Suite 220
P.O. Box 64882
St. Paul, MN 55164-0882

Phone: (651) 201-3838
Fax: (651) 201-3830
TDD: (651) 201-5797

As requested by Minnesota Statute 3.197: This report cost approximately $1,275 to prepare, including staff time, printing and mailing expenses.

Upon request, this material will be made available in an alternative format such as large print, Braille or cassette tape.
Printed on recycled paper.

Community Clinic Grant Program

Executive Summary

Minnesota Statutes, Section 145.9268 directs the Commissioner of Health to report the needs of community clinics to the Minnesota Legislature and make recommendations for adding or changing eligible activities under the Community Clinic Grant Program.

The purpose of the Community Clinic Grant Program is to support the capacity of eligible community clinics to serve low-income populations by helping to reduce current or future uncompensated care burdens or helping to provide improved care delivery infrastructure.

Community clinics are an integral part of the health care safety net for the state of Minnesota. The definition for "community clinic" can vary; however, under this program, a community clinic is a nonprofit, tribal, Indian Health Service or publicly owned clinic that is established to provide health services to low-income or rural population groups. Eligible clinics are required to provide medical, preventive, dental or mental health primary care services and must utilize a sliding fee scale or other procedure to determine eligibility for charity care or to ensure that no person will be denied services because of inability to pay. These safety net clinics help to ensure access to health care for populations that are uninsured or underinsured.

Activities eligible for funding under the Community Clinic Program are broad, ranging from medical supplies to capital expenditures. The statute also provides for grant awards for "other projects determined by the Commissioner to improve the ability of applicants to provide care to the vulnerable populations they serve."

The need for grants to community clinics has continued to increase with the rising cost of health care. Safety net clinic applicants under the Community Clinic Grant Program report large uncompensated care costs resulting in operating losses. The current annual appropriation for this program is $561,000. Since the program began in 2002, the demand for funds has greatly exceeded the appropriated dollars.

With community clinics' uncompensated care burdens rising and this grant program's record of supporting projects serving underinsured patients, the Community Clinic Grant Program continues to respond to the needs of the health care safety net. There is no need to change the program's eligible activities. The current statute is adequately broad and allows for the type of projects needed to help safety net clinics provide health care services to uninsured and underinsured populations.

Legislative Authority

Minnesota Statutes, Section 145.9268 directs the Commissioner of Health to report the needs of community clinics to the Minnesota Legislature and make recommendations for adding or changing eligible activities under the Community Clinic Grant Program.

Program Introduction

The purpose of the Community Clinic Grant Program is to support the capacity of eligible community clinics to serve low-income populations by helping to reduce current or future uncompensated care burdens or helping to provide improved care delivery infrastructure. The Office of Rural Health and Primary Care first implemented the grant program as authorized by the Legislature in 2001. Statutes require a geographic representation of grant awards among all regions of the state, urban and rural.

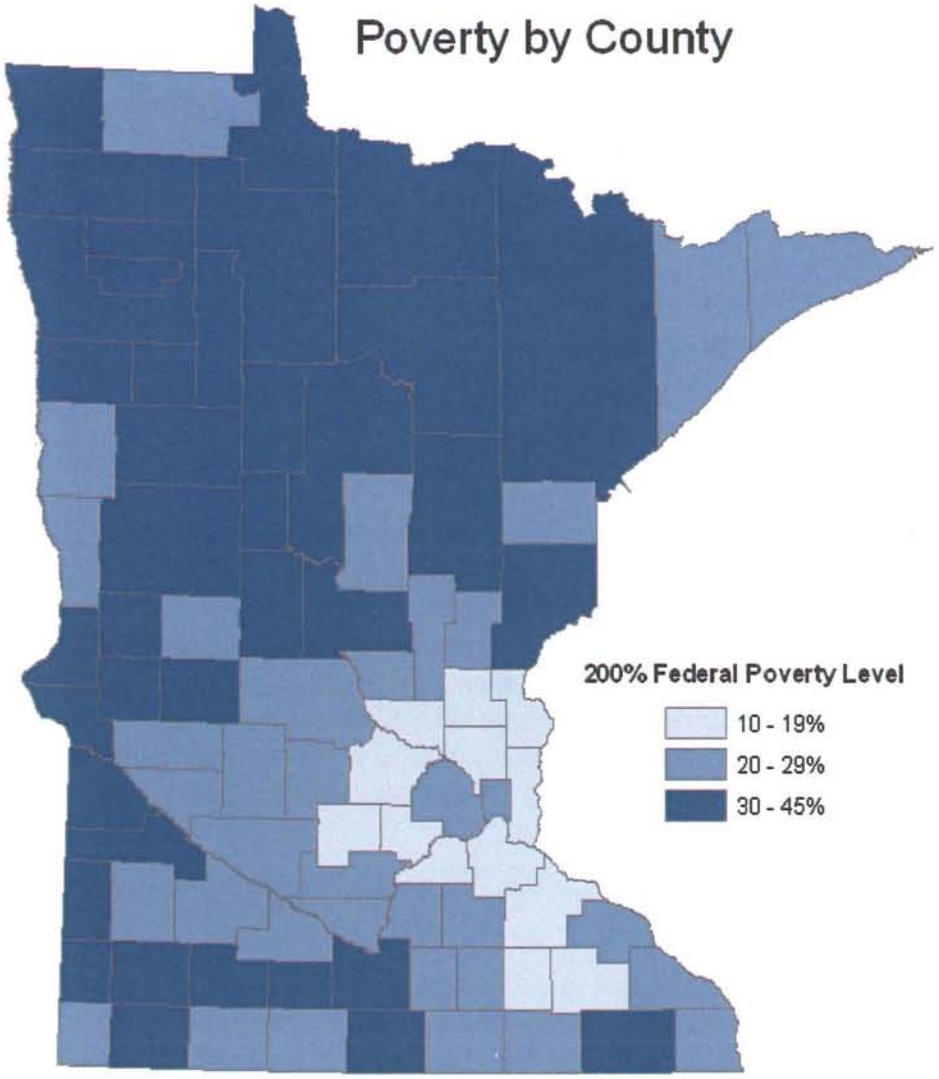
Community Clinics

Community clinics are an integral part of the health care safety net for the state of Minnesota. The definition for "community clinic" can vary; however, under this program, a community clinic is a nonprofit, tribal, Indian Health Service or publicly owned clinic that is established to provide health services to low-income or rural population groups. Eligible clinics are required to provide medical, preventive, dental or mental health primary care services and must utilize a sliding fee scale or other procedure to determine eligibility for charity care or to ensure that no person will be denied services because of inability to pay. These safety net clinics help to ensure access to health care for populations that are uninsured or underinsured.

Populations at Risk

Two common indicators of health care access are poverty and un-insurance rate. Populations in poverty are often underinsured and, like the uninsured, lack a medical home. According to the most recent Census estimates available (2008), more than 21.5 percent of Minnesotans (1,035,000 people) are under 200 percent of the federal poverty level.

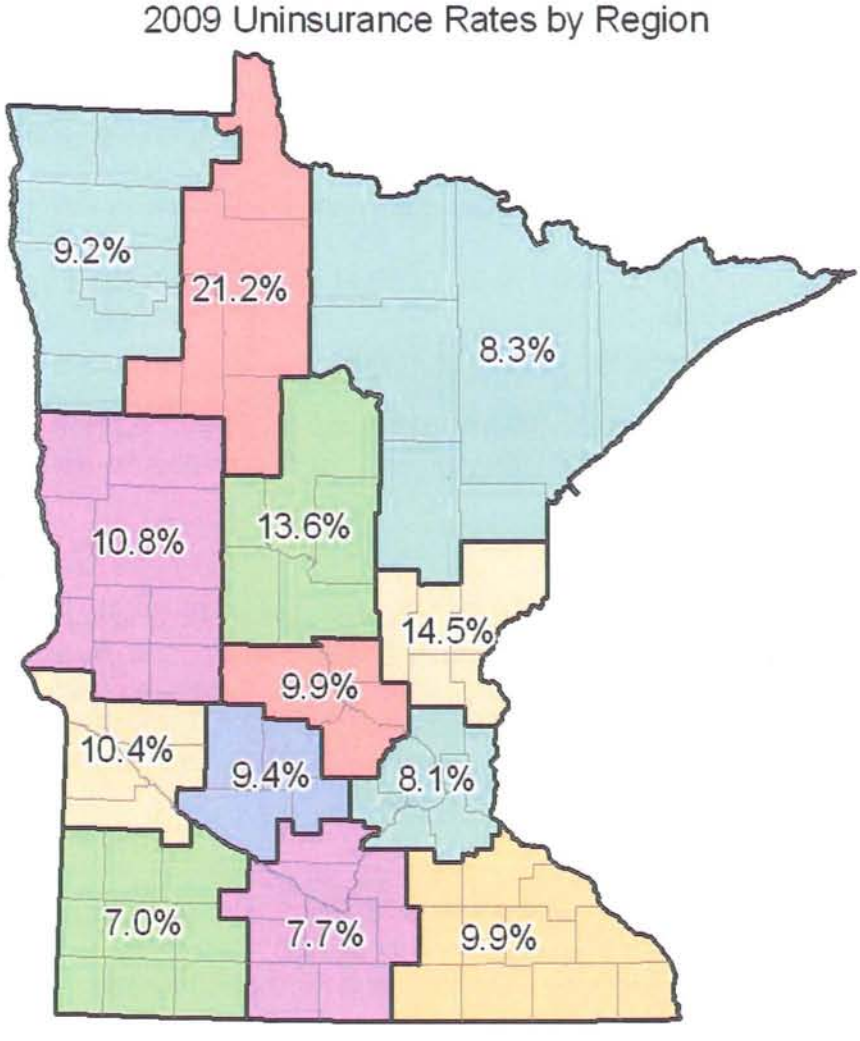
By county, the population under 200 percent of poverty varies from 10 percent to 45 percent with nearly half of Minnesota counties at 30 percent or higher. The following map shows poverty levels statewide by county (2004 Claritas Census estimates, 2008 Census estimates not available at county level).



Source: 2004 Claritas census estimates

Urban areas experience extreme concentrations of poverty. Within the cities of St. Paul and Minneapolis, over half of the census tracts show 30 to 88 percent of the population under 200 percent federal poverty level. (2004 Claritas Census estimates, 2008 estimate data not available at the sub-county level).

According to the 2009 Minnesota Health Access Survey (a collaborative survey by the Minnesota Department of Health and the University of Minnesota, School of Public Health), the overall rate of un-insurance in Minnesota is 9.1 percent. Geographically, these rates vary from 8.1 percent to 21.2 percent with many rural counties in regions over 9 percent, as shown in this map.



Source: 2009 Minnesota Health Acess Survey
Minnesota Department of Health
University of Minnesota, School of Public Health

Not only do many rural populations experience higher rates of un-insurance, it is also important to note that many of the populations of color in Minnesota experience great disparities with regard to un-insurance. The un-insurance rate for Hispanic/Latino Minnesotans in 2009 was almost four times the rate for White Minnesotans (28.6 percent compared with 7.8 percent). Additionally, un-insurance rates for Black Minnesotans (16.0 percent) and American Indians (18.8 percent) were greater than twice the rate for White Minnesotans. St. Paul and Minneapolis have large concentrations of populations of color, with population of color in some census tracts as high as 91 percent. Community clinics are the major safety net for these rural and inner city populations experiencing poverty and un-insurance.

Eligible Grant Activities

Activities eligible for funding under the Community Clinic Program are broad, ranging from medical supplies to capital expenditures. Per the program statute, awards may be made to community clinics to plan, establish or operate services to improve the ongoing viability of Minnesota's clinic-based safety net providers.
Eligible grant activities:

- Provide a direct offset to expenses incurred serving the clinic's target population
- Establish, update or improve information, data collection or billing systems, including electronic health records systems
- Procure, modernize, remodel or replace equipment used to deliver direct patient care at a clinic
- Provide improvements for care delivery, such as increased translation and interpretation services
- Build a new clinic or expand an existing facility.

The statute also provides for grant awards for "other projects determined by the Commissioner to improve the ability of applicants to provide care to the vulnerable populations they serve."

Types of Awards

Awards have been provided in each of the eligible categories. In the many cases involving direct services, the targeted populations have included not only uninsured and underinsured but also other disadvantaged populations experiencing barriers in accessing health care. These include farmers, migrant farm workers, American Indians, African and Asian refugees, immigrants, low-income children and pregnant women, rural/frontier populations, and people who are disabled, elderly, non-English speaking, Hispanic or homeless.

Recent awards have funded activities in the following categories:

- Direct health care services, including medical, dental, mental health, ob/gyn, pediatric
- Equipment, including dental, medical, technological
- Health information technology, including electronic health records
- Outreach and education
- Case management and chronic care models
- Homeless medical services
- Mobile clinic services
- Offset of uncompensated care costs
- Offset of uncompensated lab and testing services
- Pharmaceuticals
- Renovation of space, including medical clinics, dental clinics, mental health clinics
- Translation/interpretation services.

Program Impact

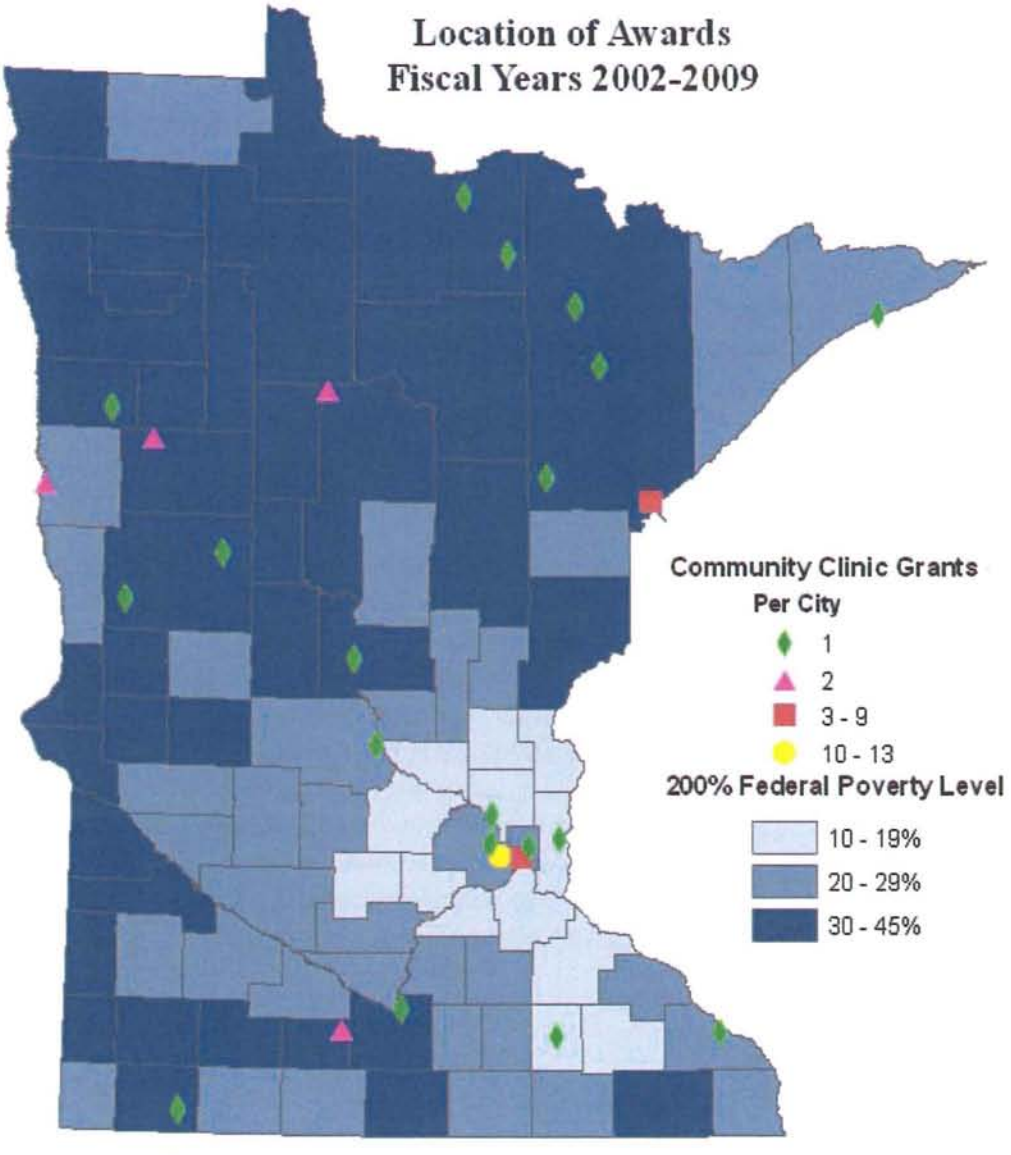
The recent benefits of this program to communities and underserved populations can be measured in many ways. Some examples include:

- Increased access to primary medical services for a growing uninsured and ethnically diverse pediatric population in Anoka County. Grant funds were used for clinical salaries to increase clinic hours and add 100 patient encounters.
- Increased access to dental services for uninsured children and diabetic adults in the Duluth area. Grant funds supported 50 preventative/restorative oral health visits to uninsured diabetic adults and 175 preventative/restorative oral health visits to uninsured children.
- Improved dental health outcomes for low-income and minority children and mothers in St. Paul and Maplewood. Grant funds supported clinical salaries to ensure that at least 40 percent of children participating in the project returned for an annual check-up, 50 percent improved dental caries risk, 120 pregnant mothers utilized preventative services, and 2,000 people received oral health information and dental care kits.
- Continued successful culturally competent outreach and service delivery to a chronically homeless uninsured and underinsured American Indian population in Minneapolis. Grant funds supported medical and non-medical services to an average of 22 homeless clients per day.
- Increased access to dental services to uninsured populations in Otter Tail County via a new dental clinic. Grant funds supported start-up costs, equipment and clinical salaries to establish a new dental clinic.
- Improved quality of care, care coordination and chronic disease management for uninsured and underinsured north Minneapolis patients through the implementation of electronic medical records. Grant funds supported staff training and equipment to complete implementation.
- Increased access to culturally competent mental health services to the American Indian population in Minneapolis. Grant funds supported clinical salaries to provide mental health services during 430 psychiatric hours.
- Improved health outcomes for diabetic American Indian populations in Koochiching and northern St. Louis counties. Grant funds supported the development of a diabetes case management system, which increased the percentage of patients with a controlled blood sugar (A1C < 7.0) and increased compliance with foot exams.
- Increased access to screening and treatment for sexually transmitted diseases in Pipestone, Winona and St. Louis counties for uninsured and underinsured youth. Grant funds supported salaries, lab costs, educational materials, equipment, and office operations to provide screening and treatment to 920 youth.

Historical Allocation of Grants

Grants have been provided to a variety of organizations including Rural Health Clinics, Federally Qualified Health Centers, Community Mental Health Centers, hospitals, Indian Health Services, community networks, tribal clinics, public health clinics, rural medical clinics, dental clinics, family planning clinics, counseling and mental health clinics, teen clinics and faith-based clinics.

The following map shows the location of grantees across the state with the underlying poverty level by county.



Source: 2004 Claritas census estimates,
2009 ORHPC Community Clinic data

Grant Availability

The current annual appropriation for this program is $561,000. Since the program began in 2002, the demand for funds has greatly exceeded appropriated dollars. Consequently, program staff implemented a maximum award amount of $45,000, even though the statutory maximum award is $300,000. This allows for approximately 12-14 grant awards each year. For the current grant cycle, the Office of Rural Health and Primary Care received 42 applications with $1,866,065 requested in funding, more than three times the available appropriation. A historical summary of grant requests and awards is below:

Community Clinic Grants Summary

Fiscal Year	Total Requested	Total Awarded	Number of Requests	Number of Awards
2002	$6,293,752	$3,039,300	27	22
2003	$2,569,613	$1,009,907	27	21
2004	$ 896,604	$ 317,000	20	9
2005	$ 967,700	$ 337,000	22	8
2006	$1,155,962	$567,000	37	13
2007	$1,599,004	$567,000	36	14
2008	$1,706,721	$567,000	40	14
2009	$1,745,794	$561,000	40	14
2010	$1,866,065	$561,000	42	13

The need for grants to community clinics has continued to increase with the rising cost of health care. Safety net clinic applicants under the Community Clinic Grant Program report large uncompensated care costs resulting in operating losses. Many applicants use financial reserves to maintain clinical operations for the uninsured and underinsured populations they serve. These safety net clinics increasingly rely on grant funding to not only maintain services to the uninsured and underinsured, but to continue to operate.

Recommendations

With community clinics' uncompensated care burdens rising and this grant program's record of supporting projects serving underinsured patients, the Community Clinic Grant Program continues to respond to the needs of the health care safety net. There is no need to change the program's eligible activities. The current statute is adequately broad and allows for the type of projects needed to help safety net clinics provide health care services to uninsured and underinsured populations.

MINNESOTA
MDH
DEPARTMENT OF HEALTH
Commissioner's Office
625 Robert Street N
P.O. Box 64975
St. Paul, MN 55164-0975