

# Critical Issues Facing Community Health Centers

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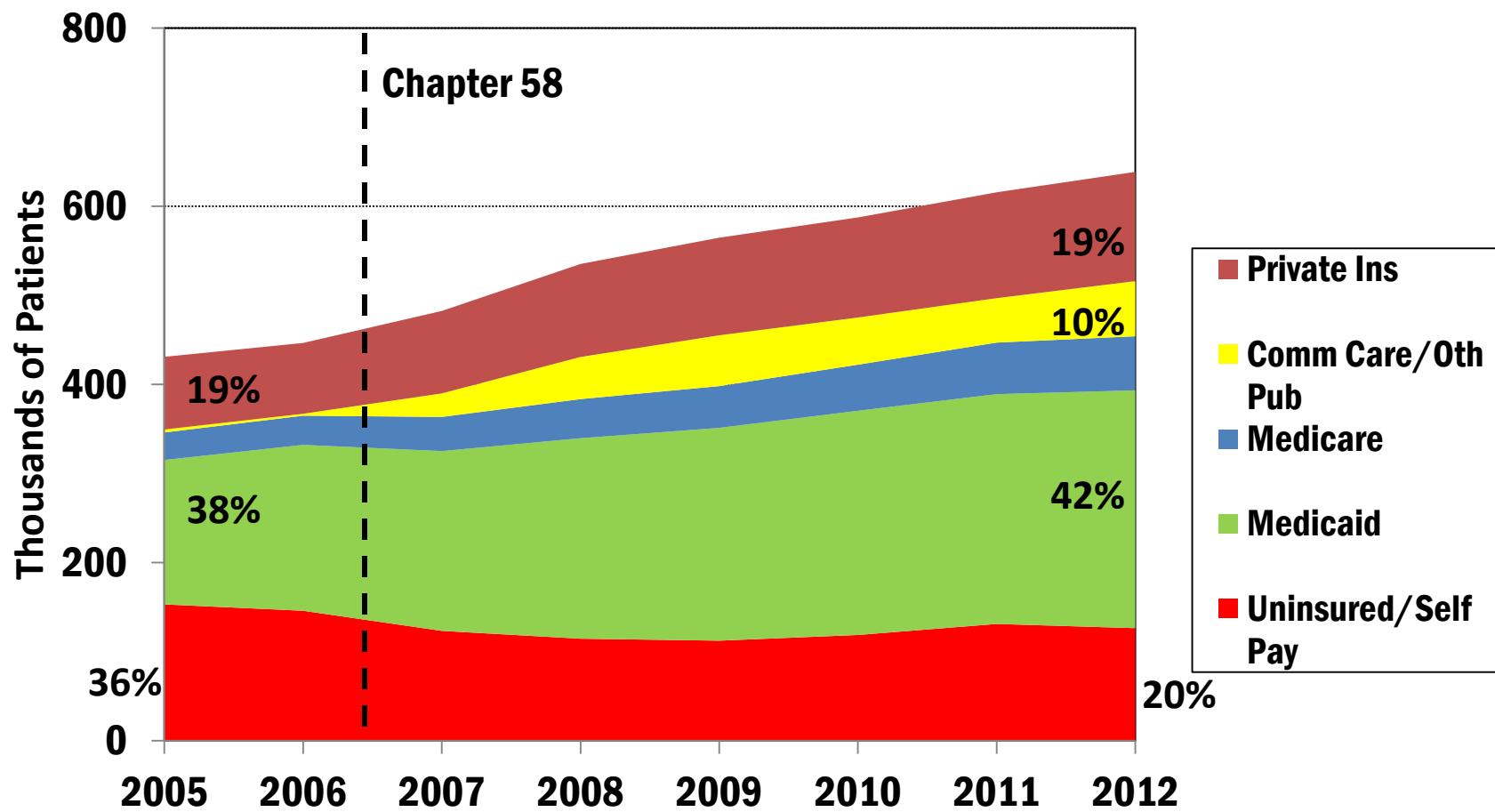
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# Issues

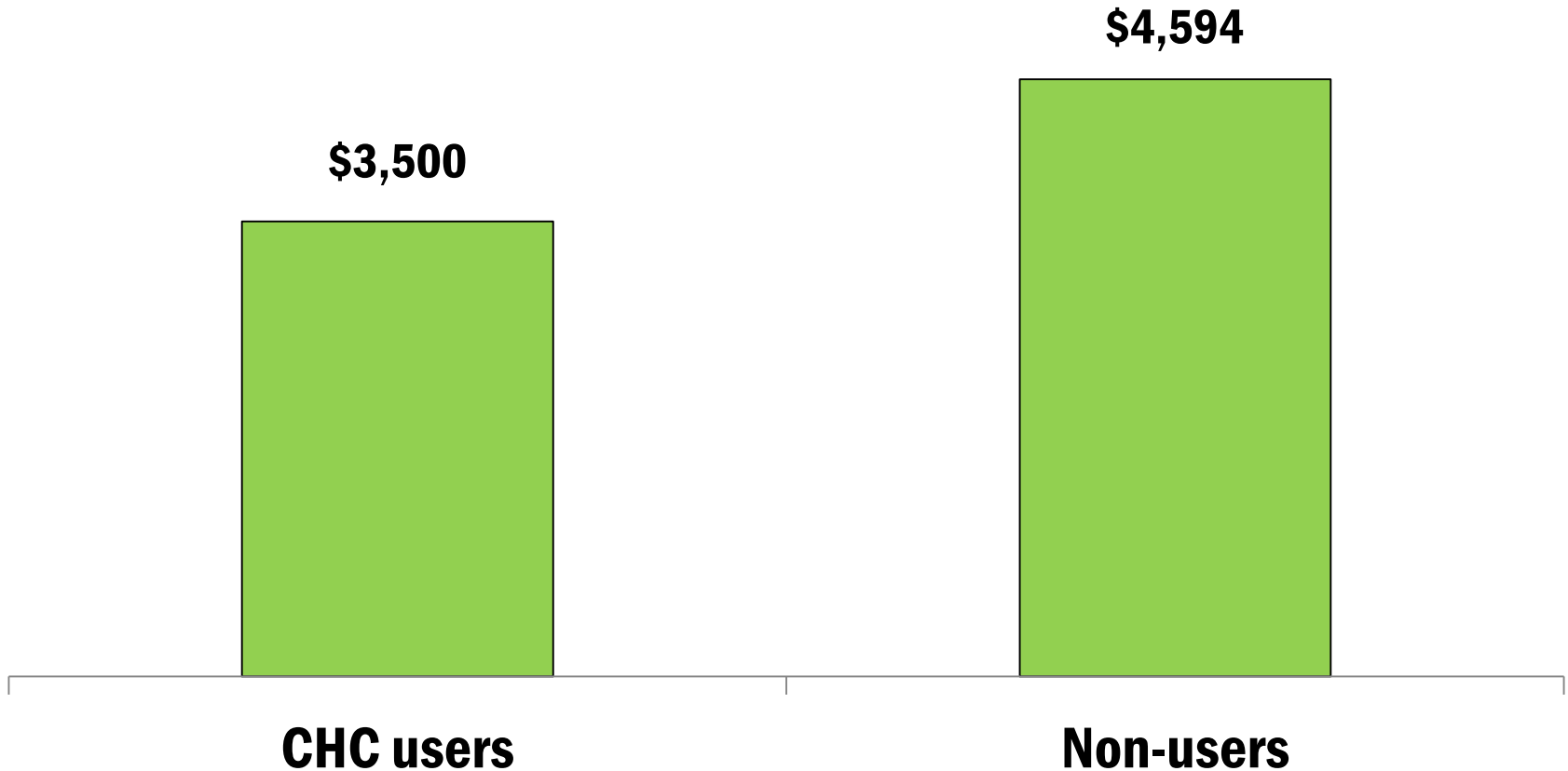
- **Insurance expansions increase the demand for primary care by the newly insured. Health centers help fill that need, while continuing to serve the uninsured.**
- **Health centers can reduce medical expenditures.**
- **Relations with Health Insurance Exchanges are still in transition.**
- **Medicaid expansions permit more to be served.**
- **Potential funding cliff after FY 2015.**

# After Massachusetts' Health Reform, Community Health Centers Served 200,000 More Patients (+48%)



Source: Uniform Data System reports; Ku, et al. Arch Int Med 2011

# Health Center Patients Have 24% Lower Annual Medical Expenditures Than Non-Users



Source: Richard, Ku, Dor, et al. J Ambul Care Mgmt, 2012, after adjusting for insurance status, health status, age, etc.

# **Health Centers and Health Insurance Exchanges: Initial Impressions**

- **Under ACA, Qualified Health Plans (under exchanges) must contract with some essential community providers. Can negotiate to pay rates less than Medicaid prospective payment rate.**
- **Not clear how often health centers have contracts. Payment rates may be low.**
- **Many exchange enrollees have high deductibles, so health centers must still subsidize, leaving uncompensated care problem.**

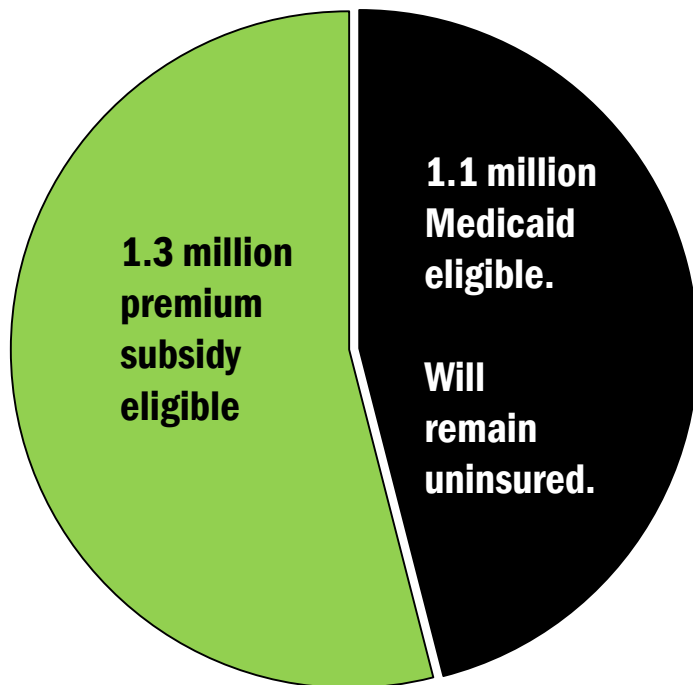
# Health Center Financing

- **Sec. 330 grants are core of health center funding, but Medicaid insurance revenues are greater. Act synergistically.**
- **Sec. 330 funds infrastructure, care for uninsured and gaps left by insurance underpayments. Grants support both insured and uninsured patients.**
- **ACA provides mandatory funds to supplement Sec. 330 appropriations, but expire after FY 2015.**
- **Funding cliff in FY 2016 if Sec. 330 appropriations are not increased.**
- **Medicaid expansions add revenue and reduce uncompensated care in health centers. If more states expand Medicaid, can serve more patients.**

# About 1.1 Million Health Center Patients Will Remain Uninsured Because States Are Not Expanding Medicaid

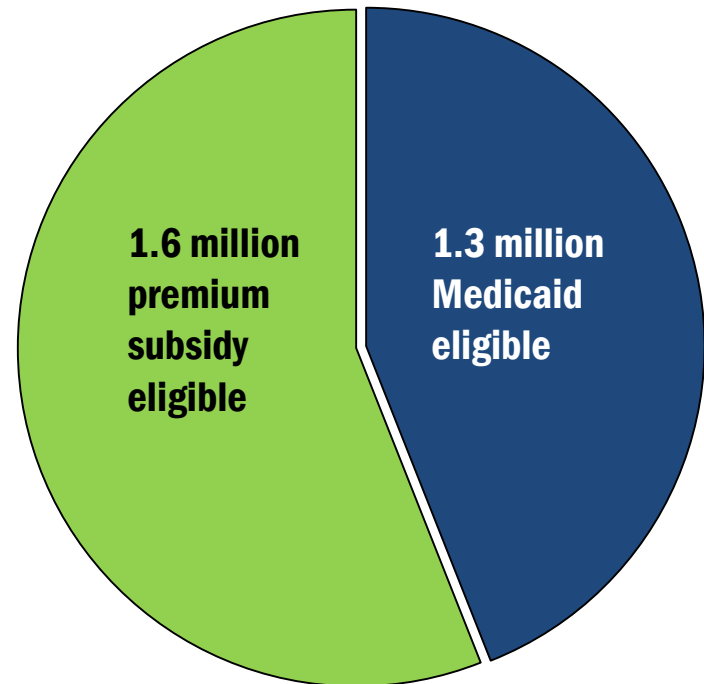
## Opt-Out States

**(2.3 million eligible for coverage in 2012)**



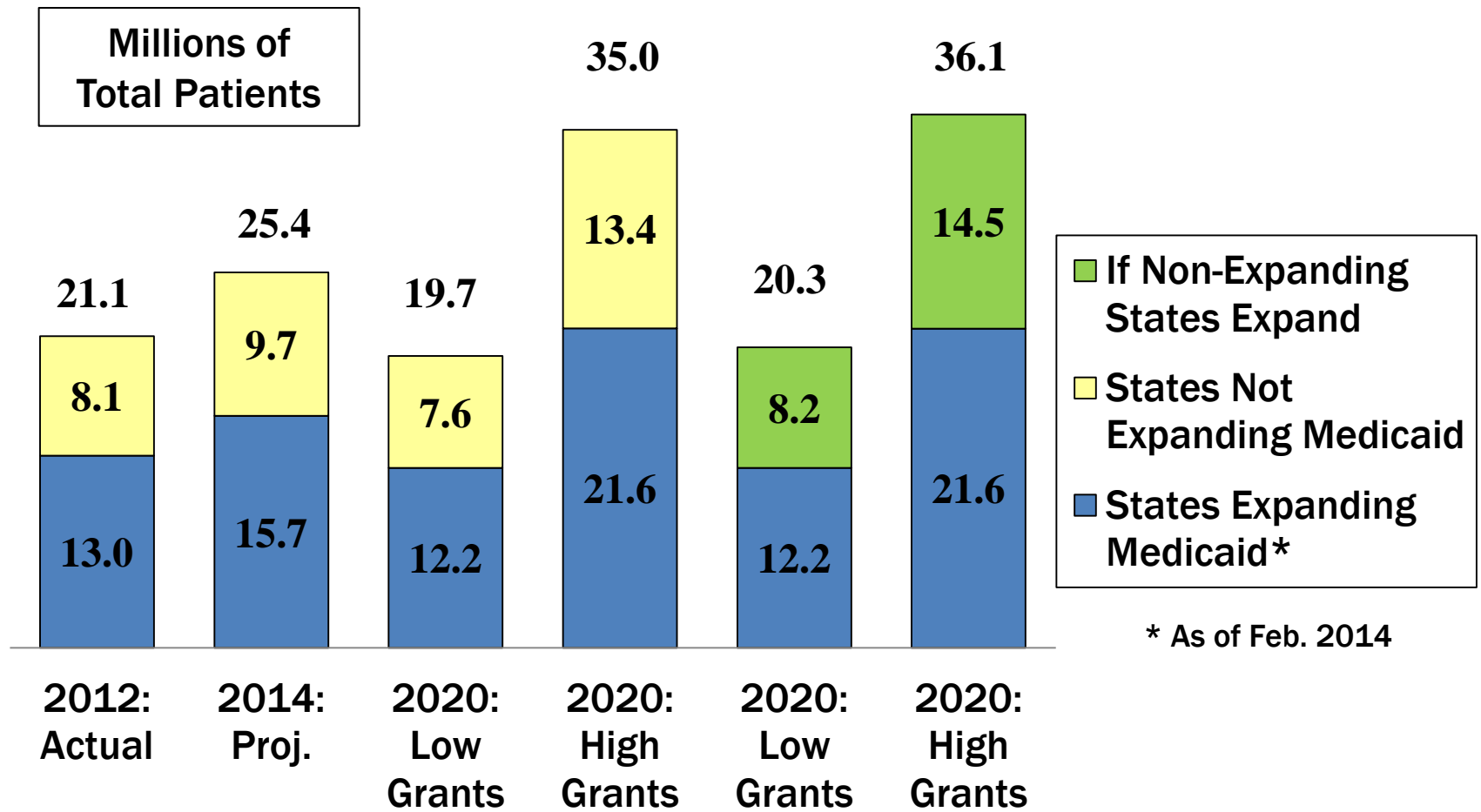
## Expansion States

**(2.9 million eligible for coverage in 2012)**



Source: Shin, Sharac, Rosenbaum, May 2014

# Effects of Sec. 330 Grant Funding & Medicaid Expansion on Total Number of Patients Served at Health Centers



Source: Ku, Zur, et al. 2013. Preliminary May 2014.