



## Health Center Funding for FY24

### Unprecedented Need Requires Bold Action:

**We urge Congress to invest \$9B in the Community Health Center (CHC) Trust Fund, CHC workforce, additional discretionary funding, and other special projects.**

#### History: Health centers are mission-driven

The Health Center Program is designed to ensure a comprehensive medical home for all patients, regardless of ability to pay. Health centers rely on federal funding to fulfill this mission and have done so successfully for more than 50 years.

#### Reality: Health centers are in fiscal crisis

However, the cost of caring for patients, as well as the total number of patients, is expected to continue to increase dramatically in the coming years. 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. As a result, budgets are on pace to be the lowest in three years.

Medicaid Unwinding: As states begin the process of redetermining Medicaid eligibility after a three-year pause, up to 2.5 million CHC patients could lose their Medicaid coverage, triggering a loss of \$1.5 billion to \$2.5 billion in patient revenue.[1]

Expiration of Supplemental Funding: During the same time, \$7.6 billion in supplemental COVID funding is expiring. While some funding went for one-time COVID services and supplies, this funding also helped expand primary and behavioral health services to patients through direct services, telehealth, and through hiring and retaining staff. We estimate a loss of \$4.56B from supplemental funding.

#### Our asks for FY24 include:

##### **\$9B for combined mandatory and discretionary funding for Health Centers**

\$6.12B through increased allocations of the mandatory CHC Trust Fund

\$2.88B through annual appropriations and discretionary funding

##### **\$2.48B for CHC workforce**

\$1B for the Teaching Health Center Graduate Medical Education program

\$950M for the National Health Service Corps (NHSC)

\$25M for the new Mental Health of the Health Professions Workforce Program

\$28M for the new Health Care Workforce Innovation Program

##### **\$1.3B in special project funding**

\$1.1B for capital investment funding

\$200M for innovation

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

## How would this funding help health centers fulfill their mission?

### *Access*

Funding will enable ongoing and expanded access to care for those most in need. Particularly as some patients become uninsured, health centers will serve as a medical home and save already scarce resources by helping people avoid more costly care like the emergency room.

### *Infrastructure*

Capital and technology improvements help to expand new sites and sufficiently care for patients.

### *Workforce*

Investments allow health centers to recruit, retain, and invest in their workforce. NHSC is proven to provide patients with culturally competent, person-centered care. Health Resources & Services Administration Administrator Johnson testified recently that health centers currently are only able to meet 25% of patient mental health needs due to workforce shortages.

### *Innovation*

Funds allow health centers to expand telehealth and value-based care to improve patient outcomes by addressing patients' unique and underlying health-related social needs.

***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)***