

A Net Worth Saving

Minnesota's health care safety net is a needed now more than ever.

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What Makes Up the Safety Net?

The major components of Minnesota's safety net are community clinics, mental health centers, dental clinics, hospitals, public health agencies, and coverage programs for the uninsured. Rural clinics, hospitals, local governments, and private providers also provide services. Rural communities in particular depend more heavily on private providers, as there are fewer safety-net hospitals and clinics in those areas.

Coverage programs. In addition to health care providers, Minnesota's safety net also includes organizations that arrange for low-income, uninsured individuals to receive free or reduced-cost health care through a network of clinics and hospitals. These organizations serve people who are not eligible for government health care programs and cannot afford private health insurance. Coverage programs typically receive funding from hospitals, health care providers, foundations, government grants, businesses, and other sources. The individuals and families who use their services pay a small fee to enroll in them. Coverage programs typically help people enroll in public or private health insurance programs if they are available. Additionally, they work with their members to help them improve and manage their health in order to reduce the need for emergency room visits and hospital and specialty care.

The state of Minnesota, in partnership with the Minnesota Safety Net Coalition and three coverage programs—Portico Healthnet located in St. Paul, HealthShare in Duluth, and ValuesHealth, operated by PrimeWest Health in Alexandria—recently received a federal State Health Access Program grant to expand those programs. More coverage programs are expected to be created in the future.

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Growing Challenges

Safety-net providers are currently under tremendous financial pressure. The revenues they receive for their services do not come close to covering the total cost of their operations. Many of their uninsured patients pay for only a small portion of their care based on their income. Most of their insured patients are covered by government health care programs that pay below-market rates to providers. Others are underinsured—they have insurance with high deductibles and copayments and cannot afford their share of the cost of treatment. Because of the special needs of the patient populations they serve, safety-net providers frequently offer services that other hospitals and clinics do not such as transportation, language interpretation, community outreach, care coordination for chronic health problems, and assistance with locating and enrolling in public or private insurance—services that add to the cost of providing care.

Safety-net providers rely on additional revenues they receive from federal, state, and local grants and enhanced payments as well as charitable donations and foundation support. However, during the recession, there have been cuts to government program payments, more competition for grant money, and a decline in charitable giving. In addition, these providers are seeing an influx of new patients who have lost jobs and health coverage as well as more patients referred by other providers who are doing less free and reduced-cost charity care because of their own financial pressures. All this is happening at a time when health care providers are expected to make major investments in electronic health records, medical technology, and care-management programs.