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Recent Events Have Made Primary Care More Fragile—Further Challenges Lie Ahead

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Editor's Note

This article is the latest in the Health Affairs Forefront [featured topic](#), “[Health Policy at a Crossroads](#).” Articles in this topic will offer timely analysis of regulatory, legislative, and judicial developments in health policy under the Trump-Vance Administration and the 119th Congress.

In recent weeks, headlines in various [news outlets](#)

<https://www.pbs.org/newshour/nation/community-health-centers-face-funding-delays-after-trump-administration-freeze> have highlighted [layoffs](#)

<https://ktvz.com/news/la-pine/2025/02/06/la-pine-community-health-center-lays-off-11-of-staff-while-awaiting-further-word-on-federal-funding-freeze/>, [clinic closings](#)

<https://www.vpm.org/news/2025-02-04/virginia-community-health-centers-close-federal-funding-grant-access> and other risks to the community health centers that more

than [31 million patients](#) <https://www.hrsa.gov/about/news/press-releases/new-data-health-center-patients>, [including one in five rural residents](#)

<https://geigergibson.publichealth.gwu.edu/federal-grants-are-essential-community-health-centers>, rely on for primary care. By shutting off access to federal grant funding,

the Trump Administration created immediate challenges in communities across the country. Even when courts ordered the temporary restoration of funding, the

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payments that are essential to health centers' existence. Now, more threats are on the horizon.

Community health centers are federally supported, locally run, and affordable primary care clinics operating at 15,000 sites across the country. With the confusion of the past few weeks, health center patients have been confronting the real fear of their local clinic closing overnight or members of their care team being laid off, forcing them to scramble to find care at the peak of flu season.

When the Trump Administration issued a broad-based [freeze on federal grant dollars](https://www.documentcloud.org/documents/25506191-omb-memo-1-27/) [<https://www.documentcloud.org/documents/25506191-omb-memo-1-27/>](https://www.documentcloud.org/documents/25506191-omb-memo-1-27/), it immediately disrupted the ongoing grants that are the backbone of health center operations and the primary support for critical functions in the health care safety net. It was a surprising move, given the decades-long bipartisan support for health centers in Congress and across Administrations. The freeze not only shut off core health center grant funding, it also affected related federal grants, such as those supporting the training of new primary care doctors and nurse practitioners.

While courts [ordered funds to be temporarily unfrozen](https://content.govdelivery.com/attachments/USDOJOJP_COMMS/2025/02/02/file_attachments/3151302/RI%20Temporary%20Restraining%20Order%20Notice%2001-31-2025.pdf) [<https://content.govdelivery.com/attachments/USDOJOJP_COMMS/2025/02/02/file_attachments/3151302/RI%20Temporary%20Restraining%20Order%20Notice%2001-31-2025.pdf>](https://content.govdelivery.com/attachments/USDOJOJP_COMMS/2025/02/02/file_attachments/3151302/RI%20Temporary%20Restraining%20Order%20Notice%2001-31-2025.pdf), health centers continued to report not being able to access their already awarded federal grant dollars. Similar concerns came from [other federal grantees](https://www.nbcnews.com/politics/donald-trump/head-start-childcare-programs-are-still-unable-access-federal-money-tr-rcna190791) [<https://www.nbcnews.com/politics/donald-trump/head-start-childcare-programs-are-still-unable-access-federal-money-tr-rcna190791>](https://www.nbcnews.com/politics/donald-trump/head-start-childcare-programs-are-still-unable-access-federal-money-tr-rcna190791). Various news outlets [reported on new language](https://www.cnn.com/2025/01/28/politics/trumps-federal-grant-pause-confusion-medicaid-funding/index.html) [<https://www.cnn.com/2025/01/28/politics/trumps-federal-grant-pause-confusion-medicaid-funding/index.html>](https://www.cnn.com/2025/01/28/politics/trumps-federal-grant-pause-confusion-medicaid-funding/index.html) in the federal payment portal informing grantees that due to “Executive Orders regarding potentially unallowable grant payments, PMS (Payment Management Services) is taking additional measures to process payments. Reviews of applicable programs and payments will result in delays and/or rejections of payments.”

Without the ability to draw down expected funds, some health centers were forced to initiate layoffs. Some centers closed sites, while many others hoped for a quick resolution before facing the same fate.

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As of this writing, community health centers and other grantees seem to be regaining access to their federal funds, although not always in a timely manner, which presents challenges when a center is trying to make payroll. On February 13, [one group of health center leaders reported <https://ctmirror.org/2025/02/13/ct-community-health-centers-federal-funding-freeze/>](https://ctmirror.org/2025/02/13/ct-community-health-centers-federal-funding-freeze/) that there were “week-long delays for some funding requests that normally have a 24-hour turnaround.”

On the one hand, it is a relief that funds previously committed have now reached their intended recipients. On the other hand, the damage may already have been done.

It takes doggedness to recruit health care providers and staff to a community health center, particularly in a rural community. Many dedicated primary care physicians and other health care professionals want to do this work, but the recruiter phone calls from large group practices that offer big signing bonuses and bigger salaries can be relentless. A sudden halt to funding sends a message to health care providers, both present and future, that the government’s commitment to their service is tenuous. This will undoubtedly make the task of growing the health care workforce in rural and other underserved areas even harder.

The Funding Freeze Was Just The Beginning: Three New Threats To The Primary Care Safety Net

There are more challenges ahead. The disruptions seen over the last weeks dealt with funds that had already been awarded. Now comes the question of ongoing funding to support this work moving forward. Three issues are on the immediate horizon.

Will The Primary Care Safety Net Be Funded?

Primary care services are possible in many historically under-resourced communities because of three federal programs: 1) community health centers; 2) the National Health Service Corps, which provides medical school loan repayment and scholarships in return for primary care providers committing to practice in high-need areas; and 3) an innovative initiative, the Teaching Health Center program, that anchors the residency training of new primary care physicians in community clinics. A March deadline looms for the continued funding for all three of these programs.

For more than a decade, Congress has recognized that these are critical investments and has set aside dedicated, multi-year funding to support these programs. Congress has

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high-need community if she isn't sure the funds will be there to complete her residency. Similarly, it is unlikely that a newly trained doctor will commit to serving in a rural community if she has doubts about whether the federal government will live up to its end of the bargain and repay her loans. And it is hard, if not impossible, to run a health center without stable federal funding.

The bipartisan funding deal struck at the end of last year—and then abandoned in favor of a short-term continuing resolution—included multi-year guaranteed funding for each of these critical programs, including important funding increases for health centers and the Teaching Health Center program. Given that Republican and Democratic health care leaders from the House and Senate crafted this deal, it would seem reasonable to expect its revival in the March funding deliberations, but much uncertainty surrounds those discussions and the future of these programs is on the line.

What Will Dramatic Cuts To Medicaid Mean?

To meet demand and fulfill their mission, health centers depend on a mix of funding sources. Federal grants are the backbone of health center financing, supporting multiple services, from care for the uninsured to reducing patients' out-of-pocket costs to supporting night and weekend hours. Health centers are an important source of care for patients covered by Medicaid, meaning [Medicaid is also an important source of funding for health centers <https://www.kff.org/medicaid/issue-brief/community-health-center-patients-financing-and-services/>](https://www.kff.org/medicaid/issue-brief/community-health-center-patients-financing-and-services/) : Nine in ten health center patients have incomes at or below 200 percent of the federal poverty level. With the House of Representatives debating [up to \\$880 billion <https://www.nytimes.com/2025/02/12/us/politics/house-republicans-budget.html>](https://www.nytimes.com/2025/02/12/us/politics/house-republicans-budget.html) in reductions to Medicaid, health centers face the prospect of patients covered by Medicaid losing coverage, forcing centers to serve substantially larger numbers of uninsured people without commensurate growth in grant funding.

To stay true to their mission and meet their federal grant requirements, health centers will need to continue to see patients regardless of their ability to pay. Yet the finances of these health centers will dramatically change based upon the size and scope of potential Medicaid cuts. As a result, there will be immense pressure on centers to take actions like closing sites; laying off physicians, nurses, social workers and support staff; limiting hours and services to only those required for grant compliance (for example, mental health and substance use disorder treatment are not required services in health centers); and otherwise reducing costs in ways that will jeopardize access to care.

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on the next generation of primary care providers. Building and sustaining the health care provider network to care for people covered by Medicaid is an ongoing challenge, especially in rural communities. Dramatically reducing federal investments in Medicaid will make this challenge exponentially more difficult.

Will Federal Partners Still Be There?

Making federal grants work and ensuring that programs succeed requires operational expertise and program oversight. It is the federal workforce that helps rural communities understand how to start a health center and helps clinics grappling with a shortage of physicians understand how to use federal loan repayment to recruit primary care providers. It is the federal workforce that makes sure that primary care physicians who agree to practice in shortage areas in return for loan repayment are delivering on that commitment and ensures compliance with quality standards. And it is the federal workforce that helps health centers improve prenatal care, child development screening, cancer screening rates, mental health supports for young people, and much more.

With a new [Executive Order <https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/>](https://www.whitehouse.gov/presidential-actions/2025/02/implementing-the-presidents-department-of-government-efficiency-workforce-optimization-initiative/) promising large-scale reductions across the federal workforce, it is unclear if the people and expertise will be there to continue supporting the primary care safety-net programs that serve high-need communities around the country. The effectiveness of these programs hinges on an expert, well-staffed federal workforce.

The long bipartisan history of the health center program, the keen interest across both sides of the aisle in sustaining health care services in rural communities, and the renewed focus among many policymakers on building a more robust health care workforce offer some reasons for optimism. But if the experience of the last few weeks is a sign of what is to come, the already fragile primary care safety net may be about to break.

Author's Note

Carole Johnson is a senior fellow at The Century Foundation and was previously the Administrator of the Health Resources and Services Administration (HRSA), where she led the agency's expansion of health care services and the health workforce in historically underserved and rural communities.