

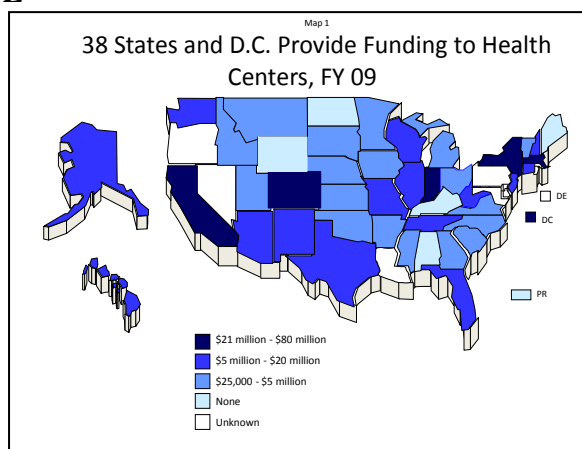
Safety Net on the Edge: What Legislators Can do to Support Their Local Health Centers

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 7,000 health center delivery sites serve over 18 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 because of their ability to 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. Health centers are struggling to care for an influx of uninsured patients that have recently lost their jobs and their health insurance. This unprecedented growth, along with slim operating margins and federal grants that do not keep up with rising costs, underscores now more than ever the critical importance of state support.

HOW TO SUPPORT HEALTH CENTERS IN YOUR STATE

Appropriate state funds: 38 states and D.C. allocated \$518 million in direct state funding to health centers in FY 2009, as shown in Map 1. Direct state funding for health centers often covers the cost of providing care for the uninsured or indigent populations, additional services or hours, capital, workforce, and health information technology. While health centers did receive additional federal support through the American Recovery and Reinvestment Act (ARRA), these funds are *temporary* and health centers will need on-going state support in order continue to meet the needs of their patients and communities, including the rising number of newly uninsured.



Increase Medicaid and CHIP coverage and benefits: 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 serve 5 million children and would benefit from states taking advantage of the enhanced eligibility options in the recent CHIP reauthorization.

Support workforce programs: As health centers grow, strategies for addressing clinical workforce shortages must include expansion and revitalization of state health care workforce programs. Loan repayment and other incentive programs should be supported for primary care providers working in medically underserved areas.

Additional ways to support health centers at minimal costs to states: Allowing health center employees to buy into the State Employees Health Benefit Program, which could save health centers additional costs associated with purchasing insurance for their staff. States can also protect and enhance Medicaid reimbursement for health centers allowing health centers to care for more uninsured while drawing down additional federal dollars for the state.

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 now more than at any time in their 40 year history, 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 were **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.
- If avoidable visits to emergency rooms were redirected to health centers, **the nation could save over \$18 billion in annual health care costs.**
- 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, shown at a state level in Table 1.

Table 1
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, Access Granted: The Primary Care Payoff, 2007
www.nachc.com/research

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.