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TOP STORIES

Community Clinics May Start Cutting Services as Funds Run Dry Budget stalemate exhausts emergency funds

Community health clinics cut off from **Medi-Cal** funding are running out of emergency funds and may have to start cutting services if the state budget stalemate enters October.

State legislators are nearly three months past the July 1 deadline for approving a budget and have eclipsed the record of 85 days without a budget established in 2008. The impasse has forced many healthcare providers, ranging from community clinics to dialysis centers, to seek out emergency loans but even those funds are beginning to run dry.

The **California Valley Health Network (CVHN)**, which operates 13 community health clinics in Central California, said the \$7 million loan it received from **Health Net of California** has been exhausted. CVHN chief executive officer **David Quackenbush** said many clinics are now scrambling.

"The loan money has run out and now our clinics are either tapping into their credit lines, if they're available, or considering cuts to services," said Quackenbush. "If this stretches into October, you're going to see some bloodletting."

Quackenbush said many clinics will probably cut back on hours to compensate for the lack of funding. "That's a big issue because one of the great benefits of these clinics is expanded hours and a lot of them are open from 8 a.m. to 8 p.m. and on Sundays," said Quackenbush. "Once the hours are reduced, it limits patient access and that creates a problem for working families."

Other clinics relying on emergency funds are in similar situations. A \$22 million loan program administered by the **California Primary Care Association (CPCA)** was depleted in early September and the group is currently working to secure more funding to keep the program afloat.

"Our original \$22 million is gone but we're still taking applications and working to secure more funding," said CPCA spokesman **Sean South**. He said its program, funded by several healthcare organizations, has loaned money to more than 40 community clinics and healthcare providers since August and that the need for funding continues to escalate.

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IN BRIEF

» The **California Department of Insurance** has approved **Aetna's** request for an average premium rate hike of 19%. The increase will affect approximately 65,000 policyholders in the state with the premium on some policies increasing as much as 30%. "Rate increases are never easy, but the growing market trends we are seeing in California—such as the increasing prices for hospital care, prescription drugs, doctor visits, and other healthcare services—directly impacts what members pay," said **Beth Anderson**, president of Aetna's west region. Department of insurance officials said an outside actuary hired to review the rate hike request from Aetna found it was in compliance with state laws requiring that a minimum of 70% of all premiums go toward paying medical claims. The increase will go into effect Oct. 1.

» **SCAN Health Plan** has donated \$15,000 each to 11 nonprofit groups to establish emergency funds that will provide one-time financial support to older adults and caregivers faced with unexpected expenses. The funds will go toward basic needs, including food assistance, utility bills, transportation, home repairs, and grab bars. "All too often, financial challenges stand in the way of seniors receiving the support they need to remain independent and in their own homes as they age," said **Dave Schmidt**, CEO of SCAN. Groups receiving funds are **Catholic Charities of San Diego**, **Independence at Home in Long Beach**, **Human Services Agency of San Joaquin County**, **Institute of Aging in San Francisco**, **Orange County Council on Aging**, **Rehabilitation Services of Northern California**, **Riverside**

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Cutting Services cont.

"A lot of clinics in the state had 90-day emergency funds to fall back on, so the next thing we could be looking at is those clinics applying for loans," said South.

Like many people in the healthcare community, South said he's frustrated with a budget process that shows little sign of progress. State legislators have voted only once in the past month on the budget and it failed to gain the needed two-thirds majority to pass. **Democrats** have a clear majority in both the state **Senate** and **Assembly** but a few votes show of a two-thirds majority.

The key sticking point in the stalemate continues to be \$4 billion in spending cuts contained in **Gov. Arnold Schwarzenegger's** budget that **Republicans** are backing. Those cuts include \$532 million to Medi-Cal and \$750 million to **In-Home Supportive Services**. Democrats propose to offset the budget cuts with new revenue-generating mechanisms, including a severance tax on oil that Republicans oppose. And Schwarzenegger has said he will veto any budget that contains tax increases.

Voters could resolve the problem themselves in November if they approve **Proposition 25**, which would change state law to require only a simple majority vote to pass a state budget. But voters have rejected similar measures in the past and approval of Proposition 25 doesn't seem likely. —*DOUG DESJARDINS*

Group Says Hospitals Need Better Flu Vaccination Programs

Study shows 52% of employees vaccinated in 2008-09

A new report shows that 52% of **California** hospital workers received flu shots during the flu season in 2008-09 and that less than one-third had rates higher than 60%.

The report (http://www.safepatientproject.org/Influenza_vaccine_HCW_report.pdf) from the **Consumers Union** was compiled with information on vaccination rates at 246 hospitals in the state obtained through a **Public Records Act** request. The group requested the records after the **California Department of Public Health (CDPH)** did not meet a deadline to report on vaccination rates for the flu season in 2008-2009.

"A 52% vaccination rate is unacceptable," said **Lisa McGiffert**, manager of the **Safe Patient Project** initiative at Consumers Union. "Reporting this information to the public will motivate hospitals to work harder to protect patients by boosting vaccination rates." The report notes that the **U.S. Department of Health and Human Services** has set a vaccination rate goal of 60% for U.S. hospitals but doesn't include its own recommendation.

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