



NATIONAL ASSOCIATION OF
Community Health Centers

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 states¹ reported that their state will provide direct funding for health centers for a total of approximately \$335 million² down from thirty-two states providing approximately \$350 million in SFY2015³.

Overview of State Funding

Forty-five states and DC provided data on state funding in this year’s assessment. Twenty-nine⁴ of those states will provide direct funding for their health centers during SFY2016 while sixteen⁵ 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 2⁶ shows, these expansion states receive approximately five times the amount of state funding when compared to non-expansion states.

Table 1	State Funding	No Funding
Medicaid Expanded	18 ⁷	12 ⁸
Not Expanded	11 ⁹	5 ¹⁰
N=46		

Table 2	
Medicaid Expanded	\$278,097,436
Not Expanded	\$56,971,870
Total	\$335,069,306

Changes in Health Center Funding

Twenty-nine¹¹ states were able to provide data on changing funding levels in SFY2015-2016 which showed

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%2020%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.

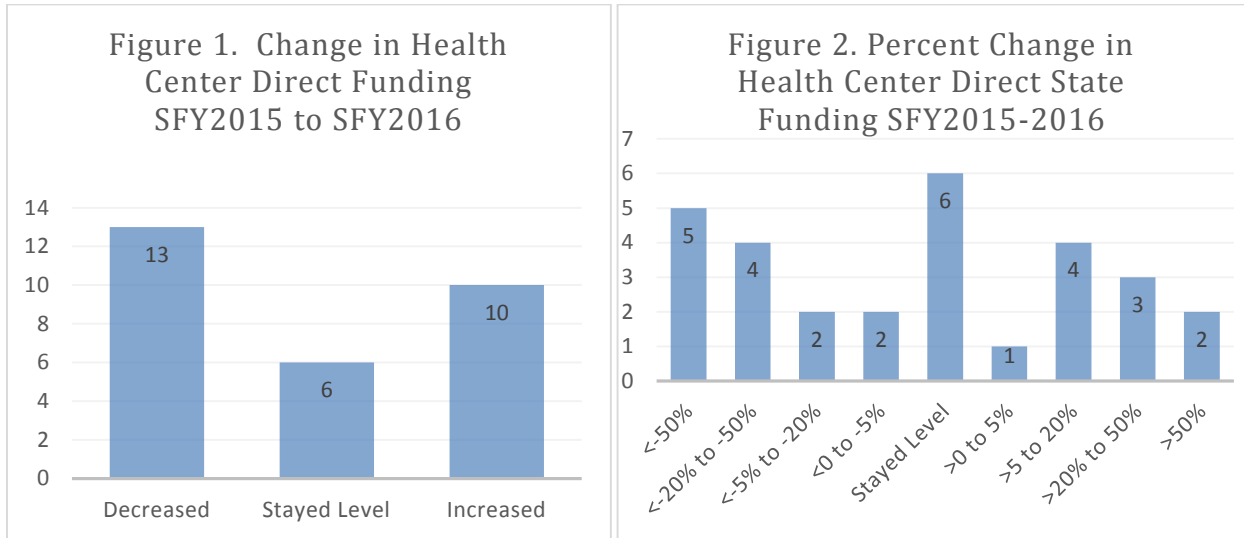
⁸ AK, AZ, AR, CA, DC, IA, MT, NV, OR, PA, RI, and WA.

⁹ FL, GA, MS, MO, NE, NC, OK, SC, TN, UT, and VA.

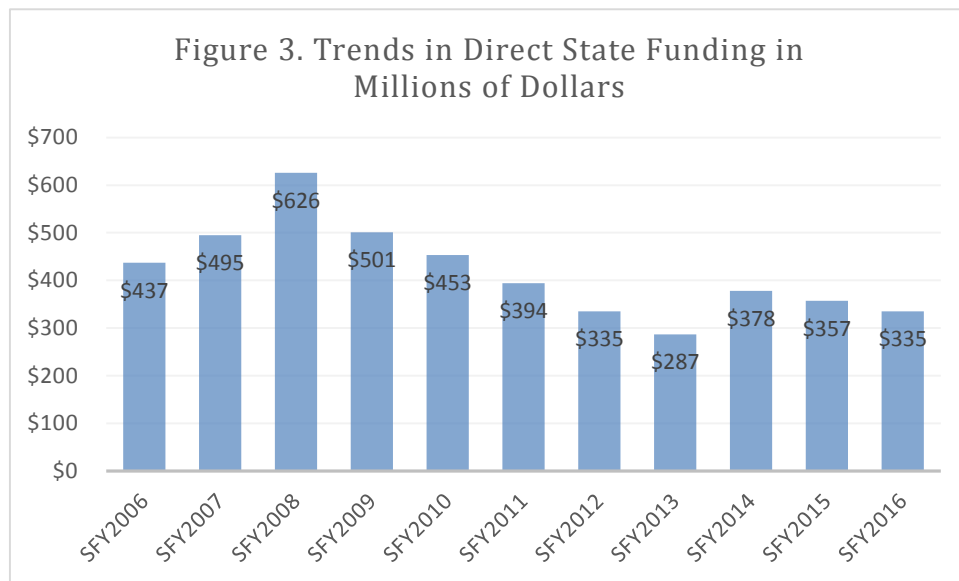
¹⁰ AL, ID, LA, ME, and TX.

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 ten¹² states have increased, thirteen¹³ states have decreased, and six¹⁴ 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.¹⁵



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.



¹² GA, KS, MD, MA, MN, NE, NM, NY, TN, and VA.

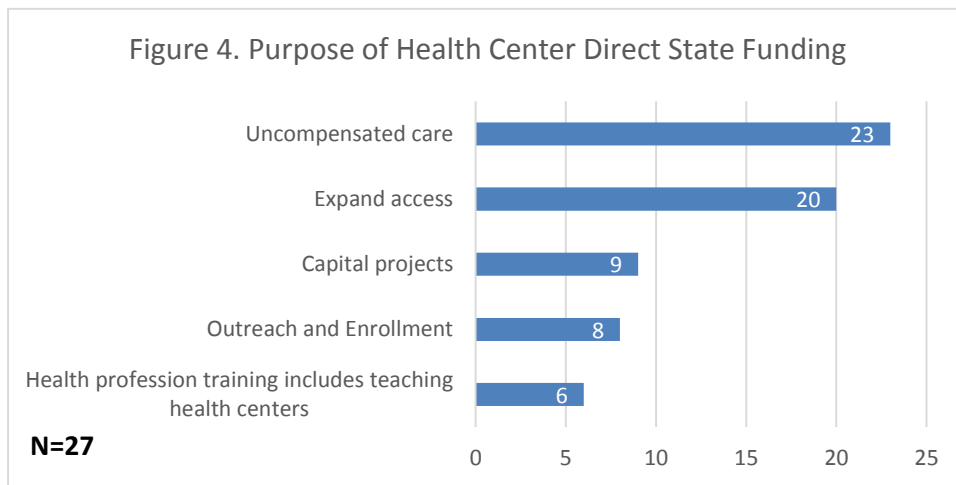
¹³ AR, CO, CT, FL, IN, IA, MS, NH, NJ, OK, TX, UT, and WV.

¹⁴ MI, MO, NC, SC, VT, and WI.

¹⁵ 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 states¹⁶ (19) provide funding directly from the state's budget while six¹⁷ 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 patients¹⁸ (23) and expanding access¹⁹ (20) to underserved communities (i.e. longer clinic hours, a broader array of enabling services, telemedicine, etc.) which is consistent with findings from SFY2015²⁰. Capital projects²¹ (9) which are crucial to updating health center facilities, outreach and enrollment²² (8) which assists patients with obtaining insurance coverage, and health profession training²³ (5) are the next most reported uses for direct funding.



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, NY, NC, OK, SC, UT, VT, VA, and WI.

²⁰ See "State Fiscal Year 2015 Funding for Community Health Centers" available at:

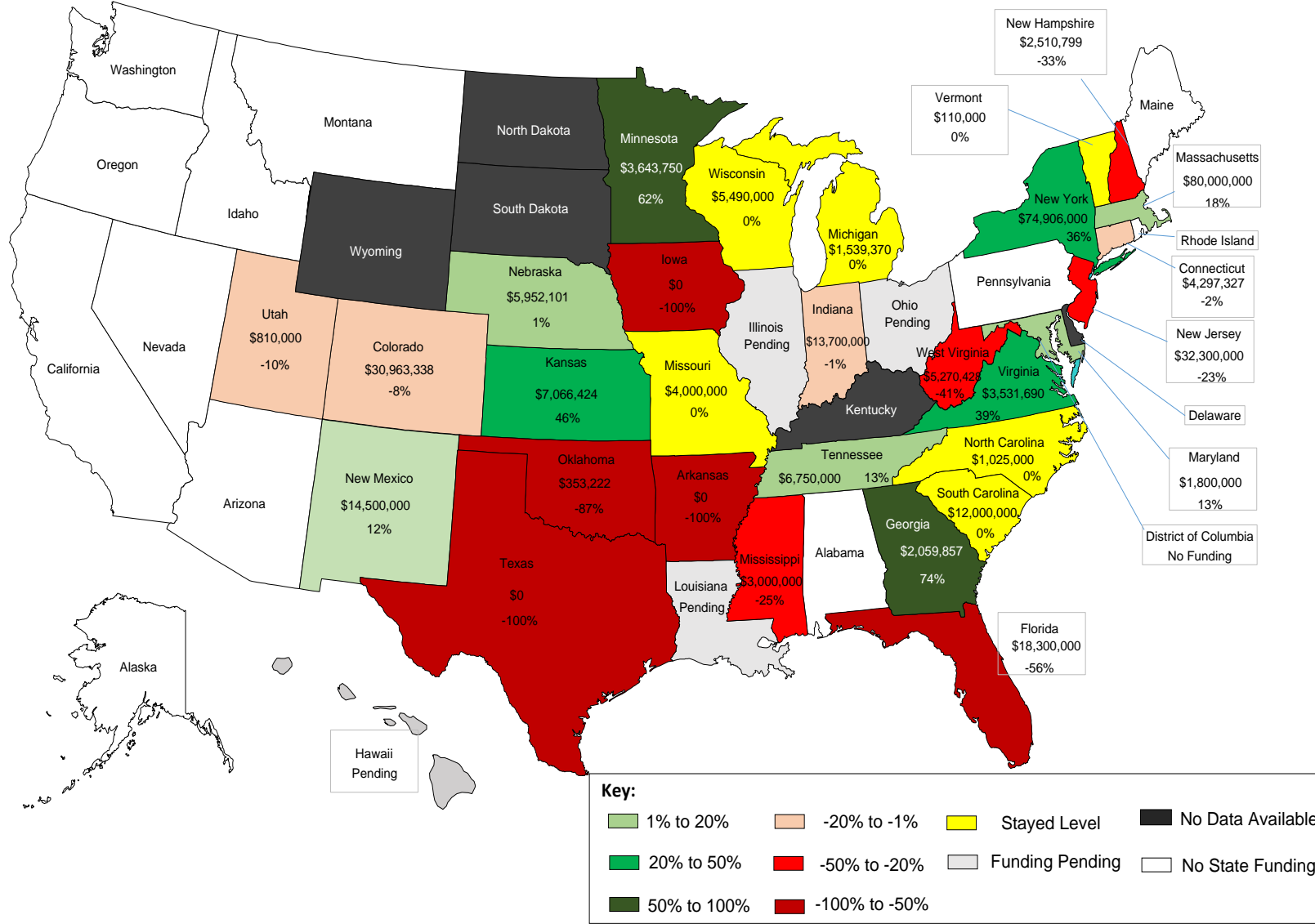
<http://www.nachc.com/client//State%20Funding%20Fact%20Sheet%202015%20revised%20final%20on%202%2020%2015.pdf>.

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



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**State Fiscal Year 2016 Funding for Community Health Centers:
Results from NACHC's 2015 Annual PCA Policy Assessment**

Prepared By:

**Luke Ertle
&
Dawn McKinney**



National Association of Community Health Centers

1400 I Street, NW, Suite 910
Washington, DC 20005

For more information about this publication, please contact:

Dawn McKinney
Director, State Affairs
dmckinney@nachc.org
202.296.3800

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