



February 2026

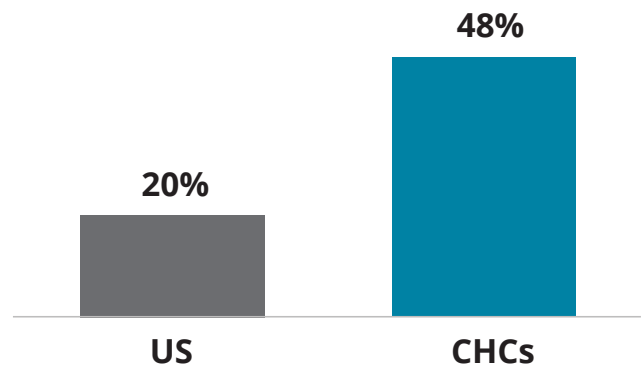


Mary's Center, Washington, DC

Community Health Centers and Medicaid: Working Together to Make Americans Healthy

Community Health Centers (CHCs) provide effective, affordable, comprehensive primary and preventive care to low-income and medically underserved communities.¹ Medicaid is the country's largest health insurer for low-income and disabled people. **In 2024, CHCs served over 16 million Medicaid patients – more than 1 in 4 Medicaid beneficiaries.**² Of 34 million patients served annually at CHCs, 1 in 2 patients (48%) were Medicaid enrollees. CHCs are a key partner for Medicaid as it innovates to improve health while lowering costs.

PERCENT OF THE POPULATION WITH MEDICAID/CHIP,
U.S. VERSUS HEALTH CENTERS, 2023

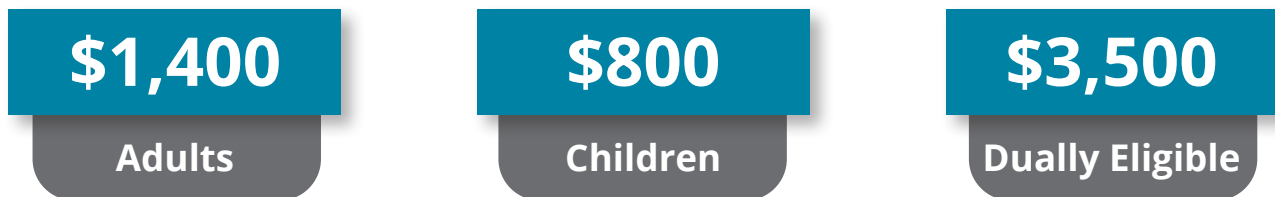


CHCs Reduce Medicaid Spending

CHCs provide cost-effective services that keep Medicaid patients healthy. In 2024, **CHCs provided care to 24% of all Medicaid beneficiaries**, but CHC payments **made up only 2.5% of total Medicaid spending.**

CHCs provide comprehensive primary and preventive care at a lower cost than other primary care providers, saving Medicaid \$1,400 per adult patient per year.³

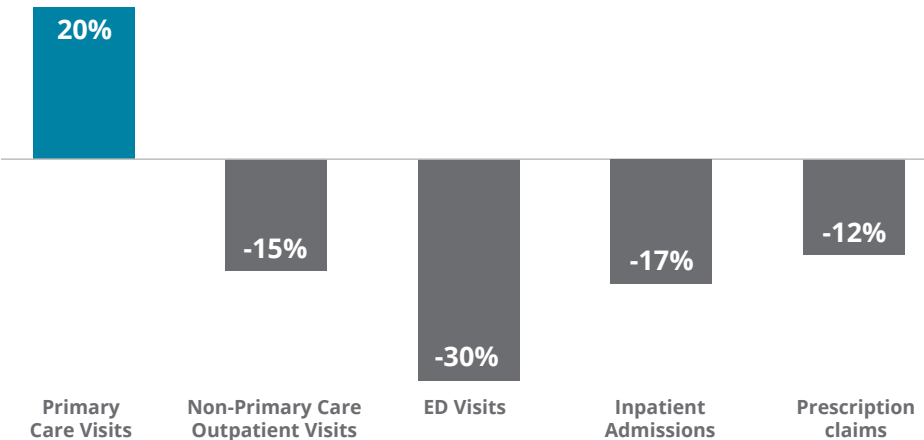
ANNUAL MEDICAID SAVINGS PER HEALTH CENTER PATIENT:



A 2024 landmark report from the Congressional Budget Office found that **CHCs create significant overall savings by reducing long-term spending in Medicare and Medicaid** leading to a net reduction in federal spending by \$3.4 billion.⁴

Access to primary and preventive care at CHCs reduces utilization of costlier services such as ED visits, hospitalizations, and outpatient specialty care.⁵ A recent study showed that pediatric patients at CHCs had 20% more primary care visits and 17% fewer hospitalizations compared to non-CHC patients.⁶

PEDIATRIC PATIENTS AT CHCS USE MORE PRIMARY CARE AND LESS COSTLIER SERVICES COMPARED TO NON-CHC PATIENTS.⁶



“ We ran into some hard times when my husband, who is a veteran, needed major surgery and wasn’t able to work for several months. Medicaid is what helped us stay afloat. ”

CHC PATIENT, OREGON

A 2023 study showed that CHCs saved the Medicaid program \$38.6 billion by keeping patients healthy and avoiding unnecessary costs.⁷ This study is consistent with decades of research showing CHC cost savings to Medicaid populations.⁸ Research has also shown that in areas with greater increases in federal CHC funding, patients with Medicaid are less likely to delay seeking care due to cost, are more likely to have a usual source of primary care, and are less likely to rely on the ED for care.⁹

Adequate Medicaid payments are essential for CHCs to sustain comprehensive primary and preventive care in low-income communities. Over 16 million CHC patients, including 7 million children receive their health insurance through Medicaid. Medicaid payments represent 44% of CHCs total revenue, making it their largest funding source. Yet, Medicaid payments in 2024 covered only 85% of the cost associated with caring for that population, leading to a collective uncompensated care cost of nearly \$3.8 billion.¹⁰

CHCs deliver value to Medicaid and CHIP and ensure reliable access to care in communities across the country.

Source:

- 1 As defined in the PHSA sections 330(b)(1)-(2)
- 2 Georgetown University Center for Children and Families. 2023 Medicaid and CHIP Snapshot Data Sources. <https://ccf.georgetown.edu/2023/08/11/2023-medicaid-and-chip-snapshot-data-sources/>
- 3 Nocon R. Research on Health Center Value and Financial Performance. Presented at the NACHC Community Health Institute. August, 2022.
- 4 Congressional Budget Office. Cost Estimate: Bipartisan Primary Care and Health Workforce Act. <https://www.cbo.gov/system/files/2024-02/s2840.pdf>
- 5 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
- 6 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.
- 7 Capital Link. The Value and Impact of the National Health Center Program. 2025.
- 8 Ku et al., The Value Proposition: Evidence of the Health and Economic Contributions of Community Health Centers. Geiger Gibson / RCHN Community Health Foundation Research Collaborative, George Washington University. August 2022.
- 9 McMorrow S and Zuckerman S. Expanding federal funding to community health centers slows decline in access for low-income adults. *Health Serv Res*. 2014 Jun;49(3):992-1010.
- 10 Uniform Data System 2023. BPHC, HRSA, DHHS.