

More Patients Gain Access To Health Center Care Thanks to Stimulus Funds

The recent economic downturn continues to have far-reaching consequences for the nation. The **national unemployment rate has doubled over the past two years**, triggering a ripple effect in the health care landscape.¹ The **number of uninsured and people living in poverty are on the rise**, according to the latest U.S. Census data.² The nation's 8,000 Community, Migrant, Homeless and Public Housing Health Center sites have witnessed firsthand the worst economic crisis in decades. People who have lost their health insurance along with their jobs are turning to health centers for care in increasing numbers.

IMPACT OF THE FEDERAL STIMULUS PACKAGE

The American Recovery and Reinvestment Act of 2009 (ARRA) included a \$2 billion investment in the nation's health centers to assist them in weathering the economic downturn while also creating and retaining jobs in low-income communities. This historic level of funding included \$500 million for health centers to expand their services to new patients, both in new and existing communities. The remaining \$1.5 billion was allocated for facility construction and renovation, equipment and the acquisition of health information technology. This infusion of funds has enabled health centers to respond to the increased demand for patient services in a variety of ways, including extended hours of operation, hiring more staff and adding new services. The direct investment has also allowed health centers to build new and expanded facilities and even acquire needed quality improvement tools.

THE ROLE OF COMMUNITY HEALTH CENTERS

Federal data demonstrate³ that health centers have put the stimulus funding to good use – rapidly expanding access to care and generating economic benefits for low-income communities.

Dramatic Patient Growth: Health centers committed to reaching nearly 2.9 million new patients during ARRA's two-year funding window. Eighteen months later, they have exceeded that goal at 3.7 million patients –130 percent of the two-year target (Figure 1).

Health centers have also exceeded their two-year national target of uninsured patients, serving over 1.6 million uninsured patients (see Table 1).

Engines of New Economic Activity: The primary goal of the stimulus was to foster immediate economic activity and growth. The \$2 billion in ARRA funding invested in health centers generated *an additional* \$1.4 billion in economic benefits to communities. In total, health centers' stimulus funding is projected to yield \$3.2 billion in new economic benefits annually, according to an analysis completed by Capital Link.⁴ This total impact comes *directly* through new and retained jobs and the purchase of goods and services and also *indirectly* through the proliferation of additional expenditures. These results confirm previous research⁵ on health centers' substantial economic impact in the communities they serve.⁶

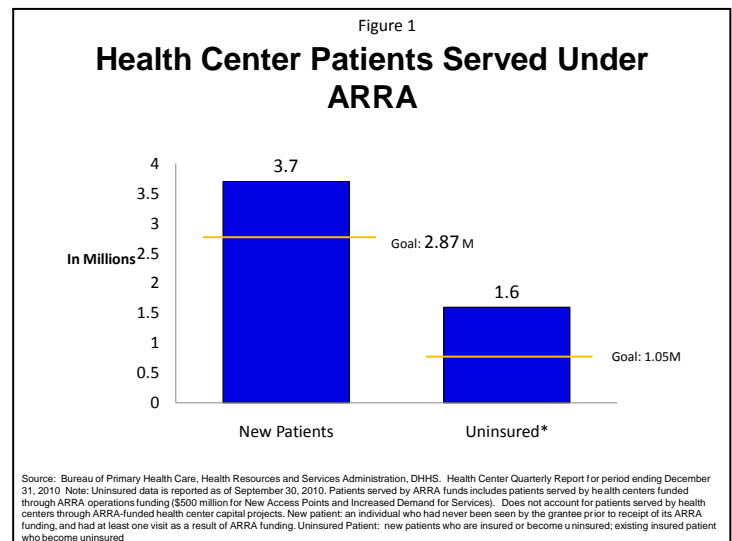
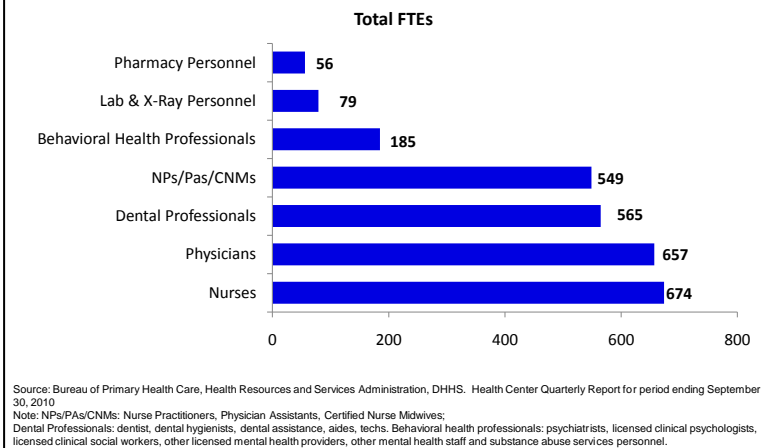


Figure 2

ARRA-funded Health Center Clinicians Between July and September 2010



New Job Creation: By expanding access to care, health centers have created or saved over 7,400 jobs plus an additional 2,100 jobs related to construction just in the three-month period between July and September 2010. Nearly 74 percent of these full-time equivalent jobs (FTEs) are health professionals.

View from the States: Many states have already reached, and even surpassed, their patient targets; and stimulus funding has generated significant economic impacts across every state. Table 1 provides a state-by-state look at these positive impacts.

CONTINUED EXPANSION REQUIRES NEW TOOLS
ARRA funding laid a strong foundation for health center growth. Now, health reform has provided a

significant and guaranteed investment in health centers to expand access in their communities. However, health centers will require tools to preserve their successes under ARRA, respond to new challenges under health reform, and indeed reach millions of people who remain without access to primary care.

Sustainable Funding for Growth: The enacted health reform package creates an \$11 billion trust fund over five years, \$9.5 billion of which will allow health centers to expand their operational capacity to serve nearly 20 million new patients and to enhance their medical, oral and behavioral health services. Even before the recession, 60 million people were considered medically disenfranchised given local physician shortages that prevented them from having adequate access to primary care. With sustainable funding, health centers will continue to expand care to more medically disenfranchised individuals.

Investment in Health Center Infrastructure Needs: Health centers will need \$10.5 billion to sustain, renovate or upgrade existing facilities over the next 5 years. ARRA provided sources of direct capital funding for health centers: the Capital Improvement Program (CIP) for smaller capital projects focused on renovation and repair from which nearly every health center benefited, and the Facility Investment Program (FIP), which was a highly competitive application process for larger capital projects. A total of 620 health centers applied for FIP funding, but only 85 were awarded. The 535 “shovel ready” projects that were not awarded amounted to a total of \$4.3 billion in total projects. Health reform provides a critically important \$1.5 billion in direct funding for capital. Overall, however, health center access to capital funding through both the public and private sectors must improve to ensure that health centers have the space and capacity to reach the 20 million patients envisioned in health reform.

Investment in Workforce Needs: Both ARRA and health reform made substantial, dedicated investments in the National Health Service Corps (NHSC). ARRA provided \$300 million, which will bring nearly 2,000 new doctors, nurse practitioners, physician assistants, dentists, dental hygienists, behavioral health specialists and other needed clinicians to health centers around the nation. In addition, health reform provides \$1.5 billion for the NHSC over five years, which will fund an estimated 15,000 primary care providers in underserved communities. With ARRA funds, health centers have been able to quickly place new health professionals in areas with unmet needs.⁷ However, the national shortage of primary care providers will likely be exacerbated with the implementation of health reform, and health centers will need new tools to both recruit and retain the needed providers.

State Funding: States also play an important role in sustaining health centers. Unfortunately, many states are slashing funding for health programs in the face of budget shortfalls, and some have relied on federal stimulus and health reform funding to justify proposed or implemented cuts, which thwart health centers’ expansion efforts and threaten capacity.⁸

Table 1.
Health Center Stimulus Awards, Economic Impacts, and Patients Reached in the First Year

State	Patients Supported by ARRA		% of Two-Year Target ‡		Jobs Created/Retained by ARRA**	% of Job Target
	Total*	Uninsured**	% Total	% Uninsured		
Alabama	66,353	51,367	165%	311%	80	50%
Alaska	14,702	5,586	79%	75%	79	77%
Arizona	82,251	19,471	113%	89%	132	61%
Arkansas	29,486	9,736	103%	91%	95	64%
California	384,364	234,013	158%	158%	750	50%
Colorado	44,929	39,384	172%	182%	91	47%
Connecticut	37,173	17,106	188%	215%	88	46%
Delaware	10,887	1,484	52%	45%	32	63%
District of Columbia	8,370	1,789	5%	52%	29	104%
Florida	136,696	69,102	118%	94%	306	59%
Georgia	76,611	21,184	66%	85%	96	29%
Hawaii	14,969	21,228	187%	460%	70	99%
Idaho	14,371	23,532	229%	262%	26	79%
Illinois	96,981	68,625	170%	221%	263	53%
Indiana	54,385	42,924	157%	247%	138	49%
Iowa	25,938	46,949	204%	599%	107	74%
Kansas	52,189	11,859	50%	82%	48	31%
Kentucky	58,239	23,711	98%	169%	136	60%
Louisiana	89,662	15,378	61%	73%	146	31%
Maine	23,032	7,067	163%	93%	76	52%
Maryland	34,347	24,277	159%	170%	69	87%
Massachusetts	68,847	30,524	138%	158%	116	39%
Michigan	67,639	40,558	162%	147%	130	51%
Minnesota	30,502	19,184	124%	185%	196	162%
Mississippi	54,740	17,357	87%	77%	93	56%
Missouri	56,601	38,851	134%	156%	213	118%
Montana	20,772	11,289	128%	122%	54	56%
Nebraska	9,664	7,588	146%	124%	29	116%
Nevada	9,202	5,610	117%	151%	19	51%
New Hampshire	12,026	6,498	97%	119%	32	74%
New Jersey	81,239	56,095	195%	142%	240	68%
New Mexico	25,058	20,936	168%	180%	54	67%
New York	134,754	57,147	141%	184%	395	60%
North Carolina	52,808	44,973	156%	167%	142	59%
North Dakota	2,419	3,846	468%	299%	12	100%
Ohio	76,979	33,324	120%	142%	159	47%
Oklahoma	72,776	14,342	53%	108%	150	38%
Oregon	32,506	35,029	231%	182%	78	65%
Pennsylvania	99,533	41,735	112%	212%	273	57%
Puerto Rico	42,027	2,061	45%	28%	90	41%
Rhode Island	23,987	4,102	115%	58%	65	74%
South Carolina	28,163	42,743	224%	238%	74	87%
South Dakota	5,721	2,549	103%	147%	13	46%
Tennessee	48,634	27,081	113%	133%	773	341%
Texas	205,365	114,857	92%	123%	508	58%
Utah	14,572	7,296	73%	78%	37	119%
Vermont	12,902	2,807	304%	79%	41	61%
Virginia	61,903	35,531	173%	222%	162	60%
Washington	77,834	54,895	149%	156%	139	67%
West Virginia	61,792	21,644	80%	104%	132	62%
Wisconsin	35,885	10,735	88%	98%	60	82%
Wyoming	3,312	1,939	66%	103%	12	242%
Total	3,724,040	1,575,889	150%	127%	7,434	62%

Source: Bureau of Primary Health Care, Health Resources and Services Administration, DHHS. Health Center Quarterly Report for period ending * December 31, 2010 **September 30,2010.

*Other territories include American Samoa, Fed. States of Micronesia, Guam, Marshall Islands, Palau, and Virgin Islands.

‡The Economic Impact Analysis was prepared by Capital Link with MIG, Inc. IMPLAN Software Version 3.0, 2008 structural matrices, 2008 state-specific multipliers, and data from various American Recovery and Reinvestment Act (Recovery Act) awards for health centers as presented on the Health Resources and Services Administration (HRSA) website <http://www.hrsa.gov>. The estimates include direct, indirect, and induced effects, as defined below:

- Direct effects: represents the response for a given industry (Total Expenditures of the organization).
- Indirect effects: represents the response by all local industries caused by “the iteration of industries purchasing.”
- Induced effects: represents the response by all local industries to the expenditures of new household income generated by the direct and indirect effects.

†Patients served by ARRA funds includes patients served by health centers funded through ARRA operations funding (\$500 million for New Access Points and Increased Demand for Services). Does not account for patients served by health centers through ARRA-funded health center capital projects.

‡ Two year targets are set by health centers in their applications for ARRA funding to support operations. Total includes patients served by health centers receiving either New Access Points and Increased Demand for Services grants. Uninsured Patient Target only includes Increase Demand for Services grants. Excludes patients served by health centers with ARRA-funded health center capital projects.

Note: State data only reflect the period ending December 31 for new patients and September 30 for uninsured and jobs, and therefore may vary from other sources.

¹ Economic News Release: Employment Situation Summary. Bureau of Labor Statistics, May 7, 2010. www.bls.gov

² Income, Poverty, and Health Insurance Coverage in the US: 2008. US Census Bureau. 2009 www.census.gov

³ Bureau of Primary Health Care, Health Resources and Services Administration, DHHS. Health Center Quarterly Report for period ending March 31, 2010. Patients are only reported for grantees of operations and capacity ARRA funding (\$500 million). The remaining \$1.5 billion covers construction, health information technology, and other capital needs. Capital funding also bring in additional patients.

⁴ NACHC, the Robert Graham Center, and Capital Link. *Access Capital: New Opportunities For Meeting America's Primary Care Infrastructure Needs*. March 2008. www.nachc.com/access-reports.cfm.

⁵ NACHC, the Robert Graham Center, and Capital Link. *Access Granted: The Primary Care Payoff*. August 2007. www.nachc.com/access-reports.cfm.

⁶ NACHC, Robert Graham Center, and Capital Link. *Access Granted: The Primary Care Payoff*. August 2007. www.nachc.com/access-reports.cfm.

⁷ NACHC, George Washington University, and the Robert Graham Center. *Access Transformed: Building a Primary Care Workforce for the 21st Century*. August 2008. www.nachc.com/access-reports.cfm.

⁸ NACHC. *Weathering the Storm: State Funding for Health Centers During An Economic Crisis*. State Policy Report #29. September 2009. www.nachc.com/client/SPR29FINAL.pdf.