

Community Health Centers

Community health centers represent a key component of the health care system, providing comprehensive primary care to 16.1 million patients in 2007. Nearly all health center patients have low family incomes and live in medically underserved communities, and many have complex medical conditions. Health centers serve as an important source of care for these patients, but their role is even more critical during an economic recession when families are more vulnerable to economic loss and unmet health care needs.

KEY CHARACTERISTICS OF HEALTH CENTERS

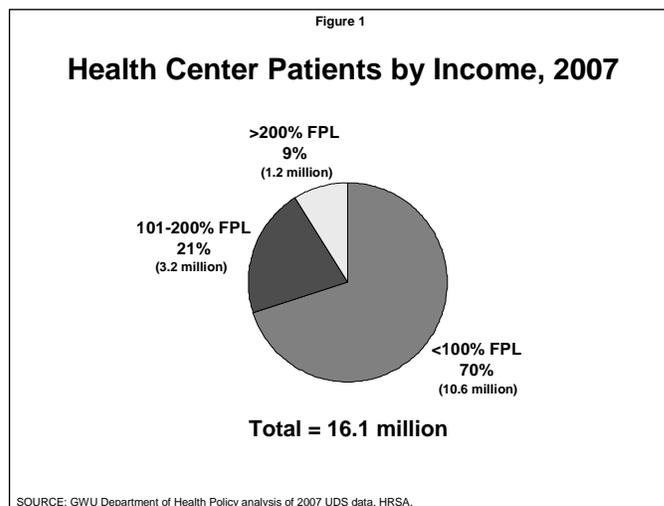
Health centers operate 7,200 sites throughout the United States, particularly in economically depressed inner-city and rural communities. Over the past ten years, as the number of health center sites has grown, the number of patients served at health centers has nearly doubled, from 8.3 million to 16.1 million in 2007. Health centers include two types of clinics: those that receive federal funding under Section 330 of the Public Health Service Act, as well as clinics that meet all requirements applicable to federally funded health centers are supported through state and local grants. Both types of community health centers are classified as “federally qualified health centers” (FQHCs), a designation that entitles them to special payment rates under Medicare, Medicaid, and the Children’s Health Insurance Program (CHIP).

Federal law requires that health centers must:

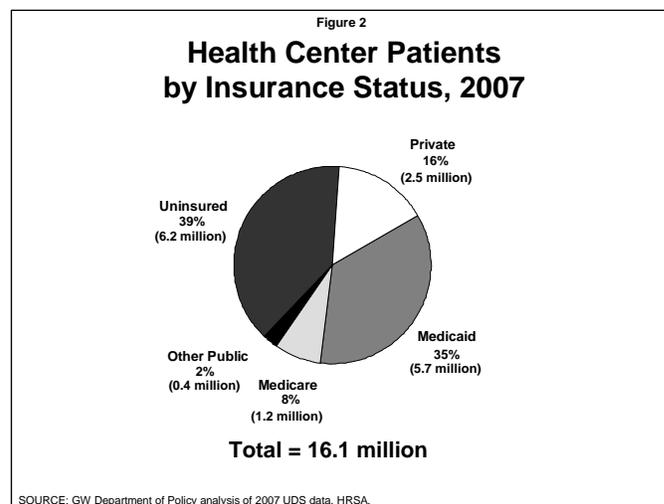
- Be located in, or targeted to serve, populations and communities that are medically underserved or experience a shortage of primary care professionals;
- Provide a comprehensive array of specified primary health care services and fully participate in government insurance programs;
- Establish sliding fee scales based on patients’ ability to pay for care; and
- Have community boards, a majority of whose members are health center patients.

PATIENTS SERVED BY HEALTH CENTERS

Health center patients are predominantly low-income and racially and ethnically diverse. In 2007, 70 percent of all patients had family incomes at or below 100 percent of the federal poverty level (\$21,203 for a family of four) and more than 90 percent of patients had family incomes at or below twice the poverty level (Figure 1). In 2007, minority patients comprised half of all health center patients, and one-third of all health center patients were of Hispanic/Latino ethnicity. Health centers serve one in four low-income minority residents. They also provide services to rural and homeless populations, and to migrant workers, all of whom would otherwise not likely have access to care.



In part because of their low-income, three-quarters of health center patients are uninsured or covered by Medicaid. In 2007, nearly 40 percent of all health center patients were uninsured and another 35 percent were covered by Medicaid. While 16 percent of health center patients have some level of private health insurance, research suggests that many of these patients have policies that have high deductibles and cost-sharing and limited coverage, leaving them un- or underinsured for key services (Figure 2).



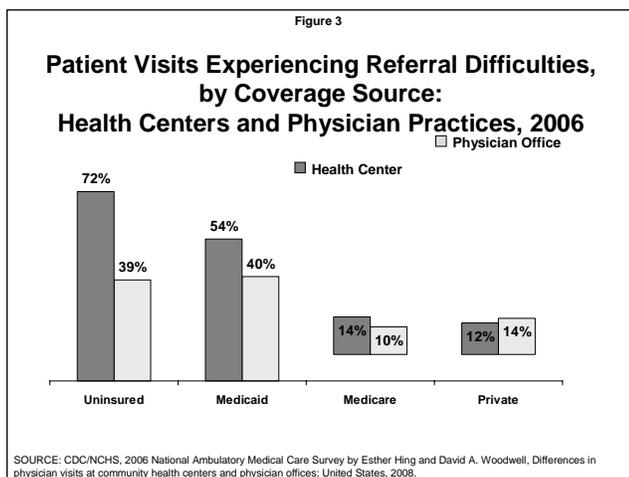
SERVICES, ACCESS AND QUALITY

Health centers provide primary and preventive care services to a complex population. Health centers also increasingly provide, or arrange for, an array of services including dental and mental health care. Health centers play an especially important role for low-income women of childbearing age,

infants, and children. In 2007, approximately one in eight low-income babies was born to health center patients. Health centers serve an important role in improving access to care and reducing disparities.

Research shows that on measures for which data have been collected, the quality of care provided to health center patients is comparable to the care received in other health care settings and to some national benchmarks. Research also shows that Medicaid and uninsured patients served in health centers are more likely to receive preventive services such as counseling on diet, smoking cessation, and alcohol consumption, than in other practice settings.

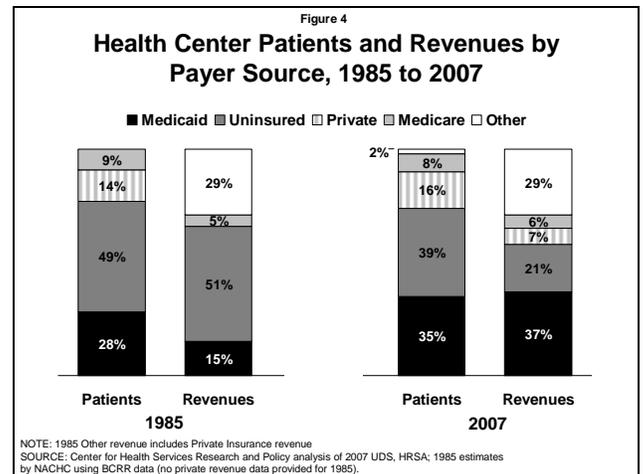
While health centers are able to provide comprehensive primary care, access to specialty care for patients with complex medical problems is limited due to a lack of available providers, particularly for uninsured and Medicaid patients (Figure 3). It is especially difficult to refer these patients for mental health and substance abuse services.



FINANCING

Health Centers depend on a combination of Medicaid payments, grant revenues, and other sources of funding to support their operations. Over the years, the funding mix that health centers receive has significantly changed (Figure 4). As grants have declined, health center expansions have been fueled by Medicaid growth resulting from eligibility expansions, coverage reforms, and changed payment rules.

In 1985, Medicaid patients reflected 28 percent of all patients but only 15 percent of revenues. By 2007, Medicaid patients and revenues were aligned while grants for the care of the uninsured decreased from 51 percent to 21 percent. At the same time, private insurance represented 16 percent of patients but only 6 percent of operating revenues.



CHALLENGES AND OPPORTUNITIES

The current economic recession has led to economic instability and unmet health needs for many families. While health centers are uniquely positioned to provide care to these families, meeting the increased demand for services will be a challenge.

Federal support has been especially important in health centers' ability to meet the ongoing needs of their patients. The Health Care Safety Net Act of 2008 reauthorizes the health centers program for four years and anticipates program growth of 50 percent over this time period. Other recent legislation provides support in the areas of capital investment, workforce, modernization, and operations, and extends to CHIP the same payment methodology for health centers that is used in Medicaid.

While these legislative actions should strengthen health centers, other challenges remain. Across the country, the primary care workforce has been unable to keep up with growing demand. Health centers, especially those in rural locations, will continue to struggle to attract and retain clinical staff. Barriers to referring Medicaid and uninsured patients for specialty care will also be a major obstacle to obtaining needed services. Additionally, health centers may struggle to afford health information technology that care providers across the country are looking to adopt.

Despite these challenges, health centers remain an essential part of our health care system. As the country prepares for a major debate over how to reform the health care system and provide coverage to the 45 million uninsured, understanding the components of the current system will be important. The health reform debate will likely focus on health coverage, but also on access, quality, and efficiency. In light of their critical position in the health care system, health centers appear to lie at the nexus of this broadened concept of health reform.

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