Access is the Answer: The Continued Need for Community Health Centers

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Challenges Facing Health Centers

• Increasing demand & changing payer mix
• Maintaining funding streams
• Workforce
  – Importance of programs like National Health Service Corps
• Complex patients
• Delivery system and infrastructure challenges
  – Medicaid & uninsured patients less access to specialty care
  – Acquisition and use of HIT
• Health centers are engaged in quality improvement
  – E.g., PCMH transformation, behavioral health integration
Continued Need for Health Centers

• Significant unmet health care needs
  • Rising demand = includes all insurance types
  • Communities lacking access to care due to shortage or other reasons
  • Insurance coverage does not guarantee access
  • There will always be uninsured patients

• Need accessible, comprehensive model of care
Estimated Percent of County Residents Experiencing Shortages of Primary Care Physicians, 2013


62 million
• Community governance
• Serve federally-designated medically underserved areas/populations
• Non-profit, must be open to all
• Broad definition of “health”
  – primary care, dental, behavioral health, vision, pharmacy, services to facilitate care utilization, etc
• Regular community needs assessments
• Meet other performance & accountability requirements regarding administrative, clinical, & financial operations
Health Centers Treat More Uninsured, Medicaid, and Poor Patients

- **Uninsured**
  - Health Centers: 36%
  - United States: 15%

- **Medicaid**
  - Health Centers: 40%
  - United States: 16%

- **At or Below 100% of Poverty**
  - Health Centers: 72%
  - United States: 20%

- **Under 200% of Poverty**
  - Health Centers: 93%
  - United States: 40%

Massachusetts Health Centers and Health Reform

• Experienced surge in demand
• Percent of patients without insurance dropped at first but has been steady since 2008
  –32.7% in 2007, 25.7% in 2007, 21-20% in 2008-2012
• Yet now see more of state’s uninsured population
  –22% of all uninsured in 2006 vs 38% of all uninsured in 2009
• New patients often had unmanaged chronic conditions
• Required ongoing support to continue to care for patients and over outreach/enrollment costs
Growing and Sustaining Health Centers

• Very Low Operating Margins
• Federal Health Centers Program Funding Cliff
  – Important for reaching the uninsured and supporting a comprehensive model of care for all patients
  – Ensure health centers serve all regardless of patient risk
  – Reach new communities in need
• Gaps in Medicaid Reimbursement
  – Has not kept up with the cost of care
  – Insurance expansion does not make up for per patient losses
• Exchanges
  – Underpayment in private insurance
  – Little room for negotiating
Federal Health Center Funding Under Current Law, FY2010-FY2016

$ in Billions

- **FY 2010**: 0.25 (ARRA)
- **FY 2011**: 1.58
- **FY 2012**: 1.58
- **FY 2013**: 1.495
- **FY 2014**: 1.495
- **FY 2015**: 3.6
- **FY 2016**: 1.495

- **Base Discretionary Appropriation**
- **Mandatory Funding**
- **ARRA**
Future Issues for Health Centers

Need: Build capacity and meet remaining needs
- Maintain capacity
- Reach new communities, expand services
- Delivery system changes and needed infrastructure (eg, HIT, PCMH, care coordination, etc.)

How: Continue & strengthen sources of support
- Sustaining revenue / closing revenue gaps
  - Prevent Federal Health Center funding loss
  - Ensure fair and adequate reimbursement from payors
- Sustain workforce placement programs
  - Prevent Federal funding cuts to NHSC