



ADVOCATES FOR  
COMMUNITY  
HEALTH

## CHC INVEST: FY24

**Unprecedented Need Requires Bold Action.**

**Appropriate \$2.88 Billion for Community Health Centers in FY24**

### **REALITY: Fiscal Crisis at Health Centers**

In 2023, health centers are facing enormous fiscal challenges due to a litany of circumstances, including the end of the public health emergency, a severely strained workforce, expiring mandatory funding, and the erosion of key patient service programs. According to a survey of Advocates for Community Health (ACH) members, a majority are serving more patients than before the COVID pandemic and anticipate these numbers will continue to climb. However, budgets are on pace to be the lowest in three years.

#### ***Medicaid Unwinding – Estimated Loss: \$2.5B***

As states begin the process of redetermining Medicaid eligibility after a three-year pause, up to 2.5 million community health center (CHC) patients could lose their Medicaid coverage, triggering a loss of \$1.5 billion to \$2.5 billion in patient revenue, which amounts to between 4% and 7% of national total health center revenue.[1]

#### ***Expiration of Supplemental Funding – Estimated Loss: \$4.56B***

The unwinding process coincides with the expiration of all supplemental COVID funding provided to health centers – a total of \$7.6B, which constituted between 6% to 18% of health center budgets during the pandemic.[2] While some funding was used for one-time COVID services and supplies, ACH members estimate that 60% of this funding went to ongoing needs, primarily workforce retention.

Combined, the health center program is facing an abrupt \$7B shortfall with no decrease in demand for services, while grant funding remains essentially level at \$5.76B. Health centers are required to serve every patient who walks through their doors, regardless of insurance status or their ability to pay. Health centers truly are the safety net. However, without additional funding to address these immediate shortfalls, health centers will struggle to sustain operations and access, and some could be forced to close their doors. Health centers need an investment from the federal government that matches the need in our communities.

**We call on Congress to increase funding for Federally Qualified Health Centers to Meet Community Needs**

**For FY2024, we recommend \$9 billion for Federally Qualified Health Centers (FQHCs), with 32% (\$2.88B) through annual appropriations and 68% (\$6.12B) through increased allocations for the Community Health Center Fund.**

Robust and sustained federal funding is critical for FQHCs to ensure a comprehensive primary care medical home for all patients. This level of support will ensure that FQHCs can supplement public and private payer reimbursement, cover the costs of caring for the uninsured, offer competitive salaries to providers and support staff, and account for rising inflation.

[1] Ku, L., et al. “The Potential Effect of Medicaid Unwinding on Community Health Centers.” January 19, 2023. Available online.

[2] Internal survey of ACH members available upon request.

***For more information about this or other policy priorities, please contact Stephanie Krenrich, SVP for Policy and Government Affairs, at [skrenrich@advocatesforcommunityhealth.org](mailto:skrenrich@advocatesforcommunityhealth.org)***

