

# Pasadena Star-News

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**Section:** Opinion

## Praiseworthy lenders

WHILE the state Legislature fiddles by failing to pass a budget, the local health clinics burn. Well, metaphorically. Putting out the fires that come from having no reimbursement money from the state of California are a group of nonprofit financial organizations that are pooling their money and offering stop-gap loans to community clinics and healthcare centers.

Kudos to these financial organizations, which, unlike the Legislature or the governor, are stepping up to help clinics that rely on state Medi-Cal grants (suspended since July 24) for 50 percent of their operating budgets.

We want to single out these nonprofit funding institutions because they are the true heroes of the state budget impasse. One of the largest contributions came from California HealthCare Foundation (CHCF), which added \$10 million into the Emergency Working Capital Loan Fund and by doing so, helped the lenders drop the interest rate to just 3.25 percent.

Also deserving of accolades are these other unsung heroes: California Healthcare West, Sutter Health, the Nonprofit Finance Fund, NCB Capital Impact, the CPCA Loan Fund and the Mercy Partnership Fund. All together, they've scraped together \$24 million.

That's not a lot of money in statewide terms. But it is enough to allow local health clinics to borrow a small amount to stay afloat until the state budget is approved and Medi-Cal payments restored. Once the budget is passed, the funds will flow and the crisis will be averted - for this year. While the lenders will be made whole eventually, they will not be getting rich off this deal.

"These lenders have stepped up and are taking relatively low returns. I would give them high praise," said Kim Dempsey of NCB Capital Impact, which is managing the fund.

So far, NCB has received loan requests from 23 clinics and has approved 17. They are expected to approve four more by today. One of those loans went to East Valley Community Health Center on South Glendora Avenue in West Covina. This clinic, which sees about 120 patients a day, was in a tight budget situation after paying for a new building that just opened last month.

It's heartening to see that there are people in California who are providing healthcare (about 700 clinics) for the uninsured - usually the working poor - as well as for those disabled and elderly who rely on Medi-Cal. It is heartening to see those in the lending business step up to keep these clinics open while the state budget is in limbo. It's a far cry from the subprime mortgage brokers who preyed on the financially challenged in order to make a quick buck.

These nonprofits - both the lenders and the clinics themselves - serve as a lesson for the state government. These are the people who have come in and cleaned up the messes left by a state Legislature in turmoil, who show a level of compassion and practice a can-do attitude not now being seen in our leaders in Sacramento.

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