



# America's Health Centers: Making Every Dollar Count

## Caring for the Nation's Medically Underserved

The national network of Community, Migrant, and Homeless Health Centers provides high quality and affordable primary and preventive care to nearly 16 million low income and medically underserved patients. Health centers bring culturally appropriate care to 1 in 5 low income, uninsured individuals and 1 in 9 Medicaid beneficiaries. Research shows that the quality of their care is as good as or better than the quality of care at other providers. Health centers reduce the need for more expensive in-patient and specialty care services as well as lower Emergency Room (ER) visits, saving billions of tax payer dollars each year.

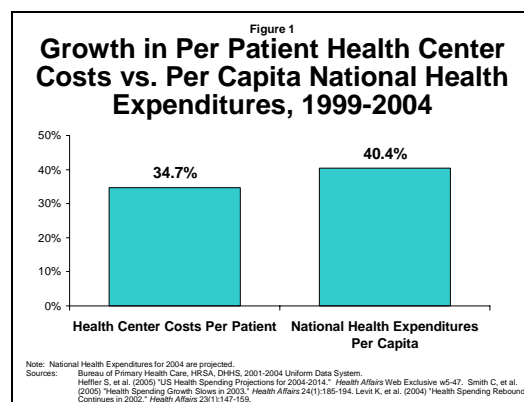
## Health Care Homes Save Lives and Dollars

When patients have an established health care home, they have improved odds for good health. They receive continuous primary health care services that reduce the risk of new health problems and manage chronic disease. This results in fewer hospitalizations and visits to the ER, and reduces the need for specialty care services. Moreover, regular use of a primary health care provider is directly linked to lower morbidity and reduced health care costs.

Health centers provide health care homes for vulnerable populations *who would otherwise not have access to primary care and preventive services*, such as immunizations, health education, mammograms, pap smears, and other screenings. In fact, low income, uninsured health center users are also *much more likely to have a usual source of care* than the uninsured nationally.

## Lower Costs of Care

Health centers' average annual cost of care is \$515 per patient, or *about \$1.40 a day per patient served*. This is 10 times less than the average per capita spending on personal health care, despite the fact that health centers include an array of enabling services such as case management, transportation, translation, and health education. Many health centers also provide dental, behavioral health, and pharmacy services. In addition, as shown in Figure 1, health center per patient costs grows slower than national per capita health expenditures.



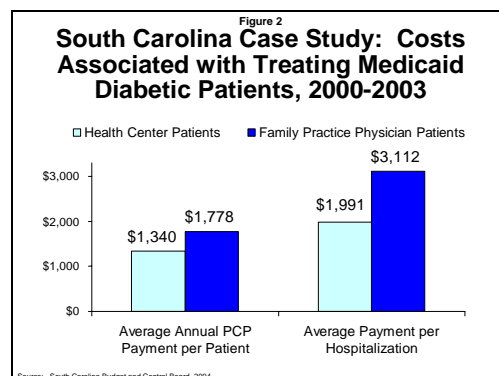
## Cost Effective Care

Care received at health centers is ranked among the most cost-effective. Health centers are credited with reducing hospitalizations, inpatient days, and ER use – *generating significant returns on investment while improving community health*. In addition, health centers serve as a catalyst of economic stimulation, further speaking to their community benefit.

- **Medicaid savings.** Several studies found that health centers *save the Medicaid program roughly 30% in annual spending* per Medicaid beneficiary due to lower specialty care referrals, ER visits, hospital

admissions, and prescription drug costs. Recently, Falik and colleagues found that health center Medicaid beneficiaries were 11% less likely to be hospitalized and 19% less likely to use the ER for preventive conditions compared to Medicaid beneficiaries seen by other providers. Health centers therefore generate significant savings in combined federal and state Medicaid expenditures.

- Effective Management of Chronic Illness.** Health centers' efforts have *improved health outcomes* and *lowered the costs* of treating patients with chronic illnesses. In a recent study in South Carolina, health center Medicaid patients with diabetes cost \$400 less per patient than diabetic Medicaid patients treated by family practice physicians (Figure 2), despite having more office visits per patient as well as more patients with multiple chronic diseases. Lower ER and hospital visits, as well as lower costs for specialists, labs, and other services, were responsible for these savings. Average payments per hospitalization were \$1100 less for health center patients than family practice physician patients.



- Create Jobs and Stimulate Economic Growth.** Health centers employ over 90,000 full-time positions from local communities. They create business for community vendors and other local health care professionals, such as pharmacies. Health centers also stimulate community development through construction and capital projects. Operating expenses at health centers in both Missouri and Oregon, for example, *resulted in nearly twice the total economic output* in these states.
- Preventing Avoidable Hospitalizations and Emergency Department Visits.** 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 that do not have a health center. As Table 1 demonstrates, if avoidable visits to ERs were redirected to health centers, the nation could save over \$18 billion in annual health care costs.

**Table 1**  
**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
		<b>United States</b>	<b>\$18,445,991,718</b>		

Source: NACHC 2006 Databook, [www.nachc.com/research/ssbysdat.asp](http://www.nachc.com/research/ssbysdat.asp).