

National Health Care for the Homeless Council

FY 2014 HRSA Appropriations: Community Health Centers

FY 2014 FUNDING REQUEST: \$1.6 billion in discretionary funding All funds (\$2.2 billion) appropriated through the ACA maintained

Background: Funded through the Health Resources and Services Administration, community health centers are non-profit, community-based organizations that provide patient-centered, comprehensive, and cost-effective health care to low-income individuals and families regardless of their ability to pay. Located in medically underserved urban and rural communities, health centers served over 20 million people at more than 8,000 locations in 2011. More than 70% of health center patients had income below the federal poverty level and 36% had no insurance.

Health Care for the Homeless (HCH) projects are a “special populations” category of health centers (receiving 8.7% of health center funding) that deliver comprehensive primary health care, behavioral health, and support services for individuals and families experiencing homelessness. Last year, 243 federally funded HCH projects served more than 800,000 homeless individuals-- 90% were below the federal poverty level and 62% had no insurance.

Justification: The need to expand the health center program is great. The combined impact of rising housing costs, a depressed economy, and high rates of unemployment have increased demand for health center services. This need is substantial in its own right, but the forthcoming increases in insurance coverage due to the ACA will put even more strain on current health center capacity. **Right now, there are over 1,800 qualified but unfunded grant applications to expand the health center program, either through new sites or new services.** Our request to maintain the existing funds allocated for the health center program will allow hundreds of these grants to be accepted, leading to new sites, additional providers, and expanded services at a time when HCH programs and other health centers desperately need to prepare for insurance expansions. **Maintaining this investment is critical as health centers experienced a \$120 million FY13 sequestration cut and face over \$250 million in sequestration cuts on funds allocated under the ACA and regular discretionary funds in FY14. Against these challenges, level funding is absolutely needed.**

FOUR REASONS TO EXPAND THE HEALTH CENTER PROGRAM

1. **Health centers reduce health system expenditures and public entitlement costs through reducing preventable ambulatory and hospital-based care:**

- Health centers spend 37% less per patient than other physician settings (see figure).^{1,2}
- Counties with Health Centers have 25% fewer ED visits than counties without health centers.³
- Medicaid beneficiaries who rely on health centers have 19% fewer ED visits and 11% fewer ambulatory case sensitive hospital admissions.⁴
- Health center save \$1,262 per patient per year.⁵

Average Cost per Patient per Day

Hospital Inpatient:	\$41.36
Hospital Outpatient:	\$7.59
Emergency Room:	\$3.64
All Physician Settings:	\$2.64
Health Centers:	\$1.67

Source: NACHC. Community Health Centers: The Local Prescription for Better Quality and Lower Costs. March 2011

2. Health centers create jobs and generate economic activity:⁶

- Health centers generated \$20 billion in direct and indirect economic activity in 2009.
- Health centers produced 189,158 jobs in economically challenged rural and urban areas in 2009.
- Health centers will create 284,323 more jobs and generate \$54 billion in economic activity by 2015 if expansion occurs as planned.

3. Health centers are needed more than ever:

- 48.6 million Americans are uninsured.⁷
- States who choose not to participate in Medicaid expansion will continue to have high uninsurance rates, needing even more accessible and affordable primary care.
- Approximately 60 million lack adequate access to primary health care.⁸
- In 2009, 43% of identified “medically underserved areas” still lack a health center.⁹

4. HCH projects promote access to care for a vulnerable population:

- The recession has resulted in increased homelessness, particularly in families.
- At least 1.6 million individuals experienced homelessness at some point in 2010.¹⁰
- Less than half of homeless individuals receive regular medical care.¹¹
- HCH projects reduce higher-cost hospital utilization. Impoverished and homeless populations use the ER three times more often than other groups, due in part to lack of access to other sources of care.¹²

Investments in community health centers make good fiscal sense: Health centers reduce total health system expenditures, create jobs, generate significant economic activity, and reduce high-cost ER and hospital use.

Notes:

¹ Agency for Health Care Quality and Research (AHQR) Medical Expenditure Survey Summary Tables, 2008. Available at <http://meps.ahrq.gov>.

² Bureau of Primary Health Care, Health Resources Services Administration (HRSA), DHHS. 2011 Uniform Data System.

³ Rust George, et al. “Presence of a Community Health Center and Uninsured Emergency Department Visit Rates in Rural Counties.” Winter 2009 *Journal of Rural Health* 25(1):8-16.

⁴ Falik M, et al. “Comparative Effectiveness of Health Centers as Regular Source of Care.” January - March 2006. *Journal of Ambulatory Care Management* 29(1):24-35.

⁵ Leighton, Ku et al. “Strengthening Primary Care to Bend the Cost Curve: The Expansion of Community Health Centers Through Health Reform.” Geiger Gibson/RCHN Community Health Foundation Research Collaborative. George Washington University: Department of Health Policy. June 30, 2010

⁶ NACHC, Capital Link. Community Health Centers as Leaders in the Primary Care Revolution. August 2010. Available at http://www.nachc.com/client/documents/Primary_Care_Revolution_Final_8_16.pdf

⁷ DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith, U.S. Census Bureau, Current Population Reports, P60-243, Income, Poverty, and Health Insurance Coverage in the United States: 2011, U.S. Government Printing Office, Washington, DC, 2012. Available at <http://www.census.gov/prod/2012pubs/p60-243.pdf>.

⁸ NACHC. “Primary Care Access: An Essential Building Block of Health Reform.” March 2009. Available at <http://www.nachc.com/client/documents/pressreleases/PrimaryCareAccessRPT.pdf>

⁹ Government Accountability Office. “Many Underserved Areas Lack a Health Center Site, and Data are Needed on Service Provision at Sites.” April 2009. Available at <http://www.gao.gov/new.items/d09667t.pdf>

¹⁰ U.S. Department of Housing and Urban Development (HUD). The 2010 Annual Homeless Assessment Report to Congress. Washington, DC. Available at: <http://www.hudhre.info/documents/2010HomelessAssessmentReport.pdf>.

¹¹ Brown RT, Kimes RV, Guzman D, & Kushel M. “Health Care Access and Utilization in Older versus Younger Homeless Adults.” *Journal of Health Care for the Poor and Underserved*. Vol. 21(3), August 2010.

¹² Center for Disease Control and Prevention: National Center for Health Statistics. *National Health Interview Survey*. 2009.