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Frontier Education Center - Briefing Paper

Frontier Communities: Structural Barriers to Federal Programs

The majority of the Board and staff of the Frontier Education Center live and/or work in frontier communities and have insisted that the Center stay focused on the relationship between community economies and their relationship to health and human services.Frontier communities have been defined using the Consensus Definition developed by the Frontier Education Center.

In January 2002, staff began a study to identify structural barriers to federal programs. We have been collecting anecdotal information for years and decided that we need a more comprehensive and analytical look at programs. While this comprehensive report will not be available until April 2002, some important patterns have already emerged. These patterns are described in this briefing paper and fall into four major categories:

1. Inappropriate Floor
2. Match and Partial Funding
3. Eligibility Methodologies
4. Capitation

1.) Inappropriate Floor

The Center first became aware of this issue when contacted by a frontier community development organization. They told us of several programs for which they believe they should have been eligible, but the program expectations were too ambitious for them. One example was Welfare to Work. In order to apply for these funds, an organization has to demonstrate that it can create a minimum of 25 jobs. In the smallest communities, 25 jobs is unattainable. The creation of even three good jobs with benefits can have an important multiplier effect in a small community. The Headstart program is another program which also establishes a floor - a minimum number of children enrolled - which has created barriers in some of the smallest frontier communities. We are currently examining other programs to identify floors which are too high.

Recommendation: Prior to establishing regulations and program expectations, conduct a Frontier Community Impact Statement to assure that program eligibility will be national and that half the country will not be excluded from participation. With very little cost to the agency, appropriate adjustments to eligibility requirements can be made to assure all communities access to funding.

2.) Match and Partial Funding

The Center first became aware of this issue when contacted by small town Mayors and Sheriffs. We learned that there is an array of programs in which they cannot participate. We are presently examining HHS programs for similar barriers.

One Mayor described his frustration with trying to raise funds to protect the health of his community with a waste water treatment facility. The community had applied for a Community Development Block Grant and the application had been approved. However, the application was not funded for the full amount needed, the community was told to raise the balance locally. This is a community of 500 people in a town surrounded by federal

lands, with a very small tax base. The community had no ability to raise the balance of the funds and instead had to reject the funding and not accept the money.

One Sheriff, of a county larger than the state of Connecticut, had three deputies to police the entire county. Despite tremendous publicity about the availability of federal funding for increased law enforcement, this county (and many other of our smallest counties) was not able to even apply for the funds because they could not provide matching funds.

Recommendation: Communities below a certain size should be eligible to apply for a waiver of matching fund requirements. If these communities can demonstrate both a need for a program as well as a structural inability to raise additional funds, projects should be granted a waiver and receive full funding.

3.) Eligibility Methodologies

Several frontier communities have contacted the Center about their difficulties in accessing Community Health Center expansion funds. A process was developed by the Bureau of Primary Health Care whereby an applicant needs to attain 70 points to become eligible to apply for this funding. The 70 points are easier to reach in some communities, than in others. For example, many communities in the Great Plains have difficulty in reaching 70 points. These communities have an older, primarily white population. They confront tremendous access barriers to primary care including shortages of health professionals, no public transportation, and excessive distances and travel times to care.

Recommendations:

Prior to establishing regulations and program expectations, conduct a Frontier Community Impact Statement to assure that program eligibility will be national and that half the country will not be excluded from participation. With very little cost to the agency, appropriate adjustments to eligibility requirements can be made to assure all communities access to funding.

4.) Capitation

Systems which pay for programs and services based on a capitated system frequently fail to generate sufficient revenues in the smallest communities. There are just not enough people receiving services to cover the costs of providing services. People are most familiar with the negative impacts of capitated payment rates on health care providers and the Center continues to advocate for reasonable cost based reimbursement for frontier health care services. Frontier communities, by definition, do not have a critical mass of program users to aggregate enough payments to cover costs.

We have recently been contacted by early childhood education providers. These programs are reimbursed at a capitated rate, which in a frontier community does not provide enough funding to cover the cost of the program. We are currently seeking additional funding to analyze early childhood education in frontier communities, to determine both cost barriers and other structural barriers which result in many frontier children not having access to these programs. Existing data demonstrates that for many children early childhood education helps with readiness to learn when children begin school.

Recommendation:

Programs which use capitation methodologies should either provide reasonable cost based reimbursement to frontier programs or they should assure that the capitated reimbursement rate is sufficient to meet the costs of the program.

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