

Federal cuts

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Clinic loans jeopardized

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A pact signed last month by California and the federal government to make long-term, low-interest loans available to the state's rural health clinics could become meaningless if proposed federal budget cuts come to pass, said Michael Sullivan, Merced Family Health Center administrator.

The agreement between the state Department of Health Services, the federal Department of Agriculture and the Farmers Home Administration provides 40-year loans at 5 percent interest, with 39 of 50 rural clinics eligible to apply for the money.

Loans through the Community Facility Loan Program will be made to public agencies, non-profit corporations and federally recognized Indian tribes in rural communities with populations of 20,000 or less, state officials said.

About 100,000 people receive services from the clinics eligible for the loans.

Locally, the Stanislaus Family Health Center is applying for money to build a new clinic in Patterson, and a clinic that serves the mountain communities of Pioneer and West Point in Amador and Calaveras counties also has submitted an application for a grant to do the same, said Eftin Strong of the Health Systems Agency.

Sullivan said the new federal-state agreement is an offshoot of a previous one that financed the Merced center's Los Banos clinic about 1½ years ago. Under both agreements, the loans are

made from federal funds and the state provides the clinics with money for on-going operating expenses.

But Sullivan said the topsy-turvy situation with the federal budget could make the agreement meaningless.

The Reagan administration proposal to cut aid to a multitude of federal programs and to provide block grants to the states, letting them decide where the money should be spent, "could devastate us. It could put us under the carpet," said Sullivan.

In effect, he said, the result could be a 50 percent cut in the center's budget. That would result in a decision whether to cut services or to charge more for the services.

The center, with a budget of about \$1 million, last year operated clinics in Merced, Los Banos and Patterson that had a total of about 38,000 patient visits — 30 percent of them in Merced County.

Late last year, the center opened a clinic in Modesto. Since then, the Patterson and Modesto clinics have become a separate organization.

If the block grant concept comes to pass, Sullivan said, his organization will be competing for money to run clinics with other health providers throughout the state, including county boards of supervisors which run county hospitals and mental health programs.

"We don't want to fight each other. It will tear up the community," Sullivan said.

But, Sullivan added, "We're not giving up hope."