



NATIONAL ASSOCIATION OF  

---

Community Health Centers



America's Voice for Community Health Care



NATIONAL ASSOCIATION OF  
Community Health Centers

*Role of Community Health Centers in  
Developing Vibrant Communities*

**National Association of Regional Councils  
Annual Conference  
June 2016**

**Joe Gallegos, MBA  
SVP for Western Operations  
National Association of Community Health Centers**



# TODAY'S AGENDA

- OVERVIEW OF COMMUNITY HEALTH CENTERS
- COMMUNITY HEALTH CENTERS: A VITAL STRATEGY FOR COMMUNITY DEVELOPMENT
- COMMUNITY HEALTH CENTER CHALLENGES AND POLICY IMPLICATIONS
- HEALTH CENTER ADVOCACY CAMPAIGN
- QUESTIONS

# Overview of Community Health Centers (CHCs)

**CHCs were originally created as part of the War on Poverty in 1965, at same time as community development corporations (CDCs) were formed.**

**Both CHCs and CDCs share a common focus--local empowerment and development. Both focus on revitalizing low-income, underserved communities that have experienced significant disinvestment.**

**CHCs were conceived from a grassroots movement and remain deeply embedded in their local communities.**

**Serve over 25 million patients nationwide with over 9,500 delivery sites in every state and territory.**

# Overview of Community Health Centers (CHCs)

- **Community, Migrant, Homeless and Public Housing Health Centers are non-profit, community-directed health care providers serving low income and medically underserved communities.**
- **Model of Care: primary and preventive care, dental, behavioral health, pharmacy, vision and culturally competent services. “One-Stop Care Model”**
- **Four Corner Stones of the Model:**
  - 1) **Serve everyone seeking care regardless of their ability to pay**
  - 2) **Located in communities of greatest need – Health Professional Shortage Areas (HPSAs) or Medically Underserved Areas (MUAs)**
  - 3) **Locally controlled and accountable to the community - 51% or more of Governing Board must be patients of the health center**
  - 4) **Provide high quality care—JCAHO, PCMH Certified, Meet or exceed Healthy People 2020 goals; Save over \$20 Billion in health care costs by reducing ER visits, reduce hospitalizations and referrals to specialty care.**

## CHCs assure access to care for all

- *When access to care is impaired, these individuals are considered to be “medically disenfranchised”.*
- Approximately 56 million Americans do not have access to a regular and continuous source of primary care because of:
  - ✓ Shortage of primary care providers
  - ✓ Cost of Care (Uninsured, Under-insured)
  - ✓ Barriers of distance/time to access care (rural/frontier areas)
  - ✓ Lack of Transportation
  - ✓ Language proficiency
  - ✓ Cultural Competency
  - ✓ Social Determinants (Education, Employment, Housing)
  - ✓ Churning between Medicaid & Health Insurance Exchanges (Income fluctuation) result in becoming uninsured
- *They include our neighbors, friends and family!*



# **CHCs Provide Better Care at a Lower Cost**

**People who lack primary health care are at greater risk for poor health outcomes;**

**More likely to use more expensive emergency room care;**

**Low-income people and communities are among the most vulnerable;**

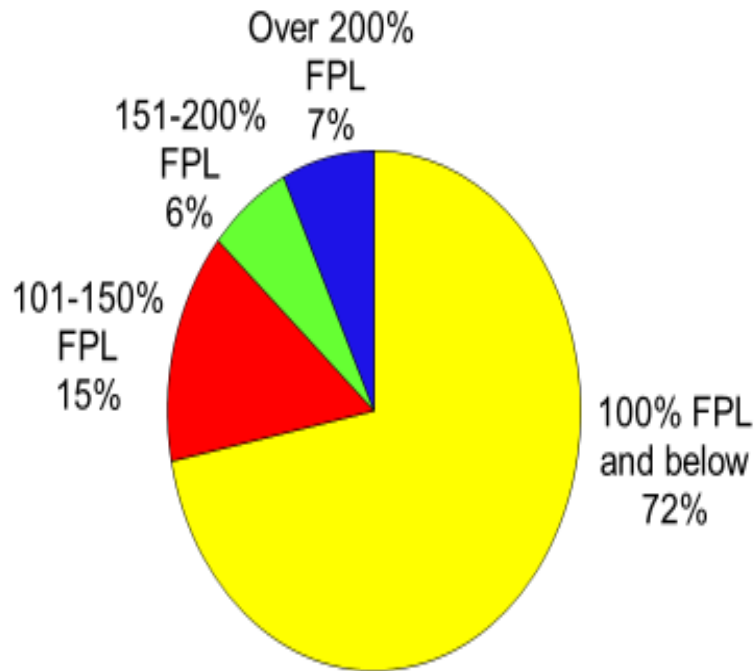
**Access to primary health care can reduce avoidable hospitalizations and help manage chronic conditions;**

**Access to a regular source of care leads to less serious episodes of illness—patient-centered health care homes;**

**As “health homes”, CHCs are the first line of defense to prevent chronic conditions and reduce health care costs.**

# Who they Serve

Figure 1  
Health Center Patients By  
Income Level, 2013



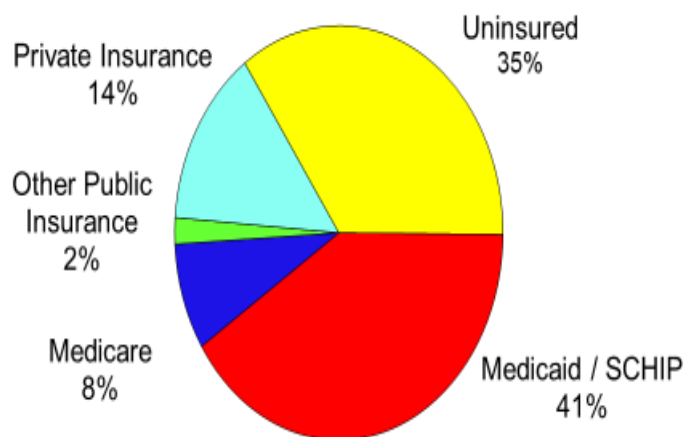
- **93% fall below 200% of Federal Poverty Level**
- **Health Care Home to 25 million people nationally**
- **Serve 1 in 15 Americans**
- **Located in Areas of Highest Need in urban, rural and frontier areas**

Note: Federal Poverty Level (FPL) for a family of four in 2013 was 23,550 (see <http://aspe.hhs.gov/poverty/13poverty.cfm>).  
Source: Federally-funded health centers only. 2013 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS.



# Who they serve

Figure 3  
Health Center Patients By  
Insurance Status, 2013

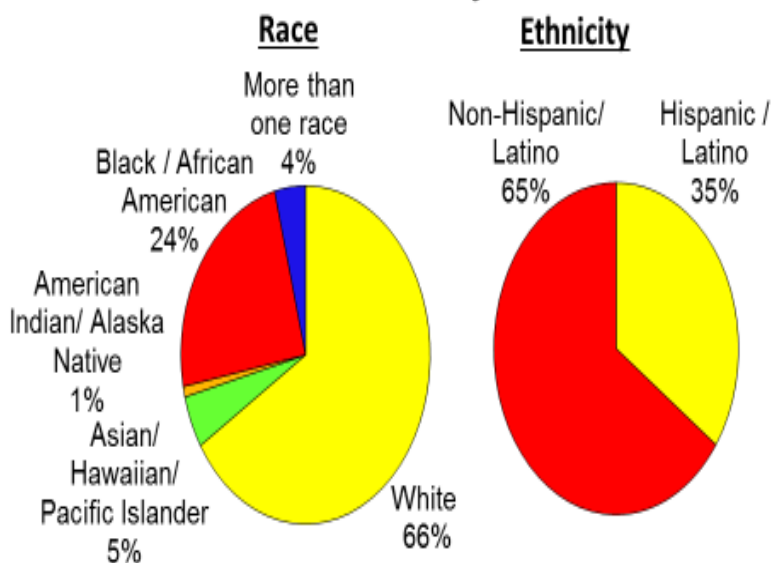


\*\*Other public insurance\* may include non-Medicaid CHIP and state-funded insurance programs.  
Source: Federally-funded health centers only. 2013 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS. Note: Percents may not total 100% due to rounding.

- **36% Uninsured, 41% Medicaid/SCHIP**
- **8% Medicare**
- **Health Care Home for those left out of ACA (undocumented)**
- **Under-Insured**

# Who they Serve

Figure 2  
Heath Center Patients By  
Race/Ethnicity, 2013



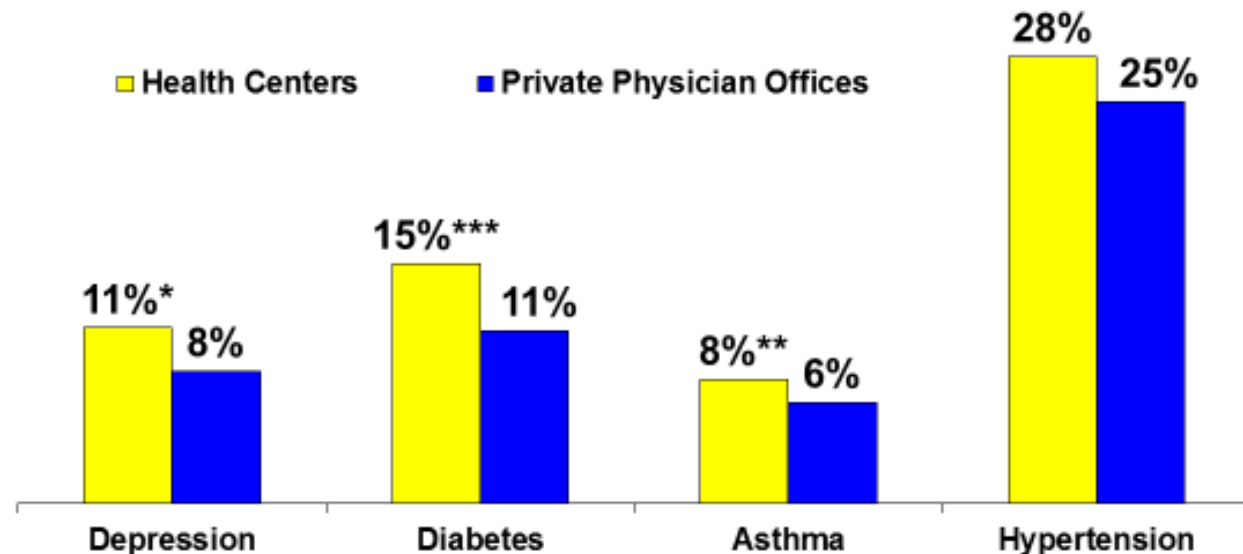
Source: Federally-funded health centers only, 2013 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS. Note: Based on percent known. Percents may not total 100% due to rounding.

- **2/3 are patients of minority groups, 35% are Hispanics/Latinos**
- **Provide services in a culturally competent and linguistically appropriate setting**
- **1/4 report they are best served in language other than English**
- **For many patients, health centers may be the only source of health care available**

# Who they Serve

Figure 1

## Health Centers Are More Likely to Treat Patients with Chronic Illnesses Compared to Other Primary Care Physicians



Note: Statistical significance measures compared to value for private physician offices; \*\*\*  $p < .01$ , \*\*  $p < .05$ , \*  $p < .10$

\*Common chronic conditions\* include visits where the primary diagnosis listed for the visit is an ICD-9-CM diagnosis code for hypertension, asthma, diabetes, heart disease, and selected psychotic conditions and other psychoses. Excludes visits classified as "pre/post surgical," all visits to non-primary care physicians, and any visits where the patient did not see a physician.

Source: Based on George Washington University analysis from Kaiser Commission on Medicaid and the Uninsured. Community Health Centers: The Challenge of Growing to Meet the Need for Primary Care in Medically Underserved Communities. (March 2012.) <http://www.kff.org/uninsured/upload/8098-02.pdf>

# Health Centers: A Vital Strategy for Community Development

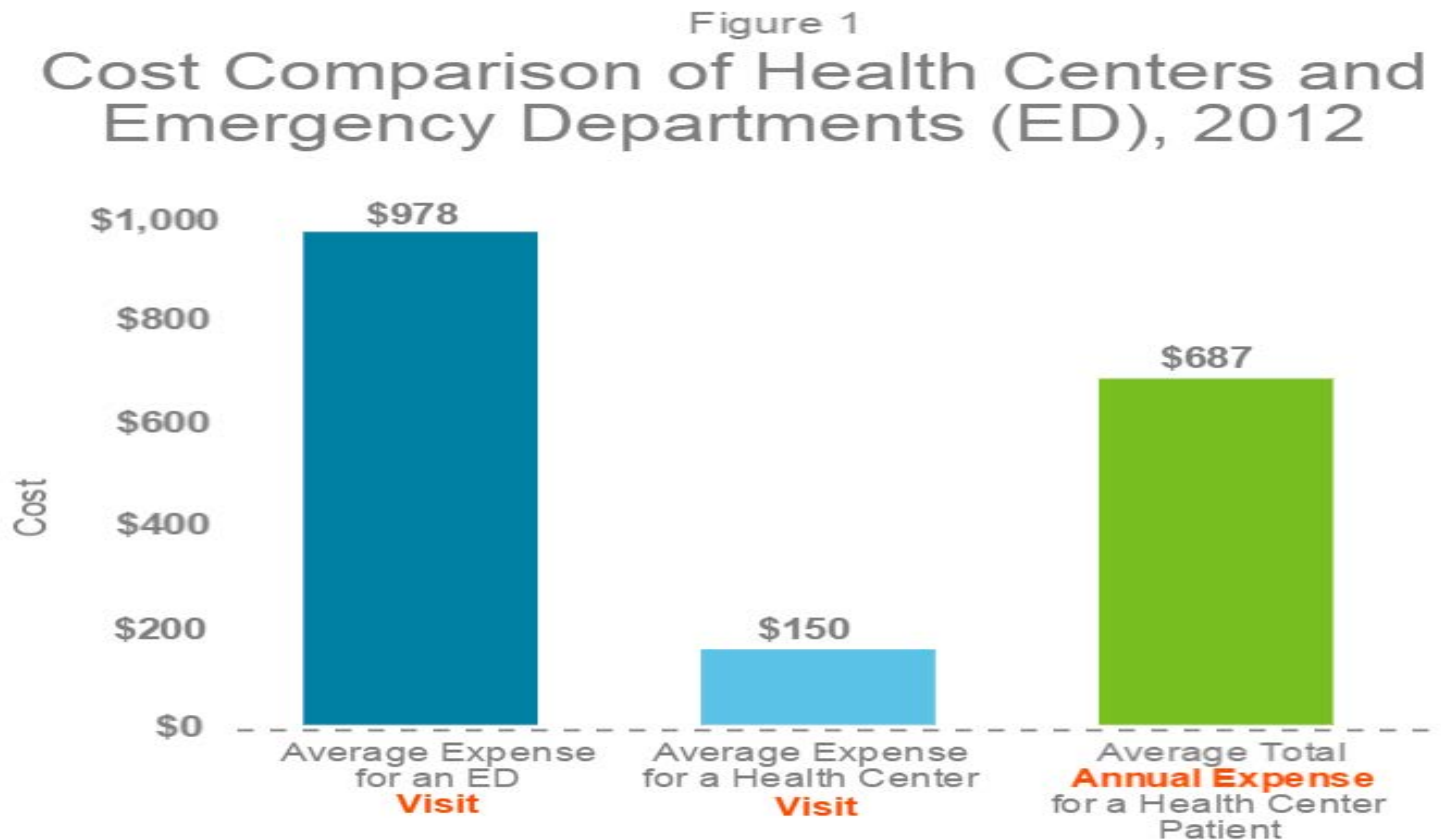


NATIONAL ASSOCIATION OF

---

Community Health Centers

# Health Centers Save Billions in Health Care Costs



GWU Analysis of Agency for Healthcare Research and Quality. Medical Expenditure Panel Survey, 2012. And Bureau of Primary Health Care, Health Resources and Services Administration, DHHS. 2012 Uniform Data System.  
Note: Average ED visit expense excludes visits resulting in inpatient admission. ED cost is based on payment and not charges. Health center visit is for medical visit only. Average annual expense for health center patient includes cost of all services, including medical, dental, vision, behavioral health, pharmacy, and enabling services.

# Health Centers Provide Cost Effective Care

- **Four California counties**, health center Medicaid managed care patients have 18% lower rates of ED visits; 25% fewer inpatient bed days than patients at other providers.
- **Colorado** health center Medicaid patients are 1/3 less likely to use hospital-related services compared to Medicaid patients seen by office-based providers.
- **Texas** health center patients with Medicaid have \$384 less in total costs compared to those served by office-based physicians.
- **Michigan**, health centers save \$144 per patient in Medicaid spending annually.
- In **Georgia** the mean annual rate of ED visits for uninsured patients is 25% less in counties with a health center compared to those without.
- **North Carolina**, health center patients have 62% lower health care spending than patients of other providers.

# CHCs as Partners with Regional Councils

- **Health Centers as a community asset.**
- **Health centers produce much needed economic benefits to low income communities both, rural and urban.**
- **Health centers are a major economic engine in the communities they serve. In 2012, health centers generated over \$24 billion in economic activity for their local communities.**
- **For every \$1 in federal funding invested in health centers, \$11 is generated in total economic activity—multiplier effect.**
- **In 2012, health centers produced more than 157,000 full time positions while also creating an additional 112,000 positions in other local jobs in economically depressed areas.**

## **CHCs as Partners with Regional Councils**

- **Health Centers are a major component of the health care delivery system, and part of the economic fabric of the community.**
- **CHCs can assist in Community Risk Assessments along with County Health Departments, Hospitals, Schools, Churches, Fire Departments, CDC.**
- **Participate in development of Emergency Preparedness Plan: Planning and Response; Hazard Mitigation in cases of Natural Disasters: Zika Virus (Puerto Rico), water contamination (Flint, MI), Environmental Health, Drought, Earthquakes, Floods, Hurricanes (New Orleans), Wild Fires – Planning and Response.**



# Health Center Challenges & Policy Implications



NATIONAL ASSOCIATION OF

---

Community Health Centers

# HEALTH CENTER FUNDING STREAMS



## Health Centers Fund

- Required spending, unless Congress changes the law
- Special 5-year Trust Fund created in ACA to boost Health Center Capacity
- **Currently \$3.6 billion (FY15)**
- **“Mandatory”**



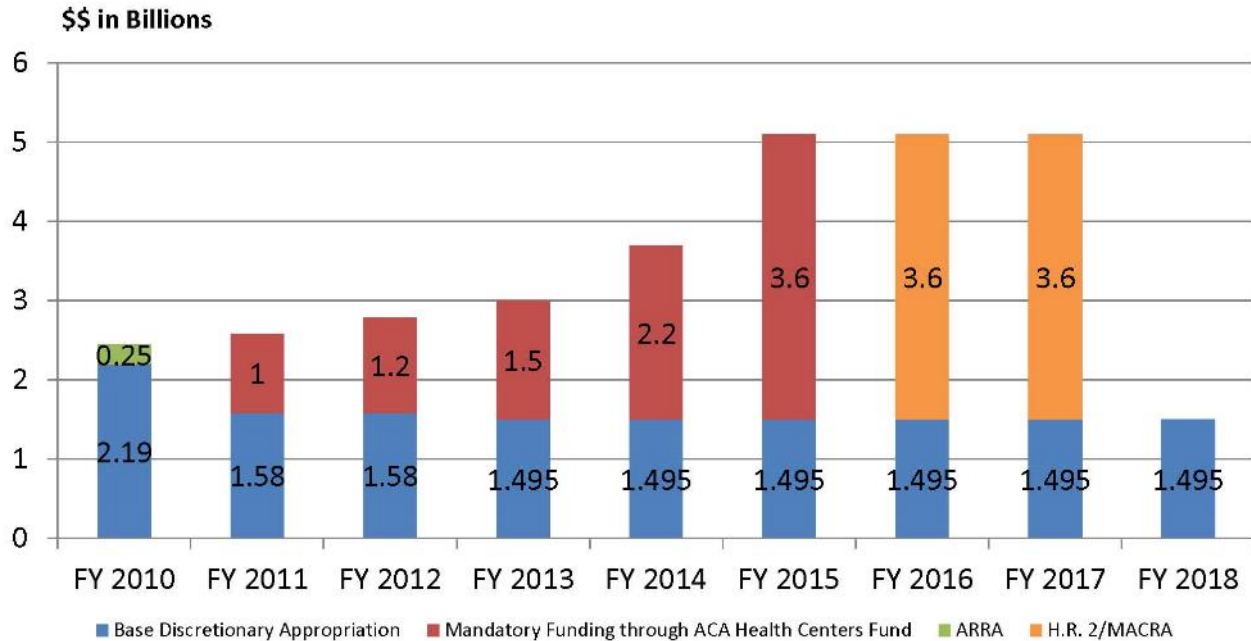
## Annual

- Annual, up to Congress to determine amount
- Prior to ACA, the only funding for CHC program
- Cut several times, backfilled with mandatory funds
- **Currently \$1.5 billion (FY14)**
- **“Discretionary”**

# CURRENT FUNDING SITUATION

## Health Center Funding Under Current Law

Community Health Center Operational Funding:  
FY 2010 – FY 2018



- Mandatory funding through H.R. 2/MACRA
- Solved problem for 2 years, however need to continue to fight for sustainable funding

MAKE YOUR VOICE HEARD!

ACCESS

CAMPAIGN FOR  
AMERICA'S HEALTH CENTERS

is the

*Answer*

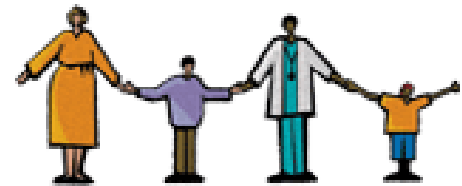
#AccessIsTheAnswer

# NATIONAL HEALTH CENTER WEEK

Last year:

- Great success!
- 6<sup>th</sup> Consecutive Presidential Proclamation
- Over 1,700 events and 70 Member of Congress visits

*This Year's Theme:  
Celebrating America's  
Health Centers:  
Innovators in  
Community Health*



**Get ready for NHCW 2016, August 7<sup>th</sup>-13<sup>th</sup>**  
Visit [www.healthcenterweek.org](http://www.healthcenterweek.org) for more info



# RESOURCES

**Campaign for America's Health Centers:**

[www.saveourchcs.org](http://www.saveourchcs.org)

**NACHC Website:**

[www.nachc.org](http://www.nachc.org)

**NACHC Blogs** (Health Centers on the Hill, the Policy Shop, Health Center News and Happenings, etc.):

[blogs.nachc.com](http://blogs.nachc.com)

**NACHC MyLearning Center** (webinars, conference archives, resources, online communities):

[mylearning.nachc.com](http://mylearning.nachc.com)



# CONTACT INFO AND QUESTIONS

**Joe Gallegos, MBA**

**Senior Vice President for Western Operations**

National Association of Community Health Centers

4206 Louisiana Blvd. NE

Albuquerque, NM 87109

505-855-6964

[jgallegos@nachc.com](mailto:jgallegos@nachc.com)

QUESTIONS?