Fact Sheet ~ June 2004

America's Health Centers

WHAT ARE HEALTH CENTERS?

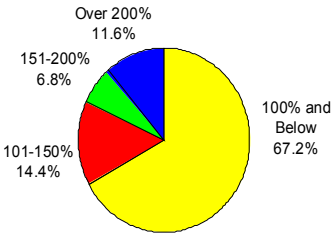
Community health centers are **local, non-profit, community-owned health care providers** serving low income and medically underserved communities. For nearly 40 years, the national network of health centers have provided **high-quality, affordable primary care and preventive services**, and often provide on-site dental, pharmaceutical, and mental health and substance abuse services. Also known as Federally-Qualified Health Centers (FQHCs), they are located in areas where care is needed but scarce, and **improve access** to care for millions of Americans regardless of their insurance status or ability to pay. Their costs of care rank among the lowest, and they reduce the need for more expensive in-patient and specialty care, saving billions of dollars for taxpayers. Currently, 1,000 community, migrant, and homeless health centers serve 3,600 urban and rural communities in every state and territory.

WHO DO HEALTH CENTERS SERVE?

Health centers serve as the medical home and family physician to **over 15 million people** nationally – a number that is quickly growing. Health center patients are among the nation's most vulnerable populations – people who even if insured would nonetheless remain isolated from traditional forms of medical care because of where they live, who they are, the language they speak, and their higher levels of complex health care needs.

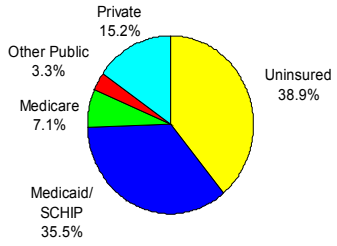
About **half of health center patients reside in rural areas**, while the other half tend to live in economically depressed inner city communities. Health centers serve **one in five low income children**. As Figure 1 demonstrates, the **two-thirds of health center patients have family incomes at or below poverty** ($15,020 annual income for a family of three in 2002). Moreover, as shown in Figure 2, **nearly 40% of health center patients are uninsured and another 36% depend on Medicaid**, much higher than the national rates of 12% and 15%, respectively (not shown). **Two-thirds of health center patients are members of racial and ethnic minorities**, as shown in Figure 3.

Figure 1
Health Center Users By Income Level, 2002



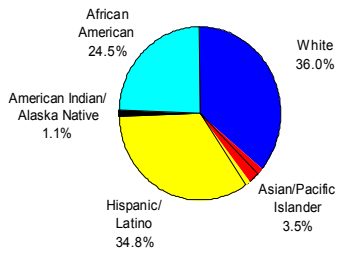
Note: Federal Poverty Level (FPL) for a family of three in 2002 was $15,020. (See http://aspe.hhs.gov/poverty/02poverty.htm.)
Source: Bureau of Primary Health Care, HRSA, DHHS, 2002 Uniform Data System

Figure 2
Health Center Users By Insurance Status, 2002



Note: Other Public includes non-Medicaid SCHIP.
Source: Bureau of Primary Health Care, HRSA, DHHS, 2002 Uniform Data System

Figure 3
Health Center Users By Race/Ethnicity, 2002



Source: Bureau of Primary Health Care, HRSA, DHHS, 2002 Uniform Data System

HOW DO HEALTH CENTERS OVERCOME BARRIERS TO CARE?

Health centers remove common barriers to care by serving communities who otherwise confront geographic, language, cultural and other barriers, making health centers different from most private, office-based physicians. They

- ✓ are **located in high-need areas** identified by the federal government as having elevated poverty, higher than average infant mortality, and where few physicians practice;
- ✓ are **open to all residents**, regardless of insurance status, and provide free or reduced cost care based on ability to pay;
- ✓ **tailor their services** to fit the special needs and priorities of their communities, and provide services in a linguistically and culturally appropriate setting. Nearly a third of all patients are best served in languages other than English; and
- ✓ **offer services that help their patients access health care**, such as transportation, translation, case management, health education, and home visitation.

For many patients, the health center may be the only source of health care services available. In fact, the number of uninsured patients at health centers is rapidly growing – from over 3.5 million in 1998 to over 5.8 million today.

National Association of Community Health Centers, Inc.
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HOW DO HEALTH CENTERS MAKE A DIFFERENCE?

Key to health centers' accomplishments is **patient involvement in service delivery**. Governing boards – the majority of which must be patients according to grant requirements – manage health center operations. Board members serve as community representatives and make decisions on services provided. Active patient management of health centers assures responsiveness to local needs, and helps guarantee that health centers improve the quality of life for millions of patients in the following ways.

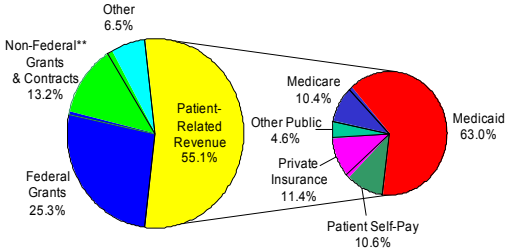
- ✓ **Improve Access to Primary and Preventive Care**. Health centers provide preventive services to vulnerable populations that would otherwise not have access to certain services, such as immunizations, health education, mammograms, pap smears, and other screenings. Health centers have also made significant strides in preventing anemia and lead poisoning. Low income, uninsured health center users are also much *more likely to have a usual source of care* than the uninsured nationally.
- ✓ **Effective Management of Chronic Illness**. Health centers meet or exceed nationally accepted practice standards for treatment of chronic conditions. In fact, the Institute of Medicine (IOM) and the General Accounting Office (GAO) have recognized health centers as models for screening, diagnosing, and managing chronic conditions such as diabetes, cardiovascular disease, asthma, depression, cancer, and HIV. Health centers' efforts have lead to *improved health outcomes* for their patients, as well as *lowered the cost of treating patients* with chronic illness.
- ✓ **Reduction of Health Disparities**. Because of their success in removing barriers to care, the IOM and GAO recognized health centers for reducing or even eliminating the health gaps for racial and ethnic minorities, as well as for the poor in the U.S. A recent landmark study found that *health centers are associated with reducing racial and ethnic disparities* in such key areas as infant mortality, prenatal care, tuberculosis case rates, and death rates. Another major study found that disparities in health status do not exist among health center users, even after controlling for socio-demographic factors, and that the absence of disparities at health centers may be related to their culturally sensitive practices and community involvement – features that other primary care settings often lack.
- ✓ **Cost-Effective Care**. Health centers provide comprehensive health care for about $1.25 a day per patient served – about 10 times *less* than average per capita spending on personal health care. Several studies have found that health centers save the Medicaid program at least 30 percent in annual spending for health center Medicaid beneficiaries due to reduced specialty care referrals and fewer hospital admissions, thereby *saving billions* in combined federal and state Medicaid expenditures.
- ✓ **High Quality of Care**. Studies have found that the quality of care provided at health centers is *equal to or greater* than the quality of care provided elsewhere. Moreover, 99% of surveyed patients report that they were satisfied with the care they receive at health centers.
- ✓ **Fewer Infant Deaths**. Several studies have found that communities served by health centers have infant mortality rates between 10 and 40% lower than communities not served by health centers. Health centers are also linked to improvements in accessing early prenatal care and reductions in low birth weight.
- ✓ **Create Jobs and Stimulate Economic Growth**. Health centers employ over 70,000 people, including many local community residents. They bolster local business and stabilize neighborhoods by stimulating community development and economic growth.

WHY IS INVESTING IN HEALTH CENTERS IMPORTANT?

As described above, investing in health centers produces improved health outcomes and quality of life, as well as reductions in health disparities for millions of Americans. In addition, investment also leads to reductions in national health care spending. As shown in Figure 4, health centers on average receive only 25% of their total revenue from federal grants. The largest single source of revenue is Medicaid, representing 35% of total revenue and 63% of all patient-related revenue. Another major source (13.2%) of revenue comes from non-federal grants and contracts, the vast majority of which comes from state and local funds. Already cited as one of the 10 most successful federal programs, a continued and expanded investment in health centers will guarantee improved health outcomes for millions more Americans and further cost savings.

Figure 4

Total Revenue Received by Federally-Qualified Health Centers,* 2002



* Health Centers meeting federal grant requirements and receiving Section 330 funding.
** Includes state, local, foundation, and private grants and contracts.
Source: Bureau of Primary Health Care, 2002 Uniform Data System