State Funding for Community Health Centers (Fiscal Year 2016)

Results from NACHC’s 2015 Annual Primary Care Association (PCA) Assessment

State Policy Report #58

December 2015
Introduction

Through the 2015 NACHC Primary Care Association (PCA) State Assessment, State/regional PCAs reported on direct state funding (a line-item appropriation and/or grant or contract that the state provides to the PCA and/or health center, excluding any Medicaid funding or federal grant dollars) to health centers. For State Fiscal Year 2016 (SFY2016), twenty-nine states\(^1\) reported that their state will provide direct funding for health centers for a total of approximately $335 million\(^2\) down from thirty-two states providing approximately $350 million in SFY2015\(^3\).

Overview of State Funding

Forty-five states and DC provided data on state funding in this year’s assessment. Twenty-nine\(^4\) of those states will provide direct funding for their health centers during SFY2016 while sixteen\(^5\) states and DC will not. Table 1 shows the number of states that provide direct funding to health centers by current Medicaid expansion status. There are nearly twice as many states that have expanded Medicaid that receive state funding as there are non-expansion states. However, as Table 2\(^6\) shows, these expansion states receive approximately five times the amount of state funding when compared to non-expansion states.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>State Funding</th>
<th>No Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Expanded</td>
<td>18(^7)</td>
<td>12(^8)</td>
</tr>
<tr>
<td>Not Expanded</td>
<td>11(^9)</td>
<td>5(^10)</td>
</tr>
<tr>
<td>N=46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Expanded</td>
<td>$278,097,436</td>
</tr>
<tr>
<td>Not Expanded</td>
<td>$56,971,870</td>
</tr>
<tr>
<td>Total</td>
<td>$335,069,306</td>
</tr>
</tbody>
</table>

Changes in Health Center Funding

Twenty-nine\(^11\) states were able to provide data on changing funding levels in SFY2015-2016 which showed...

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\(^1\) Forty-six states provided data on state funding for both FY2015 and FY2016.

\(^2\) Funding levels are subject to change as funding levels for twelve states were still tentative at the time of reporting.

\(^3\) $400 million was the expected level of funding for health centers according to NACHC’s “State Fiscal Year 2015 Funding for Community Health Centers, State Policy Report #53”, from December 2014 available here: [http://www.nachc.com/client//State%20Funding%20Fact%20Sheet%202015%20revised%20final%20on%202%20%2015.pdf](http://www.nachc.com/client//State%20Funding%20Fact%20Sheet%202015%20revised%20final%20on%202%20%2015.pdf)

\(^4\) CO, CT, FL, GA, HI, IL, IN, KS, MD, MA, MI, MN, MS, MO, NE, NJ, NH, NM, NY, NC, OH, OK, SC, TN, UT, VT, VA, WV, and WI.

\(^5\) AL, AK, AZ, AR, CA, ID, IA, LA, ME, MT, NV, OR, PA, RI, TX, and WA.

\(^6\) HI, ID, IL, OH, and UT did not have SFY2016 funding levels available to them at the time of this assessment so were not included in this analysis.

\(^7\) CO, CT, HI, IL, IN, KS, MD, MA, MI, MN, NH, NJ, NM, NY, OH, VT, WV, and WI.

\(^8\) AK, AZ, AR, CA, DC, IA, MT, NV, OR, PA, RI, and WA.

\(^9\) FL, GA, MS, MO, NE, NC, OK, SC, TN, UT, and VA.

\(^10\) AL, ID, LA, ME, and TX.

\(^11\) Thirty-two states reported receiving direct state funding in SFY2015. HI, ID, IL, and OH did not have SFY2016 funding levels available to them at the time of the assessment so were not included in this analysis. However, UT was anticipating a 10-15% loss, so the authors estimated a 10% loss while analyzing the data.
that funding levels in ten\textsuperscript{12} states have increased, thirteen\textsuperscript{13} states have decreased, and six\textsuperscript{14} states have remained the same (Figure 1). A closer look at changes in health center funding from SFY2015 to SFY2016 shows that the percentage of funding losses are greater than funding increases. Additionally, three of the states that experienced losses, lost 100\% of their state funding.\textsuperscript{15}

![Figure 1. Change in Health Center Direct Funding SFY2015 to SFY2016](image1)

![Figure 2. Percent Change in Health Center Direct State Funding SFY2015-2016](image2)

Although, state funding for health centers has experienced a small decline over the last two fiscal years, it is nearly half the level it was at its peak in 2008 at $626 million.

![Figure 3. Trends in Direct State Funding in Millions of Dollars](image3)

\[\textsuperscript{12} \text{GA, KS, MD, MA, MN, NE, NM, NY, TN, and VA.}\]
\[\textsuperscript{13} \text{AR, CO, CT, FL, IN, IA, MS, NH, NJ, OK, TX, UT, and WV.}\]
\[\textsuperscript{14} \text{MI, MO, NC, SC, VT, and WI.}\]
\[\textsuperscript{15} \text{AR, IA, and TX.}\]
Sources and Purpose of State Funding

State funds come from mainly two sources and are utilized for a variety of health initiatives important to the growth and sustainability of health centers. The vast majority of states\(^{16}\) (19) provide funding directly from the state’s budget while six\(^{17}\) states’ funding came from the tobacco tax. Figure 4 demonstrates the most commonly uses of direct state funding. The two most common uses are uncompensated care for uninsured or underinsured patients\(^{18}\) (23) and expanding access\(^{19}\) (20) to underserved communities (i.e. longer clinic hours, a broader array of enabling services, telemedicine, etc.) which is consistent with findings from SFY2015\(^{20}\). Capital projects\(^{21}\) (9) which are crucial to updating health center facilities, outreach and enrollment\(^{22}\) (8) which assists patients with obtaining insurance coverage, and health profession training\(^{23}\) (5) are the next most reported uses for direct funding.

![Figure 4. Purpose of Health Center Direct State Funding](image)

Conclusions

Direct state funding plays an important role in offsetting uncompensated care costs for health centers and expanding access to underserved populations in addition to updating health center facilities, assisting patients enroll in health insurance plans and keeping health professionals up-to-date in their training. However, fewer states are providing health center funding, and those who are have been decreasing the amount. This continued trend of decreasing health center funds could lead to health centers having to make difficult decisions about the care they provide such as reducing the number of patients they are able to serve, array of services they provide, or the hours they operate.

\(^{16}\) CO, CT, FL, GA, KS, MD, MI, MN, MS, MO, NE, NH, NM, NY, OK, SC, TN, VA, and WV.  
\(^{17}\) CO, HI, IL, IN, MD, and MS.  
\(^{18}\) CO, CT, FL, HI, IN, KS, MA, MI, MN, MS, MO, NE, NM, NY, NC, OK, SC, TN, VT, UT, VA, WV, and WI.  
\(^{19}\) CT, FL, GA, IN, KS, MD, MI, MN, MS, MO, NE, NH, NC, OK, SC, UT, VA, and WI.  
\(^{21}\) FL, IL, MD, MO, NY, NC, SC, VT, and WI.  
\(^{22}\) MD, MA, MN, MO, NM, VT, VA, and WI.  
\(^{23}\) FL, MA, MO, OH, VT, and WI.
Changes in Health Center Direct State Funding SFY2015 to SFY2016

Key:
- 1% to 20%
- -20% to -1%
- Stayed Level
- 20% to 50%
- -50% to -20%
- Funding Pending
- 50% to 100%
- -100% to -50%
- No Data Available
- No State Funding

States colored in green show funding increases from SFY2015 to SFY2016.
States colored in red show funding decreases from SFY2015 to SFY2016.
States in yellow show no changes in funding from SFY2015 to SFY2016.
States in orange show funding pending for SFY2016.
States in gray show no state funding.

Data in the map includes:
- States with changes in funding percentages.
- States with no data available.
- States with no state funding.
- States with funding pending for SFY2016.
- States with no changes in funding.

The map highlights the changes in funding across various states, with specific data points showing the percentage change in funding from SFY2015 to SFY2016.
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Results from NACHC’s 2015 Annual PCA Policy Assessment

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