

# Community Health Centers and Health Reform

Dan Hawkins

National Association of Community Health  
Centers

*July 23, 2012*

## Brief History of Health Centers

### Health Centers: Five Basic Characteristics -

- Location in high-need areas
- Comprehensive health and related services (especially 'enabling' services)
- Open to all residents, regardless of ability to pay, with charges prospectively set based on income
- Governed by community boards, to assure responsiveness to local needs
- Strict performance/accountability standards for administrative, clinical, and financial operations

National Association of Community  
Health Centers - 2012

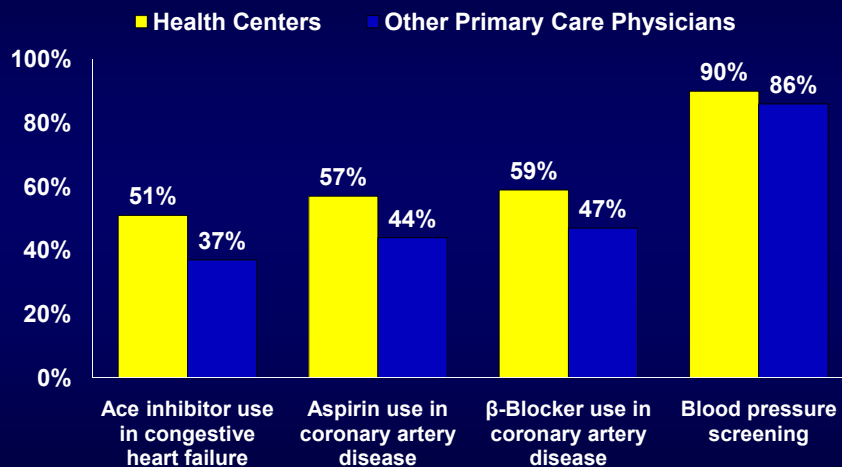
## Accomplishments of Health Centers

- **Excellent Quality of Care:** More Effective Care, Better Use of Preventive Care, Fewer Infant Deaths
- **Major Impact on Minority Health:** Significant Reductions in Disparities for Health Outcomes, Receipt of Preventive and Condition-Related Care
- **Higher Cost-Effectiveness:** 24% Lower Overall Costs, Lower Specialty Referrals and Hospital Admissions, \$24B in Health System Savings
- **Significant Community Impact:** Employment and Economic Effects, Contribution to Community Well-Being, Development of Community Leaders
- **Bipartisan support** – Congressional majority and key Presidential candidates praise work, mission of health centers, call for continuation & growth

National Association of Community  
Health Centers - 2012

## Health Centers Perform Better on Key Quality Measures than Private Practice Physicians

(July 2012 Stanford study)



Source: Goldman, L.E., Chu, P.W., Tran, H., Stafford, R.S. 2012. Federally Qualified Health Centers and private practice performance on ambulatory care measures. American Journal of Preventive Medicine, published ahead of print.

## Key Health Reform Provisions for Health Center Growth

- **New Funding for Health Centers:** \$11 Billion over 5 years (dedicated funding).
  - **GOAL:** Funding over and above the \$2.2 billion in annual funding, doubling CHC footprint over the next 5 years, allowing them to reach and serve 20 million additional patients and serve as access points and health homes for the newly insured.
  - **STATUS:** FY2011 reduction to CHC base of \$600 million reduced health reform's expansion. But growth continues and to date 286 new health center sites have been funded through ACA.
  
- **New Funding for Primary Care Workforce:** \$1.5 Billion over 5 years (dedicated funding) for National Health Service Corps (NHSC).
  - **GOAL:** Funding over and above the \$142 million in annual funding for NHSC, allowing them to place up to 17,000 additional clinicians in underserved areas (many at CHCs)
  - **STATUS:** FY2011 & FY2012 reduction to NHSC base reduces health reform's expansion, but historically significant support continues.

## The Supreme Court Decision: Impact on Coverage and CHC Care

- **Court's decision allows states to decide whether to expand Medicaid to all below 138% poverty**
  - Most states weighing cost and potential savings of action (Urban Institute data shows net savings in 44 states - \$49B)
  - In balance hangs fate of 11 – 17 million poor Americans who could be left with nothing if their states opt out
- **State decisions will affect CHC growth potential**
  - Growth could be curtailed by as many as 5 million people
- **Regardless, CHCs will actively reach out to find and help millions of people to enroll in vital coverage, and will continue caring for those who remain uninsured**

National Association of Community  
Health Centers - 2012

## **Reasons for Success of CHC Model**

**Embedded in its very design and operational accountability mechanisms.**

- ❑ Health centers are partnerships ----- people/ governments/ communities working together to meet health needs.
- ❑ Health centers were built by local community initiative – every single one of them (was never a federal handout or giveaway)
- ❑ Health center patients contribute to their care- paying what they can.
- ❑ In health centers' world, need for healthcare, more than any other factor, determines how health centers relate to their communities and conduct their operations.
- ❑ Limited federal grants provided seed money, empowering communities to find partners, hire needed health professionals, and build their own entry points into delivery system.

**The very directness and simplicity of the health center mission is its indispensable strength.**

### **A Final Thought:**

***“Inferior doctors treat the patient’s disease;  
Mediocre doctors treat the patient as a person;  
Superior doctors treat the community as a whole.”***

--- Huangdi, Chinese sovereign and inventor of Traditional Chinese Medicine principles, 2450 BC

National Association of Community Health Centers - 2012