

Exhibit R-2

POLITICOPRO

Safety net clinics hit by funding freezes, threats over DEI and gender

Community health centers provide care to patients regardless of their ability to pay.

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Some community health centers say they haven't received federal funding from HHS since late January. | Roberto Schmidt/AFP via Getty Images

Community health centers around the country are scrambling amid funding delays and confusing federal guidance stemming from President Donald Trump's executive orders on gender and diversity — with some warning that they may soon have to close.

Thousands of providers around the country who receive federal funding to provide HIV services to low-income people through a program Congress created in 1990 received a memo from the Health Resources and Services Administration last week ordering them

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to suspend work that conflicts with Trump's orders barring spending on programs that promote DEI or transgender care.

The memo obtained by POLITICO said that “any vestige, remnant, or re-named piece of any programs in conflict with these E.O.s are terminated in whole or in part,” a prohibition the agency would enforce “effective immediately.” It does not specify which programs are impacted or how the memo could conflict with various [court orders halting enforcement](#) of some Trump's orders on federal funding.

On Wednesday, the providers received another memo rescinding the first one, creating further confusion.

"HHS and the administration are aware of ongoing technical issues affecting Payment Management System (PMS) users," an HHS spokesperson said in a statement Thursday. "The system is back up and running now, but some PMS users are experiencing lags due to the high volume of request. HHS is working to expedite a resolution ASAP."

A White House spokesperson said in January that the executive orders are targeting “the use of Federal resources to advance Marxist equity, transgenderism, and green new deal social engineering policies,” calling that “a waste of taxpayer dollars that does not improve the day-to-day lives of those we serve.” The White House did not respond to further inquiries.

Some community health centers have already lost access to funding because of the executive orders, according to Jim Mangia, president and CEO of St. John's Community Health, a network of community health centers in southern California. His organization, for example, lost access to a grant for more than \$1.5 million over four years, meant to support services for hundreds of transgender patients, because of the executive orders.

Other groups, including those affiliated with the National Coalition of STD Directors, have continued programs that serve transgender people for now — citing the temporary restraining order issued by federal courts.

“We’re continuing grants as usual until there’s further communication that we need to abide by the memos,” said Elizabeth Finley, the senior director of communications and programs for the coalition. She added that she finds it “sad” that so many clinics are

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suspending programs despite the court ruling pausing federal enforcement, saying: “I suspect they’ve decided that they will eventually have to comply with the executive orders anyway.”

But providers say millions in other grants have been difficult to obtain because of technical issues, Mangia said, adding that it can take hours and a litany of error messages to get the funds. Some are still available because of a court order to continue payments, leaving centers to draw down as much as they can, fearing they will lose access to it.

“They’re making it almost impossible to access money that was allocated by Congress and is desperately needed by our patients,” he said. “It’s shocking to go after people’s access to health care. It’s really a human rights violation when you think about it.”

The group Advocates for Community Health, which represents community health centers, also told POLITICO on Thursday that clinics in Virginia, Maine, Nebraska, Illinois, Rhode Island, and Michigan have reported funding lapses.

Virginia’s Democratic senators, Tim Kaine and Mark Warner, sent a letter on Thursday to HRSA demanding answers about why some health centers in the state weren’t receiving funding.

“Health centers are receiving little communication regarding these cancellations and changes, and the communication they have received from HRSA has been unclear, directing actions that may conflict with current court orders,” they wrote.

In Virginia, 11 of the 31 health centers in the commonwealth have not received requested funding since Jan. 29, according to a spokesperson from the Virginia Community Healthcare Association. There has been no explanation from federal officials despite repeated inquiries by the health centers. Many health centers use federal funding to pay employees, the spokesperson said, meaning some centers, including in the capital, Richmond, have been forced to temporarily shutter.

Other Democratic lawmakers are also raising the alarm about the health center funding delays. During a House Energy and Commerce Health Subcommittee hearing on Thursday, some members expressed concerns about funding pauses impacting health centers in their area.

They included Rep. Diana DeGette (D-Colo.), the ranking member of the subcommittee, who said a safety-net hospital in her state was unable to provide medical services last month due to a freeze in Medicaid funds.

Virginia Republican Morgan Griffith in the same hearing dismissed the concerns, noting that no health centers in his district have had to close, though he acknowledged he’s continuing to monitor the situation.

“We believe that they should have that resolved shortly,” he said.

The National Association of Community Health Centers said it is in “constant communication” with Congress and the Trump administration regarding funding

“NACHC will continue to monitor ongoing communication from [the Health Resources and Services Administration] and evaluate the impact of any regulatory actions. We plan to increase our communication and provide as much support as possible to health centers,” the group said in a statement.

Community health centers, which provide care to patients regardless of their ability to pay, receive most of their money through a fund authorized by Congress. HRSA is then responsible for disbursing that money. In 2023, [community health centers served](#) more than 31 million people, many of them children, low-income, or uninsured.

The program Congress created in 1990 and named for Ryan White, a teenager who died that year after contracting AIDS from infected blood he received to treat hemophilia, provides HIV treatment to more than 500,000 people each year — [more than half](#) of all of those living with the virus in the U.S. — and primarily serves people living below the federal poverty line who lack insurance.

But reversing the changes could be difficult, community health leaders fear.

“I don’t get the sense there’s a plan [in Congress], and that’s very concerning,” said Mangia, who has been in Washington talking to lawmakers this week and noted that many of them are sympathetic to health centers. “The courts move slow. ... [The administration] is light years ahead of what the response is.”

Safety net providers are especially struggling because the [earlier funding freeze](#) that was supposed to be halted by a federal judge has, for some, continued. That’s forced centers to begin looking for funding sources beyond the federal government to maintain services and, in some cases, remain open.

“They’re already extremely fragile,” Amanda Pears Kelly, CEO of Advocates for Community Health, said in January. “This could be the final blow. Doors may shutter. Patients may lose their care. People may lose their jobs.”



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