



National Association of
Community Health Centers, Inc.

A Sketch of Community Health Centers

Chart Book 2008



© National Association of Community Health Centers, 2008

For more information, email research@nachc.com.

Cover picture provided courtesy of Codman Square Health Center
in Boston, Massachusetts.

This publication was supported by Grant/Cooperative Agreement
Number U30CS08661 from the Health Resources and Services
Administration, Bureau of Primary Health Care (HRSA/BPHC).
Its contents are solely the responsibility of the authors and do not
necessarily represent the official views of HRSA/BPHC.



Table of Contents

Preface

Sources and Methodology

Section I: Who Health Centers Serve

Figure 1.1 Who Health Centers Serve

Figure 1.2 Health Center Patients Are Predominately Low Income

Figure 1.3 Racial and Ethnic Minorities Make Up Two-Thirds of All Health Center Patients

Figure 1.4 Most Health Center Patients are Uninsured or Publicly Insured

Figure 1.5 Health Center Patient Mix Is Unique Among Ambulatory Care Providers

Figure 1.6 Health Center Patients Range in Age

Figure 1.7 Health Center Patients are Generally More Likely to Have a Chronic Illness than Patients of Office-Based Physicians

Section II: Health Center Growth

Figure 2.1 Health Center Patients and Patient Visits Continues to Grow

Figure 2.2 Health Center Visit Rates Are On the Rise

Figure 2.3 The Number of Health Centers Receiving Federal Health Center Grants Has Increased Dramatically

Figure 2.4 Growth in Health Center Patients by Insurance Status, 2000-2006

Figure 2.5 The Number of Health Center Low Income Patients vs. Low Income Nationally, 2000-2006

Figure 2.6 The Number of Health Center Medicaid Patients vs. Medicaid Patients Nationally, 2000-2006

Figure 2.7 The Number of Health Center Uninsured Patients vs. Uninsured Nationally, 2000-2006

Figure 2.8 Growth in Health Center Patients and Patients with Chronic Conditions, 2000-2006

Section III: Access to Care

- Figure 3.1 Health Centers Provide 22% of all Uninsured Ambulatory Care Visits
- Figure 3.2 Health Center Uninsured Patients Receive More Care than the Uninsured Nationally
- Figure 3.3 Health Center Uninsured and Medicaid Patients are More Likely to have a Usual Source of Care than the U.S. Privately Insured
- Figure 3.4 Health Center Uninsured Patients are Twice as Likely to Get the Care They Need than Other Uninsured
- Figure 3.5 Percent of State Low income, Uninsured Served by Health Centers, 2006
- Figure 3.6 Percent of State Medicaid Beneficiaries Served by Health Centers, 2006

Section IV: Preventive Services

- Figure 4.1 Health Center Patient Visits by Type of Service
- Figure 4.2 Growth in Health Center Dental & Mental Health Care, 2000-2006
- Figure 4.3 Health Center Diabetes Patients Receive More Care than Other Low Income Diabetics
- Figure 4.4 Health Center **Uninsured** Patients Receive More Health Promotion Counseling than the Uninsured Nationally
- Figure 4.5 Health Center **Medicaid** Patients Receive More Health Promotion Counseling than the Medicaid Nationally
- Figure 4.6 'Amount of Physical Activity' Discussed with Adults
- Figure 4.7 'Whether Smokes/Uses Tobacco' Discussed with Adults
- Figure 4.8 'How Much/Often Drinks Alcohol' Discussed with Adults

Section V: High Quality Care and Reducing Health Disparities

- Figure 5.1 Nearly All Health Center Patients Report that They Have a Usual Source of Care, 2002
- Figure 5.2 Health Centers Reduce Disparities in Access to Mammograms
- Figure 5.3 Health Centers Also Reduce Disparities in Access to Pap Tests
- Figure 5.4 Health Center Patients Have Lower Rates of Low Birth Weight Than the U.S. Average
- Figure 5.5 Health Center Patients Have Lower Rates of Low Birth Weight than Their U.S. Counterparts

- Figure 5.6 [Health Centers Decrease the Rate of Low Birth Weight Babies](#)
- Figure 5.7 [The Number of Health Center Patients Needing Care in Languages other than English Has Risen 65%](#)
- Figure 5.8 [As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Infant Mortality Decline Significantly](#)
- Figure 5.9 [As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Early Prenatal Care Decline Significantly](#)
- Figure 5.10 [As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Overall Mortality Decline Significantly](#)
- Figure 5.11 [As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Early Prenatal Care Decline Significantly](#)
- Figure 5.12 [As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Tuberculosis Decline Significantly](#)

Section VI: [Providing Cost-Effective Care](#)

- Figure 6.1 [Health Centers Generate Significant Savings for Medicaid](#)
- Figure 6.2 [Fewer Health Center Medicaid Patients Experience Ambulatory Care Sensitive Events](#)
- Figure 6.3 [South Carolina Case Study: Costs Associated with Treating Medicaid Diabetic Patients, 2000-2003](#)
- Figure 6.4 [Health Centers Could Save Over \\$18 Billion Annually By Preventing Avoidable ER Visits](#)
- Figure 6.5 [A Comparison of Per Patient Medical Expenditures, CY 2004](#)
- Figure 6.6 [Total Economic Activity Stimulated by Health Centers' Operations, 2005](#)
- Figure 6.7 [Total Economic Activity Stimulated by an Average Large Urban and Small Rural Health Center, 2005](#)
- Figure 6.8 [Health Center Impact by State, 2005](#)

Section VII: [Health Centers' Rising Costs of Care and Shrinking Revenues](#)

- Figure 7.1 [Health Center Costs of Care Grow Slower than National Health Expenditures, 2000-2006](#)

Figure 7.2 [Health Center Funding Has Not Kept Up With the Cost of Care](#)

Figure 7.3 [Payments from Third Party Payers Are Less than Cost](#)

Figure 7.4 [Health Center Operating Margins are Negligible and Lower than Hospital Operating Margins](#)

Section VIII: [The Importance of Medicaid](#)

Figure 8.1 [Health Centers' Revenue Sources Do Not Resemble Those of Physician Practices](#)

Figure 8.2 [Medicaid Revenue is Directly Proportional to Medicaid Patients](#)

Figure 8.3 [Medicaid as a Percentage of Health Centers' Revenues, 2004](#)

Figure 8.4 [Loss of Medicaid Cost-Based Payments Would Erase 15 % of TOTAL Revenue](#)

Figure 8.5 [Health Centers Have Moved Substantially Into Medicaid Managed Care Participation](#)

Section IX: [Federal Funding](#)

Figure 9.1 [Recent Health Center Federal Appropriations History](#)

Figure 9.2 [Appropriations: Measuring Funding Results](#)

Figure 9.3 [Percent Change in National Federal Safety Net Spending and Number of Uninsured, 2001-2004](#)

Section X: [Remaining Unmet Need and Challenges](#)

Figure 10.1 [Major Challenges Facing Health Centers](#)

Figure 10.2 [Primary Care Physician Vacancy Rates at Health Centers, 2004](#)

Figure 10.3 [Percent of Grantees Relying on Federal and State Workforce Programs, 2004](#)

Figure 10.4 [Federal Grants are not Keeping Pace with Costs or Uninsured Patient Growth](#)

Figure 10.5 [56 Million People Have No Access to A Primary Care Provider](#)

Figure 10.6 [The ACCESS for all America Plan](#)

Sources and Methodology

Source: All figures, unless otherwise noted, come from NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System. For more information, email research@nachc.com.

Note: This chartbook includes data from Federally-Qualified Health Centers (FQHCs) who meet federal health center grant requirements and are required to report administrative, clinical and other information to the Federal Bureau of Primary Health Care. Only FQHCs receiving federal health center grants report data. Therefore, unless otherwise noted, this chartbook does not always include data from a category of FQHCs that does not receive these funds, known as FQHC Look-Alikes. Data reflected in this chartbook may consequently underreport the volume of health care delivered by health centers. There are approximately 100 FQHC Look-Alikes across the United States.

Preface

The National Association of Community Health Centers (NACHC) is pleased to present *A Sketch of Community Health Centers*, an overview of the federal health centers program and the communities they serve. Community Health Centers began over forty years ago as part of President Lyndon B. Johnson's declared "War on Poverty." Their aim then, as it is now, is to **provide affordable, high quality and comprehensive primary care to medically underserved populations, regardless of their insurance status or ability to pay.** A growing number of health centers also provide dental, behavioral, pharmacy, and other needed supplemental services. No two health centers are alike but they all share one common purpose: to provide primary health care services that are coordinated, culturally and linguistically competent, and community-directed.

Health centers play a critical role in the health care system as the **health care home to over 17 million* people.** Across the country health centers produce positive results for their patients and for the communities they serve. They stand as evidence that communities can improve health, reduce health disparities, and deal with a multitude of costly and significant health and social problems – including substance abuse, HIV/AIDS, mental illness, and homelessness – if they have the resources and leadership to do so.

Although the health centers program has been very successful over the years in providing vital health care services to those in need, the program faces many looming challenges. Rising costs, narrowing revenue streams, and steady increases of newly uninsured and chronically ill patients threaten health centers' ability to meet growing need. **Federal and state support is critically important** to keep pace with rising costs and escalating health care needs.

Who health centers serve, what they do, and their impressive record of accomplishment in keeping communities healthy, is represented in the following charts.

*Includes patients of federally-funded health centers, non-federally funded health centers (health center "look-alikes"), and expected patient growth for 2007-2008.

Section I: Who Health Centers Serve

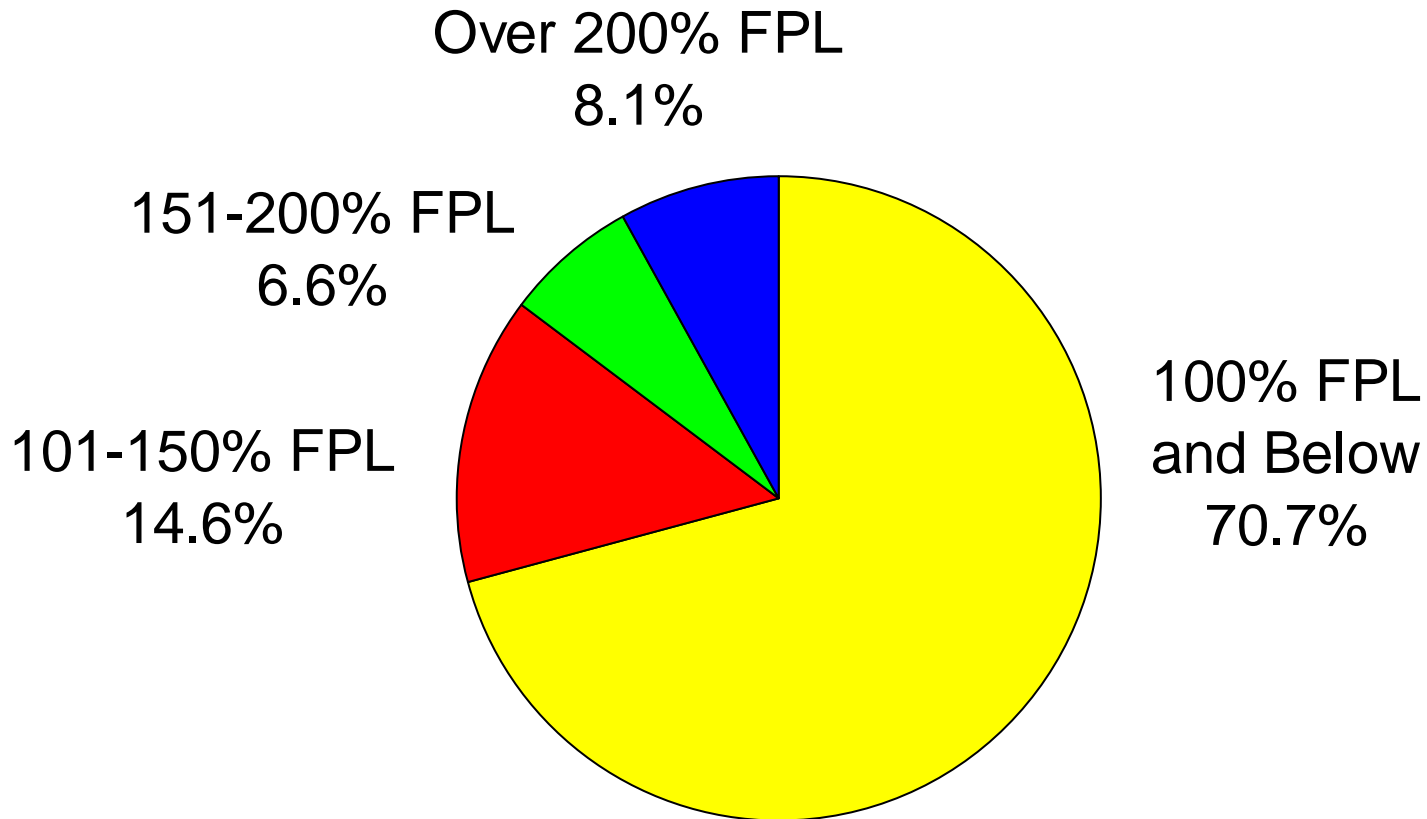
Figure 1.1

Health Centers Serve...

- 1 in 8 **Medicaid** beneficiaries
- 1 in 7 **uninsured** persons, including
 - 1 in 5 **low income** uninsured
- Nearly 1 in 3 people in **poverty**
- 1 in 10 **minorities**
- 1 in 9 **rural** Americans

Figure 1.2

Health Centers Serve Patients That Are Predominately Low Income

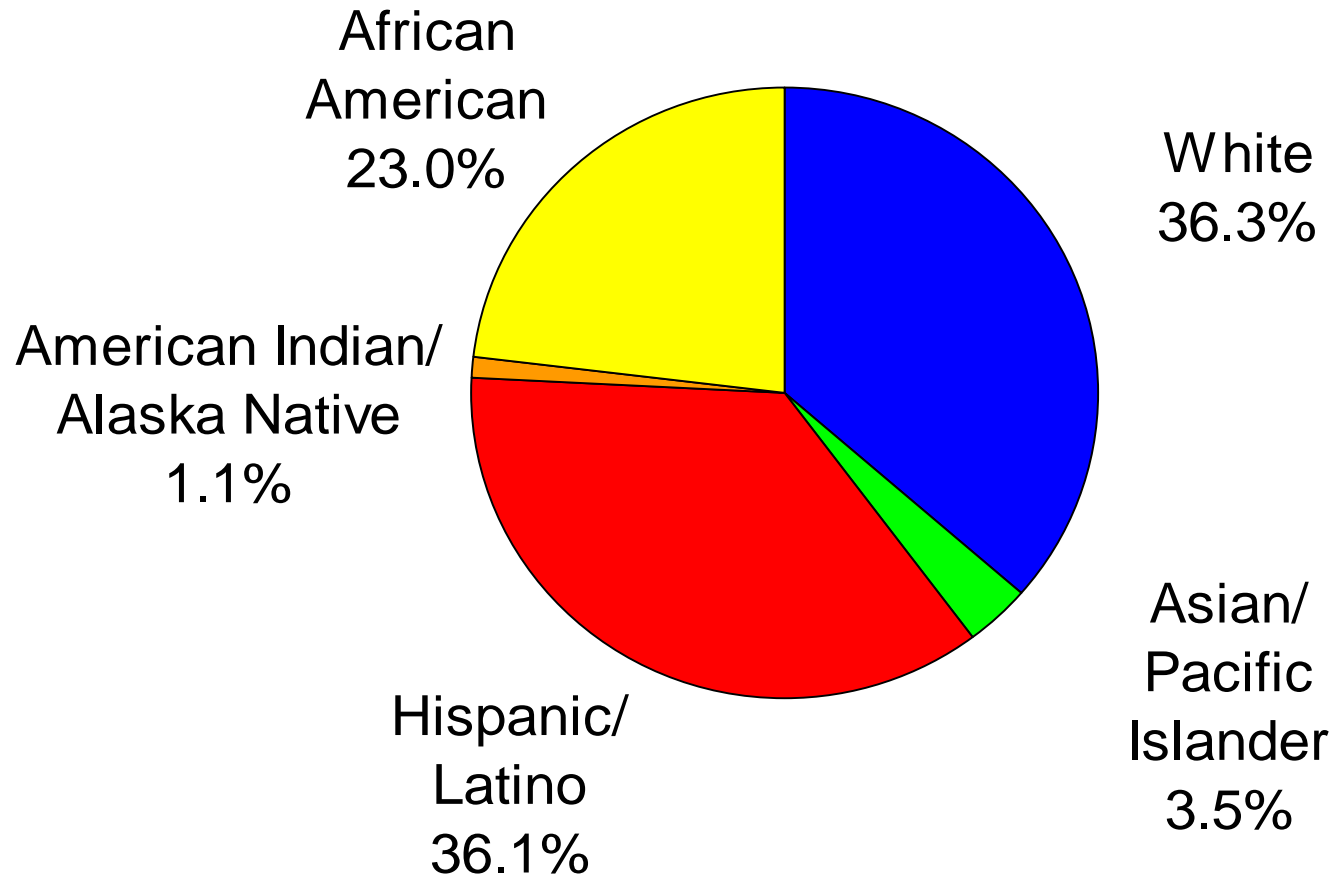


*Please refer to sources and methodology at the end for more information

Note: Federal Poverty Level (FPL) for a family of three in 2006 was \$17,170. (See <http://aspe.hhs.gov/poverty/05poverty.shtml>.) Based on percent known. Percents may not total 100% due to rounding.

Figure 1.3

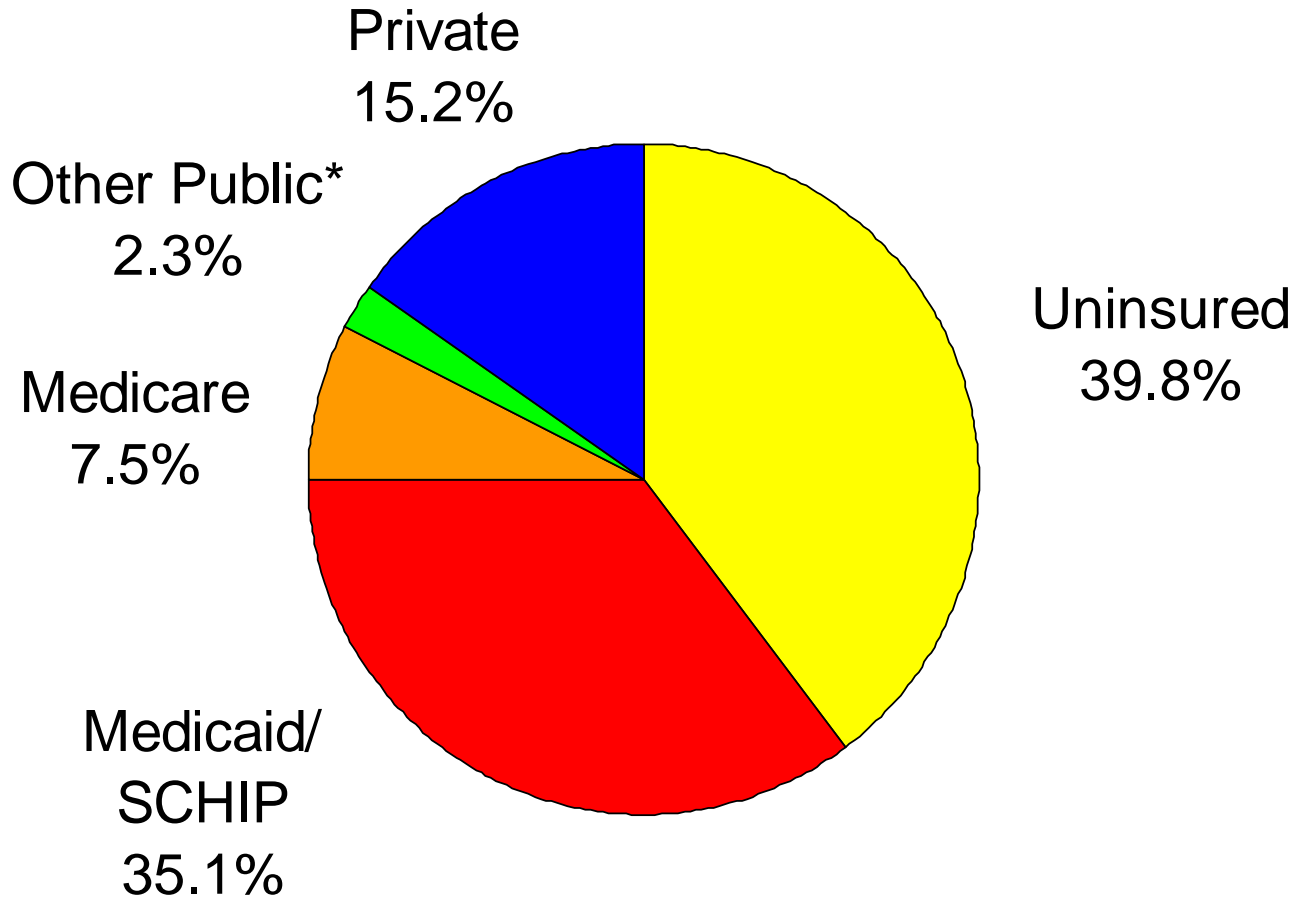
Racial and Ethnic Minorities Make Up Two-Thirds of All Health Center Patients



*Please refer to sources and methodology at the end for more information
Note: Based on percent known. Percents may not total 100% due to rounding.

Figure 1.4

Most Health Center Patients are Uninsured or Publicly Insured

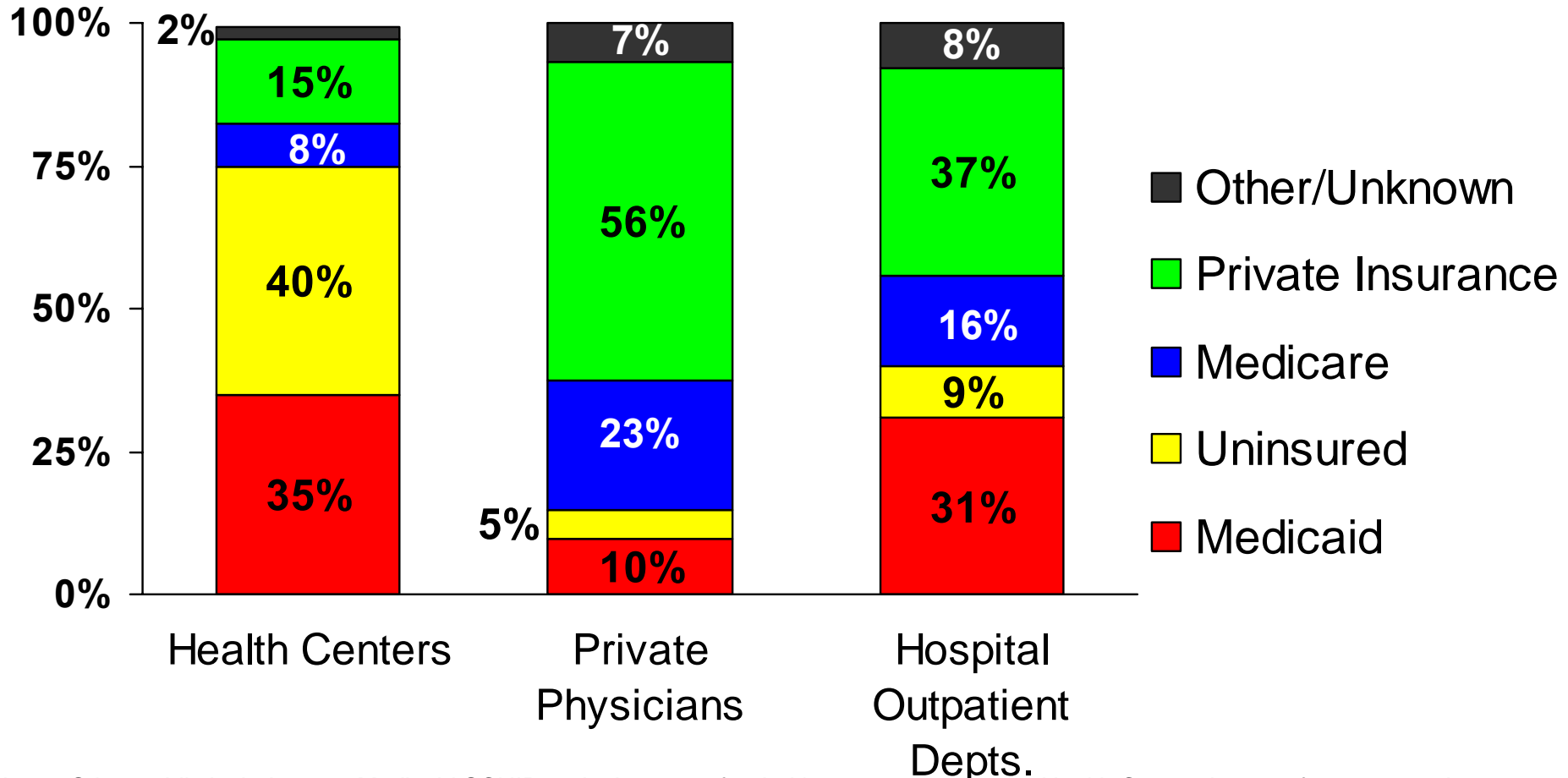


* Other public may include non-Medicaid SCHIP and state-funded insurance programs.

Note: Percents may not total 100% due to rounding. Please refer to source and methodology at the end for more information.

Figure 1.5

Health Center Patient Mix Is Unique Among Ambulatory Care Providers

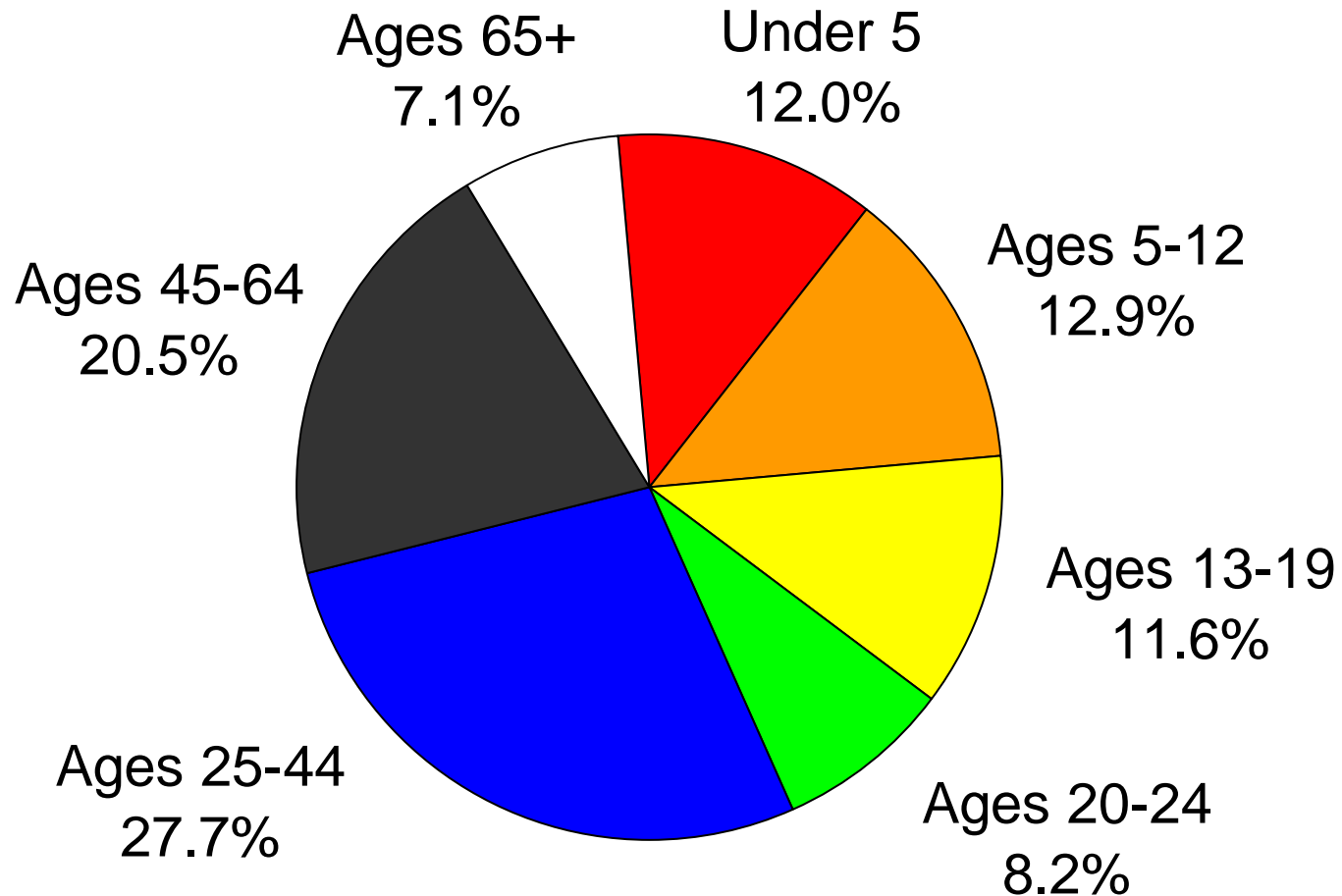


Notes: Other public includes non-Medicaid SCHIP and other state-funded insurance programs. Health Center data are from 2006, private physician and hospital outpatient data from 2004.

Sources: NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System. Private Physicians from 2004 NAMCS (CDC National Center for Health Statistics, 2006). Hospital Outpatient from 2004 NHAMCS (CDC National Center for Health Statistics, 2006).

Figure 1.6

Health Center Patients Range in Age

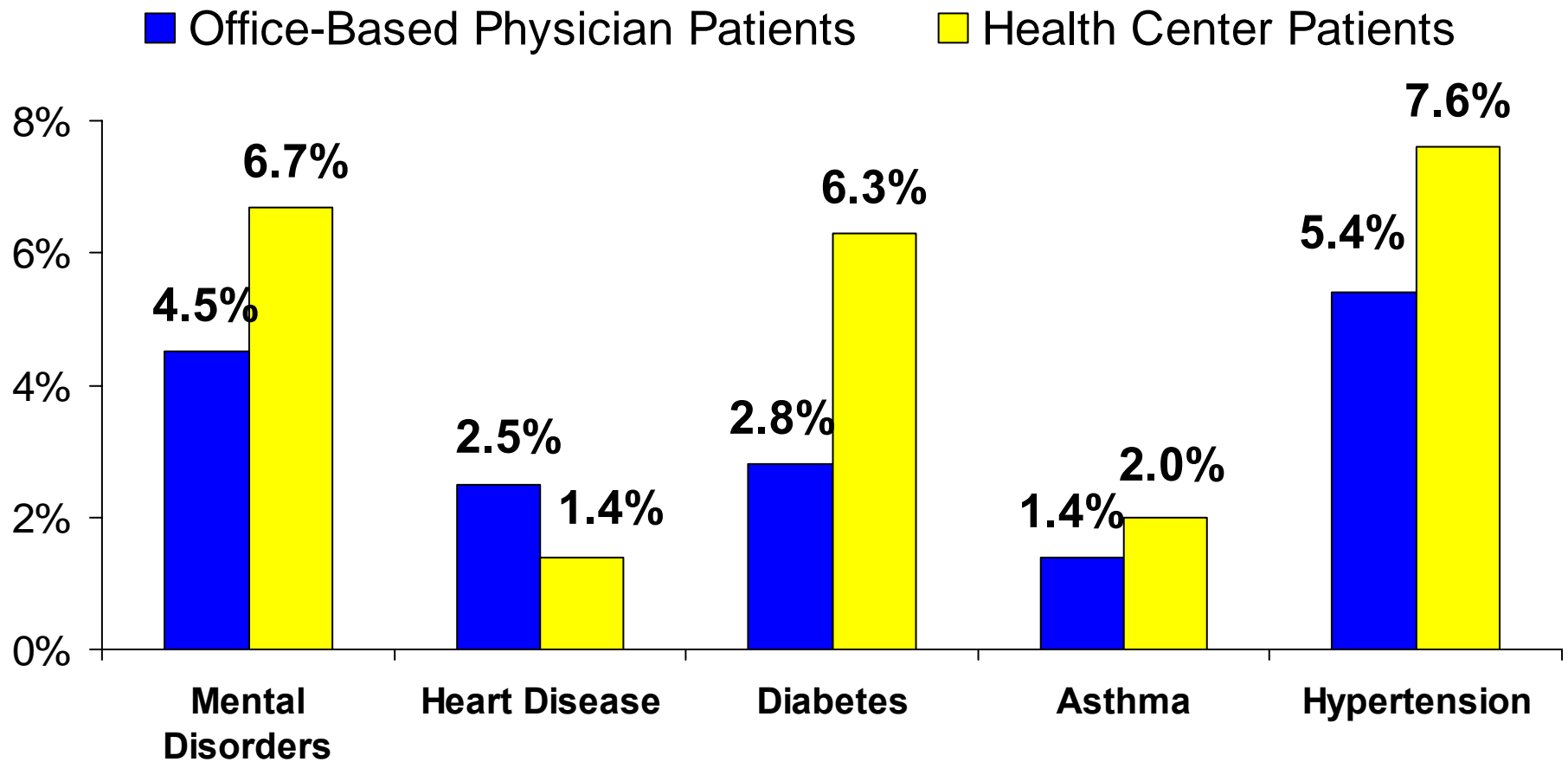


Note: Percents may not total 100% due to rounding.

Source: Please refer to sources and methodology for more information.

Figure 1.7

Health Center Patients are Generally More Likely to Have a Chronic Illness than Patients of Office-Based Physicians



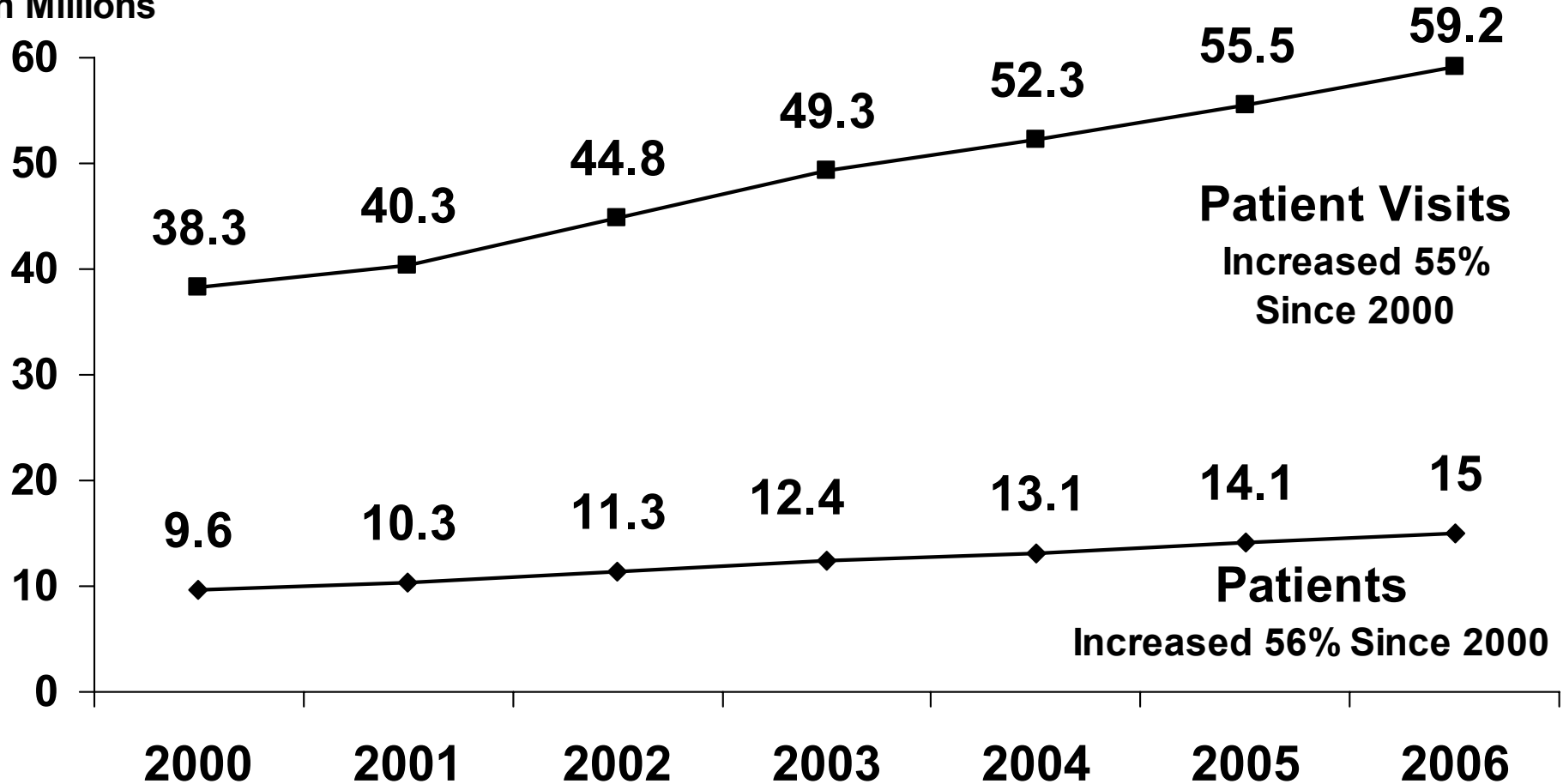
Source: Rosenbaum et al. "Health Centers as Safety Net Providers: An Overview and Assessment of Medicaid's Role." 2003. *Kaiser Commission on Medicaid and the Uninsured*. Center for Health Services Research and Policy analysis of 2004 UDS. Office-based physician data based on 2002 National Ambulatory Medical Care Survey.

Section II: Health Center Growth

Figure 2.1

The Number of Health Center Patients and Patient Visits Continues to Grow

In Millions



Note: Excludes patients at non-Federally funded health centers, which treat an additional 1.5 million patients annually.

Figure 2.2

Health Center Visit Rates Are On the Rise

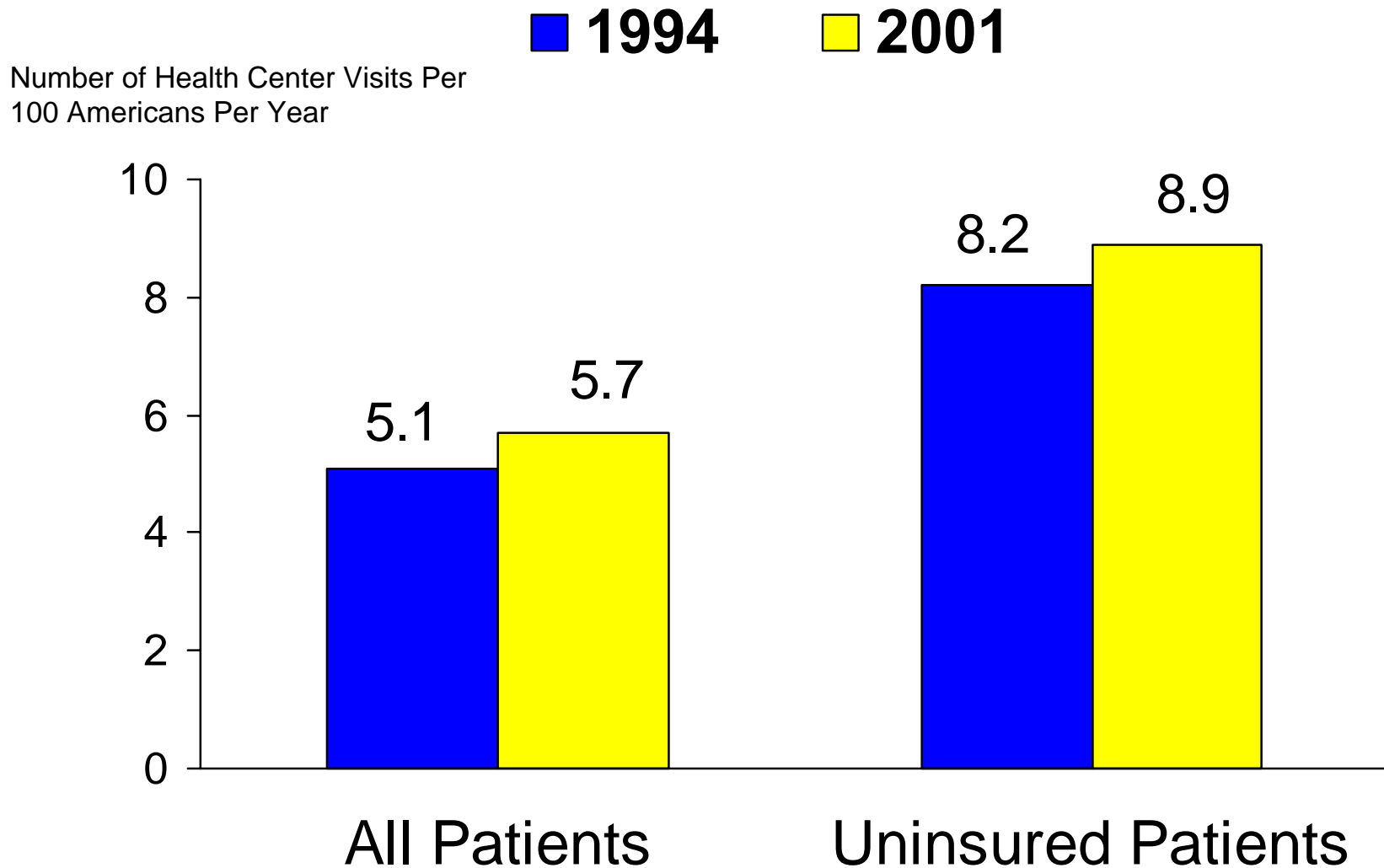


Figure 2.3

The Number of Health Centers Receiving Federal Health Center Grants Has Increased Dramatically

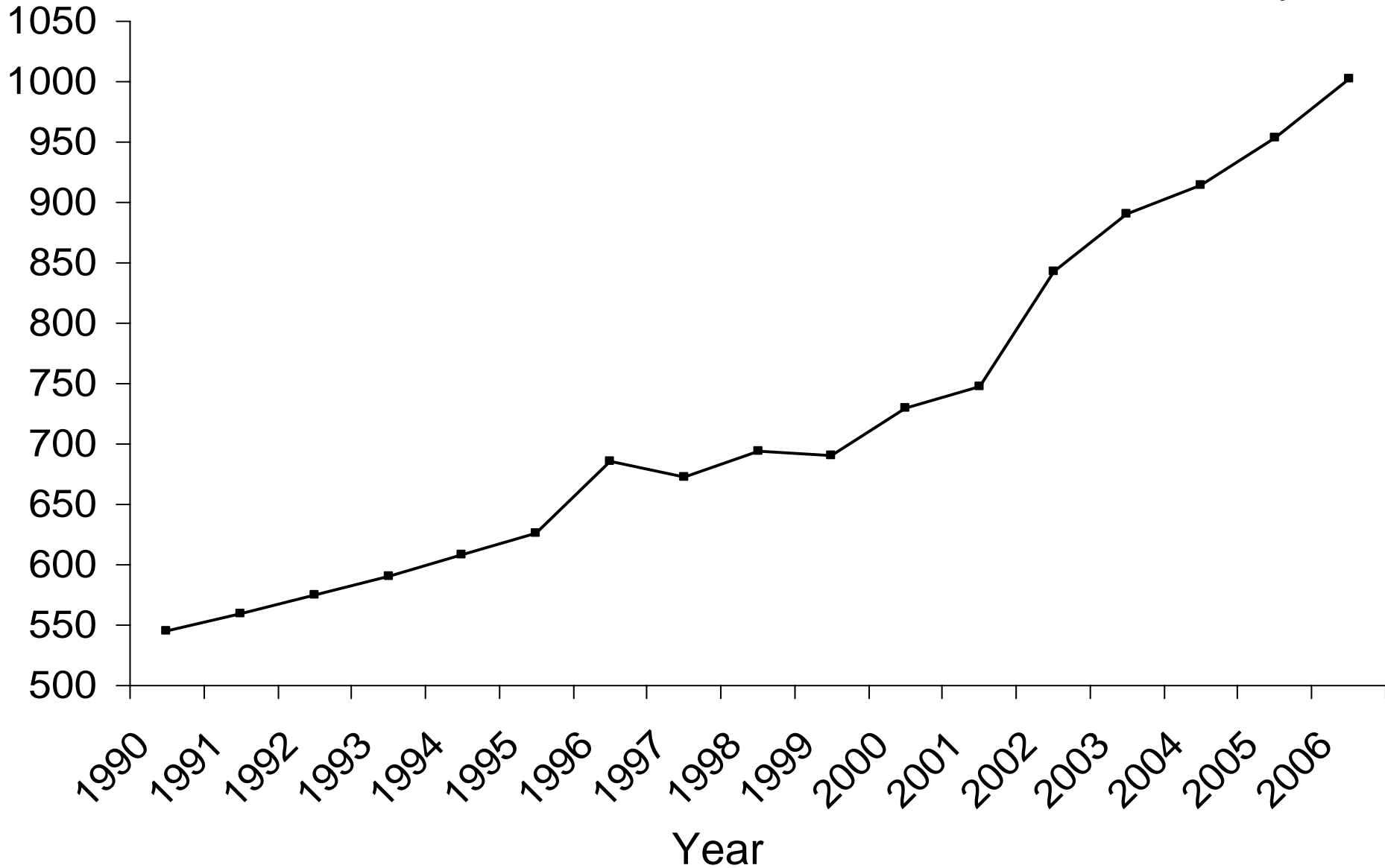


Figure 2.4

Growth in Health Center Patients by Insurance Status, 2000-2006

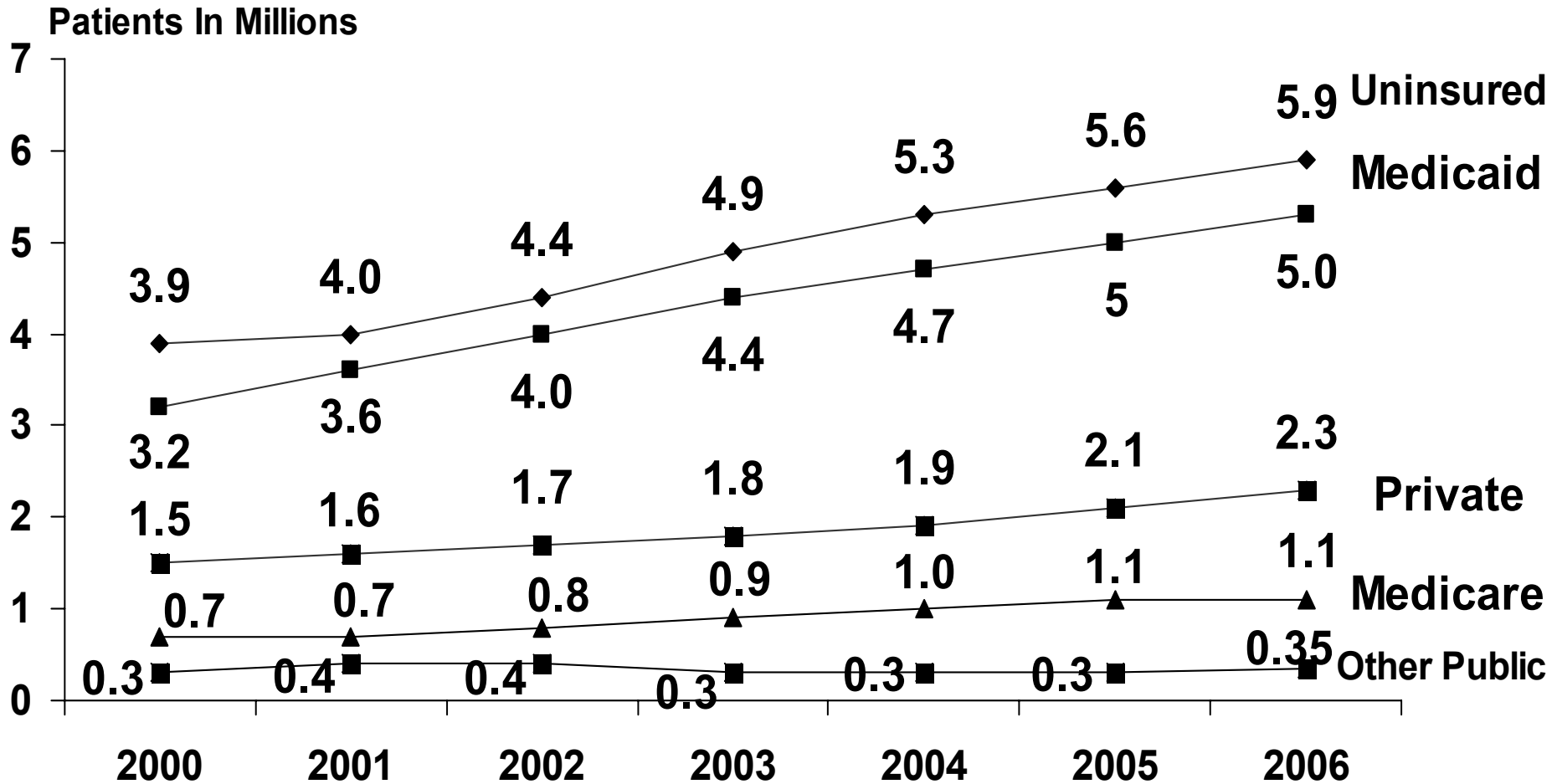
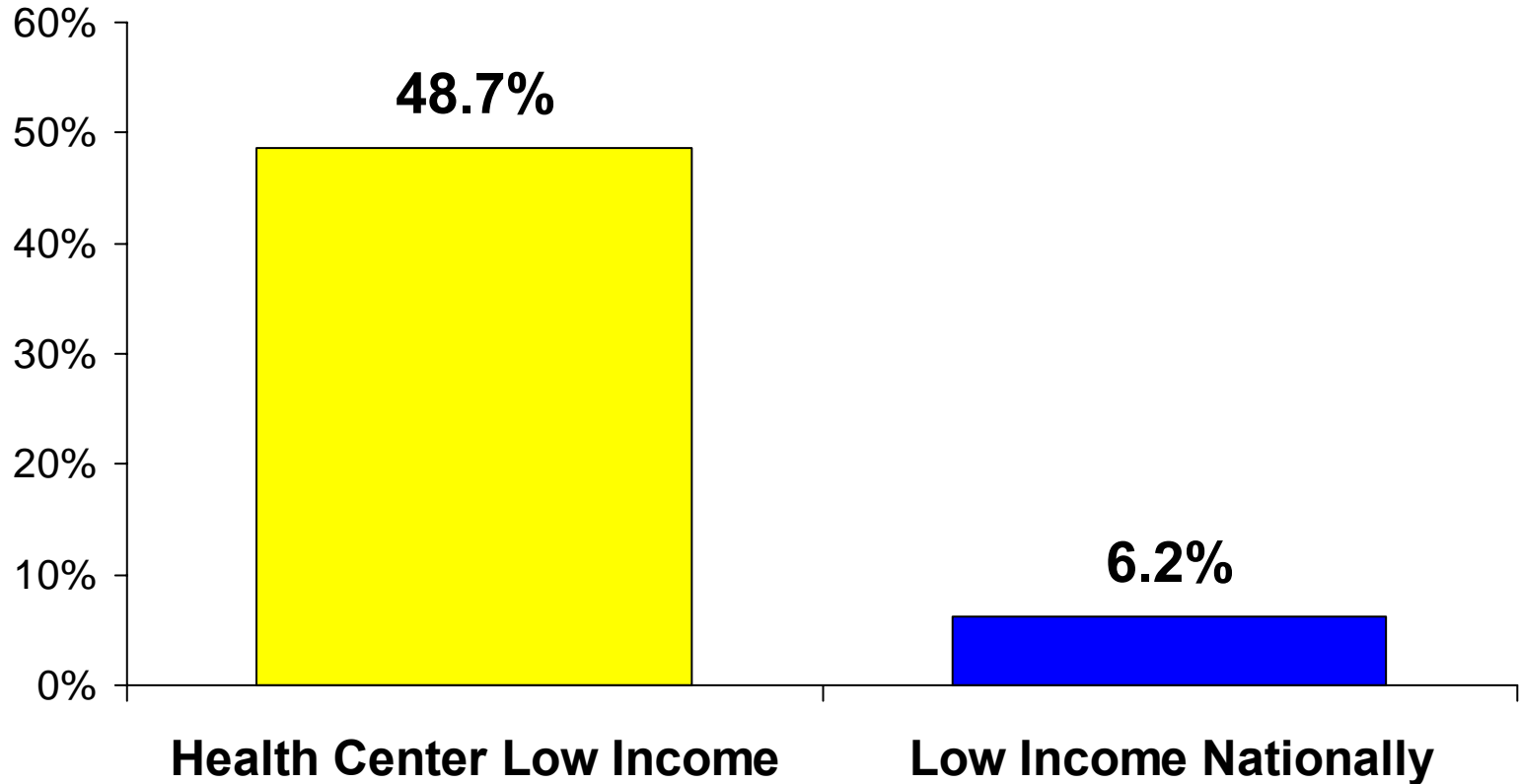


Figure 2.5

The Number of Health Center Low Income* Patients Is Growing Faster than the Low Income Nationally, 2000-2006

Percent Increase

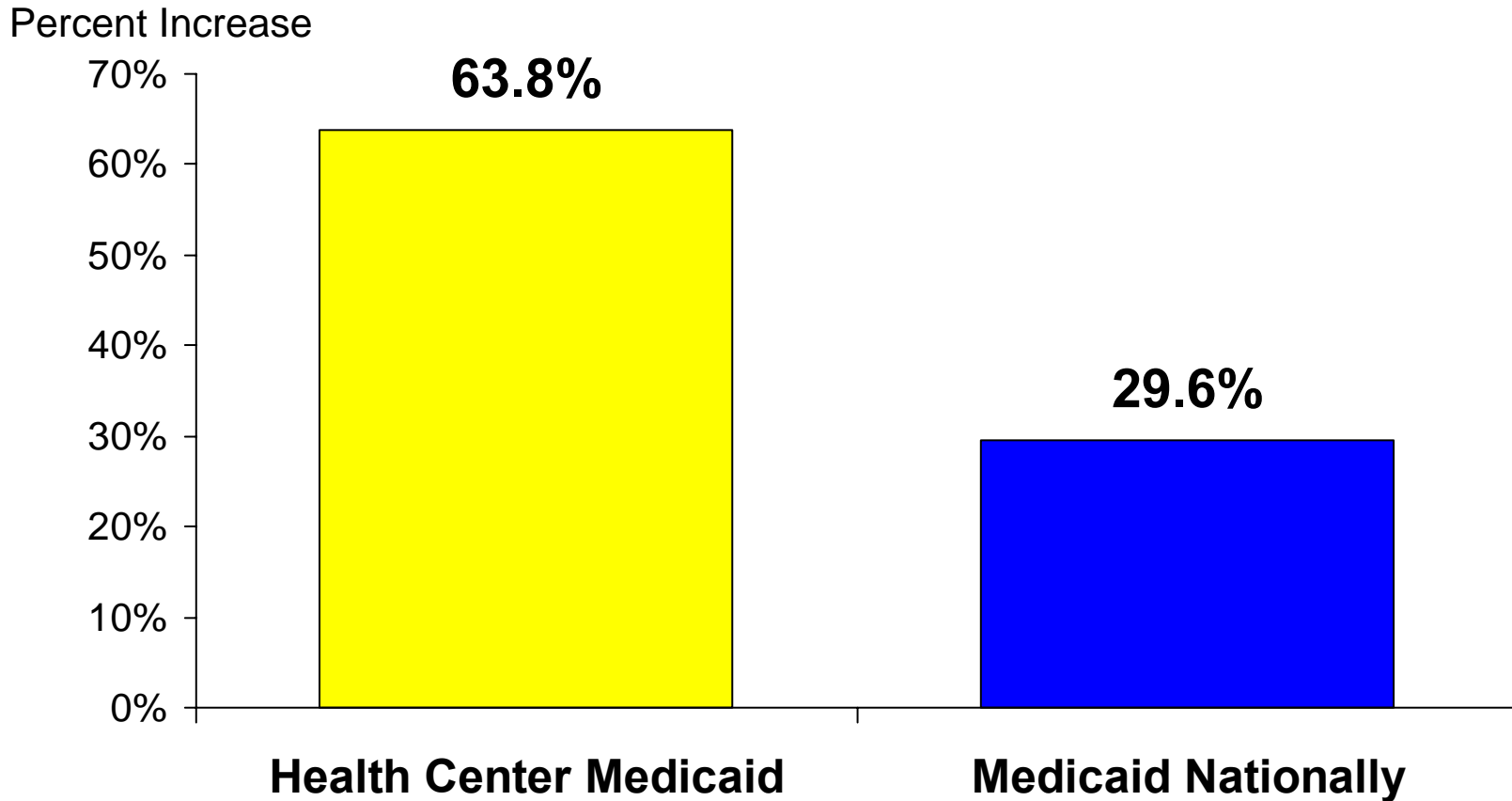


* Patients under 200% of poverty.

Sources: U.S. Census Historical Poverty Tables. "Table 5. Percent of People By Ratio of Income to Poverty Level: 1970 to 2006." <http://www.census.gov/hhes/www/poverty/histpov/hstpov5.html>. And "Table 2. Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2006." www.census.gov/hhes/www/poverty/histpov/hstpov2.html. NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Figure 2.6

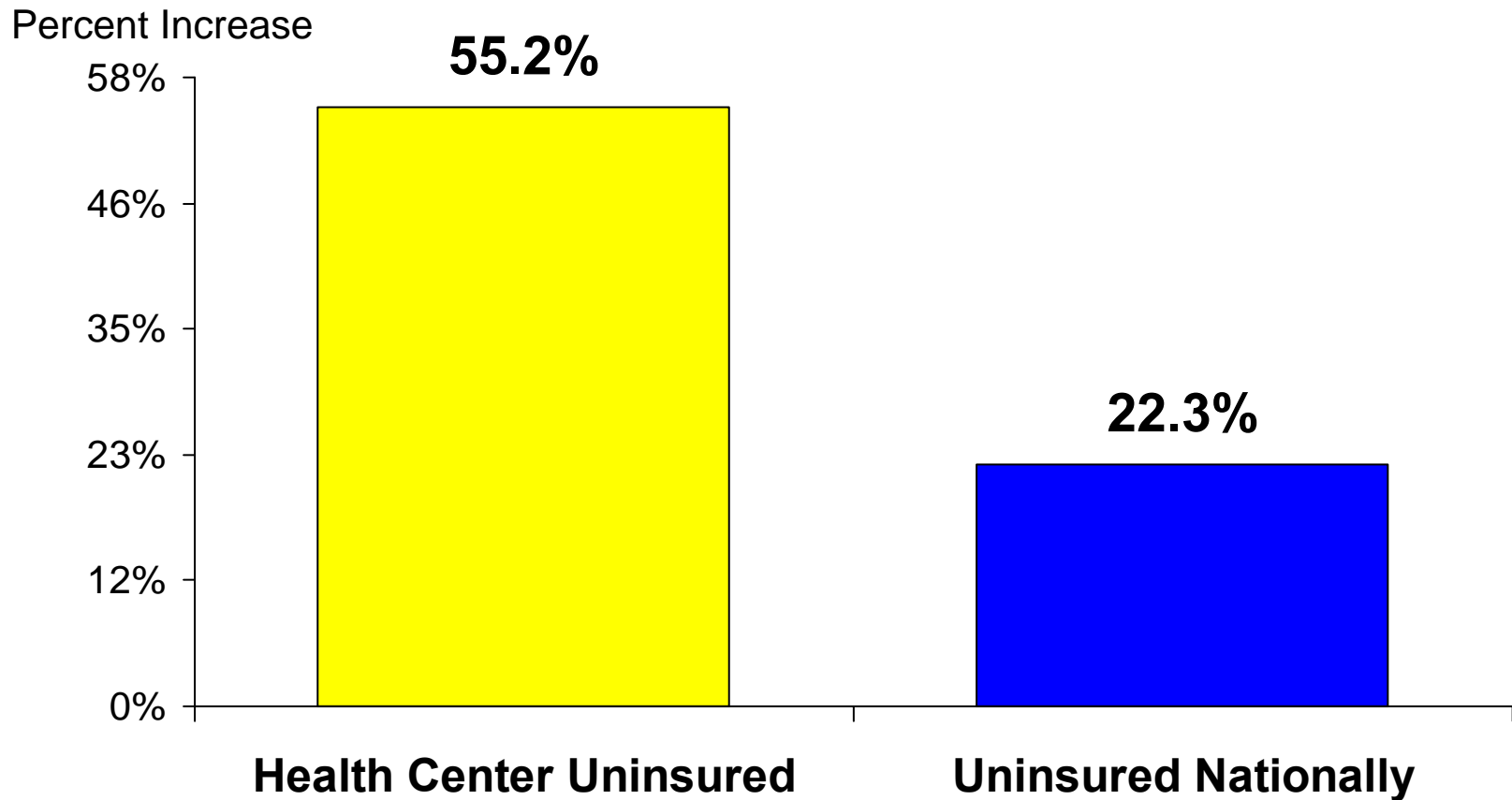
The Number of Health Center Medicaid Patients Is Growing Faster than Medicaid Beneficiaries Nationally, 2000-2006



Sources: U.S. Census Bureau. Historical Health Insurance Tables. "Table HI-1. Health Insurance Coverage Status and Type of Coverage by Sex, Race and Hispanic Origin: 1987 to 2006." www.census.gov/hhes/www/hlthins/historic/hihist1.html. NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Figure 2.7

The Number of Health Center Uninsured Patients Is Growing Faster than the Uninsured Nationally, 2000-2006

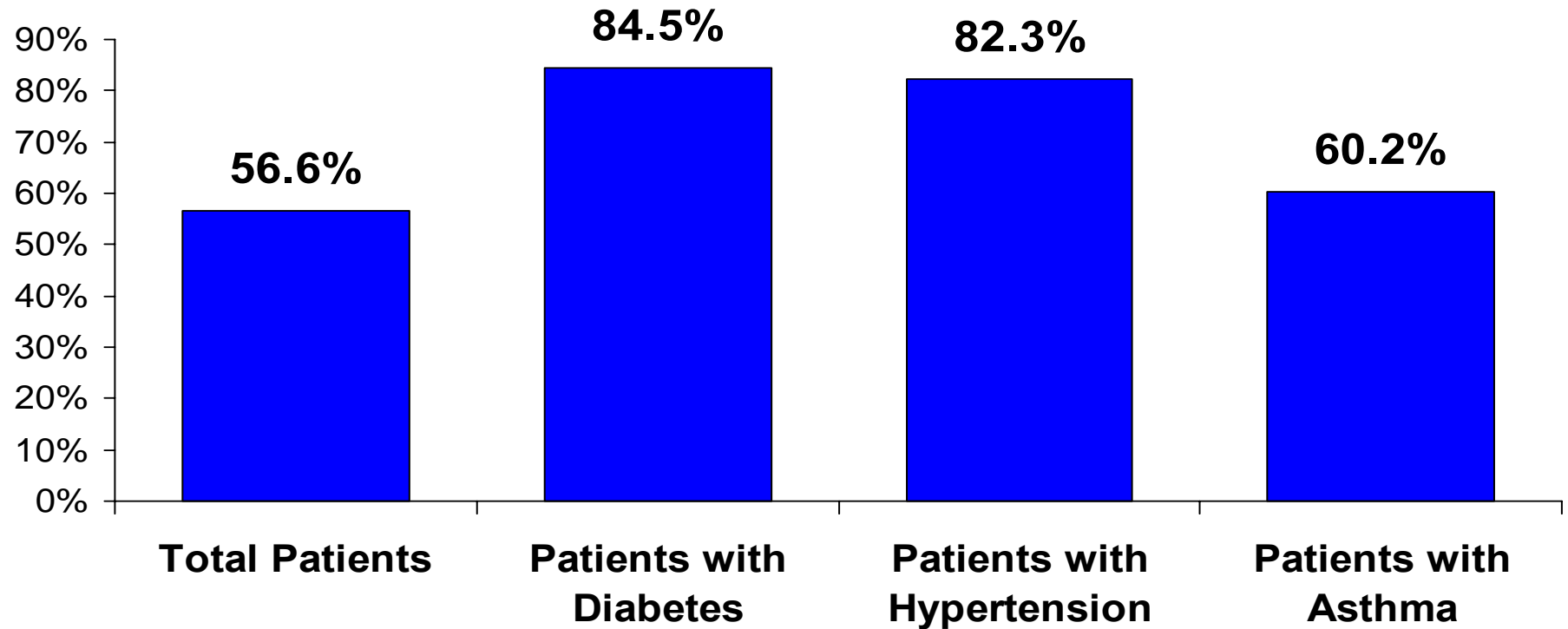


Sources: U.S. Census Bureau. Historical Health Insurance Tables. "Table HI-1. Health Insurance Coverage Status and Type of Coverage by Sex, Race and Hispanic Origin: 1987 to 2006." www.census.gov/hhes/www/hlthins/historic/hihist1.html. NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Figure 2.8

Growth in Health Center Patients and Patients with Select Chronic Conditions, 2000-2006

Percent Increase

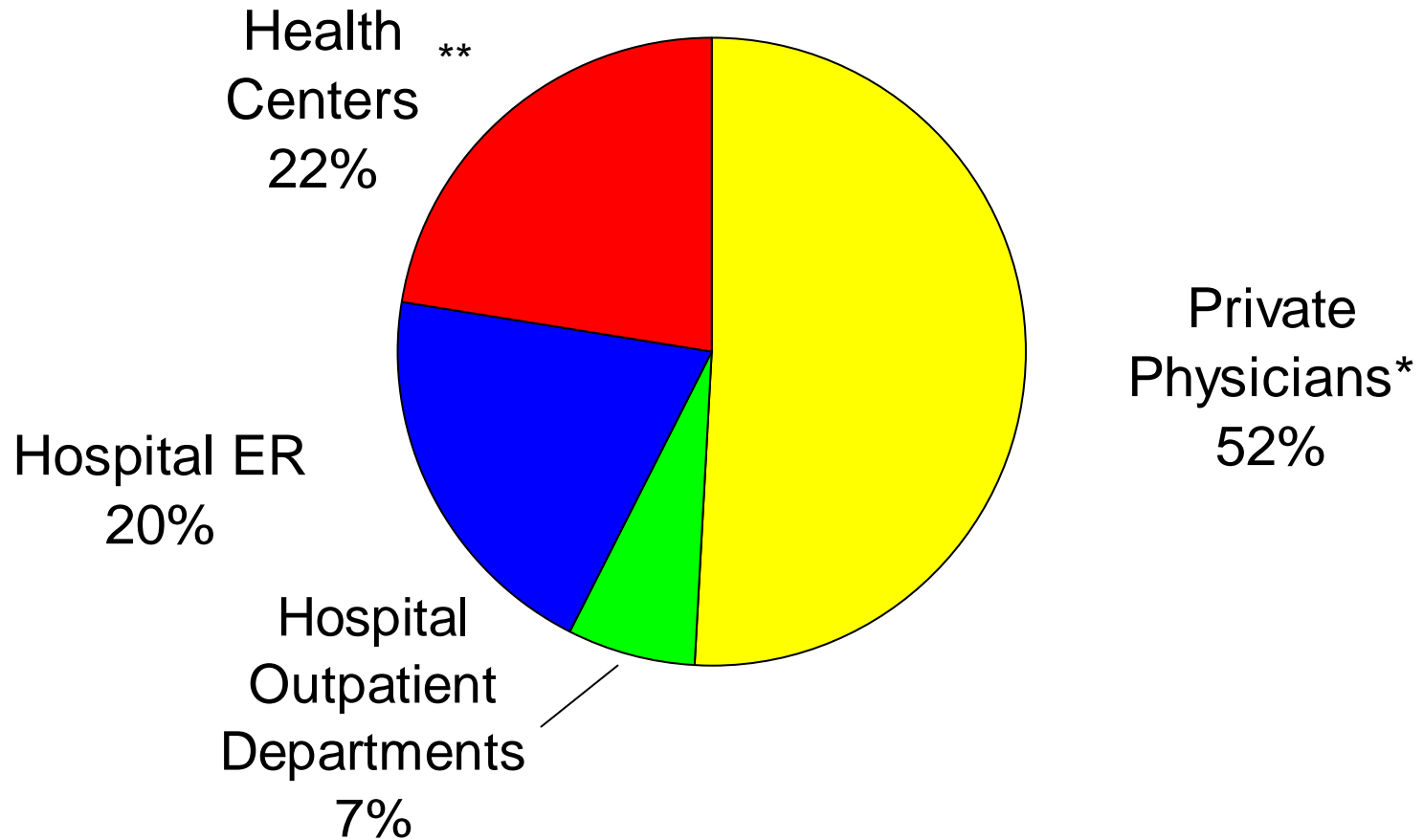


Section: III

Access to Care

Figure 3.1

Health Centers Provide 22% of All Uninsured Ambulatory Care Visits



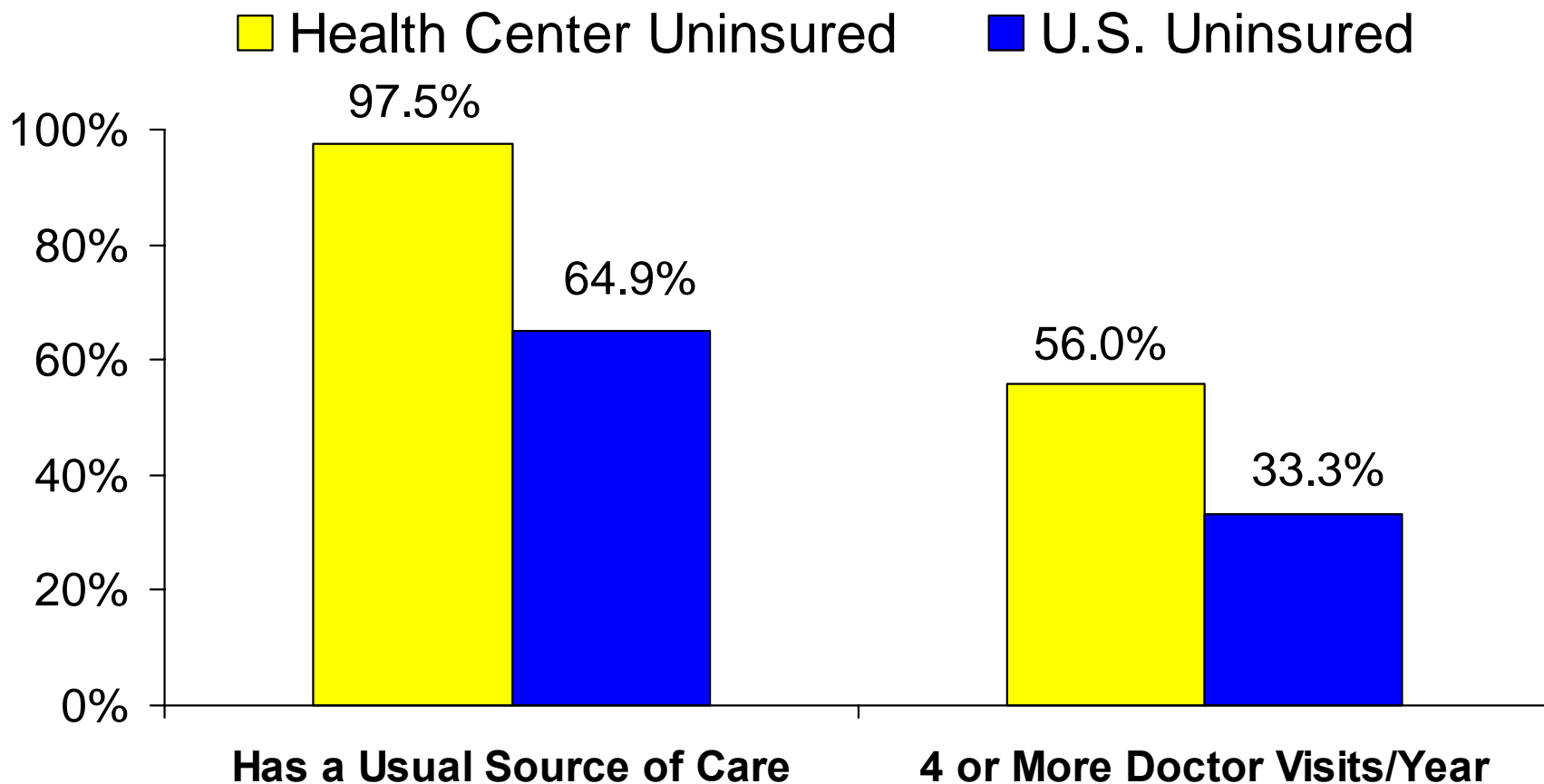
*Includes all non-federally employed physicians outside hospitals and federally-run facilities.

** Assumes the proportion of visits for the uninsured equals the proportion of patients that are uninsured.

Sources: Private Physicians from 2004 NAMCS (CDC National Center for Health Statistics, 2006). Hospital Outpatient and ER from 2004 NHAMCS (CDC National Center for Health Statistics, 2006). NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2004 Uniform Data System.

Figure 3.2

Health Center Uninsured Patients Receive More Care than the Uninsured Nationally

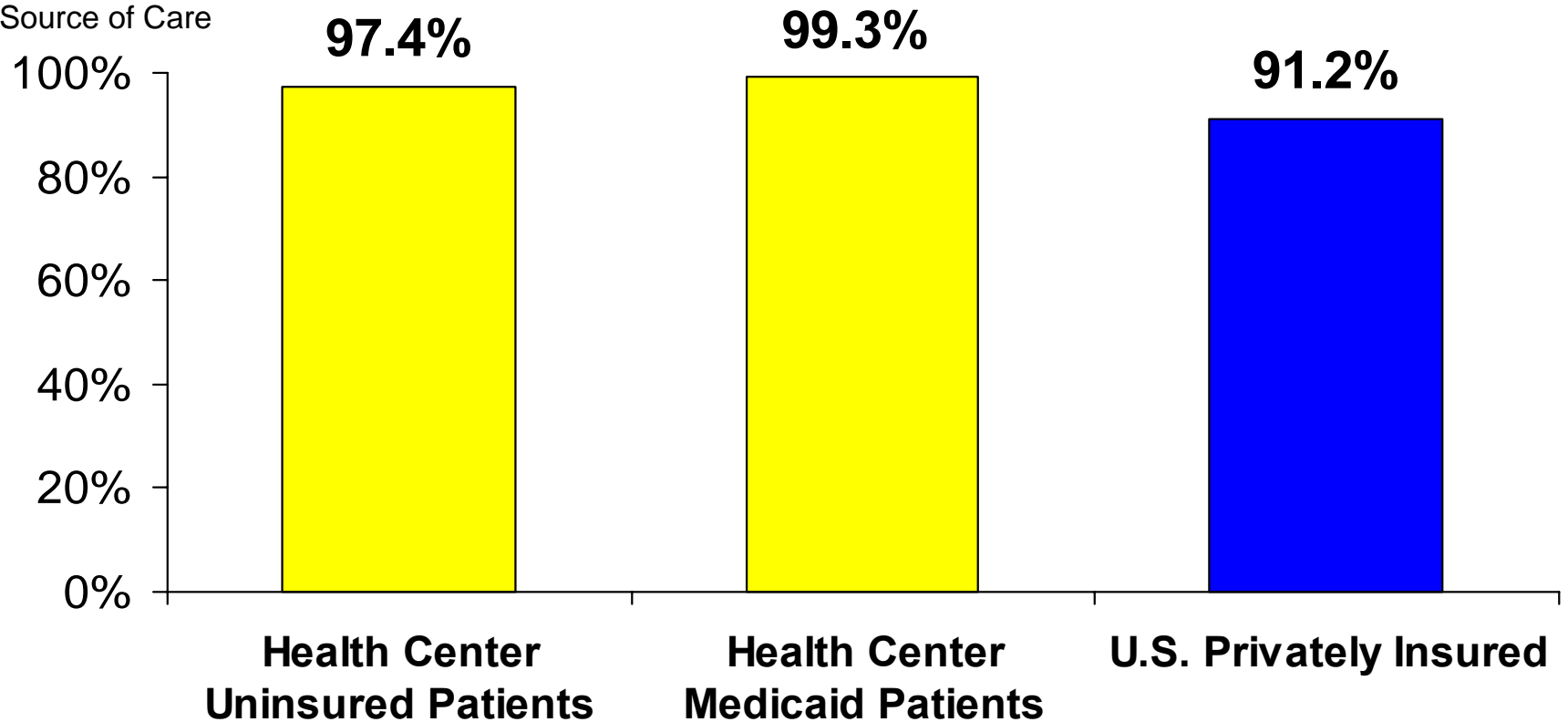


Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002, Preliminary Tables August 2004; and National Health Interview Survey, 2002.

Figure 3.3

Health Center Uninsured and Medicaid Patients are More Likely to Have a Usual Source of Care than the U.S. Privately Insured

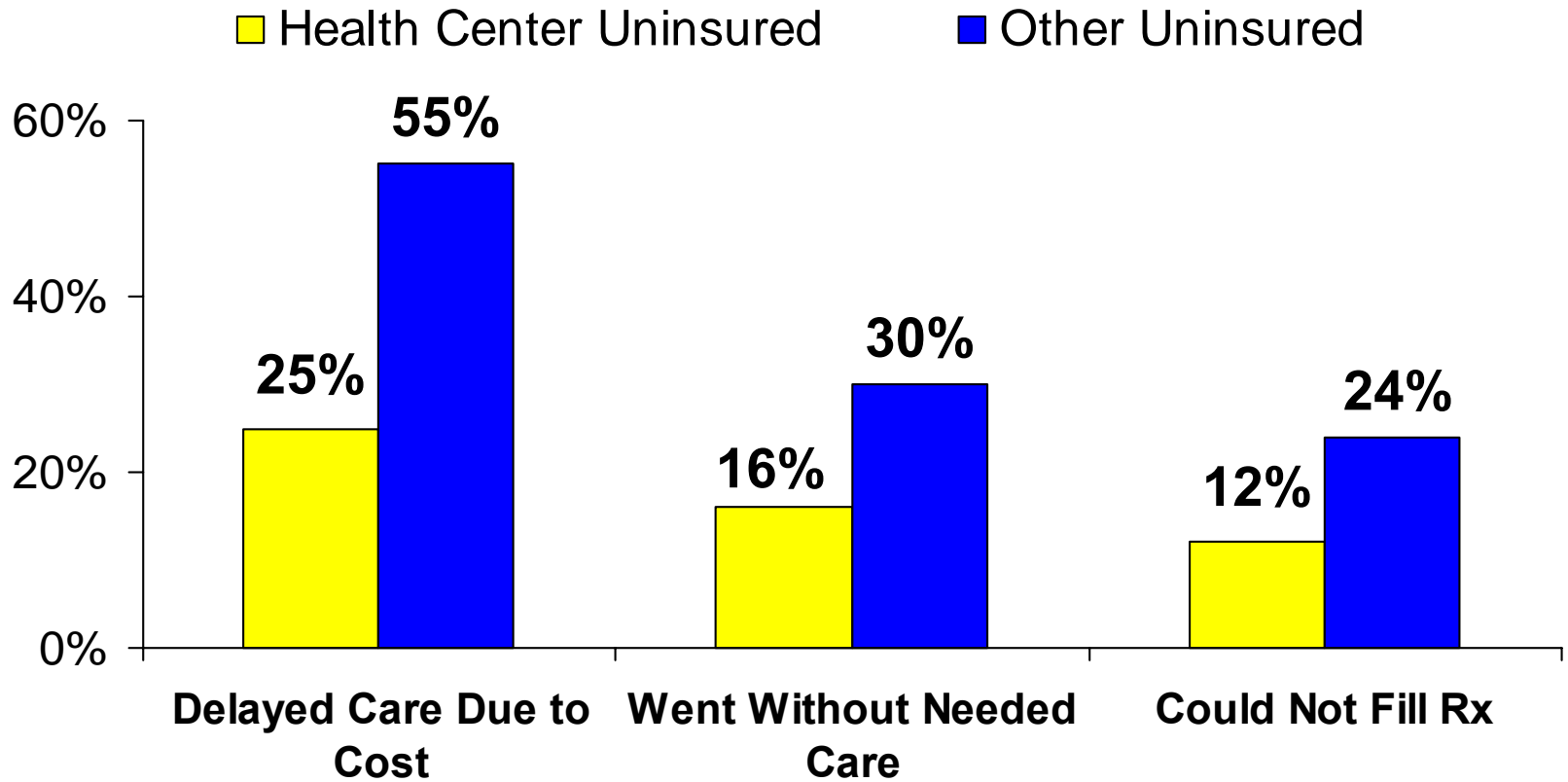
Percent Reporting They Have a Usual Source of Care



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002, Preliminary Tables August 2004; and National Health Interview Survey, 2002.

Figure 3.4

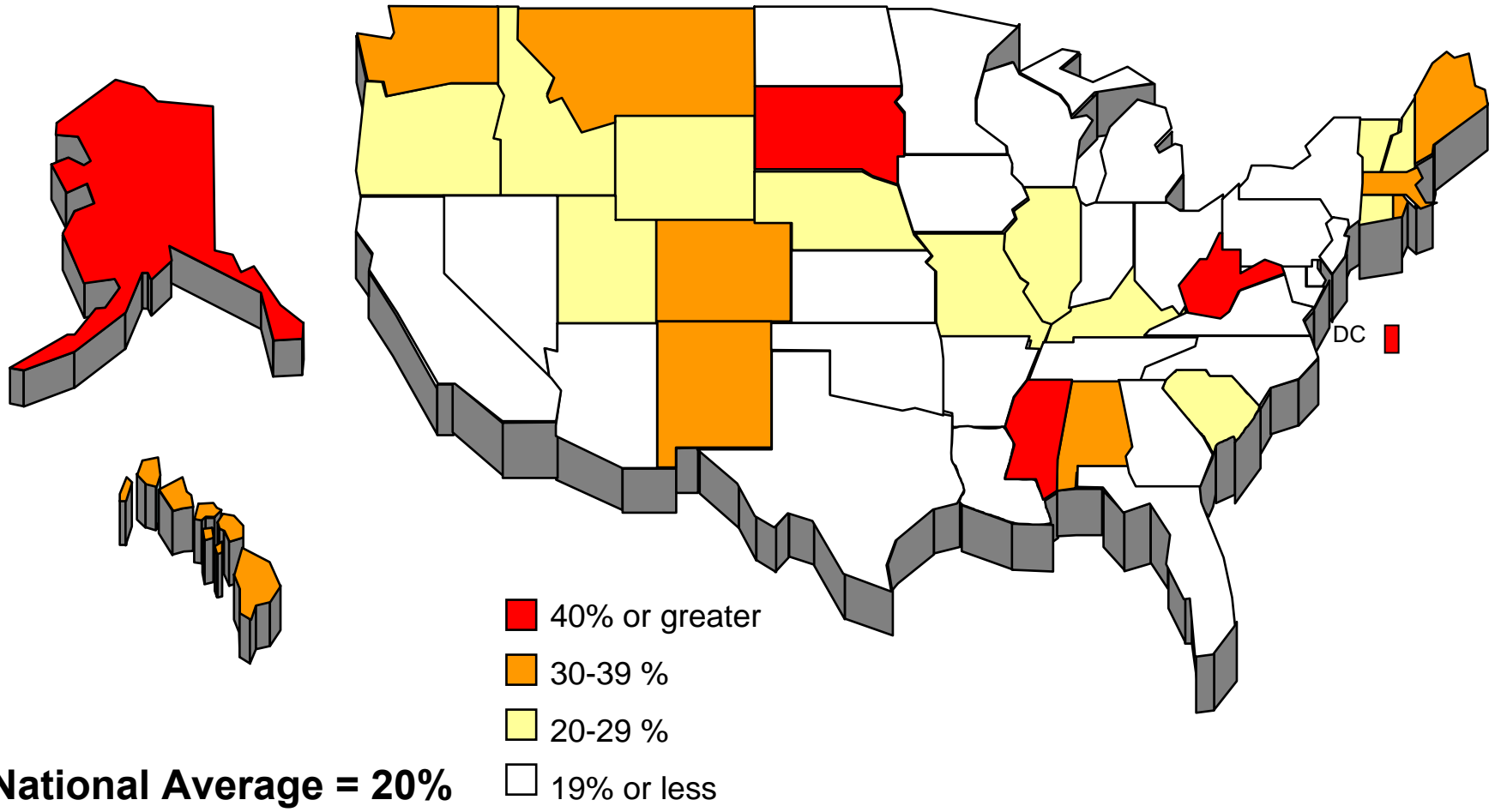
Health Center Uninsured Patients are Twice as Likely To Get the Care They Need than Other Uninsured



Source: Politzer, R., et al. "Inequality in America: The Contribution of Health Centers in Reducing and Eliminating Disparities in Access to Care." 2001. *Medical Care Research and Review* 58(2):234-248.

Figure 3.5

Percent of Low Income, Uninsured Served by Health Centers, 2006

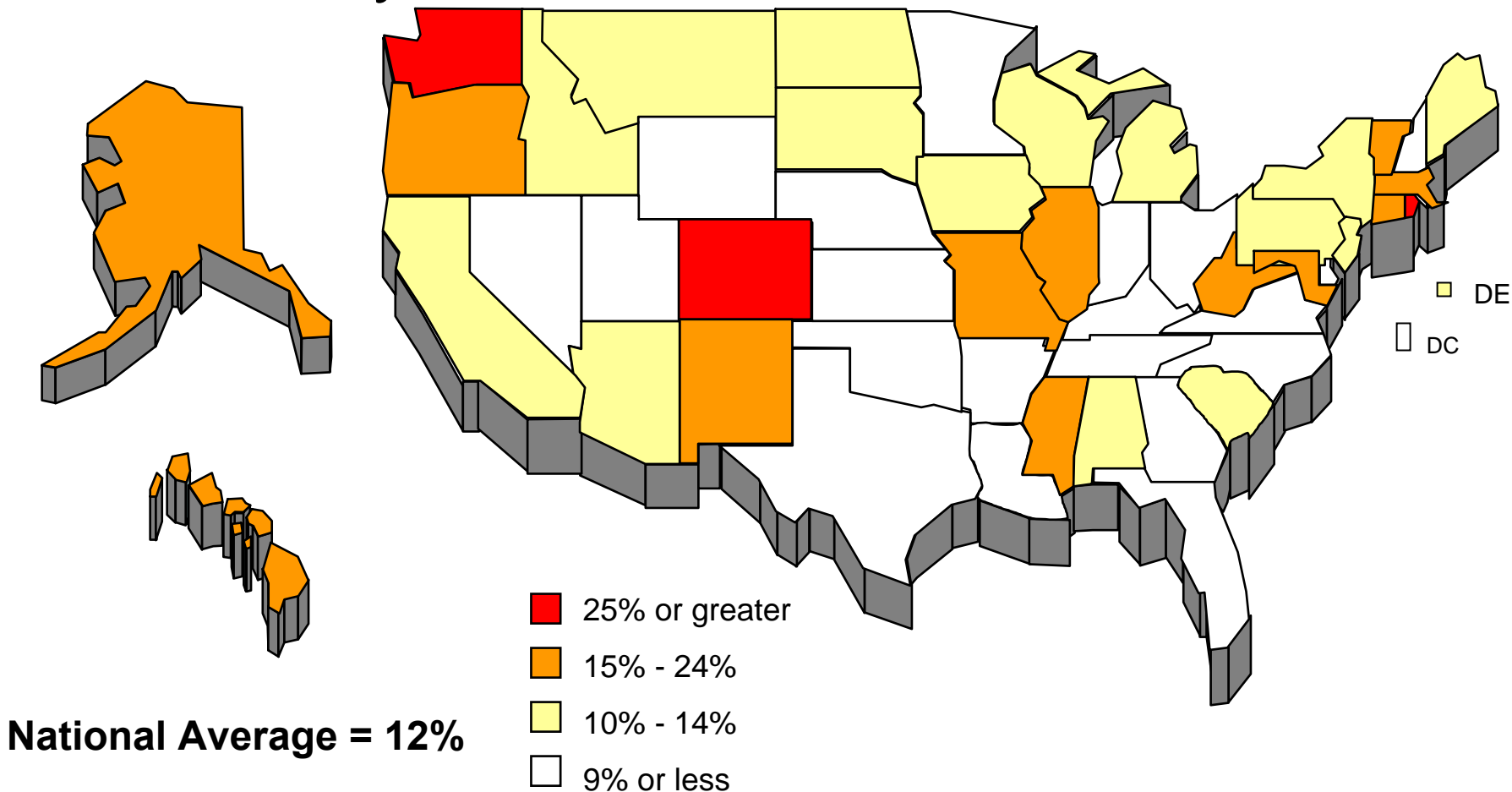


Note: Under 200% of poverty.

Source: National data from: Kaiser State Facts. Distribution of the Nonelderly Uninsured by Federal Poverty Level, 2006. <http://www.statehealthfacts.org/comparetable.jsp?ind=136&cat=3&yr=1&typ=1>. NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Figure 3.6

Percent of State Medicaid Beneficiaries Served by Health Centers, 2006



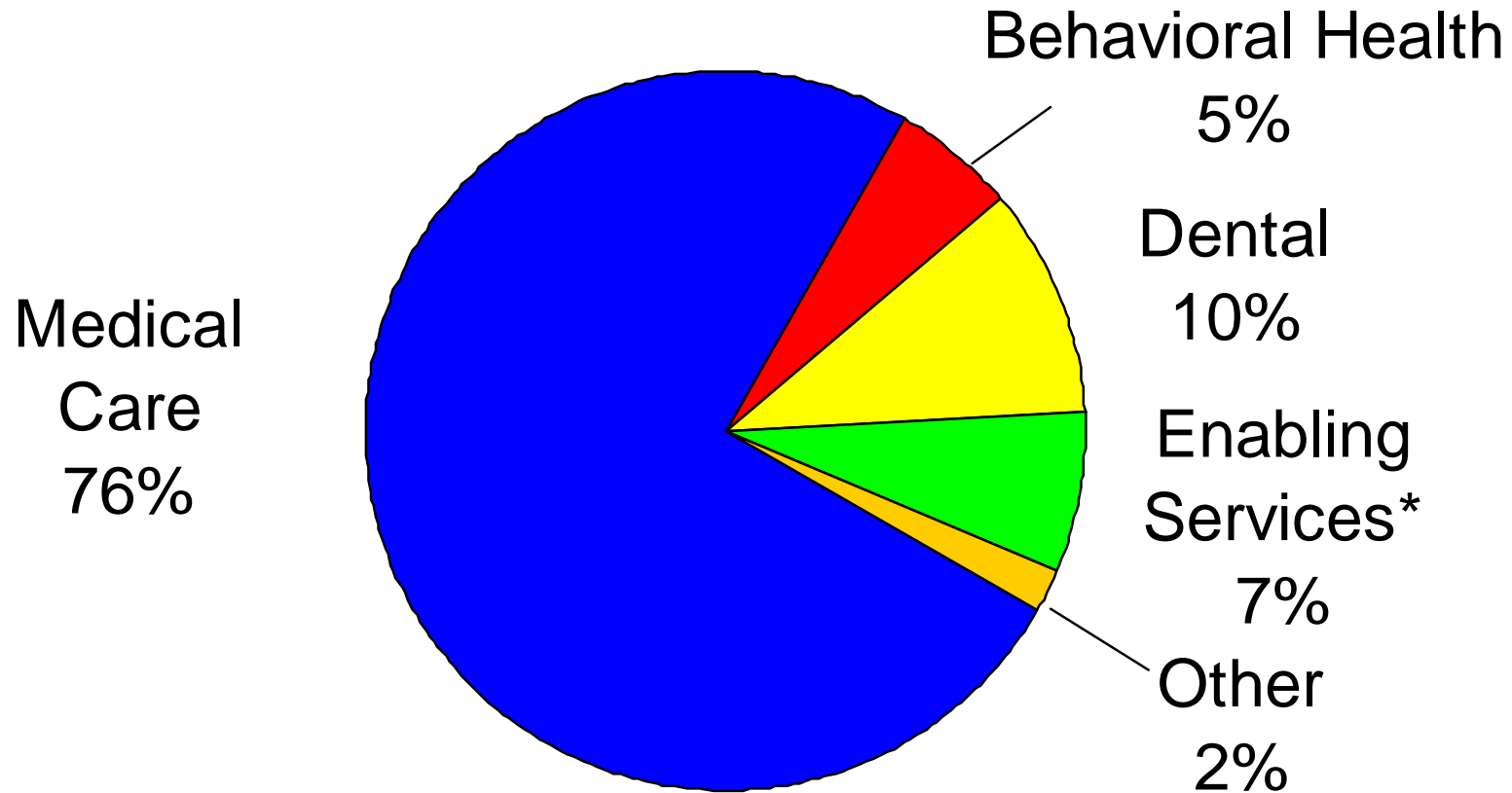
Source: National data from: Kaiser State Facts. Current Monthly Medicaid Enrollment, June 2006.

<http://www.statehealthfacts.org/comparetable.jsp?ind=201&cat=4&yr=34&typ=1&sort=a&o=a>. NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Section IV: Preventive Services

Figure 4.1

Health Center Patient Visits by Type of Service, 2006

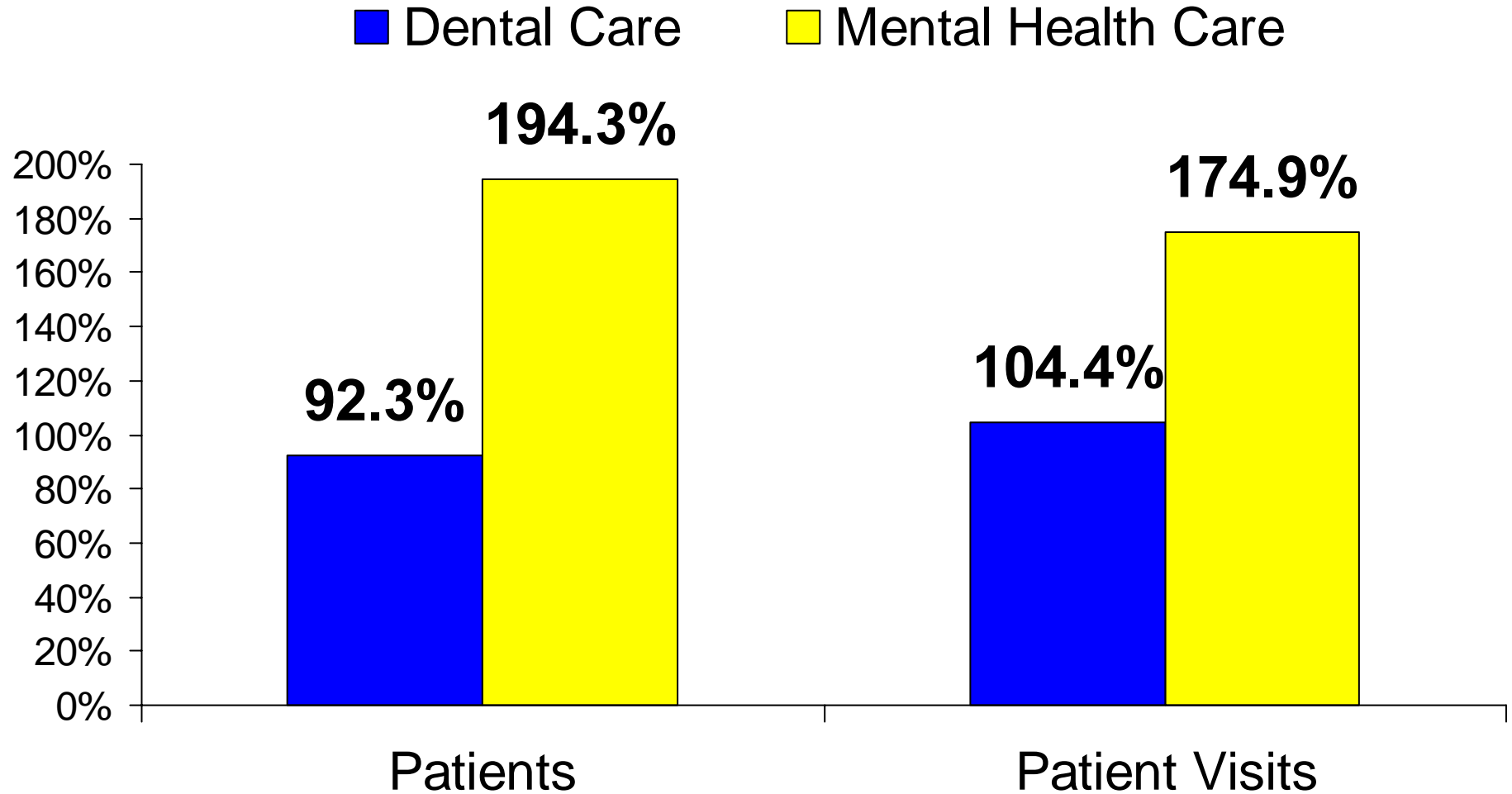


Total = 60 million encounters in 2006

* Encounters for enabling services include visits to case managers and health educators.

Figure 4.2

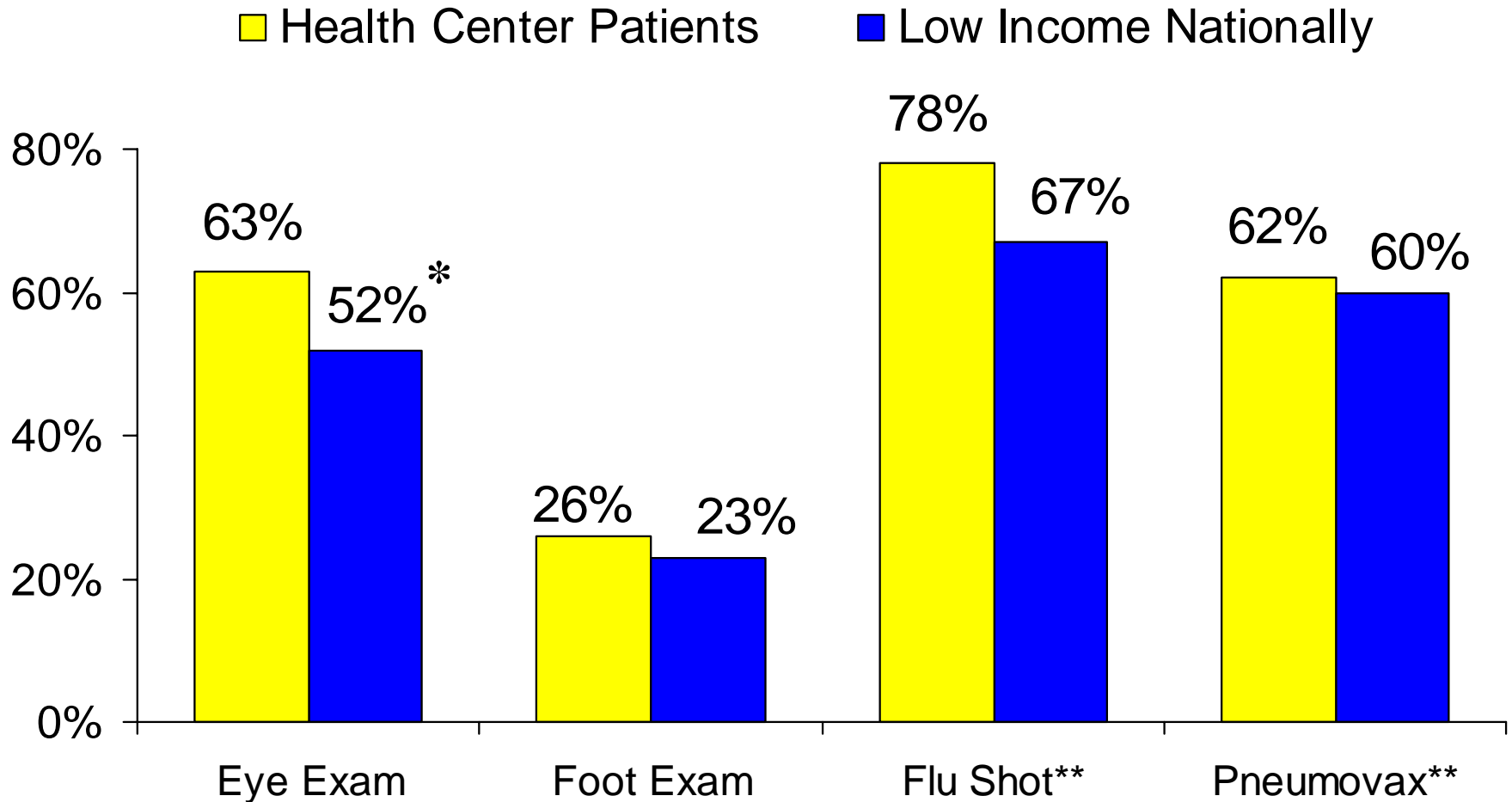
Growth in Health Center Dental & Mental Health Care, 2000-2006



Note: Mental health does not include substance abuse.

Figure 4.3

Health Center Diabetes Patients Receive More Care than Other Low Income Diabetics

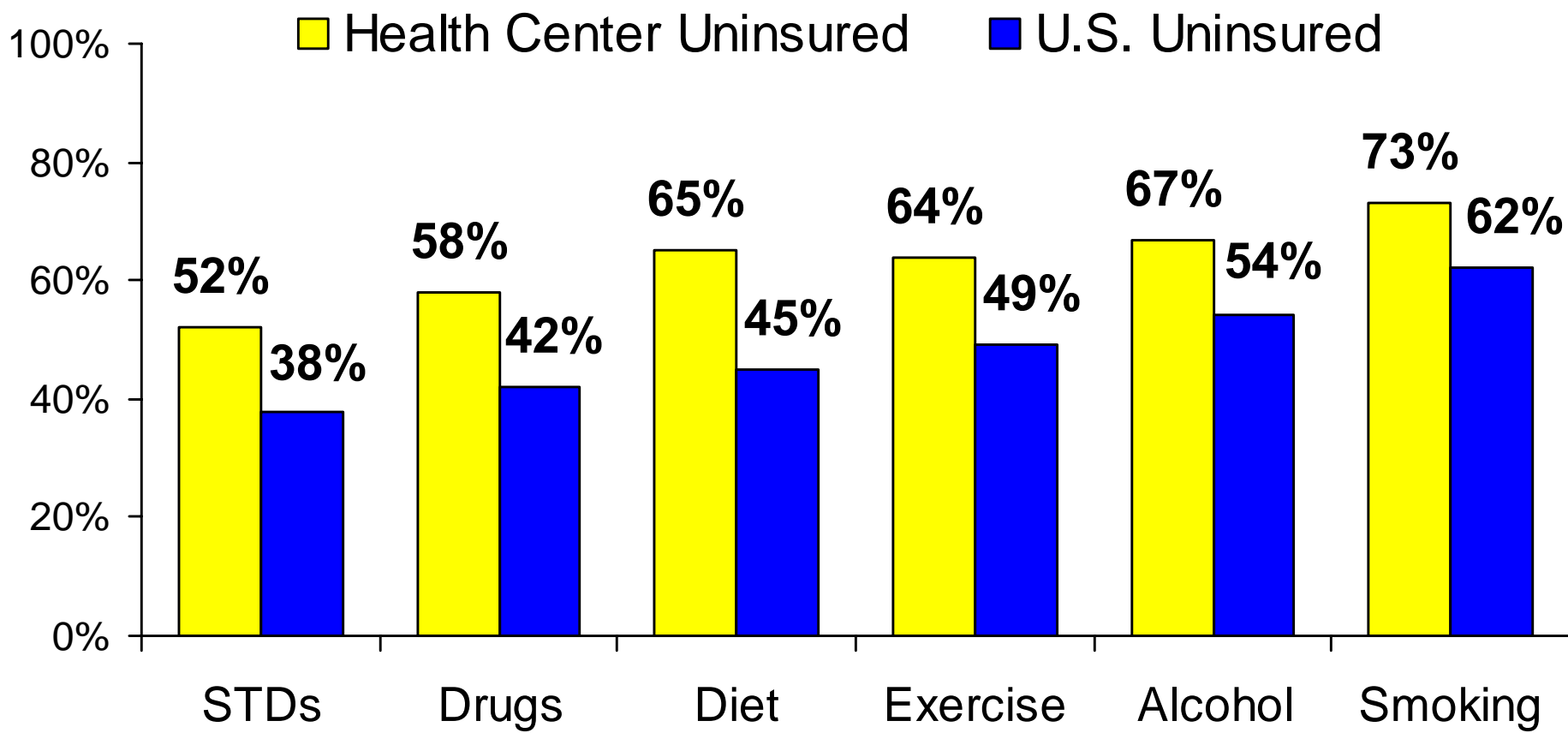


*p<0.05 **Age ≥ 65 years

Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.4

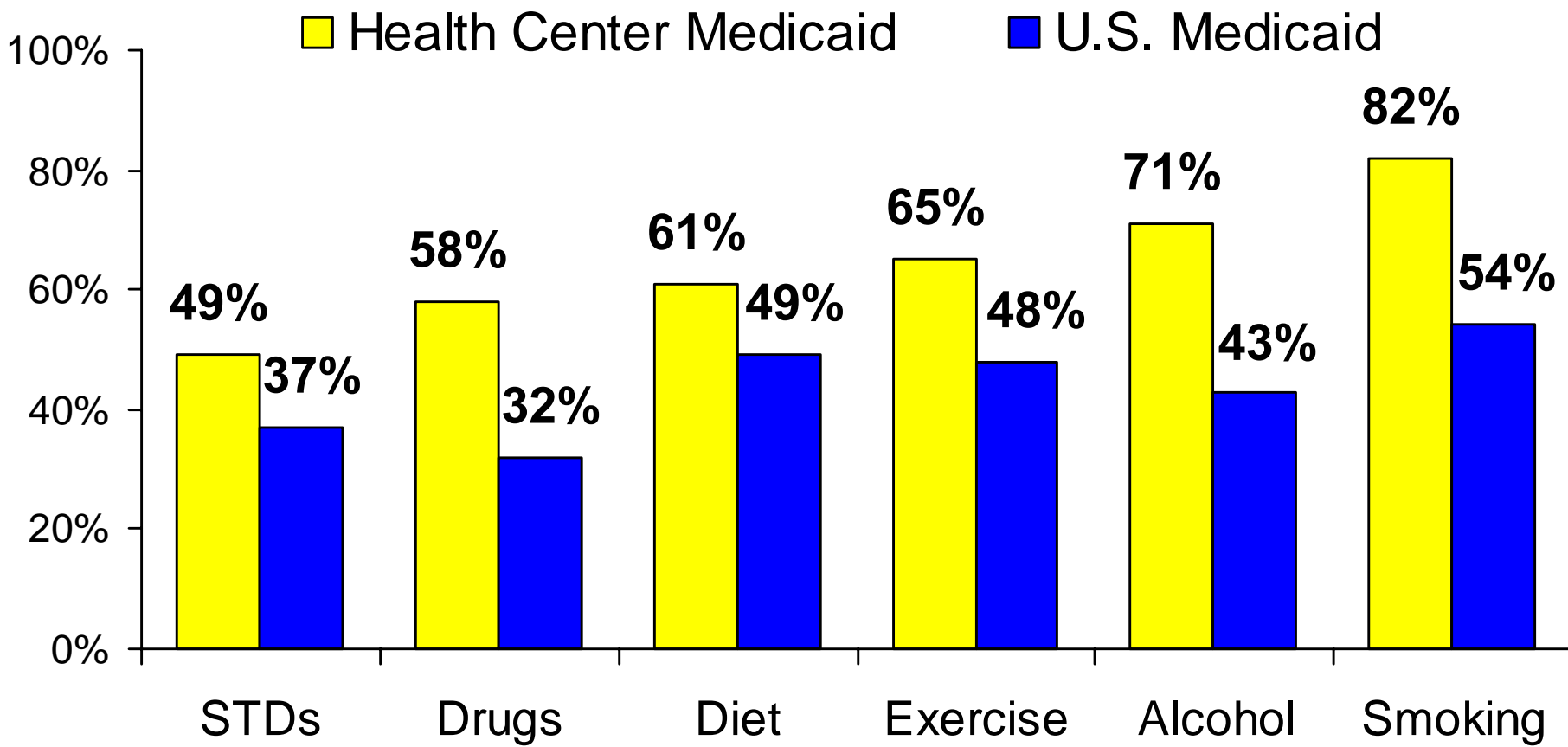
Health Center Uninsured Patients Receive More Health Promotion Counseling than the Uninsured Nationally



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.5

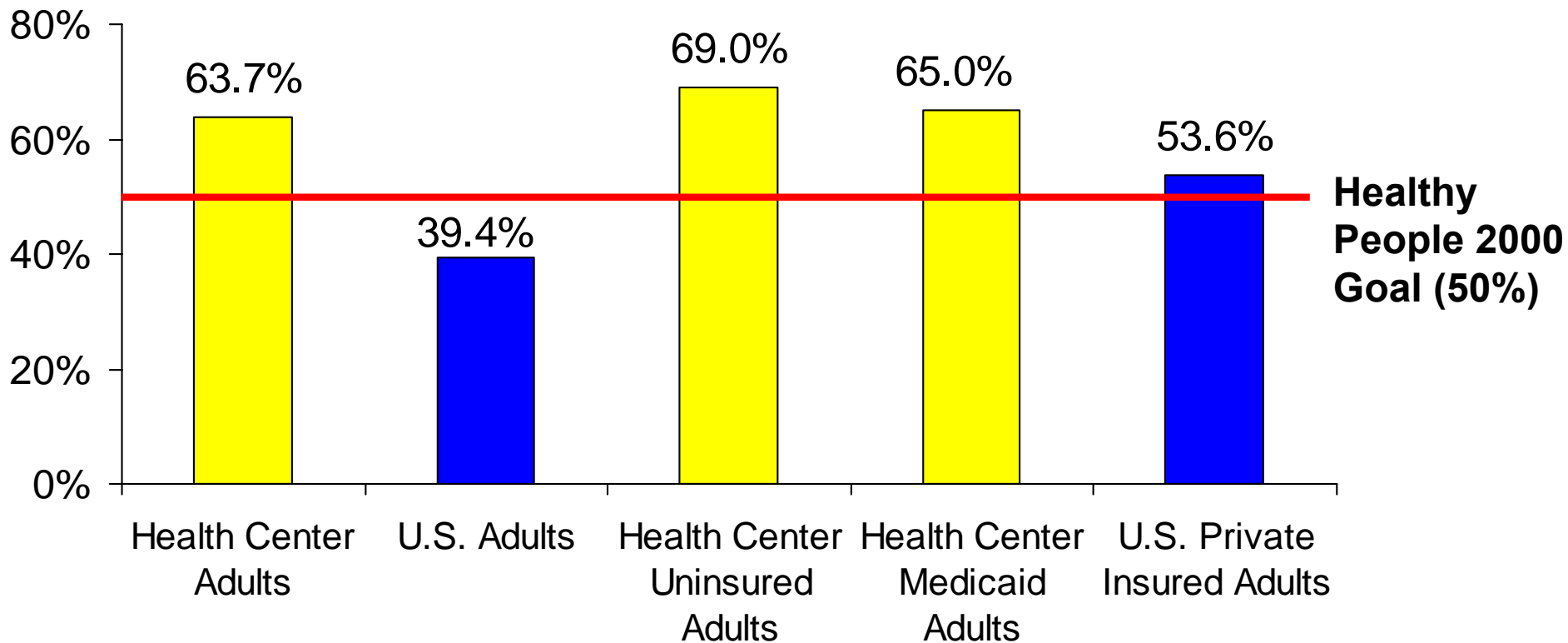
Health Center Medicaid Patients Receive More Health Promotion Counseling than Medicaid Patients Nationally



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.6

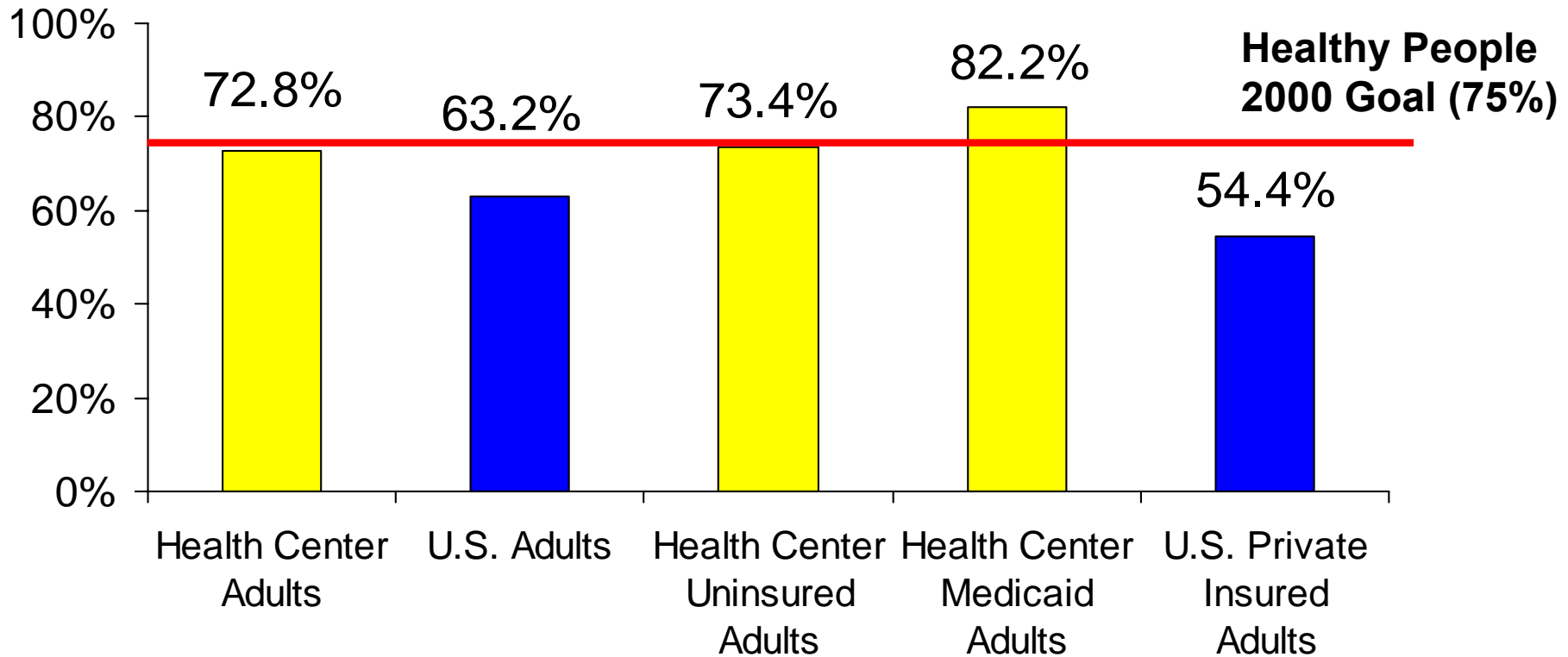
'Amount of Physical Activity' Discussed with Adults



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 4.7

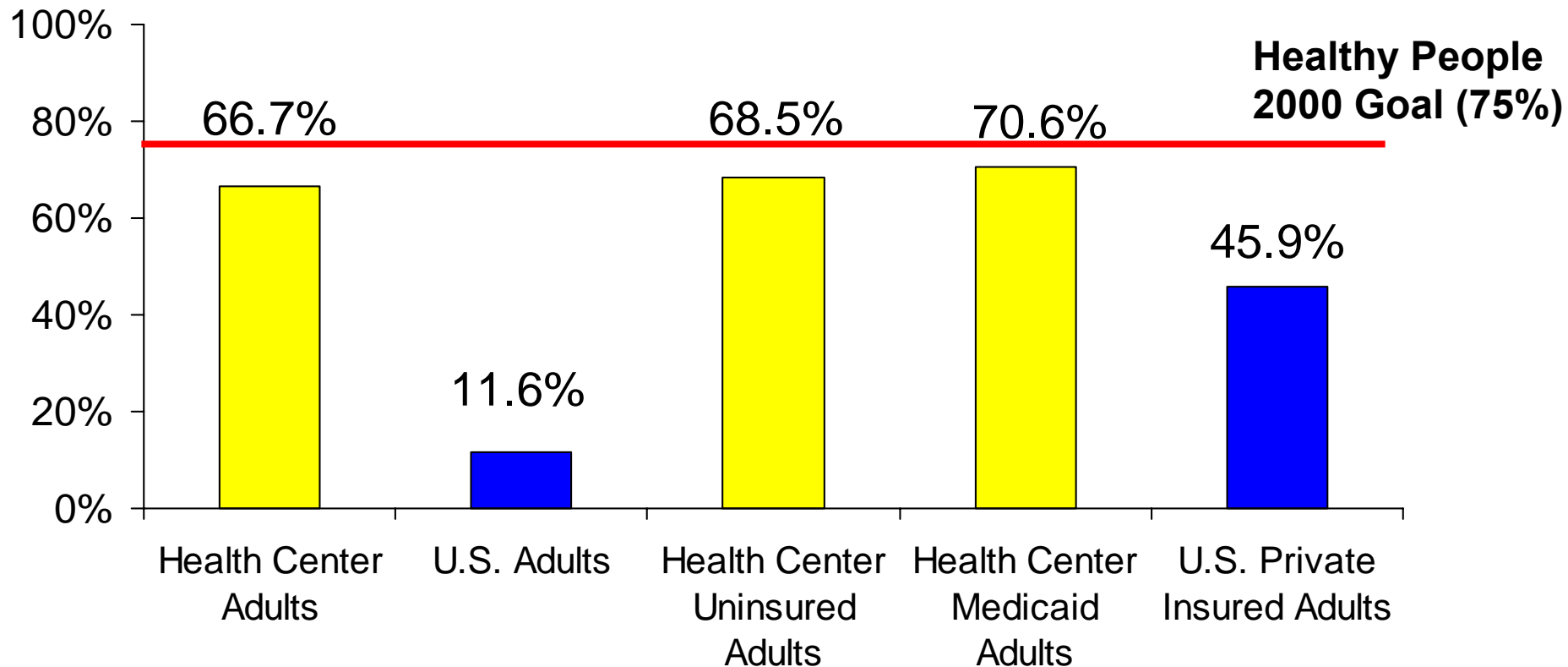
'Whether Smokes/Uses Tobacco' Discussed with Adults



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 4.8

'How Much/Often Drinks Alcohol' Discussed with Adults



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Section V:
High Quality Care and Reducing
Health Disparities

Figure 5.1

Nearly All Health Center Patients Report that They Have a Usual Source of Care, 2002

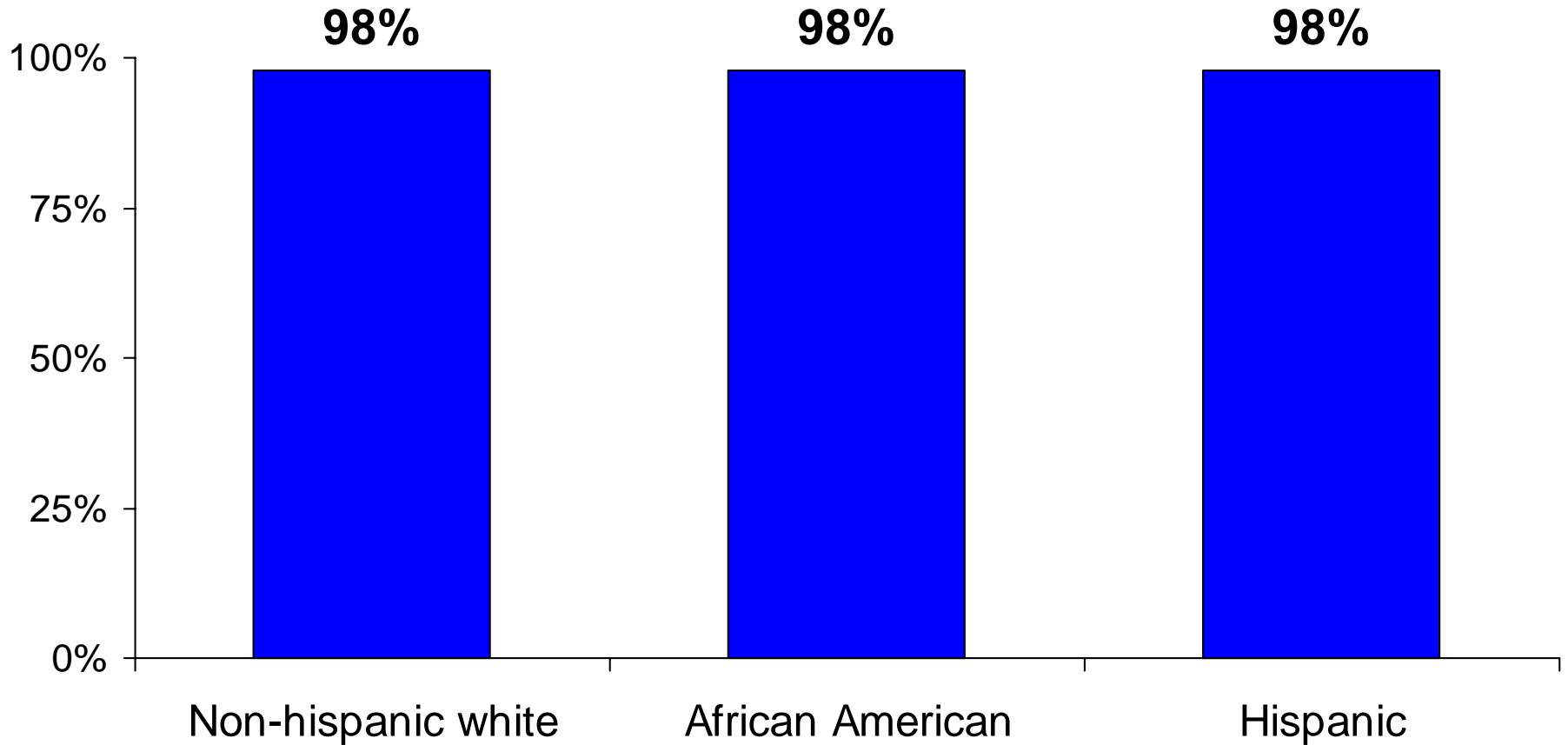
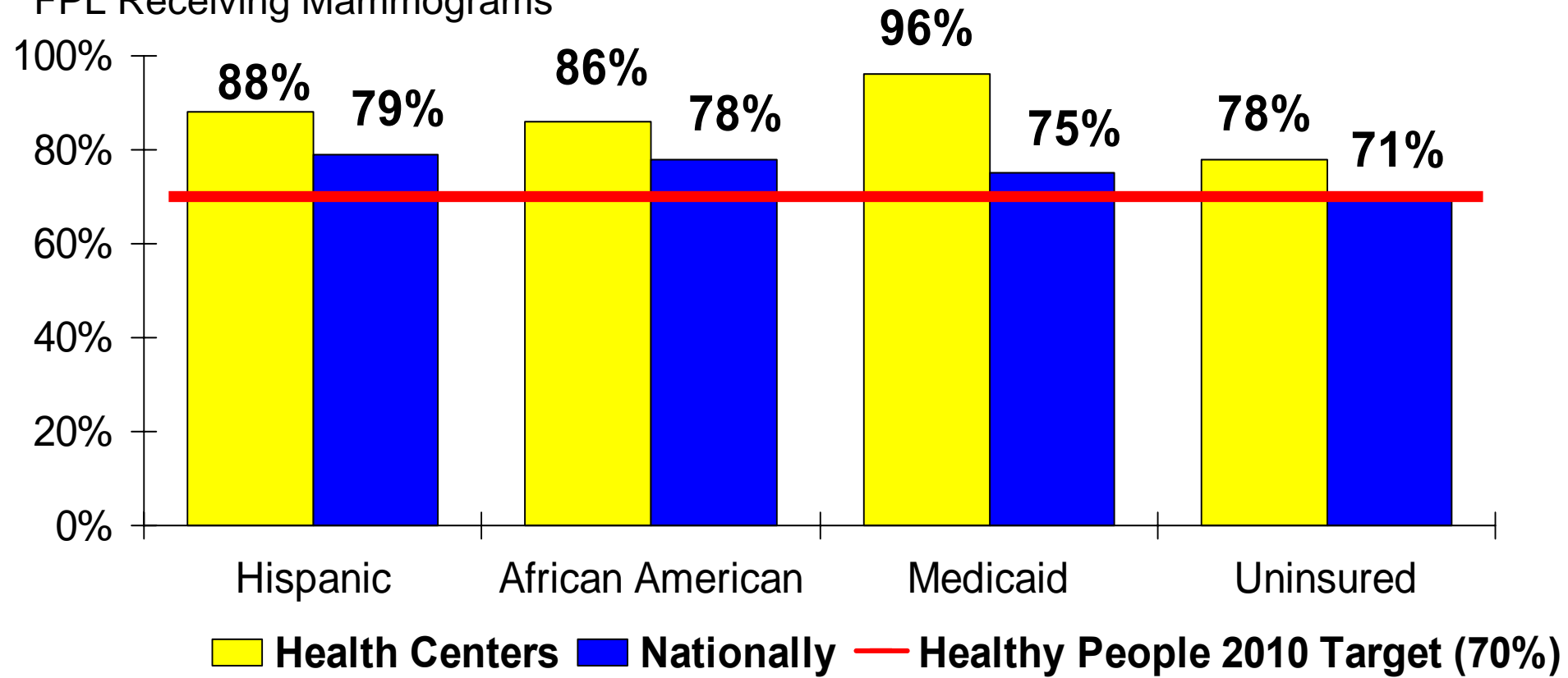


Figure 5.2

Health Centers Reduce Disparities in Access to Mammograms

% of Women 40+ and <200% FPL Receiving Mammograms

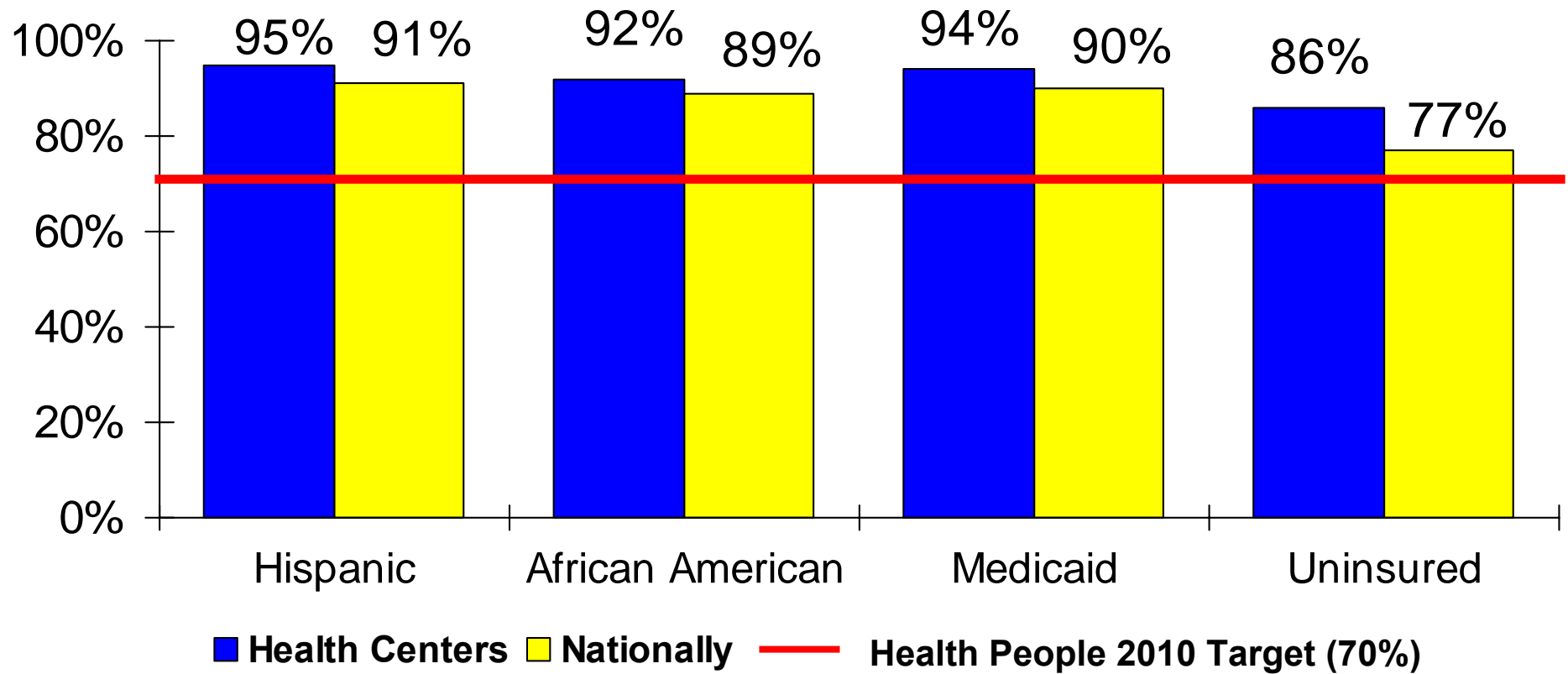


Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 5.3

Health Centers Also Reduce Disparities in Access to Pap Tests

% of Women 18+ and <200% FPL
Receiving Pap Smears in Last 3 Years



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 5.4

Health Center Patients Have Lower Rates of Low Birth Weight than the U.S. Average

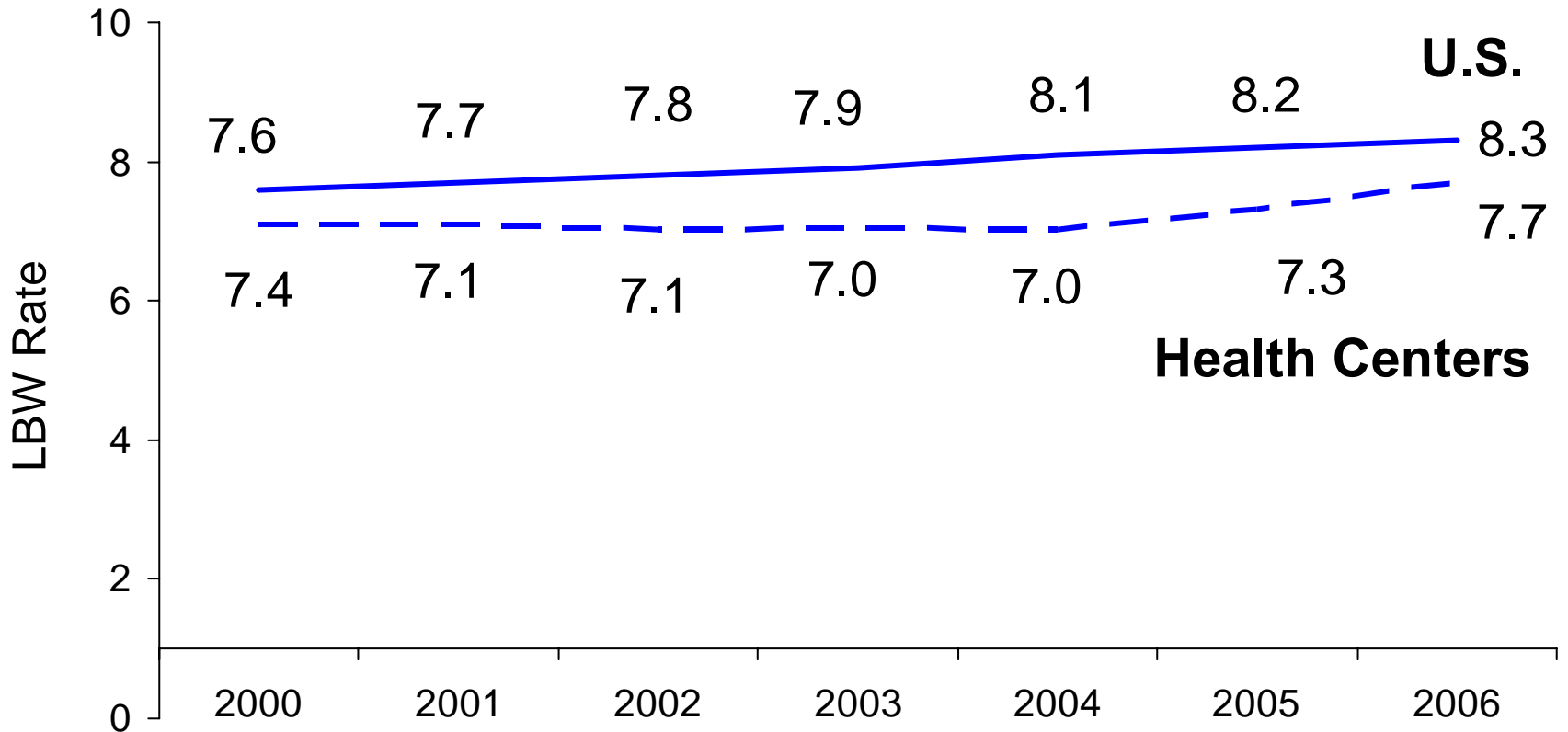
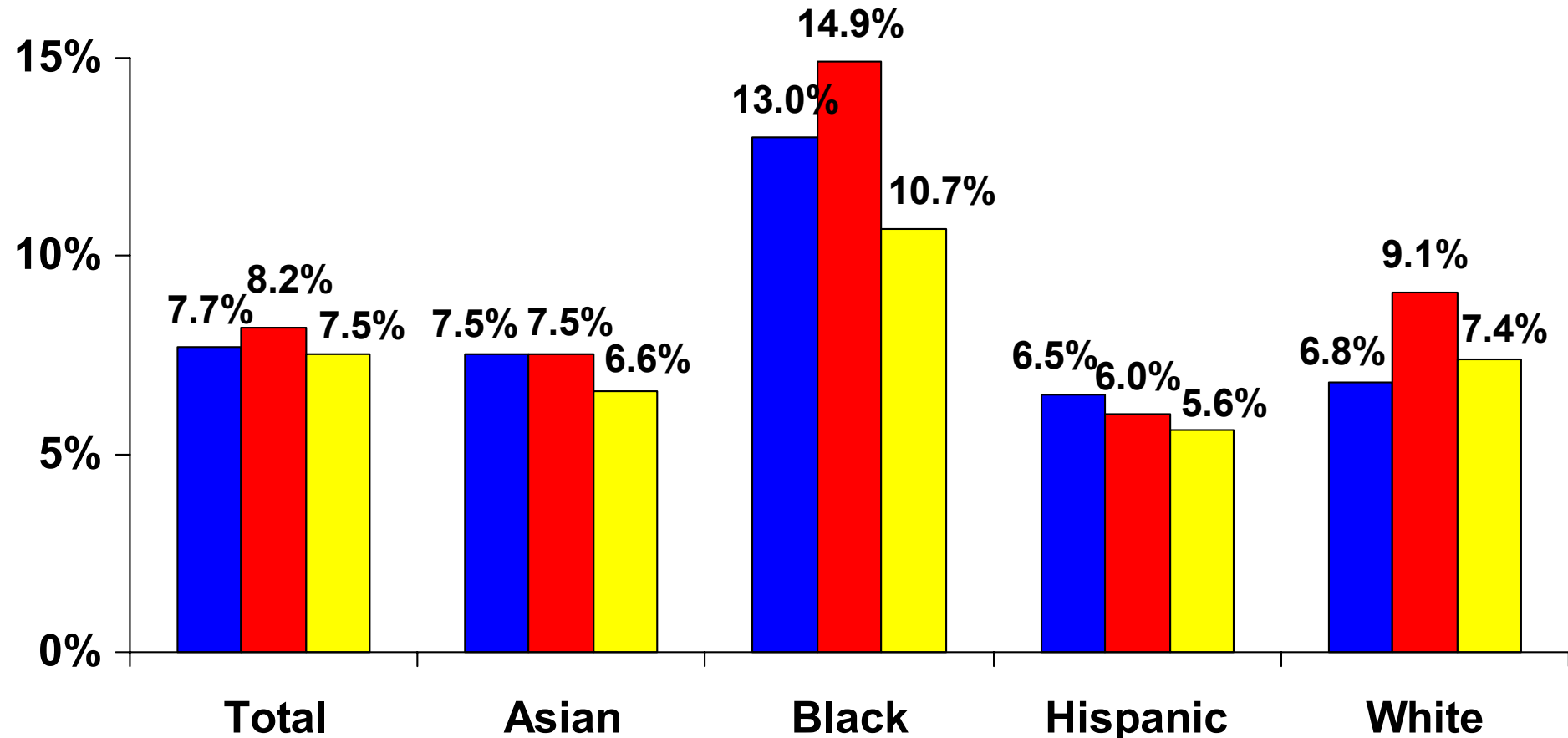


Figure 5.5

Health Center Patients Have Lower Rates of Low Birth Weight than Their U.S. Counterparts

■ U.S. ■ U.S. Low Income ■ Health Center



Source: Shi, L., et al. "America's health centers: Reducing racial and ethnic disparities in prenatal care and birth outcomes." 2004. *Health Services Research*, 39(6), Part I, 1881-1901.

Figure 5.6

Health Centers Decrease the Rate of Low Birth Weight Babies

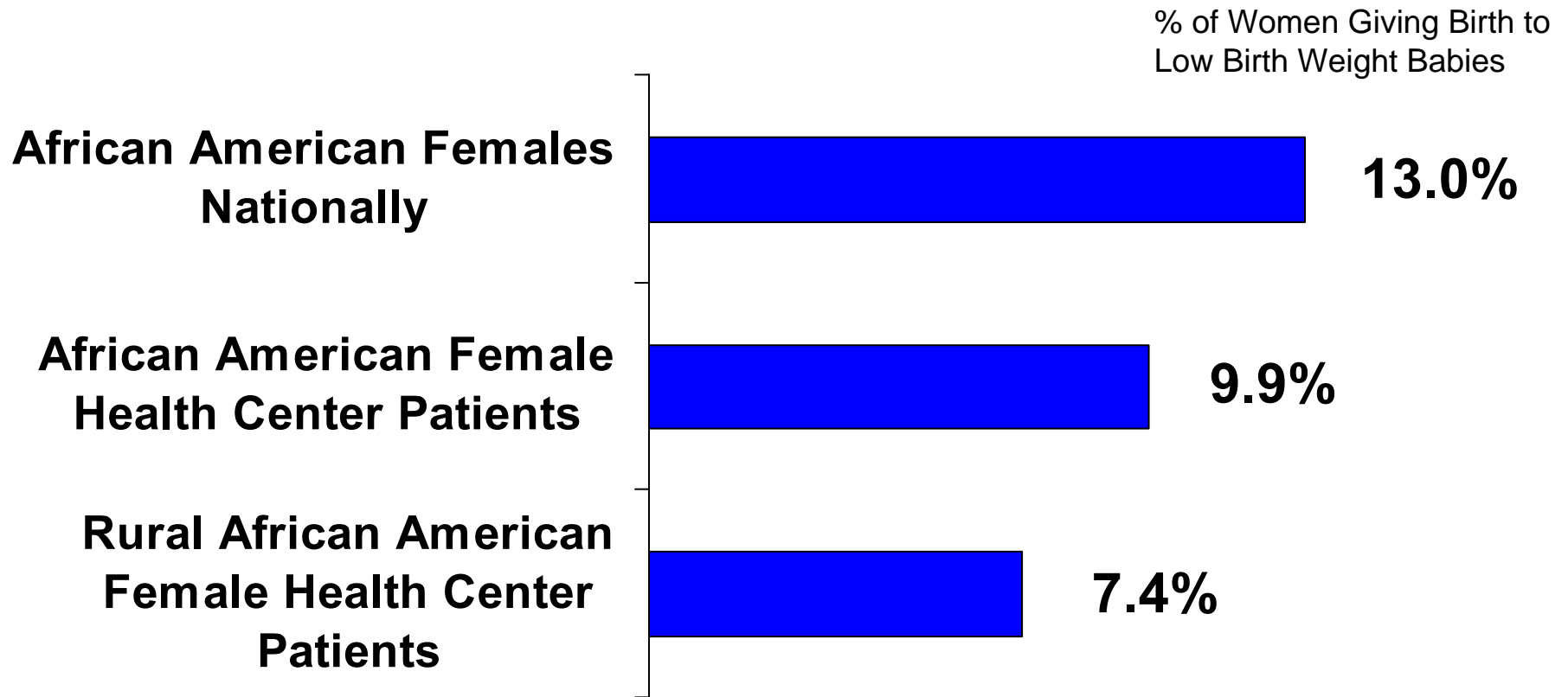


Figure 5.7

The Number of Health Center Patients Needing Care in Languages Other than English Has Risen 65%

Number of Patients Preferring Languages Other than English (in thousands)

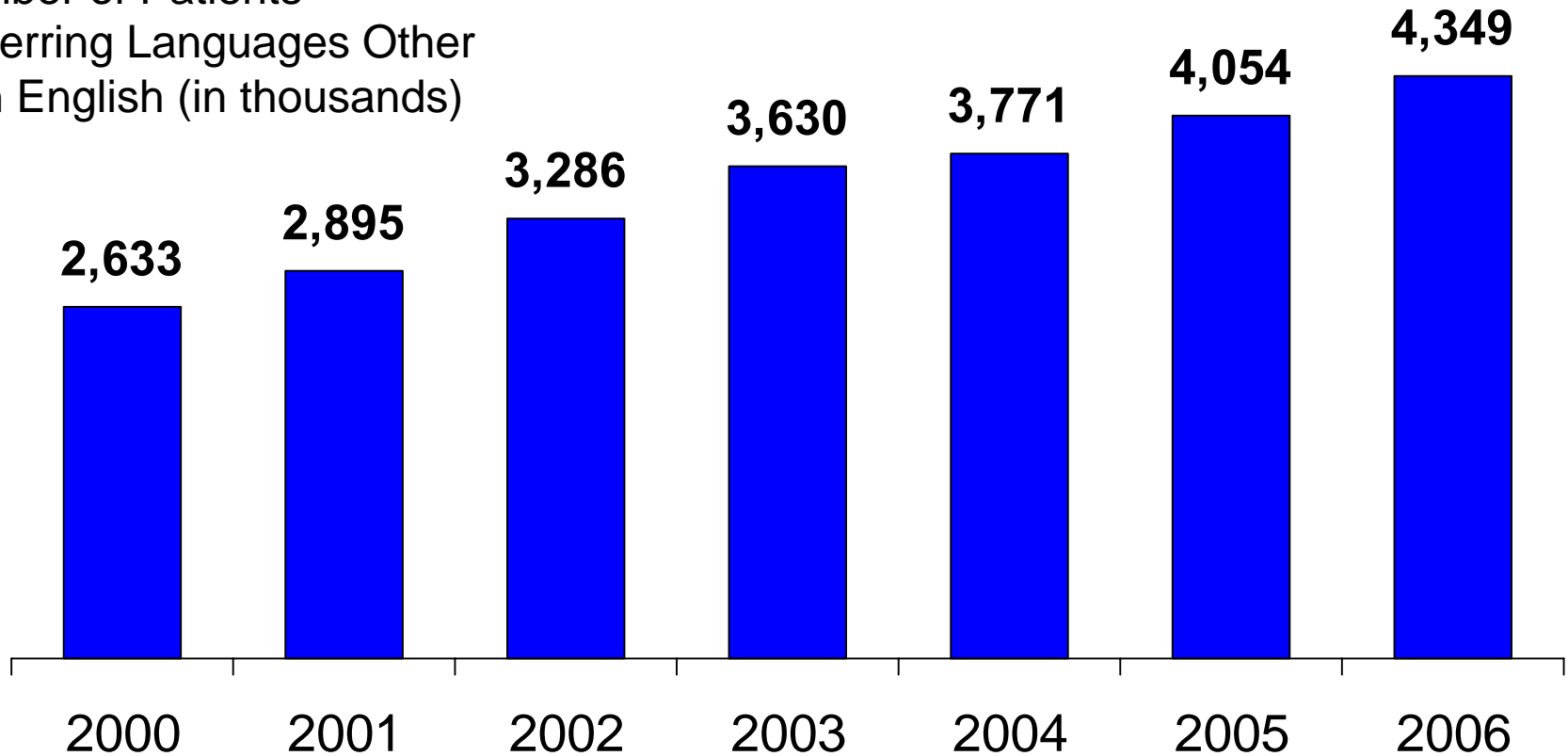
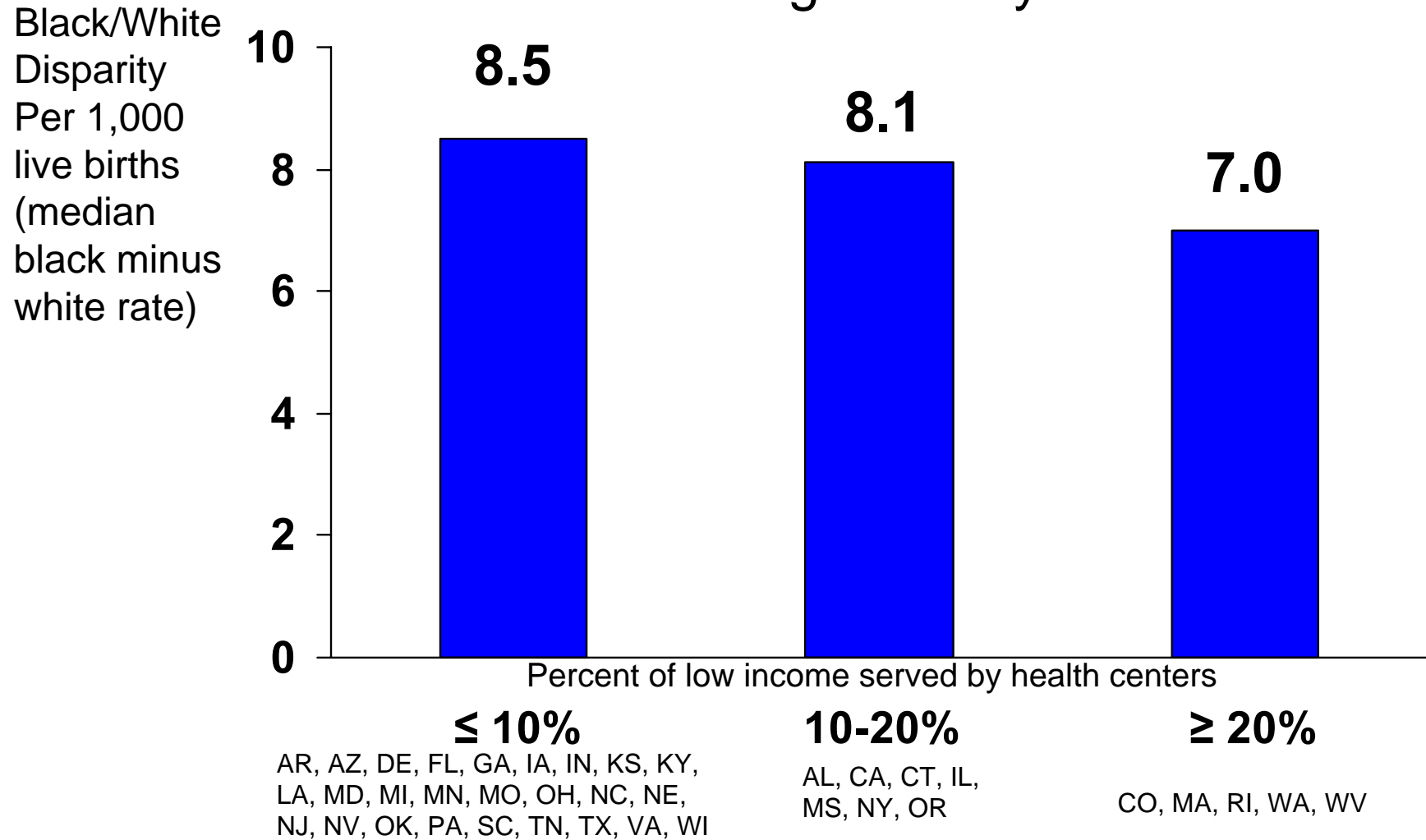


Figure 5.8

As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Infant Mortality Decline Significantly

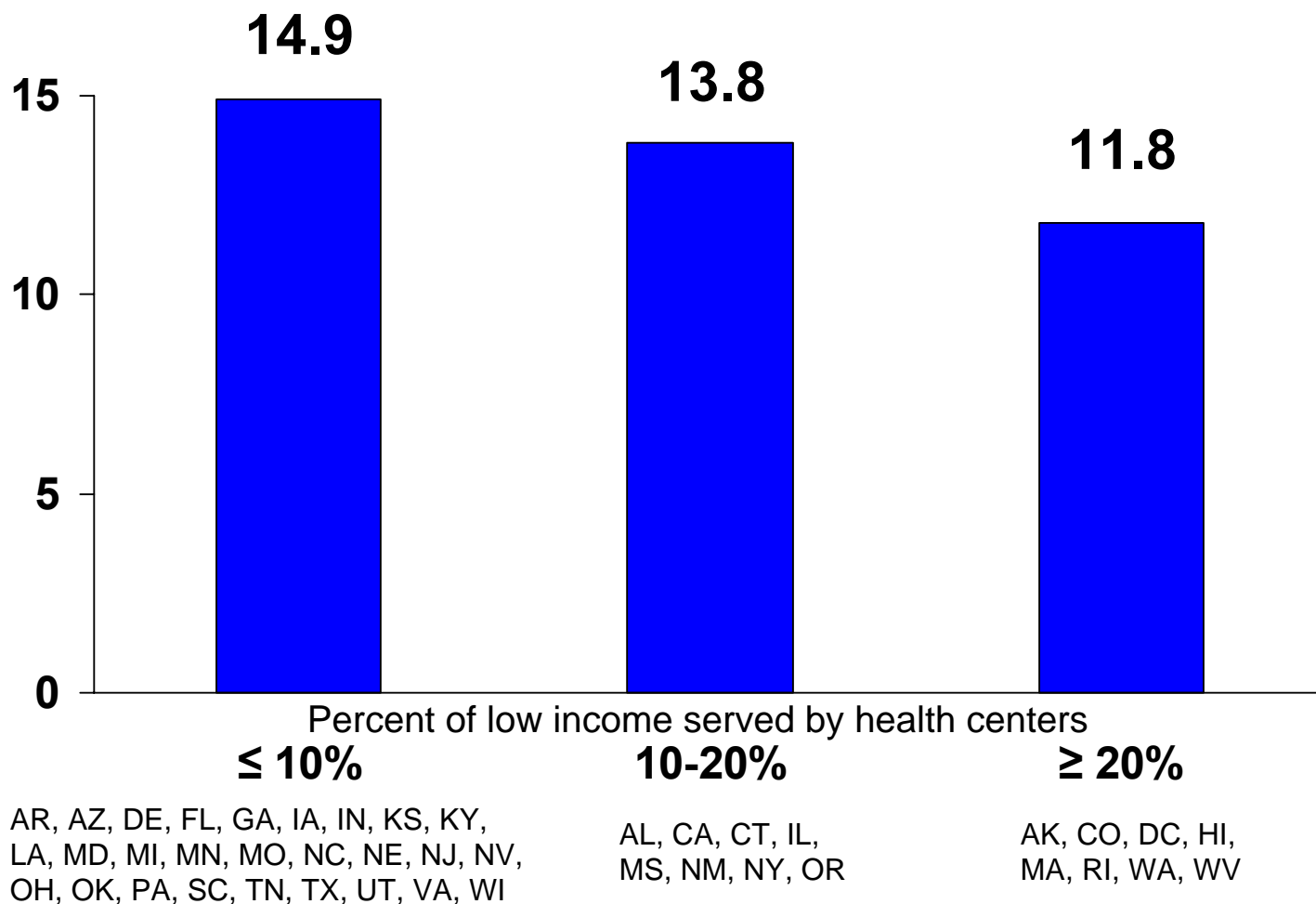


Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low Income Communities*. September 2003. Prepared for the National Association of Community Health Centers, www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Figure 5.9

As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Early Prenatal Care Decline Significantly

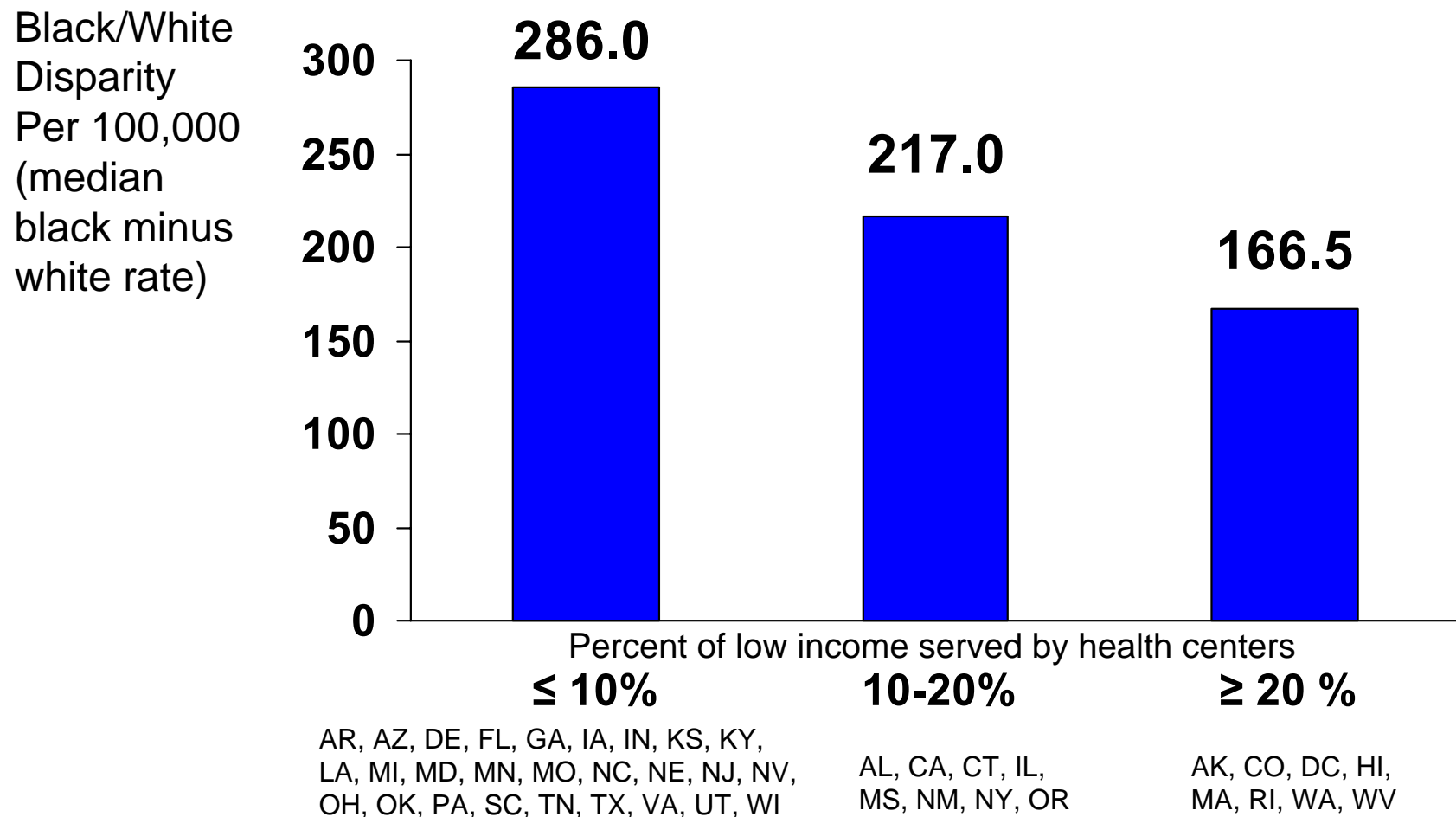
Black/White
Disparity
Percent
(median
black minus
white rate)



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low Income Communities*. September 2003. Prepared for the National Association of Community Health Centers, www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Figure 5.10

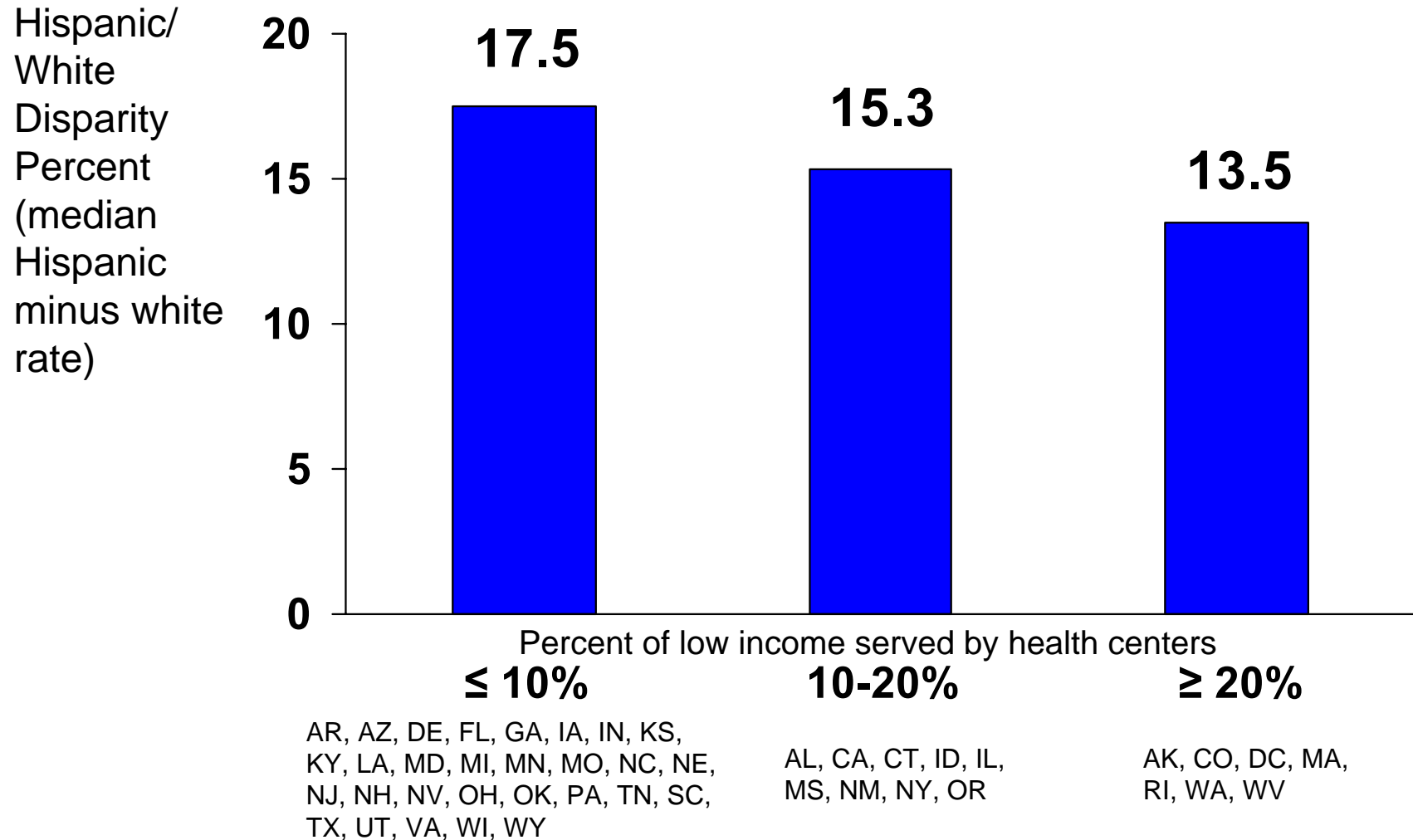
As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Overall Mortality Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low Income Communities*. September 2003. Prepared for the National Association of Community Health Centers, www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Figure 5.11

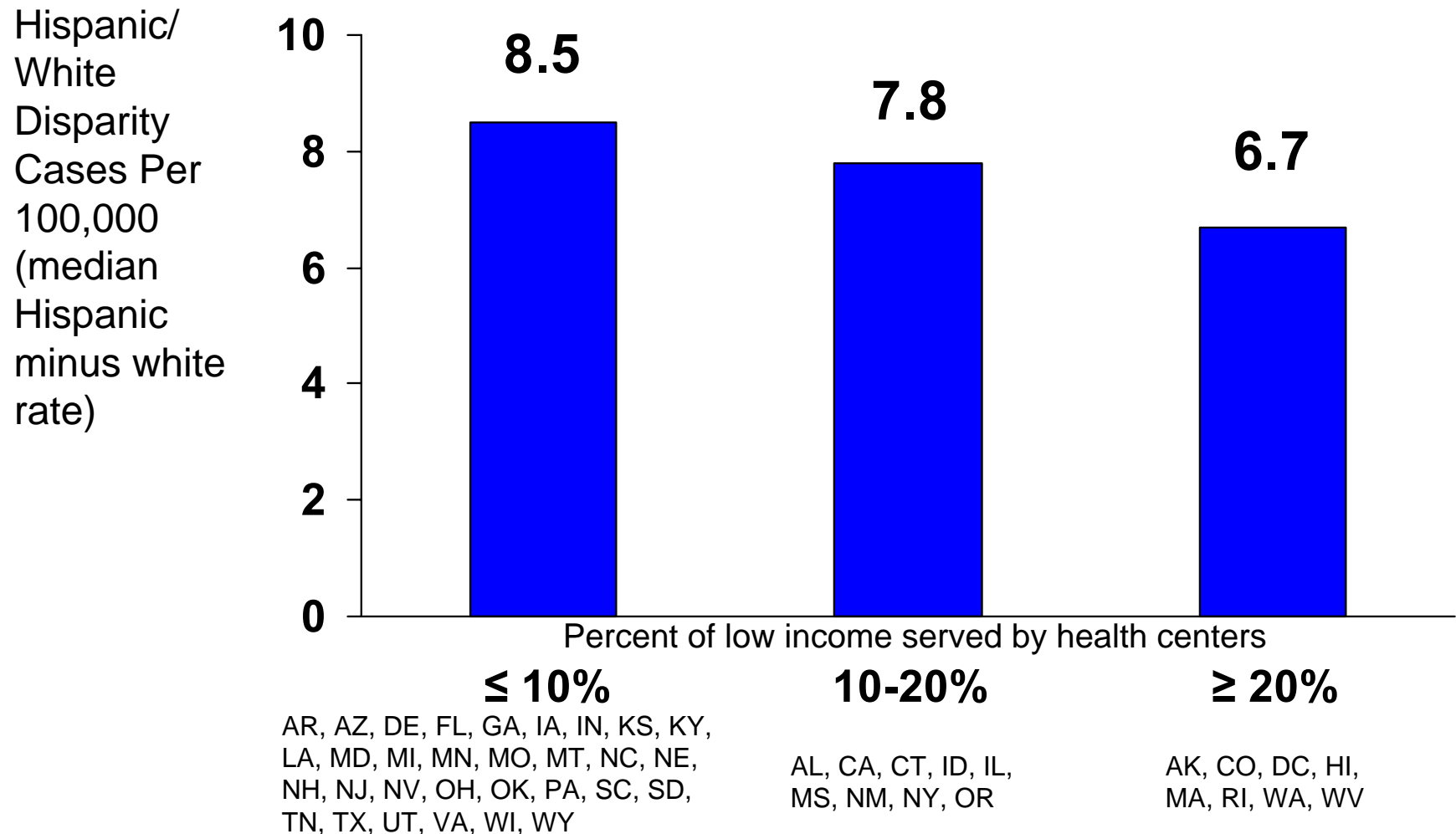
As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Early Prenatal Care Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low Income Communities*. September 2003. Prepared for the National Association of Community Health Centers, www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Figure 5.12

As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Health Disparities in Tuberculosis Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low Income Communities*. September 2003. Prepared for the National Association of Community Health Centers, www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf.

Section VI: Providing Cost-Effective Care

Figure 6.1

Compared to Medicaid Patients Treated Elsewhere, Health Center Medicaid Patients...

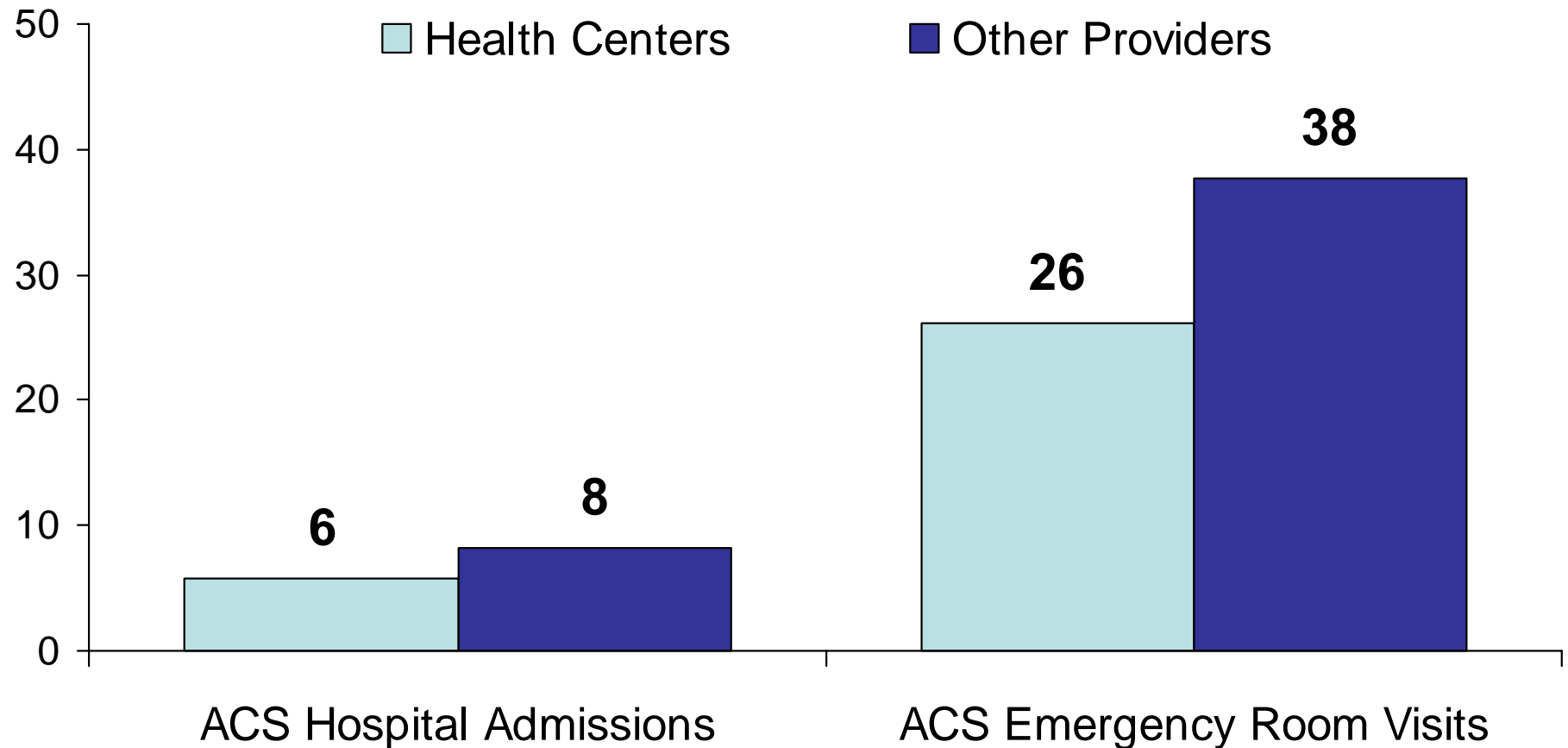
- Are between 11% and 22% less likely to be hospitalized for avoidable conditions
- Are 19% less likely to use the ER for avoidable conditions
- Have lower hospital admission rates, lower lengths of hospital stays, less costly admissions, and lower outpatient and other care costs

Saving 30-33% in total costs per Medicaid beneficiary

Figure 6.2

Fewer Health Center Medicaid Patients Experience Ambulatory Care Sensitive Events

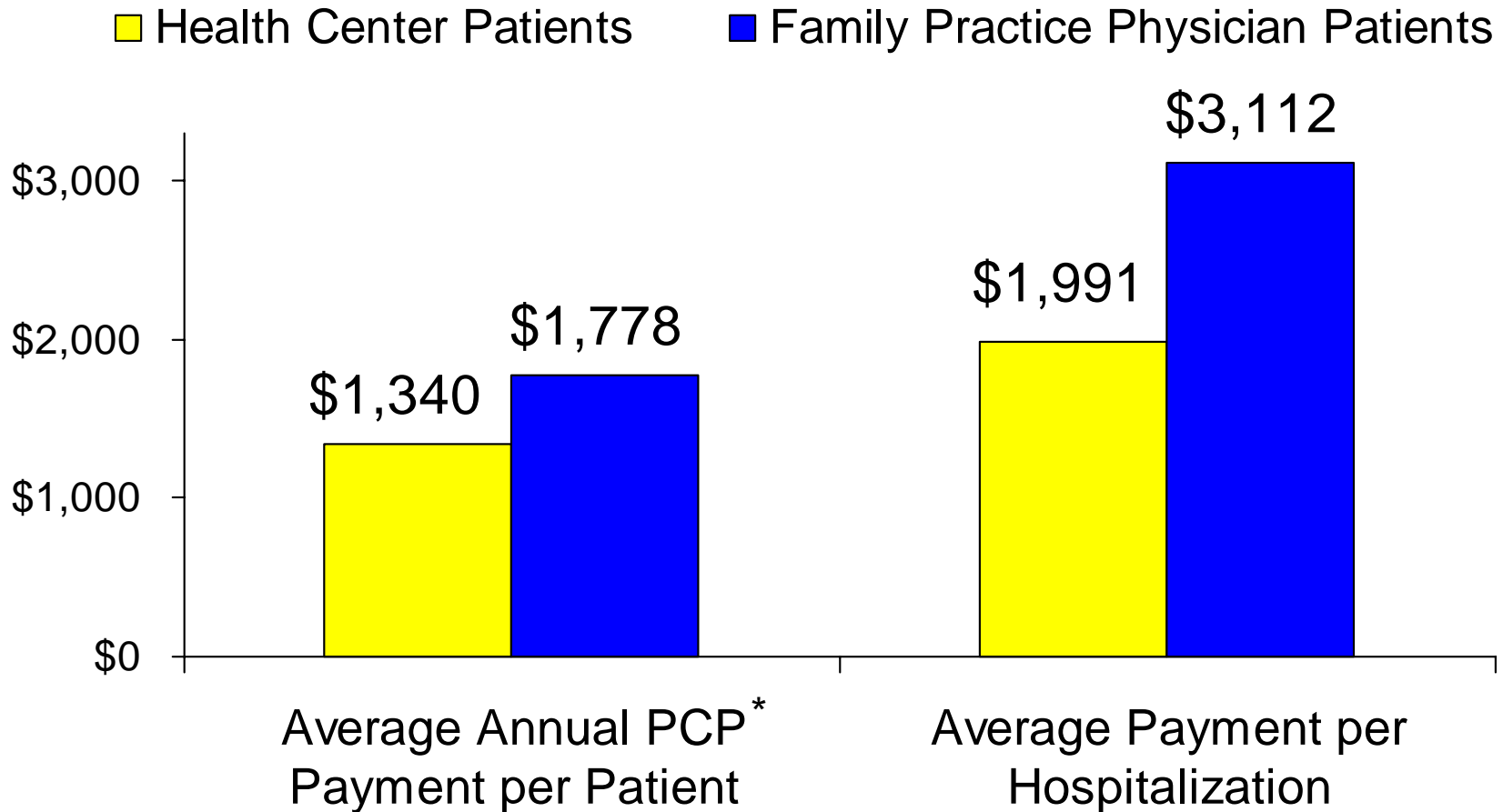
Number of Ambulatory Care Sensitive (ACS) events per 100 persons



Source: Falik et al. "Comparative Effectiveness of Health Centers as Regular Source of Care," 2006. *Journal of Ambulatory Care Management* 29(1):24-35.

Figure 6.3

South Carolina Case Study: Costs Associated with Treating Medicaid Diabetic Patients, 2000-2003



* Primary Care Physician

Source: South Carolina Budget and Control Board, 2004.

Figure 6.4

Health Centers Could Save Over \$18 Billion Annually By Preventing Avoidable ER Visits

Annual Wasted Expenditures on Avoidable Emergency Department Visits, 2006

Alabama	\$ 319,400,854	Kentucky	\$ 353,798,163	North Dakota	\$ 41,491,015
Alaska	\$ 32,732,965	Louisiana	\$ 354,757,738	Ohio	\$ 932,659,694
Arizona	\$ 311,438,714	Maine	\$ 105,902,573	Oklahoma	\$ 208,230,028
Arkansas	\$ 189,500,122	Maryland	\$ 320,407,972	Oregon	\$ 179,035,367
California	\$ 1,829,345,794	Massachusetts	\$ 401,458,842	Pennsylvania	\$ 790,754,728
Colorado	\$ 238,246,230	Michigan	\$ 726,928,960	Rhode Island	\$ 61,807,552
Connecticut	\$ 207,348,610	Minnesota	\$ 256,913,897	South Carolina	\$ 265,008,761
Delaware	\$ 47,497,790	Mississippi	\$ 252,769,055	South Dakota	\$ 36,418,180
District of Columbia	\$ 55,797,643	Missouri	\$ 429,712,468	Tennessee	\$ 476,285,058
Florida	\$ 1,061,420,739	Montana	\$ 54,444,985	Texas	\$ 1,233,549,349
Georgia	\$ 537,867,735	Nebraska	\$ 94,243,689	Utah	\$ 152,152,368
Hawaii	\$ 55,098,405	Nevada	\$ 112,928,929	Vermont	\$ 38,015,757
Idaho	\$ 88,713,842	New Hampshire	\$ 79,046,610	Virginia	\$ 452,375,606
Illinois	\$ 853,731,297	New Jersey	\$ 438,047,852	Washington	\$ 354,817,611
Indiana	\$ 441,019,299	New Mexico	\$ 132,027,370	West Virginia	\$ 180,480,840
Iowa	\$ 183,880,125	New York	\$ 1,126,031,176	Wisconsin	\$ 272,179,576
Kansas	\$ 159,038,693	North Carolina	\$ 548,645,880	Wyoming	\$ 36,360,931
United States \$18,445,991,718					

Figure 6.5

A Comparison of Per Patient Medical Expenditures, Health Center vs. Non-Health Center Patients, CY 2004

	Mean Total Medical Expenditures		
	Not-CHC	CHC	Difference
Overall	\$4,379	\$2,569	\$1,810
Hispanic	\$2,680	\$1,133	\$1,548
NH, White	\$4,875	\$4,478	\$397
NH, Black	\$3,680	\$1,368	\$2,312
Poverty			
Not Poor	\$4,292	\$2,429	\$1,863
Poor	\$5,060	\$2,858	\$2,202
Insurance			
Medicaid	\$3,128	\$2,132	\$996
No Insurance	\$2,138	\$1,216	\$922
Private	\$3,370	\$1,456	\$1,914
Reported Health			
Excellent/Very Good	\$2,178	\$757	\$1,421
Good/Fair/Poor	\$5,348	\$3,310	\$2,038
Age			
0-17	\$1,416	\$1,217	\$198
18-34	\$2,753	\$954	\$1,798
35-64	\$5,130	\$3,108	\$2,021

Note: All data are weighted to produce population estimates for 211 million people in the U.S. who received care anywhere in 2004. Of these, 3.2 million received the majority of their care in a health center. Median values give a better estimate of the midpoint costs, and difference from the mean, or average, shows just how wide the differences in peoples' health care spending can be. The average difference is the figure to focus on in terms of how much health centers save per person. Some groups of people, including Medicare patients, have been removed due to inadequate sample size. The overall difference and all reported subpopulation differences between the CHC and non-CHC group reported in the table are statistically significant ($p < .05$).

Source: NACHC, Robert Graham Center, and Capital Link, *Access Granted: The Primary Care Payoff*, August 2007, www.nachc.com/research.

Figure 6.6

Total Economic Activity Stimulated by Federally-Funded Community Health Centers' Operations, 2005

	Total Economic Impact	Employment (Full Time Equivalents)
Direct	\$7,261,975,096	89,922
Indirect	\$1,124,387,922	10,233
Induced	\$4,172,328,893	42,918
Total	\$12,558,691,911	143,073

Note: Total Economic Impact includes Value-Added Impact. Payroll (Value-Added), estimated at 73% of Operating Expenditures, is based on Capital Link's financial database Fiscal Year 2005 median value for health centers nationally. Each Full Time Equivalent (FTE) denotes one full time employee. Total FTEs denote total workforce generated by health centers. For more information see the full report at www.nachc.com/research.

Source: NACHC, Robert Graham Center, and Capital Link, *Access Granted: The Primary Care Payoff*, August 2007, www.nachc.com/research.

Figure 6.7

Total Economic Activity Stimulated by an Average Large Urban and Small Rural Health Center, 2005

	Large Urban Health Center		Small Rural Health Center	
	Total Economic Impact	Employment (Full Time Equivalents)	Total Economic Impact	Employment (Full Time Equivalents)
Direct	\$ 12,252,801	187	\$ 3,333,321	45
Indirect	\$ 2,273,314	24	\$ 261,600	3
Induced	\$ 7,114,112	70	\$ 287,124	4
Total	\$ 21,640,227	281	\$ 3,882,045	52

Note: Total Economic Impact includes Value-Added Impact. Actual health center with an annual budget of \$12.3 million (large) and \$3.3 million (small), based on Capital Link's financial information database. Each Full Time Equivalent (FTE) denotes one full time employee. Total FTEs denote total workforce generated by health centers. For more information see the full report at www.nachc.com/research.

Source: NACHC, Robert Graham Center, and Capital Link, *Access Granted: The Primary Care Payoff*, August 2007, www.nachc.com/research.

Figure 6.8

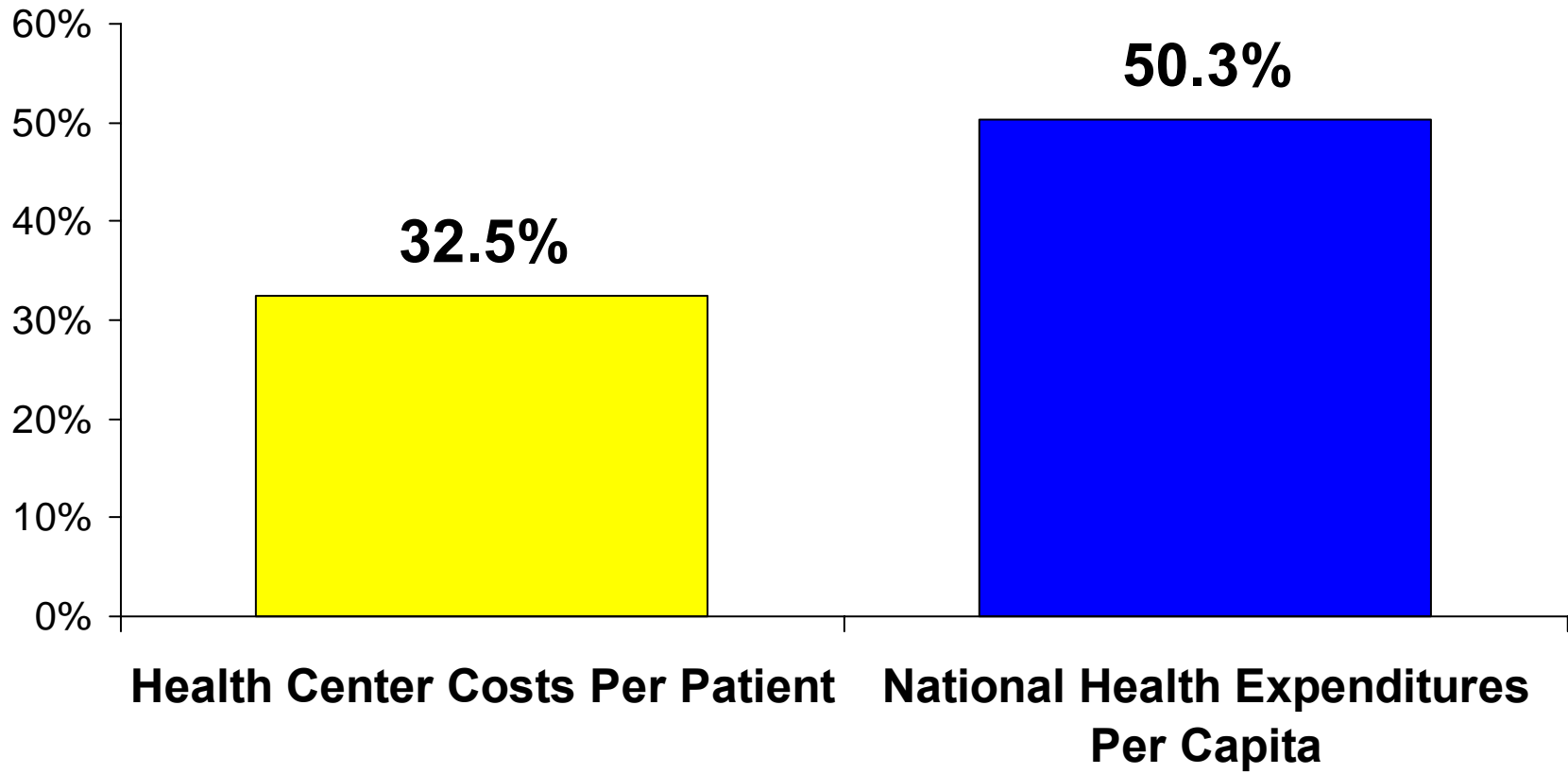
Health Center Economic Impact by State, 2005

Alabama	\$ 121,382,364	Kentucky	\$ 145,069,297	North Dakota	\$ 14,662,971
Alaska	\$ 144,528,348	Louisiana	\$ 78,432,187	Ohio	\$ 232,736,644
Arizona	\$ 286,830,888	Maine	\$ 95,132,259	Oklahoma	\$ 59,581,749
Arkansas	\$ 78,795,465	Maryland	\$ 201,502,347	Oregon	\$ 292,735,806
California	\$2,037,609,155	Massachusetts	\$ 610,958,760	Pennsylvania	\$ 337,934,781
Colorado	\$ 373,364,151	Michigan	\$ 323,832,254	Rhode Island	\$ 67,410,498
Connecticut	\$ 199,959,243	Minnesota	\$ 127,925,653	South Carolina	\$ 201,023,876
Delaware	\$ 15,092,736	Mississippi	\$ 148,879,146	South Dakota	\$ 33,223,901
District of Columbia	\$ 71,586,512	Missouri	\$ 278,798,343	Tennessee	\$ 171,825,379
Florida	\$ 537,168,777	Montana	\$ 44,619,157	Texas	\$ 560,203,991
Georgia	\$ 163,682,141	Nebraska	\$ 34,274,030	Utah	\$ 60,401,822
Hawaii	\$ 117,206,087	Nevada	\$ 33,600,556	Vermont	\$ 34,069,199
Idaho	\$ 64,286,155	New Hampshire	\$ 59,285,597	Virginia	\$ 143,116,890
Illinois	\$ 658,087,959	New Jersey	\$ 225,955,243	Washington	\$ 610,452,536
Indiana	\$ 123,745,679	New Mexico	\$ 192,466,789	West Virginia	\$ 294,209,387
Iowa	\$ 77,082,402	New York	\$ 1,143,732,348	Wisconsin	\$ 229,500,072
Kansas	\$ 35,089,879	North Carolina	\$ 203,433,165	Wyoming	\$ 18,383,772
		United States	\$ 12,558,691,991	Source: NACHC, <i>Access Granted: The Primary Care Payoff</i> , 2007 www.nachc.com/research	

Section VII:
Health Centers' Rising Costs of
Care and Shrinking Revenues

Figure 7.1

Health Center Costs of Care Grow Slower than National Health Expenditures, 2000-2006

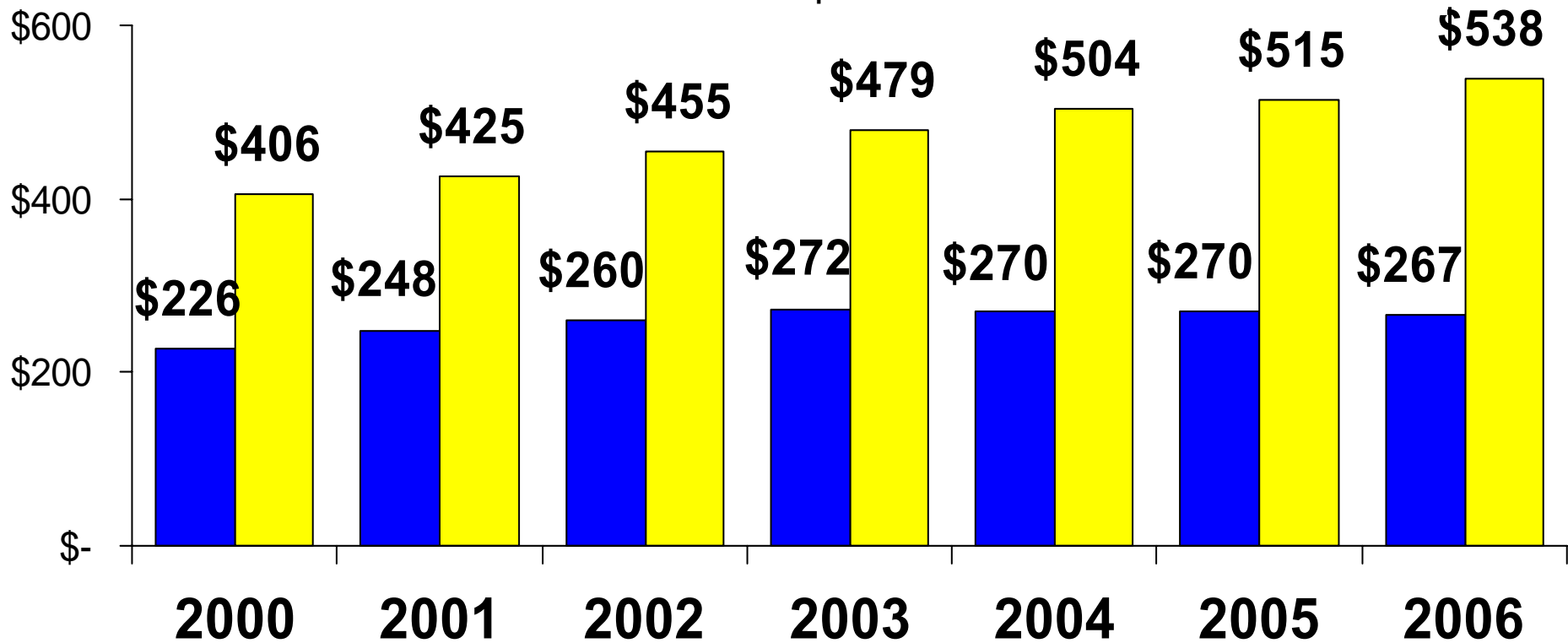


Sources: C.Borger, et al., "Health spending projections through 2015: changes on the horizon," March/ April 2006. *Health Affairs Web Exclusive*, 25(2):61-73. NACHC, 2007, Based on 2006 Uniform Data System, Bureau of Primary Health Care, HRSA, HHS.

Figure 7.2

Health Center Funding Has Not Kept Up with the Costs of Care

- Annual Federal Health Center Funding per Uninsured Patient
- Annual Health Center Cost per Patient



Note: Not adjusted for inflation. Federal appropriations are for consolidated health centers under PHSA Section 330. In 2004, 2005 and 2006, uninsured patients grew faster than federal funding.

Figure 7.3

Payments from Third Party Payers Are Less than Cost

Percent of Charges Collected from Third Party Payers, 2006

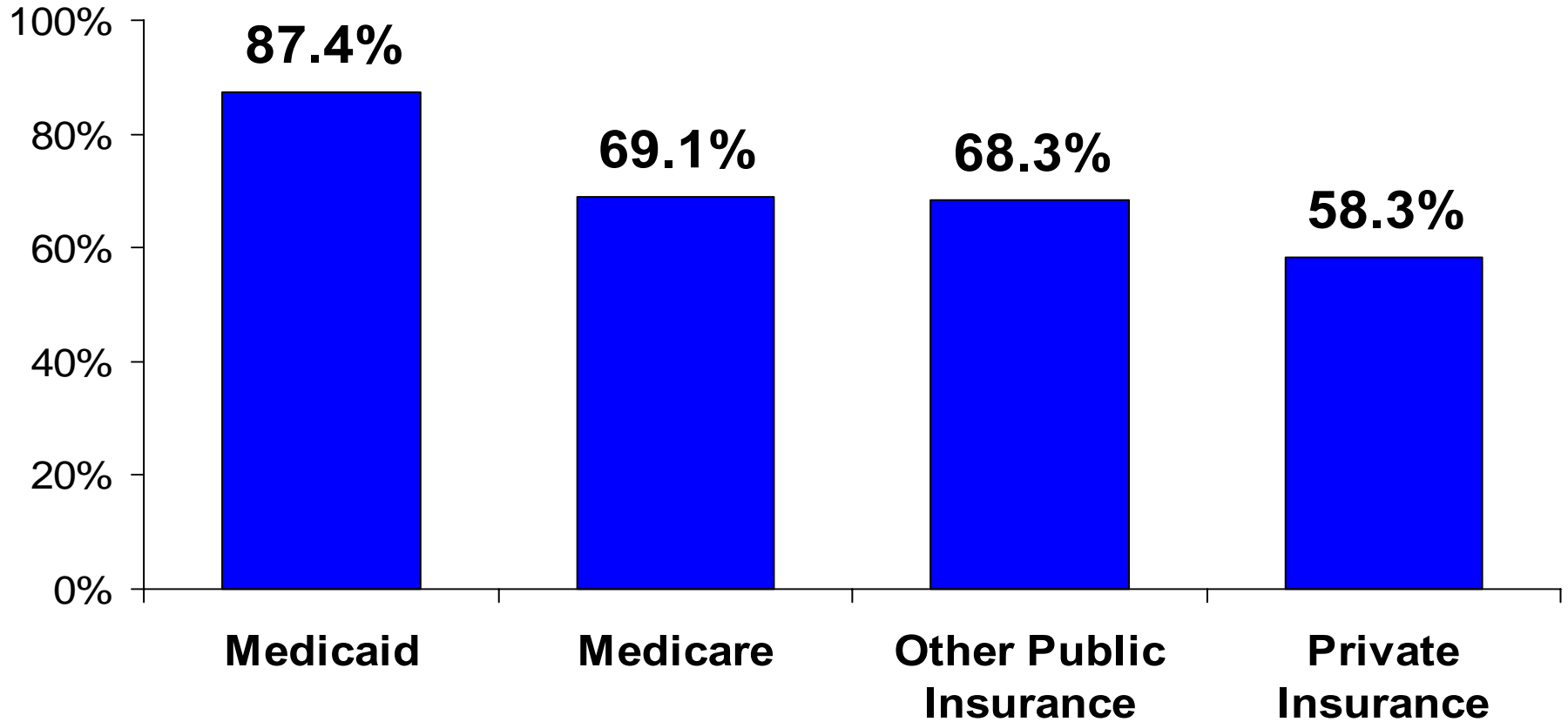
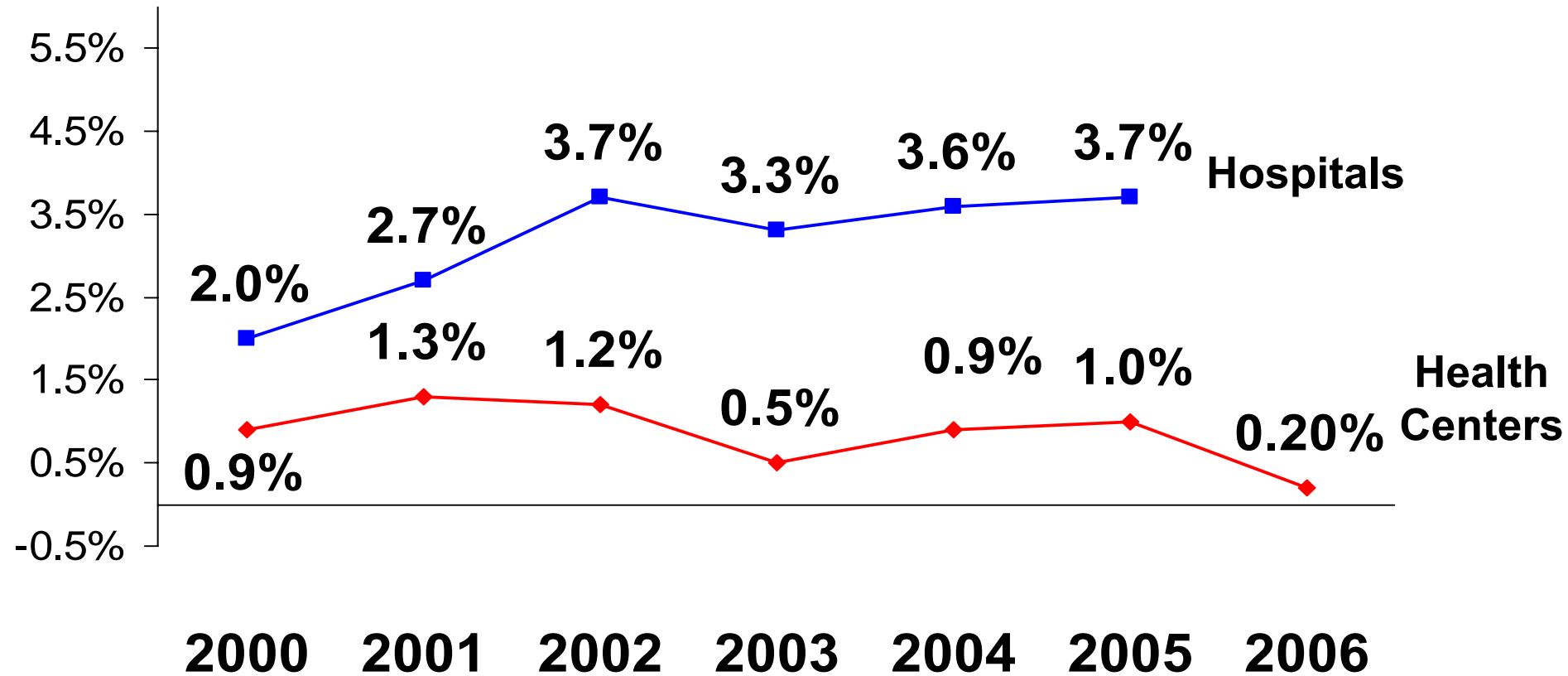


Figure 7.4

Health Center Operating Margins are Negligible and Less than Hospital Operating Margins



Note: 2006 hospital data unavailable.

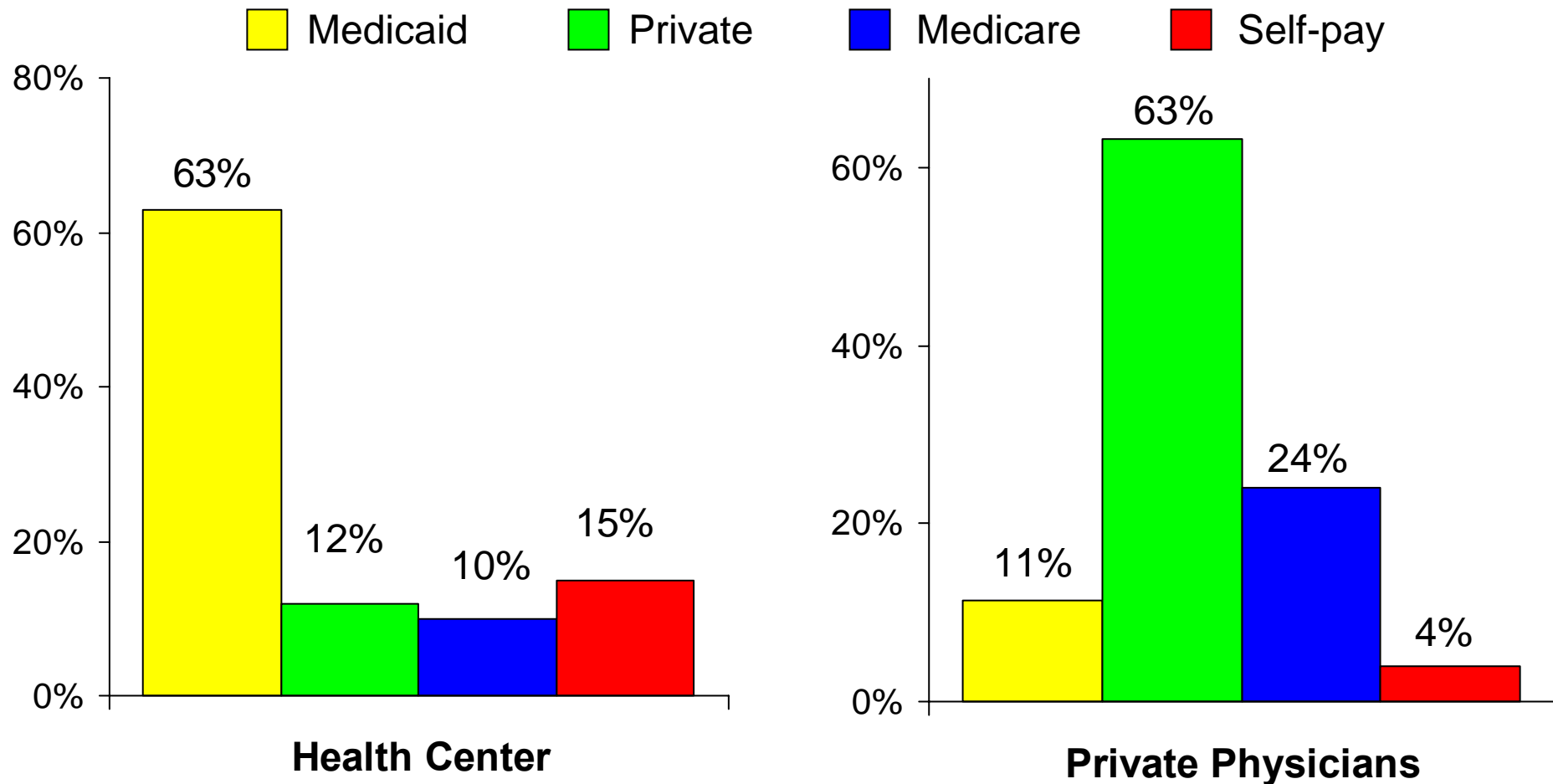
Source: Avalere, Health analysis of American Hospital Association Annual Survey Data, 2005.

[http://www.aha.org/aha/trendwatch/2007/cb2007chapter4.ppt#258,5,Chart 4.2: Aggregate Total Hospital Margins, \(1\) Operating Margins, \(2\) and Patient Margins,\(3\) 1991 – 2005](http://www.aha.org/aha/trendwatch/2007/cb2007chapter4.ppt#258,5,Chart 4.2: Aggregate Total Hospital Margins, (1) Operating Margins, (2) and Patient Margins,(3) 1991 – 2005)

Section VIII: The Importance of Medicaid

Figure 8.1

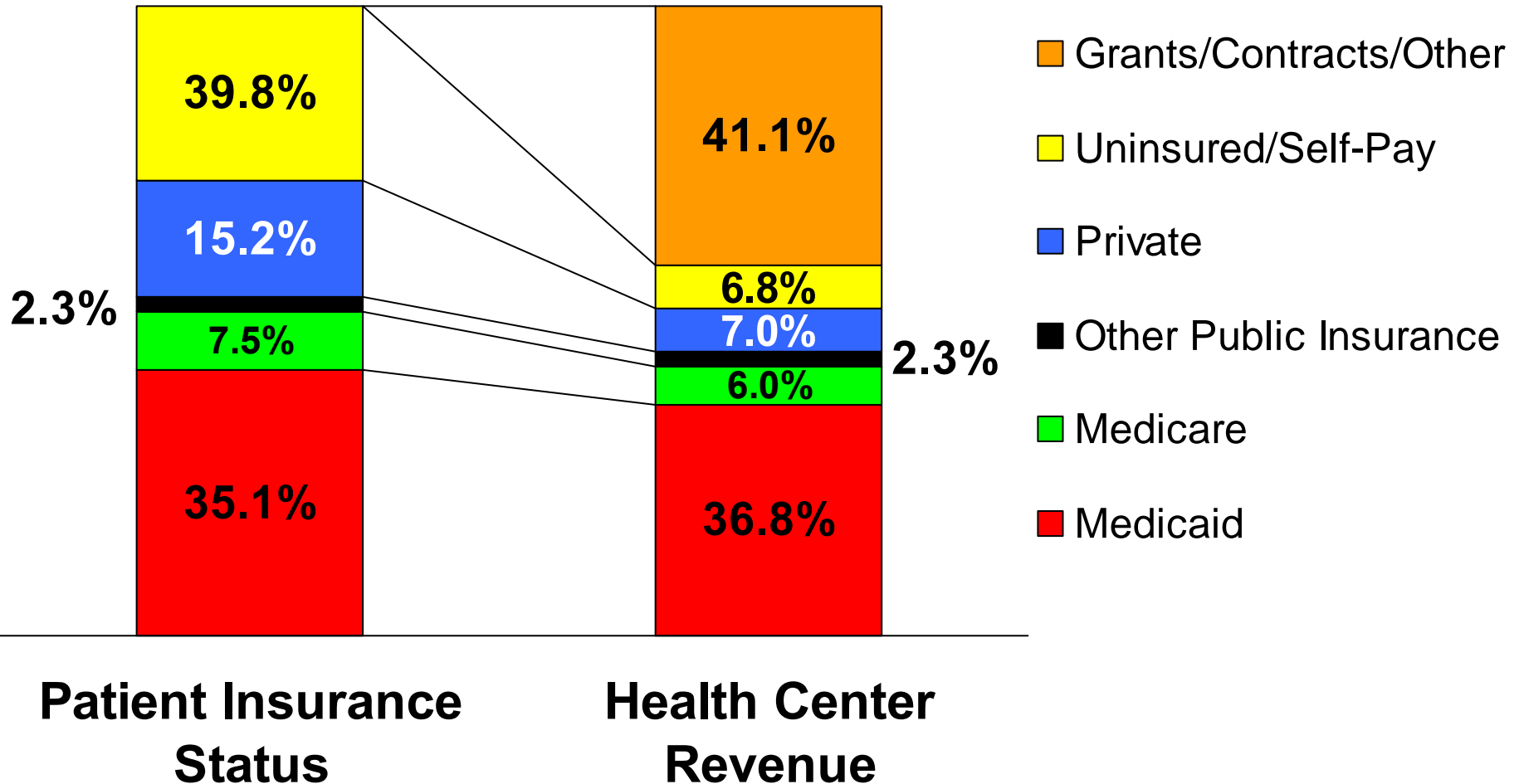
Health Centers' Revenue Sources Do Not Resemble Those of Physician Practices



Source: Private Physician data: 2005 National Ambulatory Medical Care Survey (visits). NACHC, 2008. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System.

Figure 8.2

Medicaid Revenue is Directly Proportional to Medicaid Patients

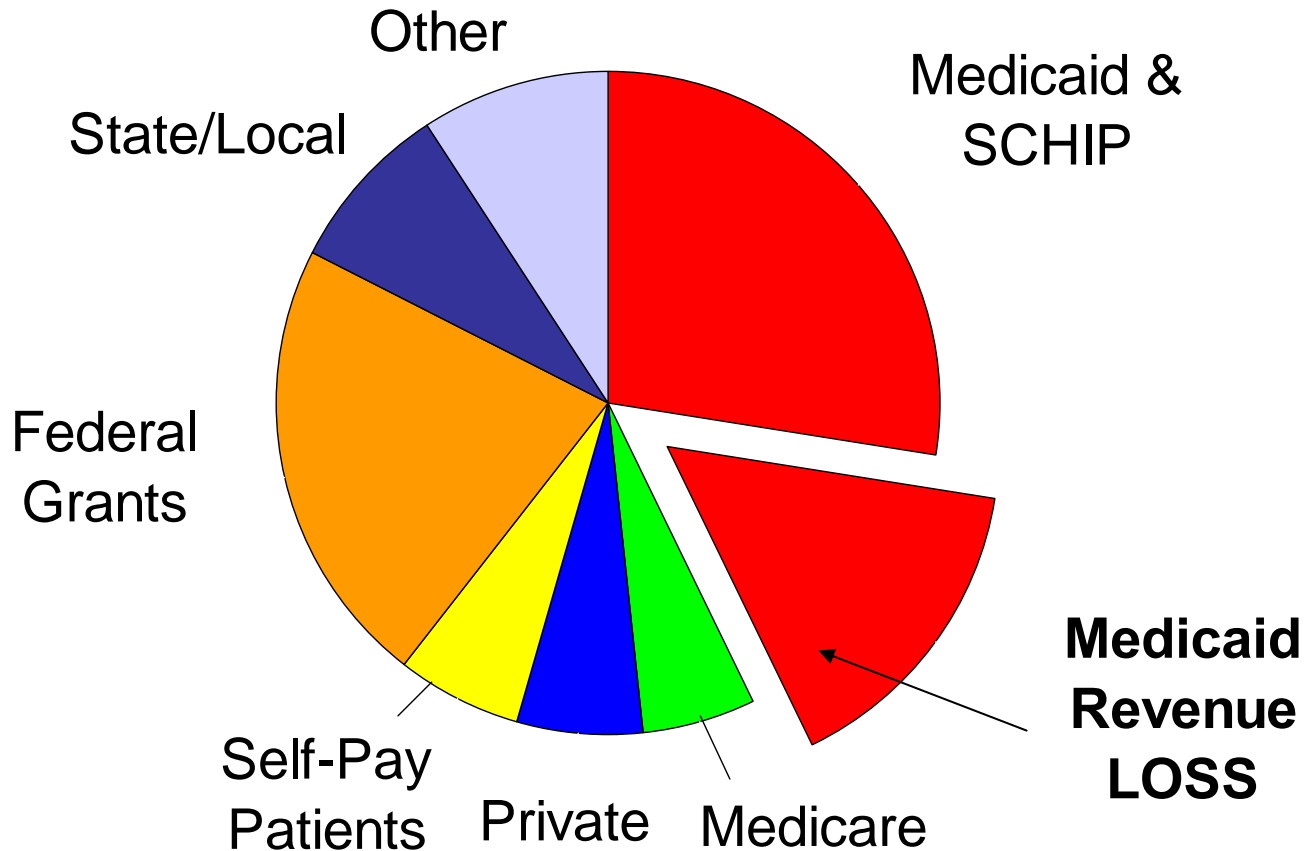


2006

Notes: Percents may not total 100% due to rounding.

Figure 8.4

Loss of Medicaid Cost-Based Payments Would Erase 15% of TOTAL Revenues

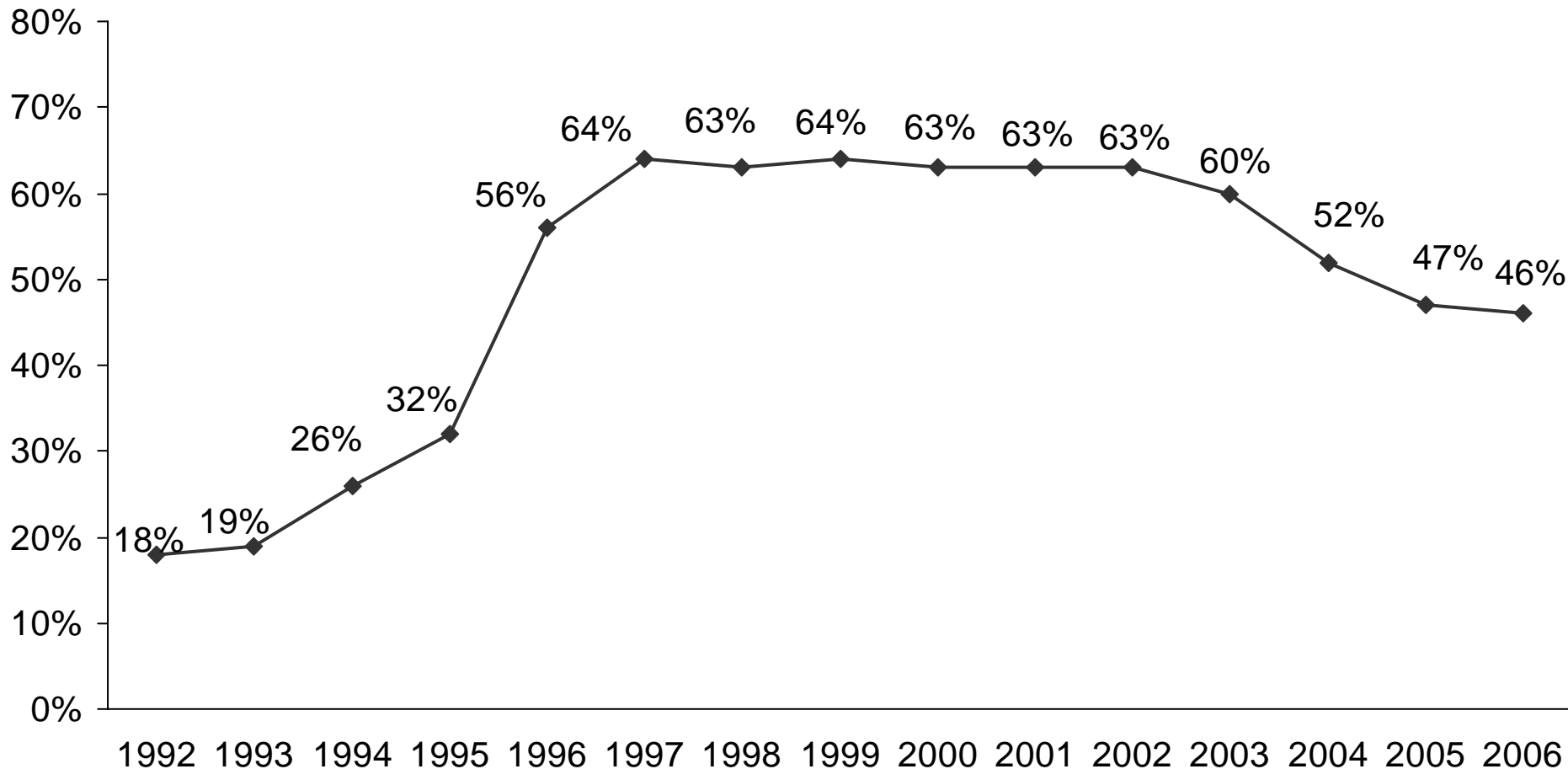


Note: By Federal law, Medicaid payment are based on cost and often through a prospective payment system. Reversing this law would erase 25-30% of Medicaid revenue for the *average* health center, or more than 15% of total revenue, through lowest payments.

Figure 8.5

Many Health Centers Medicaid Patients Are Enrolled in Managed Care Plans

Percent of Medicaid health center patients enrolled in managed care

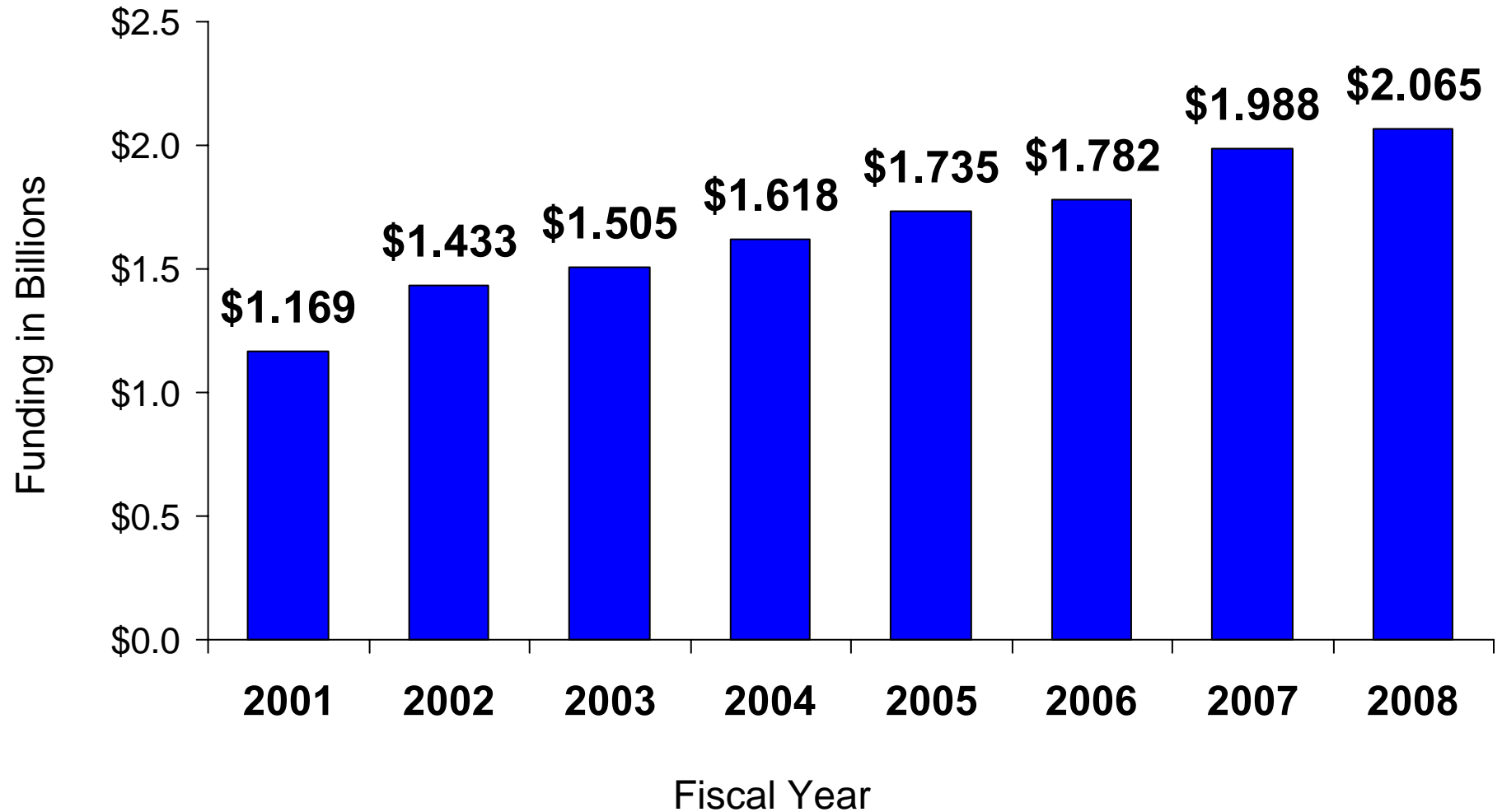


Note: Managed care does not include PCCM programs.

Section IX: Federal Funding

Figure 9.1



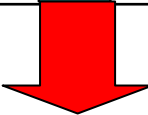




Recent Health Center Federal Appropriations History



Note: Federal appropriations are for consolidated health centers under PHS Section 330.

Figure 9.2

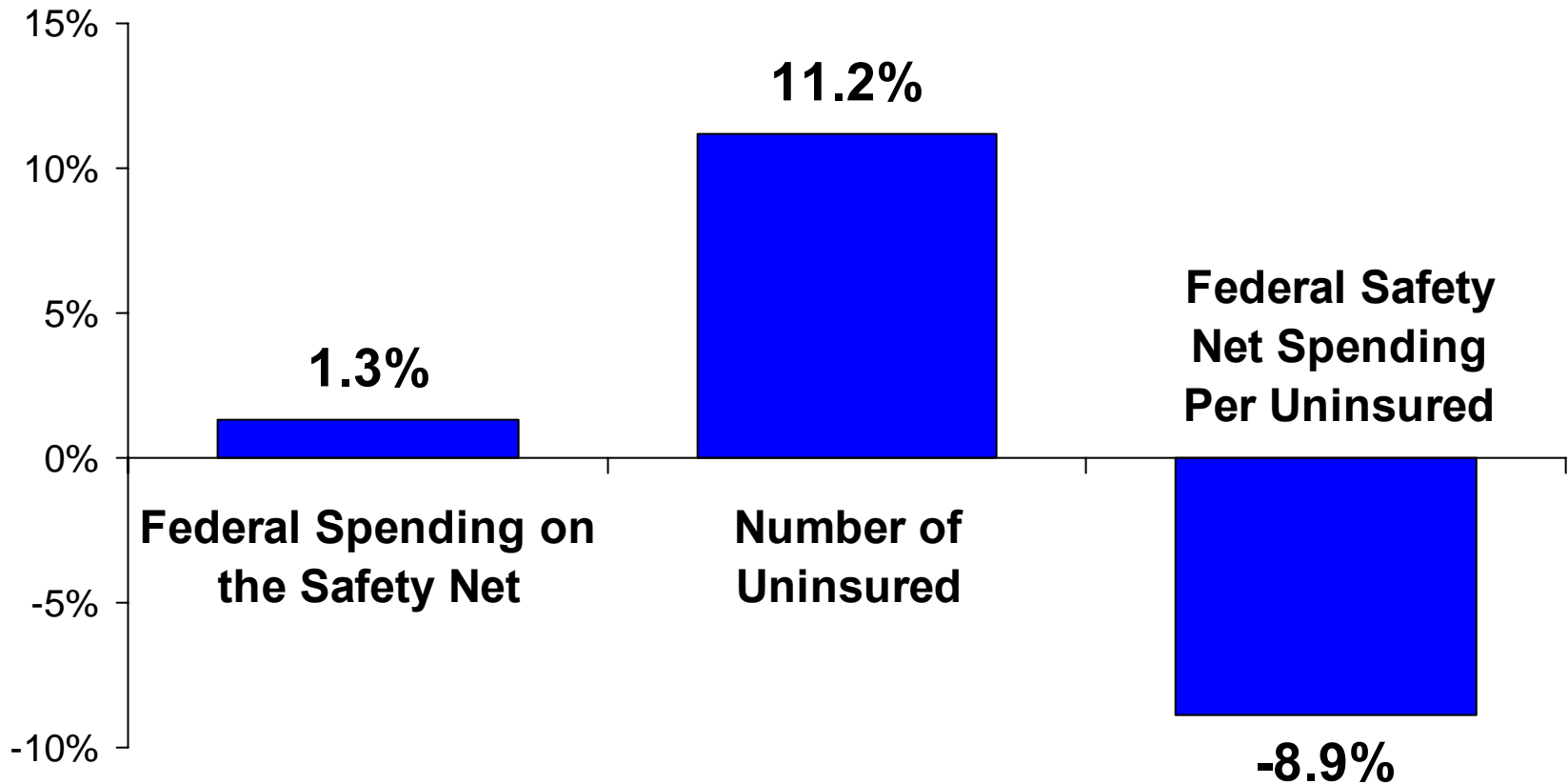
Appropriations: Measuring Funding Results

Fiscal Year	Admin. Request	Final Approp.	Final vs. Request
2008	\$+0	\$+77	
2007	\$+181	\$206	
2006	\$+304	\$+48	
2005	\$+219	\$+117	
2004	\$+122	\$+113	
2003	\$+114	\$+161	
2002	\$+124	\$+175	

Note: Federal appropriations are for consolidated health centers under PHSA Section 330.

Figure 9.3

Percent Change in National Federal Safety Net Spending and Number of Uninsured, 2001-2004*



Note: Includes funding for all safety net services. Percent change in Inflation adjusted totals. Constant 2004 Dollars
Source: Kaiser Commission on Medicaid and the Uninsured. "Growth in Uninsured Americans Outpacing Federal Spending on the Health Care Safety Net" 2005. <http://www.kff.org/uninsured/kcmu110405nr.cfm>.

Section X: Remaining Challenges

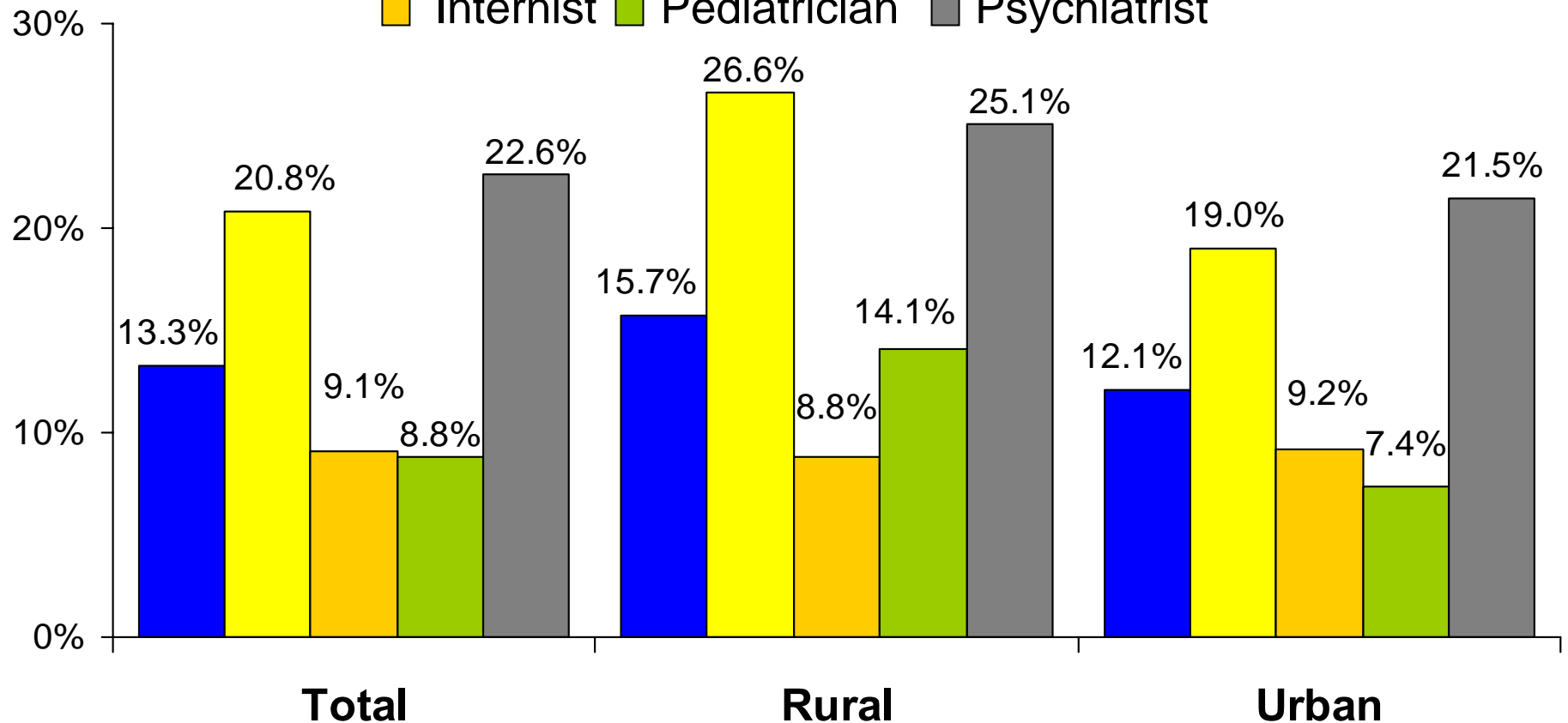
Major Challenges Facing Health Centers

- Growth in Uninsured: Continue to be Largest Group of Health Center Patients
- Decline in Charity Care: Cutbacks by Private Providers Squeezed by Managed Care
- Loss of Medicaid and Other Public Funding: Severe “Deficit Reduction” Cuts by States & now Congress
- Changing Nature of Insurance Coverage: Growing Shift to Catastrophic/High-Deductible Plans that Cover Little or no Preventive/Primary Care
- Shortage of Primary Care Physicians: Growing Demand and Lack of Appeal to U.S. Medical Students is Already Causing Physician Vacancy Rates in Health Centers

Figure 10.2

Primary Care Physician Vacancy Rates at Health Centers, 2004

■ Family Physicians/General Practitioner ■ OBGYN
■ Internist ■ Pediatrician ■ Psychiatrist

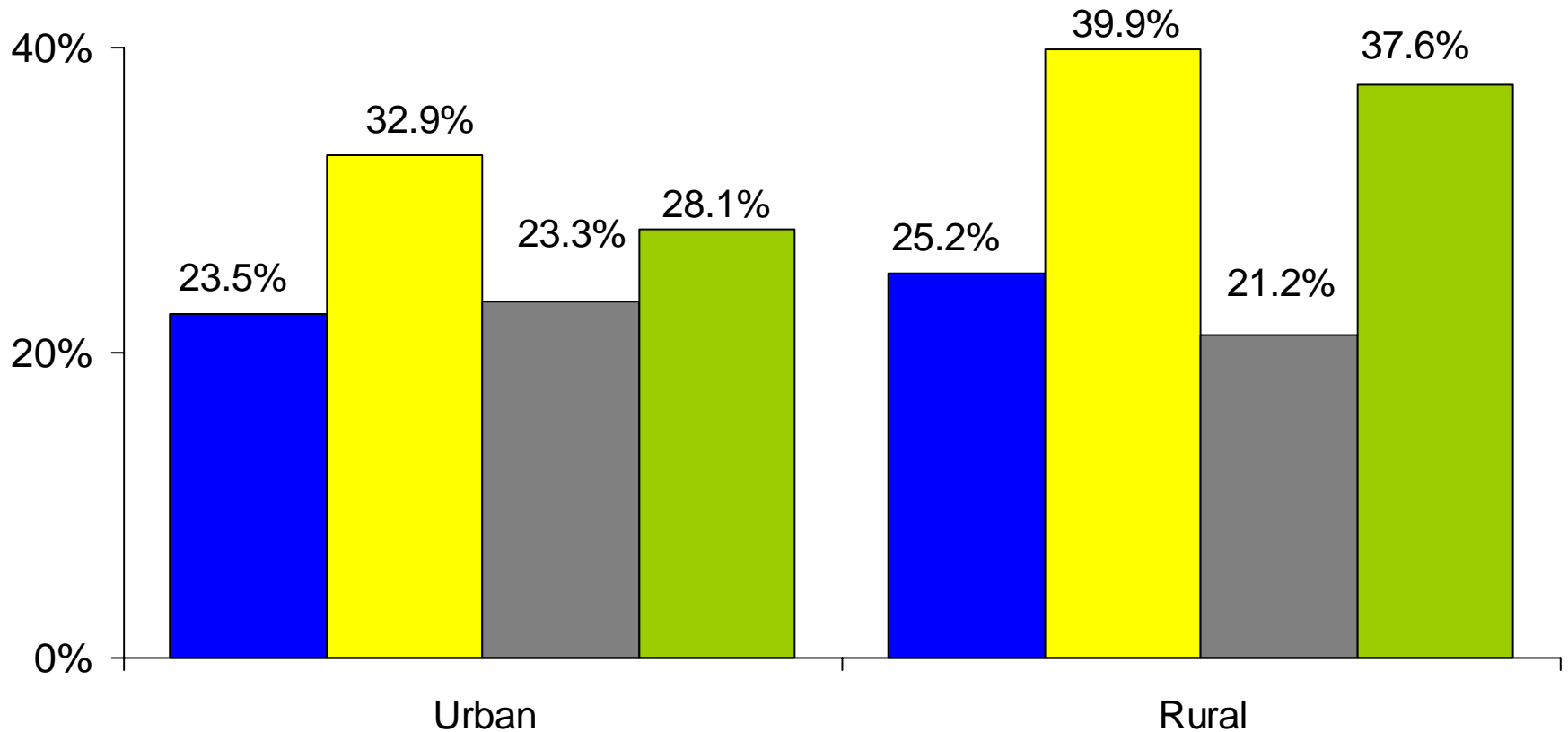


Source: Rosenblatt R, Andrilla H, Curtin T, and Hart G. "Shortages of Medical Personnel at Community Health Centers." 2006. *JAMA*, Vol. 295, No. 9: 1042-1049.

Figure 10.3

Percent of Grantees Relying on Federal and State Workforce Programs, 2004

- National Health Service Corps Scholarship
- Nation Health Service Corps Loan Repayment
- State Loan Repayment
- J-1 Visa Waiver



Note: Dentists not included.

Source: Rosenblatt R, Andrilla H, Curtin T, and Hart G. "Shortages of Medical Personnel at Community Health Centers." 2006. *JAMA*, Vol. 295, No. 9: 1042-1049.

Figure 10.4

Federal Grants are not Keeping Pace with Costs of Uninsured Patient Growth

Federal Grant as Percent of Uninsured Patient Costs

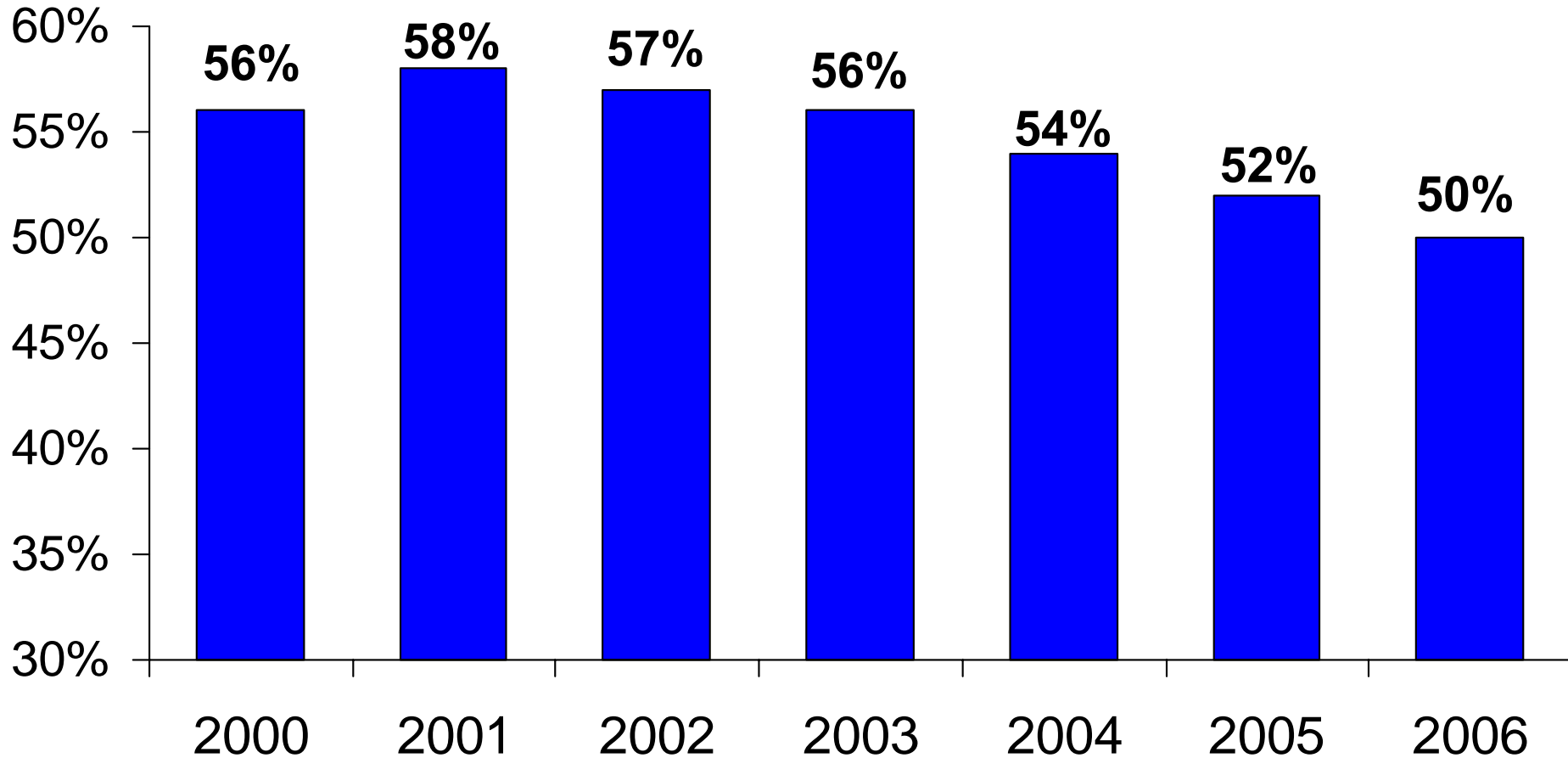
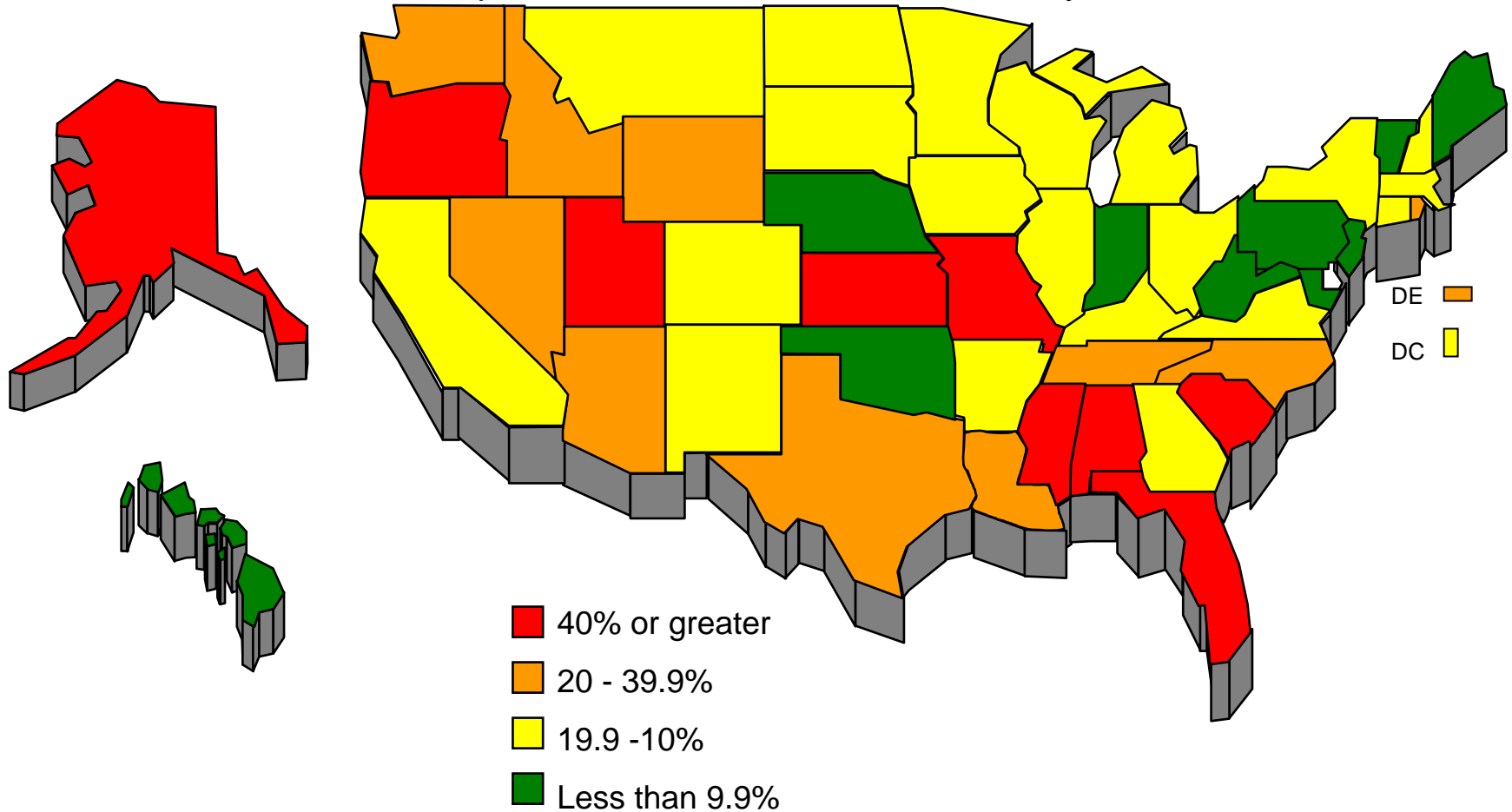


Figure 10.5

56 Million People Are Medically Disenfranchised

Percent of State Population Without Access to a Primary Care Provider, 2005



National Average = 19.4%

Note: Does not subtract health center patients as state and U.S. medically disenfranchised figures do.

Source: The Robert Graham Center. Health Services and Resource Administration (HPSA, MUA/MUP data, 2005 Uniform Data System), 2006 AMA Masterfile, Census Bureau 2005 population estimates, NACHC 2006 survey of non-federally funded health centers.

The Access for All America Plan

- Grow health centers program to serve 30 million people by 2015 by –
 - Developing new CHC sites and expanding existing sites
 - Funding every health center for oral and mental health, and for pharmacy services
 - Increasing workforce training programs (especially NHSC) to build primary care workforce for all
 - Increasing support for new facilities, equipment, HIT, and quality/performance improvement
 - Maintaining Medicaid and SCHIP coverage, and expanding it wherever possible

Expanding health centers to serve 30 million people by 2015 will save the health care system between \$22.6 and \$40.7 billion annually and will generate an additional economic benefit of \$40.7 billion for the low income communities they serve.