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HEALTH CARE: Health centers across North Bay see hope in stimulus

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NORTH BAY, U.S. – Though \$2 billion might seem like a relatively small slice of the colossal stimulus pie, health clinic leaders said the funding will mean millions for North Bay facilities, including a potential \$7 million for a region-wide electronic health records system.

“We are the people that take care of the poor and the uninsured and underinsured,” said Napa’s Clinic Ole Executive Director Beatrice Bostick. “It is becoming harder and harder for health centers to serve the increasing number of uninsured knocking on our doors. ... For the first time it seems like, they aren’t cutting, they are funding.”

The American Recovery and Reinvestment Act signed into law Feb. 17 is historic in its size, topping \$787 billion, but is also the largest single investment in the federally qualified health centers network since the program was created 45 years ago. The bill allots \$150 billion for health care in general, with about \$2 billion earmarked specifically for the safety net providers for projects related to technology, augmenting services, construction and physician recruitment.

In the North Bay, four clinics have asked for a piece of \$1.5 billion designated for “shovel-ready” building projects, including Southwest Community Health Center in Santa Rosa, Sonoma Valley Community Health Center, Petaluma Health Center and Alliance Medical Center in north Sonoma County.

The estimates of potential funding are based on comments by local health care officials and numbers provided by the California Health Care Foundation, National Association of Community Health Centers, California Primary Care Association, the New England Journal of Medicine and the text of the American Recovery and Reinvestment Act.

Though it is unclear exactly how the grants will be handed out or against what criteria, clinic leaders were optimistic last week. “It’s so new to all of us we don’t even know how it will be distributed. We are just trying to prepare ourselves internally and say, ‘Hey, this is why we need this,’” said Marin Community Clinics Executive Director John Shen.

“We were very happy that at least community health centers were noticed.”

A spokesman for the Redwood Community Health Coalition, which represents 14 centers in

Sonoma, Napa, Marin and Yolo counties, said the network also stands a good chance of receiving a large piece for an electronic health records project.

"We have been pretty successful in obtaining money through a competitive process, and we think we are in a pretty good position to receive funding," said Pedro Toledo, who lobbied in Washington D.C. last week. "We are a little ahead of the game in terms of other California community clinics, which I think should help us."

The group was approved for a \$1 million Health Resources and Services Administration grant last year and has already launched the system at two health centers in Sonoma with a goal of connecting all locations in the next few years. Mr. Toledo said the group raised about \$4 million of the \$11.5 million needed to complete the project, and it is asking the feds to cover the difference with the stimulus.

Additionally, health centers are eligible for technology-incentive payments through Medicaid for maintenance and use of electronic health records systems after launch.

In another part of the stimulus, the Health Information Technology for Economic and Clinical Health Act will make between \$19 billion and \$36 billion available for electronic records projects, though mostly for hospitals and independent providers.

Other North Coast clinics in Mendocino and Humboldt counties said they expect to benefit greatly from funding carved out for physician recruitment. The health centers' stimulus portion calls for about \$500 million in expansions to programs that offer loan forgiveness to physicians and medical workers that move to underserved areas.

"Where Santa Rosa has a hard time recruiting primary care physicians, our experience is about 100 times worse. ... It is great to see expansion to physician recruitment made it into the stimulus," said Cathy Frey, executive director for the Alliance for Rural Community Health in Ukiah.

Federal officials have until about mid-May to craft regulations on exactly how the health care stimulus money will be distributed, and payments should begin to circulate before the end of the year, according to administration officials.

Other health care stimulus

Other health care stimulus spending includes:

- \$25 billion to cover about 65 percent of COBRA premiums for up to nine months for recently unemployed workers
- \$87 billion for additional federal matching payments for state Medicaid programs
- \$1 billion for prevention and wellness programs
- \$1.4 billion for construction and renovation of buildings for veteran health care
- \$1.1 billion for health comparative effectiveness research