Charitable Clinics and Healthcare Reform

Since the passage of the Affordable Care Act (ACA) in 2010, the healthcare payment landscape has seen many transformations. The focus of legislation surrounding healthcare has a direct impact on the charitable clinic sector.

The Affordable Care Act focuses on the expansion of affordable health insurance options for lower income population. It also provides some measures of reform for the insurance industry, changes in hospital funding, specifically for free clinics. For example, the protections written into the Federal Tort Claims Act were expanded to include Board, Officers, Paid staff, and certain contracted employees along with the already covered health professional volunteers. It has been implemented gradually since its passage, and some major provisions came into effect on January 1, 2014.

Some states have embraced the change and have expanded Medicaid up to 138% of the Federal Poverty Level (FPL). Others have not. All states have access to new insurance products, some subsidized, for qualified individuals between 100–400% FPL.

The impact for charitable clinics relates to our role as “gap-fillers”, which means caring for those who have been unable to access healthcare through existing channels. Historically, the primary populations served by charitable clinics have been those without health insurance. Without question, gaps will continue to exist even though they may not be the same gaps as previous community studies may have indicated. Gaps will differ state to state and community to community. For example, there may be segments of the population who cannot find affordable insurance. Other segments may exist where providers are unavailable to utilize new insurance coverage, but the insurance landscape has changed and continues to evolve as new elements are added or modified. Consequently, the charitable clinic sector has been forced to change their approach. Today, the focus is on keeping abreast of the changes in the landscape as well as the accompanying

attitudes of our clinic stakeholders as opposed to knowing with any specific certainty what the particular impact of the ACA or any subsequent legislative change may be.

The task of remaining well-informed within this changing landscape requires ongoing attention or even ad hoc Board committees to stay connected to the implementation of healthcare reform and routinely feed the information back to the Board and the clinic at large. Clinic leadership must assume the added responsibility of the time and attention necessary to track the local, state, and national changes with reform, and find effective ways to relay this information to their patient population.

In short, clinics must be flexible and willing to respond to changing conditions if they are to survive and thrive as viable factors in the community safety net.