



July 17, 2025

The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Oz:

On behalf of the 1,496 Community Health Centers (CHCs) nationwide, thank you for your support and commitment to the mission of CHCs and the vital care they provide for 32.5 million patients. As you begin implementing the Rural Health Transformation Program, I urge you to prioritize investment in primary care, especially at Community Health Centers (CHCs). I would welcome the opportunity to discuss this with you and the team that will be leading this initiative.

Community Health Centers are the best, most innovative, and resilient part of our nation's health system. For sixty years, health centers have provided high-quality, comprehensive, affordable primary and preventive care. In addition to medical services, CHCs provide dental, behavioral health, pharmacy, vision, and other essential health services to America's most vulnerable, medically underserved communities in urban, rural, suburban, frontier, island, and Alaskan native communities. CHCs serve as the healthcare safety net for at least 10% of the U.S. population, including at least 20% of rural communities.

We appreciate the administration's focus on preventing and managing chronic disease, as well as the recognition of CHCs' foundational role in making that a reality. As the Administration for a Healthy America's Congressional Justification noted, "Health centers are at the forefront of efforts to Make America Healthy Again through increasing access to chronic disease prevention and management (e.g. hypertension, diabetes), nutrition counseling and patient health education services, cancer screenings, and comprehensive primary health care services, including preventive services, mental health, and wellness activities."

CHCs are uniquely positioned to help achieve the administration's goals of preventing and managing chronic diseases, reducing long-term federal healthcare costs, and keeping patients out of more expensive care settings. As the largest primary care network in the nation, CHCs have the potential to be powerful agents of change in transforming the healthcare system through innovation. Increased investment in CHCs will enhance existing tools and expand access to additional resources that improve health outcomes and help bend the cost curve. However, too often, the latest healthcare technologies remain out of reach for CHCs due to the razor-thin margins under which they operate. For example, the use of ambient artificial intelligence tools has the potential to revolutionize primary care and improve patient and provider satisfaction; however, widespread adoption is limited due to a lack of capital. Moreover, investing in building out CHC

data infrastructure could lead to more effective payment models, real-time dashboards, and IT solutions to ensure patients maintain health coverage.

As you know, the United States underinvests in comprehensive primary care. The current estimates indicate that less than 5% of total national healthcare spending is allocated towards primary care, despite the National Academies of Sciences, Engineering, and Medicine report finding that, "...primary care is the only part of health care where an increased supply is associated with better population health..."

Multiple studies have confirmed that greater investment in CHCs' unique comprehensive primary care model will lead to better health outcomes for Americans, while also reducing long-term healthcare spending. For example, access to primary and preventive care at CHCs reduces utilization of costlier services such as ED visits, hospitalizations, and outpatient specialty care.¹ Confirming the return on investment, an Oregon study found that \$1 spent on primary care leads to \$13 in health care savings.² A recent study showed that pediatric patients at CHCs had 20% more primary care visits, and 17% fewer hospitalizations compared to non-CHC patients.³ Another study found that CHCs save Medicaid \$1,400 per adult patient per year by providing comprehensive primary and preventive care at a lower cost than other primary care providers.⁴

Other research has consistently shown the value of primary care in improving mortality rates. For example, when examining deaths from all causes, researchers found that adding one primary care doctor per 10,000 people resulted in an average 5.3% reduction in deaths.⁵ Based on current mortality data, this translates to approximately 165,000 fewer deaths annually. Furthermore, increasing primary care can lead to higher life expectancy and lower mortality rates. For every 10 more primary care physicians per 100,000 people, life expectancy increased by 52 days, while cardiovascular deaths declined by 0.9%, cancer deaths by 1% and respiratory deaths by 1.4%.⁶

According to NACHC projections, based on Congressional Budget Office estimates, four million CHC patients may become uninsured in the future, resulting in an annual increase of \$7 billion in uncompensated care due to the recent reconciliation law. Using analysis based on [a recent study](#), this level of disruption could lead to 5,000-6,000 preventable CHC patient deaths per year. These coverage changes will exacerbate an already difficult financial picture for CHCs. On average, CHCs operate with margins below -2%, and nearly half of all CHCs (42%) operate with cash on hand that will last 90 days or less.

Again, I welcome the opportunity to work with you and your team to ensure that CHCs are fully integrated into the Rural Health Transformation Program. Additionally, I urge you to encourage

¹ Pourat N, Differences in Health Care Utilization of High-Need and High-Cost Patients of Federally Funded Health Centers Versus Other Primary Care Providers. *Med Care* 2024 Jan 1;62(1):52-59

² <https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/PCPCH-Program-Implementation-Report-Final-Sept-2016.pdf>

³ Volerman, A et al., Utilization, quality, and spending for pediatric Medicaid enrollees with primary care in health centers vs non-health centers. *BMC Pediatric*. 2024 Feb 8;24(1):100.

⁴ Nocon R. Research on Health Center Value and Financial Performance. Presented at the NACHC Community Health Institute. August, 2022.

⁵ <https://pubmed.ncbi.nlm.nih.gov/17436988/>

⁶ <https://pmc.ncbi.nlm.nih.gov/articles/PMC6435370/>

Governors to work with CHCs in their states through the State and Regional Primary Care Associations as work begins to develop state plans. Thank you for your leadership and for considering the vital role CHCs play in advancing health for all and improving outcomes for millions of Americans.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kyu Rhee". The signature is fluid and cursive, with the first name "Kyu" and last name "Rhee" clearly distinguishable.

Kyu Rhee, MD, MPP
President and Chief Executive Officer