

Recession Brings More Patients to Community Health Centers

STRESS ON THE HEALTH CARE SAFETY NET

The effects of a severely stressed economy have far-reaching consequences for our nation and, indeed, our public health. The **national unemployment rate has doubled over two years**, triggering a ripple effect in the health care landscape.ⁱ **For every one percent increase in unemployment, more than one million people lose their health insurance** and another million people enroll in Medicaid and SCHIP.ⁱⁱ **The numbers of uninsured and people living in poverty are also on the rise**, according to the latest U.S. Census data.ⁱⁱⁱ Another study found that 86.7 million people – one in three people under 65 – were uninsured at some point in 2007 or 2008.^{iv} These trends are expected to continue as the economic recession lingers and state budgets continue to tighten and add further strain on the safety net.

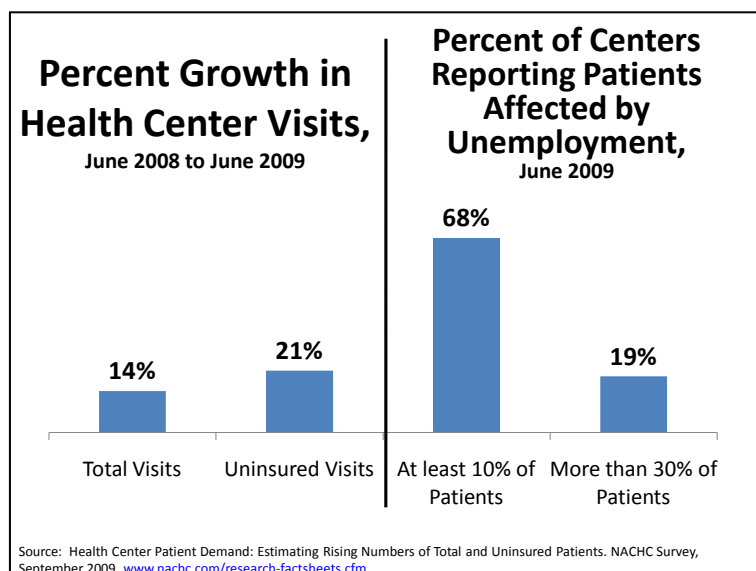
THE ROLE OF COMMUNITY HEALTH CENTERS

Community Health Centers now serve 20 million people in America in 7,500 communities. Yet, there are not enough health centers for the people and communities who need them. Even before the recession, a lack of access to affordable primary health care posed one of the most persistent challenges to the U.S. health care system. Today, 60 million people lack access to basic health care because of physician shortages, and many of them do have insurance.^v Independent studies continue to demonstrate that access to care at a health center will lower medical expenses. People who receive a majority of their care at a health center have significantly lower medical expenses – between 24 and 41 percent lower – than those who receive their care elsewhere.^{vi}

RISING PATIENT DEMAND

Almost every health center in America is experiencing a rising demand for care at a time when financial resources are limited. A recent NACHC survey^{vii} from a national sample of health centers provides a snapshot of how the economic recession has triggered a rise in patient demand, particularly among the newly jobless and uninsured.

- ***More Patients and More Visits.*** A NACHC survey found that **total visits increased 14 percent between June 2008 and June 2009** among health center responders – compared to 6 percent between calendar years 2007 and 2008. **Total visits for uninsured patients increased by 21 percent** over the same time period.
- ***Need for More Service Locations.*** Most health centers still need at least one new delivery site to adequately respond to the health care needs in their communities.
- ***Unemployed Patients.*** About two-thirds (68 percent) reported that **at least 10 percent of their patients have recently been affected by unemployment.** One in five health centers (19 percent) put the proportion at 30 percent or higher, an indication that access is increasingly a problem for middle-class families.
- ***Need for More Care.*** New patients are coming in with pressing health care needs, having delayed seeking preventive care due to new financial uncertainties. Many health centers also cited an increased need in the community for mental health, dental services, or specialty care.



Several other recent surveys and anecdotes from health centers across the nation attest to rising demand for safety net services under hard economic times. A survey from Direct Relief International found that the growth in costly uninsured diabetic patients significantly outpaced the growth in the number of total patients.^{viii} Some of California's 800 clinics have seen a 50% increase in newly uninsured patients so far this year. However, the average increase across California's health centers has been 10%.^{ix}

IMPACT OF THE FEDERAL STIMULUS PACKAGE

The American Recovery and Reinvestment Act of 2009 (ARRA, the "stimulus package") included an historic, one-time investment in Community Health Centers of \$2 billion to cover the costs of meeting rising need and urgently needed capital expenditures. Much of this funding is already at work in communities across the country. A majority of surveyed health centers had planned staff layoffs and reduced clinic hours to stay financially afloat before the stimulus funds came through. Now, the infusion of stimulus funds has enabled health centers to meet increased demand for patient services by in a variety of ways that include increased hours of operation, more staff, and site expansions.

| National Impact of Health Center Stimulus Funding to Date | |
|---|-----------------|
| Funding Received | \$1,344,205,086 |
| Jobs Created or Retained | 11,949 |
| Total Patients (% Uninsured) | 2,868,111 (37%) |

Source: www.hhs.gov/recovery

THE NEED TO MAINTAIN SUPPORT FOR THE SAFETY NET

Stimulus funding was the right medicine at the right time, but it may not be enough to counter the trend of state and local funding cuts. The Center for Budget and Policy Priorities reports that at least 27 states have slashed funding for health programs.^x Such cutbacks undermine any progress centers would otherwise achieve their stimulus-supported activities, and at worst eliminate their impact entirely. NACHC's statewide survey found that some states, like Colorado and North Carolina, have specifically used health centers' ARRA funding as the rationale behind reductions in funding for health centers in their states.^{xi} Research shows that economic downturns have long-term impacts on safety net providers, suggesting that investments in these providers are necessary to meet the rise in health care needs that come with economic instability. **Stimulus funds are one-time investments in centers that must not supplant existing sources of funding for health centers.** To do so could be detrimental to community health and economic well-being.^{xii}

Health Centers and the Stimulus: NACHC's Interactive Map

See how health centers are using stimulus funding. www.nachc.com/health-center-stimulus-map.cfm

¹ News Release: Metropolitan Area Employment and Unemployment Summary. Bureau of Labor Statistics. Sept 2009. www.bls.gov ² Examining the Health Consequences of the 2008–09 recession. The GWU SPHHS.2009. www.gwumc.edu/sphhs/about/rapidresponse. ³ Income, Poverty, and Health Insurance Coverage in the US: 2008. US Census Bureau. 2009. www.census.gov. ⁴ Americans at Risk: One in Three Uninsured. Families USA. 2009. www.familiesusa.org. ⁵ Primary Care Access: An Essential Building Block of Health Reform. NACHC. March 2009. www.nachc.com/access-reports.cfm. ⁶ Ku L et al. Using Primary Care to Bend the Curve. Geiger Gibson/RCHN Community Health Foundation. September 2009. Issue No. 14. www.gwhealthpolicy.org. Access Granted: The Primary Care Payoff. NACHC, RGC, and Capital Link. August 2007. www.nachc.com/access-reports.cfm. ⁷ Estimating Rising Number of Total Uninsured Patients. NACHC 2009. www.nachc.com/research-factsheets.cfm. ⁸ Press Release: Uninsured Diabetics Increasingly Turning to Free Clinics and Community Health Centers. Direct Relief International. August 26, 2009. www.directrelief.org. ⁹ Federal Stimulus Funding. California Health Line. www.californiahealthline.org/Articles/2009/9/9/Calif-Community-Clinics-Report-50-Increase-in-New-Uninsured-Patients.aspx. ¹⁰ An Update on State Budget Cuts. Center on Budget and Policy Priorities. 2009. www.cbpp.org. ¹¹ NACHC 2009 PCA Survey, forthcoming. ¹² Hurley R et al. Relief, Restoration and Reform: Economic Upturn. Center for Studying Health System Change. 2008. Issues Brief No. 117. www.hschange.com.