

Safety Net on the Edge: What Legislators Can do to Support Their Local Health Centers

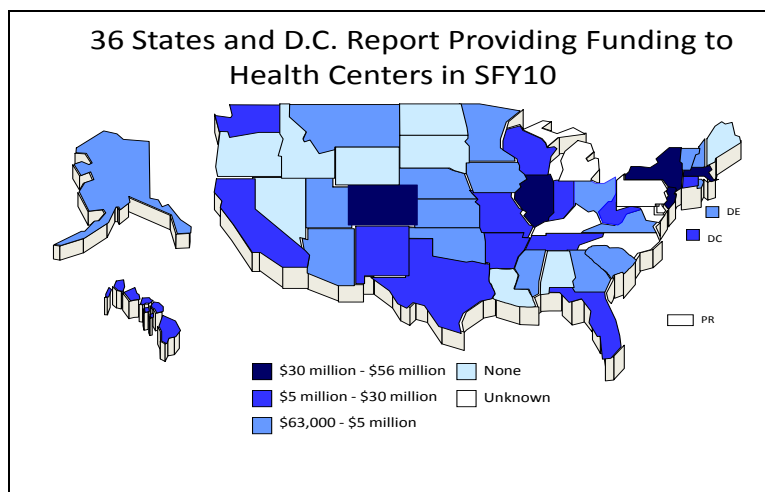
SERVING THOSE IN NEED DURING HARD ECONOMIC TIMES

The nationwide network of Community, Migrant and Homeless Health Centers provides needed primary and preventive health care to low-income and medically underserved communities. Over 7,500 health center delivery sites serve over 20 million* patients in every state and territory, 91% of which are low income and 70% have family incomes at or below poverty. Patients continue to rely on health centers to provide comprehensive primary care and essential enabling services, which remove common financial, geographic, language, and cultural barriers to care.

The **number of health center patients increased 67% between 2000 and 2007** – the most significant and rapid growth in the program’s history. With the recent economic downturn, health centers are struggling to care for an additional influx of uninsured patients that have recently lost their jobs and their health insurance. Due to the funding provided through the American Recovery and Reinvestment Act (ARRA), health centers were able to serve 1.8 million more patients by the end of 2009. Of these new patients, half were uninsured. Health centers are gearing up for an additional period of significant growth due to the Patient Protection and Affordable Care Act (PPACA). Health centers will be expanding to more low income communities and provide a critical safety net for the newly insured as well as those that will remain uninsured even after insurance expansions take place. In order for health centers to be successful during this expansion state and local support will be essential.

HOW STATES ARE SUPPORTING HEALTH CENTERS

Providing State Funding: 36 States and D.C. allocated \$435 million in state funding to health centers in FY 2010, as shown in the map to the right. State funding for health centers often covers the cost of providing care for the uninsured or indigent populations, adding new services or expanded hours, capital, workforce, and health information technology.



Expanding Medicaid : Maintaining and expanding Medicaid and Children's Health Insurance Program (CHIP) eligibility, enrollment, and benefits is essential to health centers' financial viability. Medicaid is the largest insurer of health center patients and makes up 37% of health center revenue. Health centers will benefit from states taking advantage of the enhanced eligibility options in the recent CHIP reauthorization as well as the opportunity for early Medicaid expansion provided under the PPACA.

Supporting workforce programs: As health centers enter a significant period of growth and expansion, strategies for addressing clinical workforce shortages are critical. Health centers will require an additional 15,585 to 19,428 primary care providers and between 11,553 to 14,397 nurses to reach 30 million patients by 2015 and the PPACA expects health centers to serve 40 million patients by 2015. Funding loan repayment and community based primary care training is vital. Efforts to recruit and retain primary care providers, facilitate licensure, support volunteers, and maximize scope of practice are all essential to a strong health center workforce.

Developing Incubator Programs: Under the PPACA non-federally funded health centers will have new opportunities to apply for federal funding. In order for centers to secure these very competitive federal grants, start-up support is key. Many states are funding grant programs that provide money for planning, operations, expanded services, community development and capital. These so-called incubator programs can strengthen existing health centers to compete for federal money and provide a pathway for non-grantees to acquire the Federally Qualified Health Center designation.

HEALTH CENTERS PROVIDE A SOLID RETURN ON INVESTMENT

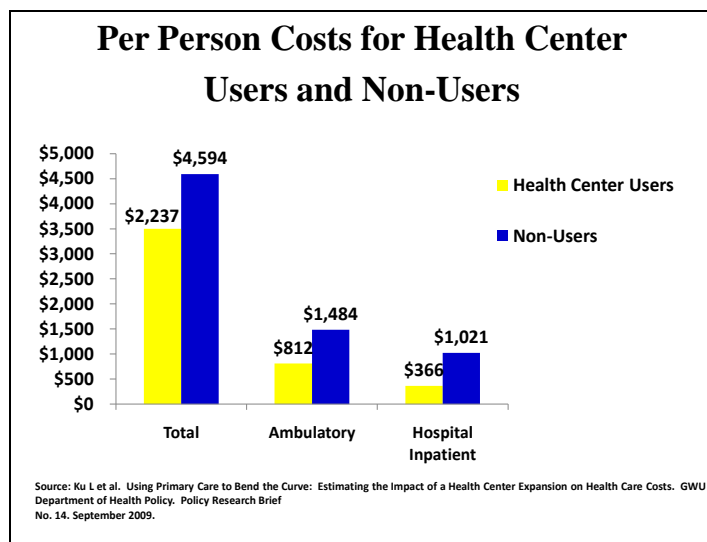
Investing in health centers generates substantial benefits for patients, communities, payers, and state and local governments. Even though health centers treat more chronically ill and uninsured patients, they are still able to reduce the use of costly emergency departments, hospitals, and specialty care.

Health centers **save the health care system between \$9.9 and \$17.6 billion a year** – a figure that will continue to grow as health centers do.

Medicaid beneficiaries relying on health centers for usual care are **19% less likely to use the emergency department for an ambulatory care sensitive (ACS) condition and 11% less likely to be hospitalized for an ACS condition** than Medicaid beneficiaries using outpatient and office-based physicians for usual care.

Patients living in underserved areas with a health center have **5.8 fewer preventable hospitalizations per 1,000 people over 3 years** than patients who live in areas where there are no health centers.

Health centers play an important role in the economic viability and growth of the communities in which they are located, currently producing **\$12.6 billion in economic benefits** including direct employment of local residents, and goods and services purchased from local businesses.



For additional resources on state funding for health centers, health center reimbursements, Medicaid and CHIP, and current state legislation related to community health centers, visit the NACHC State Affairs Webpage at: www.nachc.com/state-policy.cfm or contact our offices at 202-296-3800.

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*Includes patients of federally-funded health centers, non-federally funded health centers, and expected patient growth for 2008 and 2009. Sources: NACHC, RGC, and GWU. *Access Transformed: Building A Primary Care Workforce for the 21st Century*. 2008; NACHC, *Access Denied*, March 2007; *Access Granted*, August 2007. Falik et al JACM 2006. Eptsein Health Services Research (2001).