



Access Is the Answer: Community Health Centers, Primary Care & the Future of American Health Care

This year, millions of Americans will gain insurance coverage, many or most for the first time in years, if ever. That accomplishment, though historic, misses a key point: expanding health care coverage without addressing the need to provide access to high-quality preventive and primary care services addresses only part of the health care equation. **Access is more than just having an insurance card. It is more than getting care in an emergency room.** Access is having a regular, reliable source of quality preventive and primary health care. Unfortunately, too many uninsured – and even insured – Americans have inadequate access to primary care.

People can experience barriers to high-quality, comprehensive primary and preventive care in many forms, including the **availability** of providers where health care resources are scarce, the **affordability** of care regardless of insurance status, or the **accessibility** of providers who understand the culture, language, transportation challenges, and preferences of the surrounding community. Even among people who have an insurance card access may be out of reach because of who they are and where they live.

Our new research uncovers that **62 million people nationwide have no or inadequate access to primary care given local shortages of such physicians**— one important indicator of unmet health needs (Figure 1). Our research, conducted with the Robert Graham Center, also finds that this population represents U.S. residents from all walks of life:

- 43% are low-income, 28% live in rural areas, and 38% are racial/ethnic minorities.
- The vast majority actually have insurance (22% have Medicaid, 58% have other insurance, and 21% are uninsured). However, the uninsured are more affected by the shortage of primary care, with 30% of all uninsured Americans affected compared to 21% of all insured.¹

The impact of improving access to primary care on our nation's health care system cannot be overstated. Research shows that having a usual source of care improves health more effectively than having insurance alone.² When people have access to primary care, health problems are detected and treated before they can become serious and require hospitalization. Extensive evidence documents that access to primary care results in better health outcomes, reduced health disparities, and lower health care expenditures.³ Yet primary care remains off limits to many, including some with chronic illness.

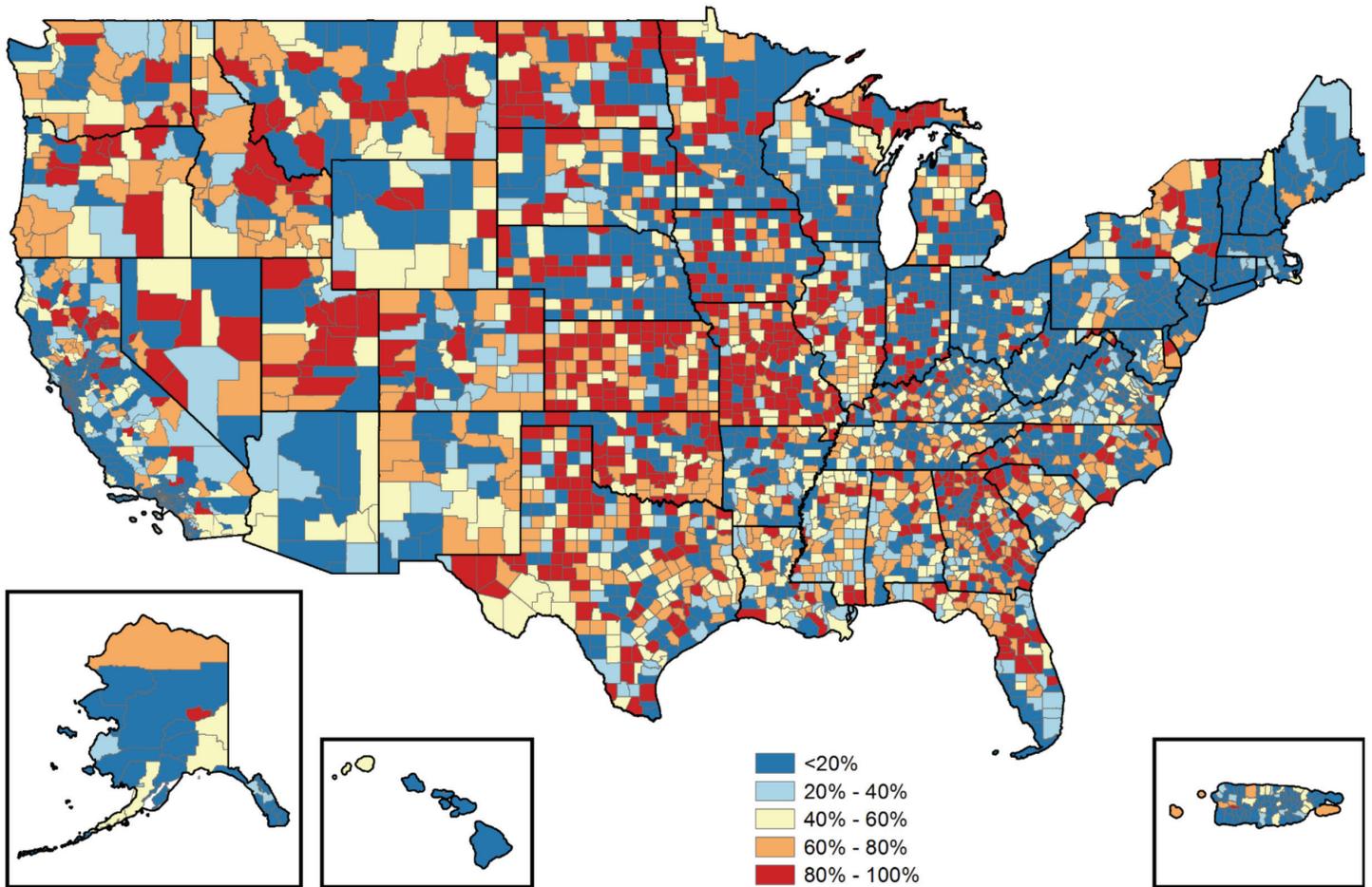
Clearly, **Access is the Answer** to what plagues the American health care system. Expanding access to primary and preventive care improves health and lowers costs, and is the foundation for driving higher quality care.⁴ The good news is that a proven solution exists to expand access to care.

Our research demonstrates that **if it were not for Community Health Centers, 21 million more people could experience the barrier of primary care provider shortages** (Figure 2).

The federal Health Center Program has nearly 50 years of experience in breaking down the many complex barriers to care that people often confront. They provide high-quality, cost-effective primary and preventive care to traditionally underserved communities across America (Figure 3). Currently, Health Centers serve over 22 million people through over 9,000 urban, suburban and rural locations in every state and territory. Research demonstrates their ability to improve access to a regular source of care while holding down emergency room visits and overall health care costs. **Today, demand for Health Centers is escalating under health reform, and they stand ready to apply their proven model in more medically disenfranchised communities across the nation.**



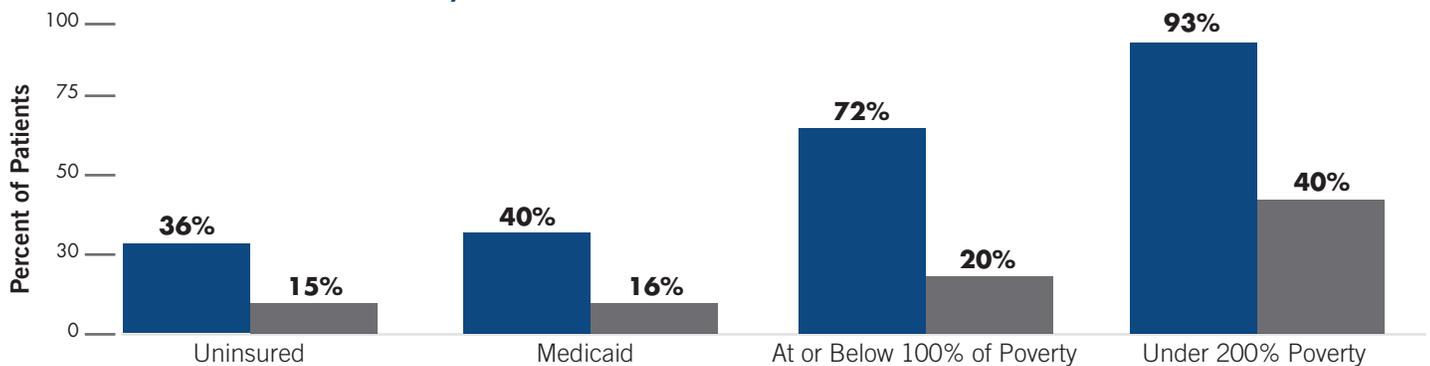
Figure 1: Estimated Percent of County Residents Experiencing Shortages of Primary Physicians, 2013



Source: Created by The Robert Graham Center (2014). US Census 2010; HRSA Data Warehouse 2014 HPSA and MUA/P shapefiles; AMA Masterfile 2013; UDS Mapper 2014.

Figure 3: Health Center Patients Are Disproportionately Poor, Uninsured, and Publicly-Insured

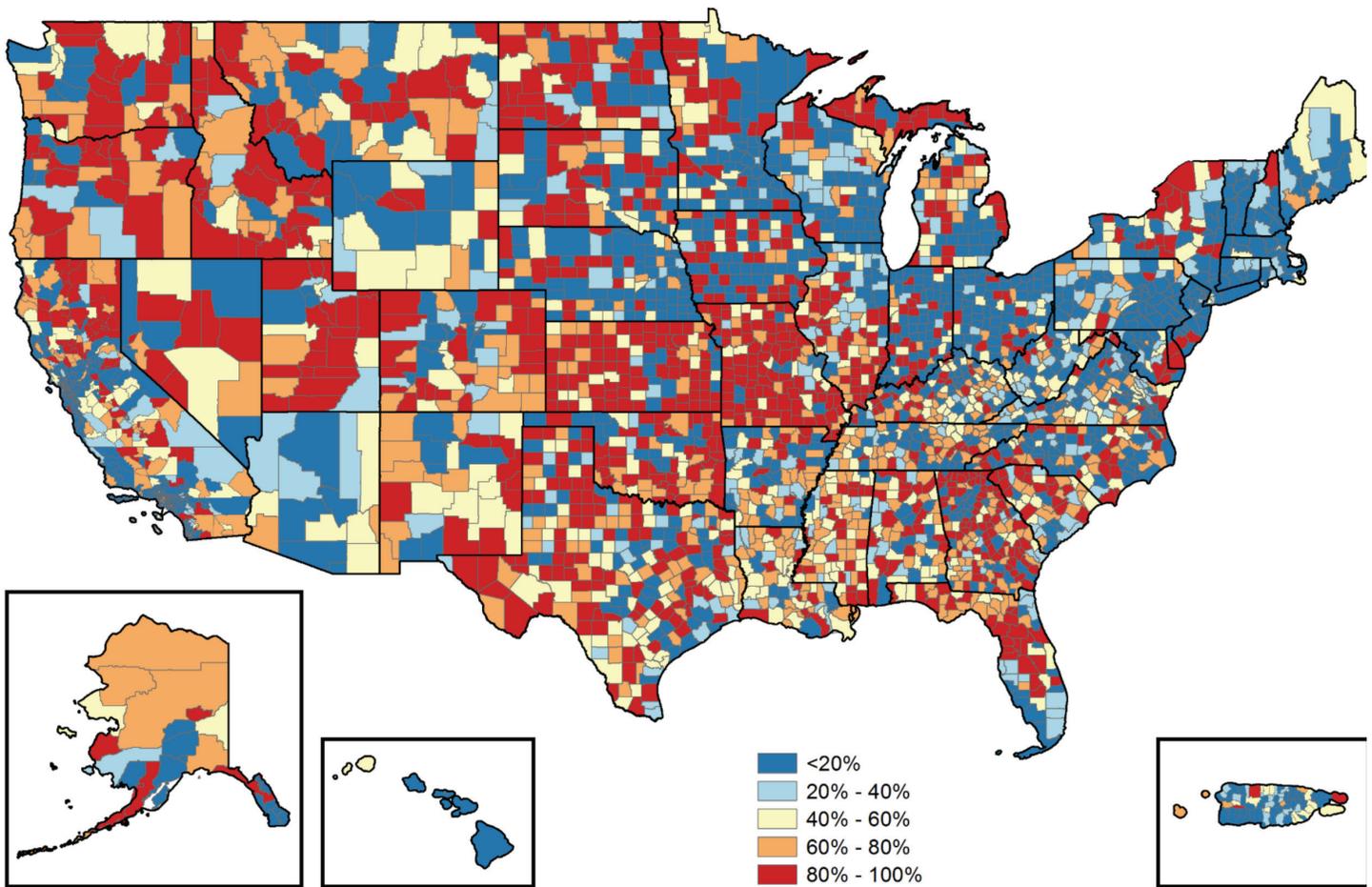
■ Health Centers ■ United States



Source: *Health Centers* data: Based on Bureau of Primary Health Care, HRSA, DHHS, 2012 Uniform Data System. Source for *Health Coverage and Poverty* data: U.S.: Kaiser Family Foundation, State Health Facts Online, www.statehealthfacts.org. Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2012 and 2013 Current Population Survey (CPS: Annual Social and Economic Supplements).



Figure 2: Without Community Health Centers: Estimated Percent of County Residents Experiencing Shortage of Primary Care Physicians, 2013



Source: Created by The Robert Graham Center (2014). US Census 2010; HRSA Data Warehouse 2014 HPSA and MUA/P shapefiles; AMA Masterfile 2013; UDS Mapper 2014.

HEALTH CENTERS AND HEALTH CENTER EXPANSION ARE THE KEY TO ACCESS

The federal Health Center Program is made up of Community, Migrant, Homeless, and Public Housing Health Centers, often collectively known as Community Health Centers or Health Centers. Each Health Center has a federal mandate to improve access to regular, primary and preventive care for populations that would otherwise go without. Strengthening and expanding Health Centers nationwide makes sense as a pragmatic approach that will alleviate the nation’s primary care access challenges, especially as insurance coverage expansions roll forward. **Health Centers have a proven record of reaching people and communities most in**

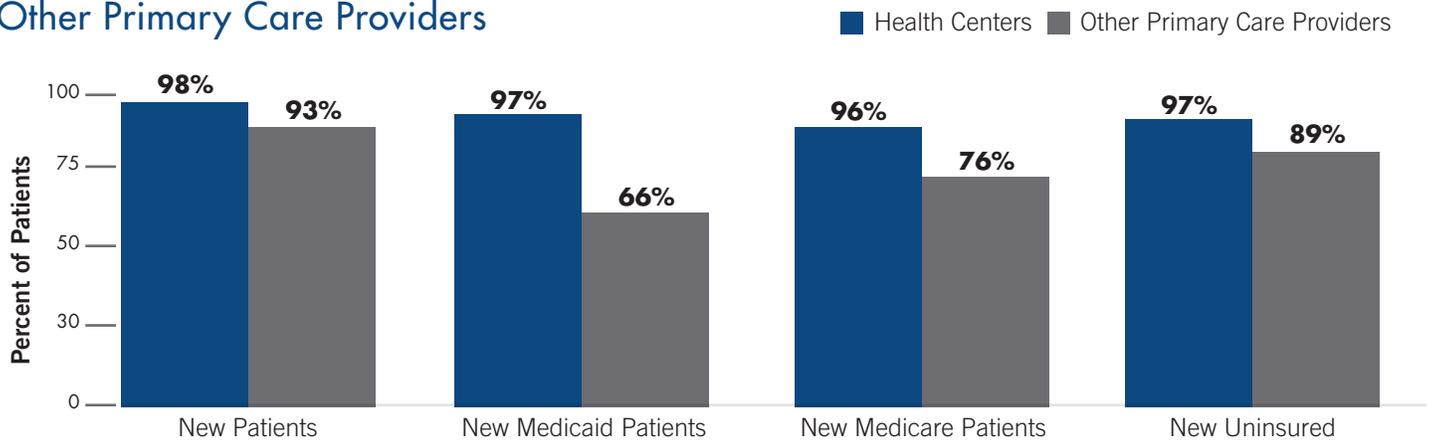
need, delivering high-quality care, and saving the health care system \$24 billion a year.

Improving Access is the Health Center Model

Health Centers are not only *in* the communities they serve but are largely made up *of* the communities in which they thrive. Federal law requires that they operate under the direction of patient-majority governing boards, and that they serve underserved communities and populations where care is needed but scarce. They are mandated to accept all patients no matter their ability to pay and to tailor their services to fit the special needs and priorities of their diverse communities.



Figure 4: Health Centers Have Higher Rates of Accepting New Patients Compared to Other Primary Care Providers



Source: Hing E, Hooker RS, Ashman JJ. Primary Health Care in Community Health Centers and Comparison with Office-Based Practice. J Community Health. 2010 Nov 3 published.

Evidence shows that patients choose Health Centers because they are convenient, culturally competent, affordable, and offer a range of services under one roof,⁵ making it easier for patients to access and use care regularly – the first step in staying healthy and productive. In fact, **low-income communities with greater federal Health Center funding have better access to care** than communities with less federal Health Center funding.⁶

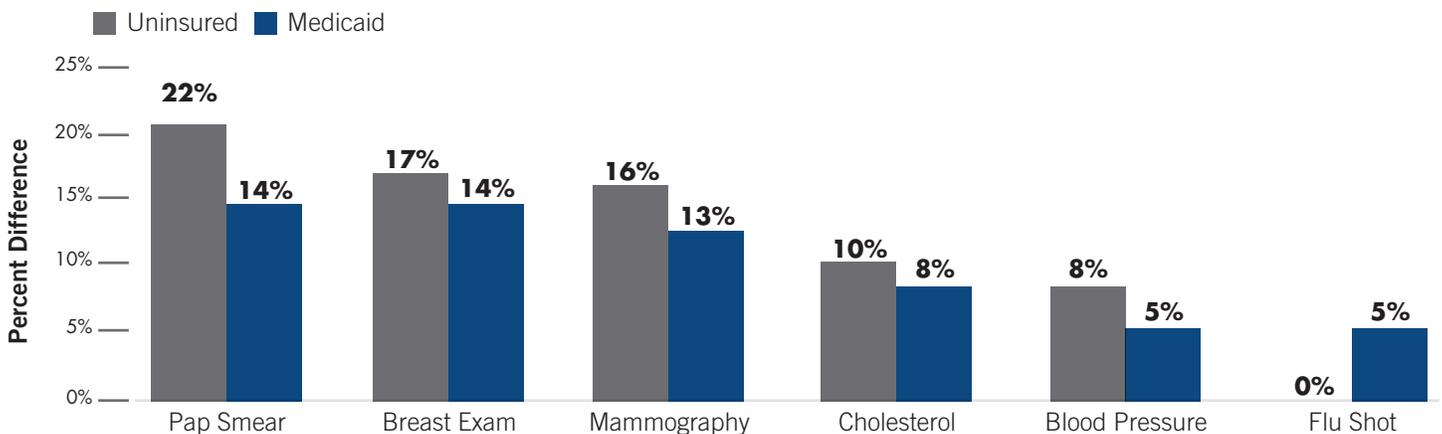
Compared to other primary care providers, Health Centers are more likely to accept new patients (Figure 4), and to offer evening or weekend hours.⁷ Health Centers’ comprehensive model reaches beyond the traditional scope of primary care to provide a full range

of preventive care services not typically seen in other primary care settings, such as dental, mental health and substance abuse, vision, and pharmacy services.

Health Centers Provide High-Quality Care

Despite serving traditionally underserved patient populations, Health Centers have established an impressive record of delivering high-quality care. Research has shown that Health Centers provide better or equal care compared to other primary care providers, all while serving communities with more chronic illness and socioeconomic complexity.⁸ And their patients receive more preventive services, such as immunizations, health education,

Figure 5: Uninsured and Medicaid Health Center Patients Receive More Selected Preventive Services Compared to Patients at Other Primary Care Settings



Source: Dor, A., Pylpchuck, Y., Shin, P., and Rosenbaum, S. Uninsured and Medicaid Patients’ Access to Preventive Care: Comparison of Health Centers and Other Primary Care Providers. Geiger Gibson/RCHN Community Health Foundation Research Brief #4. August 2008.



mammograms, pap smears, and other screenings, than patients of other providers (Figure 5).⁹

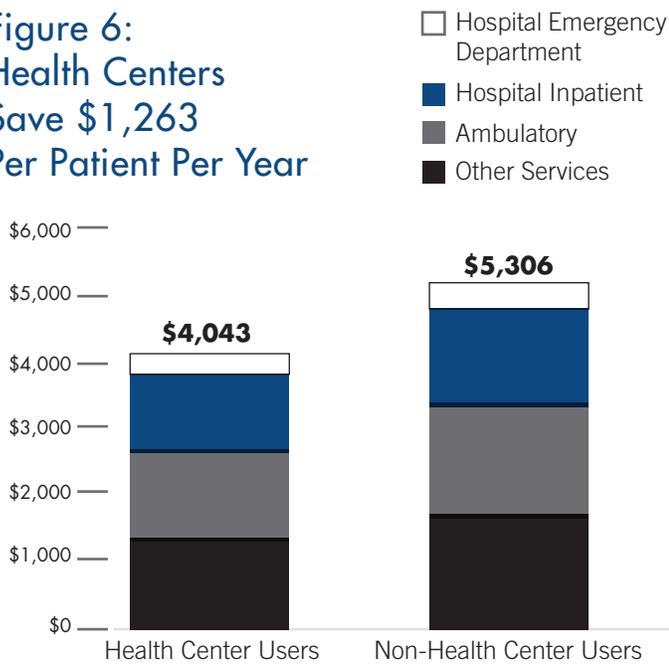
Moreover, **their care leads to positive results for their high-risk patients.** Nearly all Health Centers outperform the average Medicaid Managed Care Organization performance benchmark for diabetes control, hypertension control, and receipt of a Pap test.¹⁰ They also consistently perform better than the national average for low birth weight and narrow racial and ethnic disparities in low birth weight babies.¹¹

Patients recognize these quality achievements. In fact, Health Center patients report higher rates of satisfaction with hours of operation and overall care received than the general U.S. patient population.¹²

Health Centers Save the Health System Money

The American health care system struggles with ballooning costs because the current care delivery system is fragmented and patients rely too heavily on costly, inefficient settings – like hospital emergency departments – to receive even routine services or care that could have been avoided through timely prevention. Greater federal Health Center funding and capacity have been shown to **lower emergency department utilization** among populations that historically experience access challenges, including the low-income, Medicaid-enrolled, uninsured, and rural communities.¹³

**Figure 6:
Health Centers
Save \$1,263
Per Patient Per Year**



Source: NACHC analysis based on Ku L et al. Using Primary Care to Bend the Curve: Estimating the Impact of a Health Center Expansion on Health Care Costs. GWU Department of Health Policy. Policy Research Brief No. 14. September 2009.

Health Centers **save \$1,263 per person per year** because their care is timely, appropriate for the patient and efficient. As a result, costs are lowered across the delivery system from ambulatory care settings to the emergency department to hospital stays (Figure 6). **Not only is their cost of care low, they also generate savings of \$24 billion a year for the entire health system,** including \$6.7 billion in savings for the federal share of the Medicaid program.¹⁴

HEALTH REFORM WILL MEAN MORE DEMAND FOR HEALTH CENTERS

Now and into tomorrow Health Centers will remain a key source of primary care for the uninsured and underinsured, who will rely on Health Centers more heavily for their care needs even after health reform expansion winds down. Although Health Centers will serve more Medicaid and privately insured patients, approximately 40% of Health Centers’ currently uninsured patients could remain without insurance coverage,¹⁵ and new uninsured patients will turn to Health Centers as their best option for care.

Demand for Health Center services will continue to climb. This was the case in Massachusetts after the Commonwealth launched health reform in 2006. In 2005, prior to reform, 36% of Massachusetts Health Center patients were uninsured. This dropped to 20% by 2009 as more patients were covered by Medicaid and Commonwealth Care. Yet Health Centers continued to serve a disproportionate share of the Commonwealth’s total uninsured residents – rising from 22% of all Massachusetts uninsured residents in 2006 to 38% in 2009. Many of these patients could not find care elsewhere, and many were adults with complex and unmanaged chronic conditions, including mental illness.¹⁶

As more Americans realize the promise of insurance coverage, they are also likely to experience the realities of accessing care. **Expanding the reach of Health Centers will be a crucial tool in meeting demand, and with appropriate support, Health Centers stand ready to expand access today and into the future.**



THE ROAD AHEAD: OVERCOMING CHALLENGES TO FACILITATE EXPANDED ACCESS TO CARE

In order to turn the vision of Community Health Center expansion into reality, there must be an ongoing, multi-faceted effort to assure that Health Centers are equipped with adequate resources. Adequate resources are necessary for maintaining the Health Center Program’s current reach of 22 million medically vulnerable patients, as well as extending their reach into the vast medically disenfranchised and underserved communities across the nation.

Strengthening Federal Health Center Funding and Fixing the Primary Care Cliff

The Affordable Care Act (ACA) created the mandatory Health Center Trust Fund to grow the program over existing discretionary funding levels, but the full potential of this fund was never realized. In FY2011, Congress cut funding for the Health Center Program’s discretionary base by \$600 million annually, slashing the Trust Fund’s impact by approximately \$3 billion over 5 years. Additionally, sequestration has further eroded the ACA’s investment in Health Centers.

Under current law, the Health Center Trust Fund is slated to expire by FY2016, leaving only discretionary funding to cover the program’s operations. Even assuming no further reductions (including no further sequestration cuts), **current law would lead to a 70% funding reduction for all existing Health Centers** (Figure 7). This reduction would be catastrophic for centers, forcing them to close sites, lay off staff, and reduce services at the very time their

primary care capacity is needed most. Similarly, crucial primary care workforce development programs are also facing expiring mandatory funds.

In order to secure and expand access to care for millions, **Congress should reauthorize the mandatory Health Center Trust Fund for FYs 2016-2020** with sufficient funding for Health Centers to serve 35 million patients by 2020. Additionally, Congress should continue funding for the vitally important National Health Service Corps and Teaching Health Center primary care workforce programs.

Ensuring Fair and Adequate Medicaid Reimbursement

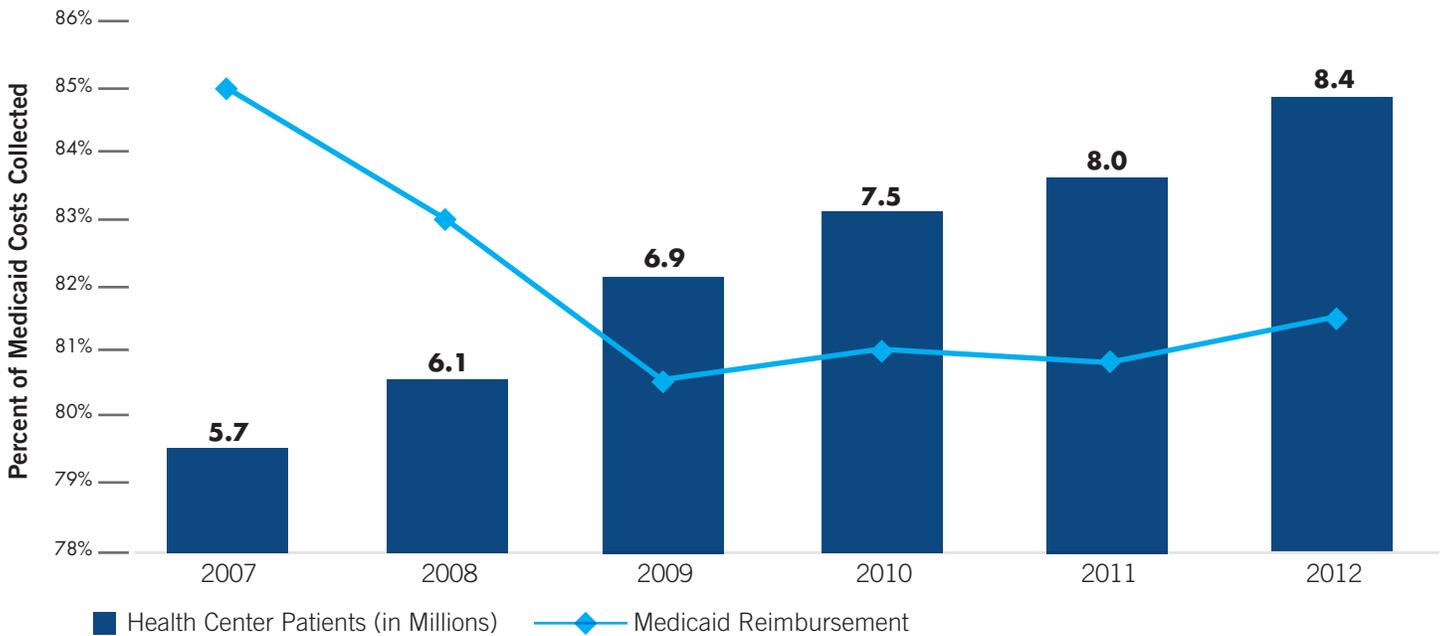
As many current and future Health Center patients become eligible for Medicaid, adequate Medicaid payments become even more essential for Health Centers’ sustainability. Medicaid is the largest insurer of Health Center patients and represents 38% of total revenue – Health Centers’ largest source of financing and directly proportional to the percent of patients with Medicaid. Over the years, Medicaid reimbursement has fallen notably below costs at a time when Health Centers serve more Medicaid patients (Figure 8). The expected increase in patient volume will not make up for per-patient revenue losses.

Health Centers’ Medicaid payments are intended to cover their comprehensive services, including dental, mental health, and pharmacy services. This payment structure also ensures that Health Center grant revenues can be dedicated to care for the uninsured rather than subsidizing care for Medicaid patients.

Figure 7: Health Center Funding Under Current Law
Community Health Center Funding: FY 2010 – FY 2016



Figure 8: Medicaid Reimbursement Rate Has Declined as Health Center Medicaid Patients Have Increased



Since this reimbursement requirement went into effect, Health Centers were able to apply their freed-up grant funds to double the number of uninsured patients they serve.

As states examine varying options for expanding and reforming Medicaid, and as Congress examines the future viability of the program, **policymakers must ensure that Health Centers continue to receive Medicaid payment under their current Federally-Qualified Health Center prospective payment system (PPS).**

ACCESS IS THE ANSWER: MAKING MEANINGFUL CARE A REALITY FOR ALL

Although having insurance overcomes many fiscal barriers to accessing health care, it is not enough to guarantee access to an accessible, high-quality usual source of primary and preventive care, including dental, behavioral health, and pharmacy care that are also critically important for improving health.

Health Centers' unique and comprehensive model of care complements broader insurance coverage while also filling in the gaps where insurance does not reach given limited provider availability, accessibility, or the complete lack of insurance. They stand as a proven solution for breaking down multiple barriers to care, and are ready to expand access to millions more in need, regardless of insurance status.

In order to turn this vision into reality, increased federal funding and adequate reimbursement from third-party payers are the first steps in assuring that Health Centers have the resources, staffing, and facilities necessary to serve as a true health home to all Americans in need.



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