

Why are clinics for the uninsured expanding under Obamacare?

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The Affordable Care Act is intended to reduce the number of people who are without health insurance. Then why are clinics for the uninsured and underinsured planning to expand?

Inner City Health Clinic in Denver is planning to expand its fitness center and mental health clinic. Maple City Health Center in Goshen, Indiana will double its capacity. In Florida, the Osceola County health center is planning three new clinics to meet increasing demand. And so on.

What is driving this expansion? If more people are seeking medical care through mainstream avenues, why are clinics that serve people on the margins of the system growing so rapidly?

James Gingerich, of Maple City Health Care Center, believes that one reason is his clinic's model. For decades, it has been providing high-quality, low-cost care to uninsured people. Now, with the passage of the Affordable Care Act, a hospital in his area has gotten interested in how the clinic's been accomplishing this.

The ACA gives insurance companies incentives to move away from reimbursing per service and toward paying hospitals and clinics to cover a specific number of people. So hospitals in turn are motivated to think about how costs might be contained—and they've become increasingly interested in clinics where this has been done for decades. In Goshen, the area hospital has offered to pay for the construction that will lead to a new facility and to partner with Maple City to serve more patients.

Kraig Burleson, at Inner City in Denver, believes that his clinic's services will be needed as the system shifts because it has experience working with underserved people. He thinks that mainstream clinics will need time to adjust to the complexities of the patients who are moving into the system.

“Most providers are not prepared for the complexity that is going to walk in the door,” says Burleson. “Most practices are geared for production. You got 15 minutes with your doctor. You got one complaint. One issue and then they have to move on. They have to keep their production up. At a place like ICHC, our doctors are used to people coming in with very complicated situations.”

Clinics that serve low-income people are also going to see some new funds, at least in [those states that have adopted the reform law’s expansion of Medicaid](#). Many of these clinics have been charging on a sliding scale, and with the Medicaid expansion, they will be able to recoup more of their expenses. “In most places around our town,” says Gingerich, “people think of Medicaid as being the worst possible insurance. At our office, we think of it as a gold card. Instead of getting 10 percent from people on our sliding fee scale, we get 100 percent.” With more people covered by Medicaid, more people will walk in with a payment structure in place.

The Affordable Care Act requires many shifts from the health-care system. The development of clinics that have previously served uninsured and underinsured people may be the most interesting to watch. Having served at the margins for decades, these clinics have learned vital lessons that can help the system as a whole as it moves into a new era.