



ADVOCATES FOR
COMMUNITY
HEALTH

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Submitted by Amanda Pears Kelly, Chief Executive Officer, Advocates for Community Health.

Prepared for the House Appropriations Committee, Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, regarding the Department of Health and Human Services, Health Resources and Services Administration, Bureau of Primary Health Care, Community Health Center Program.

Thank you for this opportunity to provide Outside Witness Testimony for Fiscal Year 2025 Appropriations for the Subcommittee on Labor, Health and Human Services, Education and Related Agencies. **Advocates for Community Health requests \$3.2 billion in funding for the Community Health Center Program in Fiscal Year 2025.**

[Advocates for Community Health](#) (ACH) is a membership organization of community health centers (CHCs) focused on visionary policy and advocacy initiatives to affect positive change for CHCs, the patients they serve, and the nation's health care system as a whole. Rooted in community health, our members are among the largest health centers in the nation and are forward-thinking, leading the way in comprehensive, integrated primary care and cutting-edge innovation to help shape a rapidly evolving health care landscape.

This federal funding will support "Section 330" grants, administered by the Health Resources and Services Administration (HRSA), a critical financial foundation for the over 1,400 health centers in the U.S.¹ These grants enable CHCs to support the costs of caring for uninsured patients; as of the first quarter of 2023, 25.3 million people in the United States remained uninsured.² They also support low-income and under-insured patients who need care that insurance does not cover, and who experience high out of pocket medical costs that they cannot afford. Grant dollars also enable CHCs to meet staffing needs and address related costs associated with launching new services, extending hours, or adding accessible service locations.³ Fundamentally, these grants help health centers act as a centerpiece of our health care safety net.

Unfortunately, federal funding is simply not keeping pace with the need health centers are experiencing. The nation's largest primary care network, this program has received only small discretionary funding increases in recent years, with appropriated funding remaining flat in FY24. This is particularly stark at a time when community health center patient populations

¹ . Sara Rosenbaum, et al. *Community Health Center Financing: The Role of Medicaid and Section 330 Grant Funding Explained*. The Kaiser Family Foundation, 2019. Accessed at <https://files.kff.org/attachment/Issue-Brief-Community-Health-Center-Financing-The-Role-of-Medicaid-and-Section-330-Grant-Funding-Explained>.

² *National Uninsured Rate Reaches an All-Time Low in Early 2023 After Close of ACA Open Enrollment Period* (Issue Brief No. HP-2023-20). Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. August 2023. Accessed at <https://aspe.hhs.gov/sites/default/files/documents/e06a66dfc6f62afc8bb809038d4faebe4/Uninsured-Record-Low-Q12023.pdf>.

³ Sara Rosenbaum, Feygele Jacobs, Peter Shin, Rebecca Morris, Colleen Bedenbaugh. *Federal Grants are Essential to Community Health Centers*. Geiger Gibson Program on Community Health at George Washington University, 2023. Accessed at <https://geigergibson.publichealth.gwu.edu/federal-grants-are-essential-community-health-centers>.

continue to rise precipitously. In the past 10 years, health center patient populations have increased from 21.1 million patients at in 2012⁴ to over 31 million patients in 2022,⁵ a nearly 50% increase.

CHC patients are from all walks of life, in rural, urban, suburban, and frontier communities across the country. CHCs serve all who seek care, regardless of insurance status or ability to pay, serving as hyperlocal health care hubs that provide the gold standard in primary care. Of the over 31 million patients CHCs serve, 24.2 million are uninsured or covered by Medicaid and/or Medicare. Ninety percent have incomes at or below 200% of the federal poverty level, and 63% identified as a racial and/or ethnic minority. Over 9.6 million patients are from rural areas.⁶ Health centers' complex and dynamic patient populations receive comprehensive, quality, coordinated care, as CHCs serve at the forefront of our nation's medical emergencies like ongoing mental health, substance abuse, and maternal mortality crises, as well as tending to their communities during natural disasters like wildfires, hurricanes, and tornadoes.

In addition, community health centers were at the front lines during the COVID-19 pandemic, providing testing, vaccinations, and treatment for a communicable disease that disproportionately impacted their patient populations.⁷ Health centers provided over 22 million COVID-19 tests, 24 million COVID-19 vaccines, and more than 19 million personal protection equipment and at-home test kits between 2021 and 2023.⁸ While community health centers received important, targeted funding to help address these challenges, that funding has since expired.

The expiration of this funding is part of a perfect storm of financial challenges health centers are experiencing, threatening patient care. For example, the pandemic-era Medicaid continuous coverage mandate expired in 2023. According to recent data from the Geiger Gibson Program in Community Health at George Washington University, it is projected that 2.6 million health center Medicaid patients nationally could lose coverage once the full Medicaid "unwinding" is completed. As the number of Medicaid-covered patients declines, health centers can expect to lose up to \$2.8 billion in revenue, leading to reductions in staffing and patient care capacity. The number of health center staff would decrease by nearly 20 thousand full time employees, while the total number of patients served by community health centers would be reduced by 2.14 million.⁹ This is a loss many CHCs simply cannot afford.

⁴ Peter Shin, Jessica Sharac, Zoe Barber, Sara Rosenbaum, and Julia Paradise. *Community Health Centers: A 2013 Profile and Prospects as ACA Implementation Proceeds*. KFF Issue Brief, 2015. Accessed at <https://www.kff.org/report-section/community-health-centers-a-2013-profile-and-prospects-as-aca-implementation-proceeds-issue-brief/>.

⁵ *About the Health Center Program*. March 2024. Accessed at: <https://bphc.hrsa.gov/about-health-center-program>.

⁶ Health Resources and Services Administration, *2022 Health Center Program Highlights, Uniform Data System Trends*, August 2023. Accessed at <https://bphc.hrsa.gov/sites/default/files/bphc/data-reporting/uds-2022-trends-webinar-slides.pdf>.

⁷ Celli Horstman, *Underfunded and Overburdened: The Toll of the COVID-19 Pandemic on Community Health Centers*, To the Point (blog), Commonwealth Fund, June 5, 2023. <https://doi.org/10.26099/hfkn-1659>

⁸ Bailey Spates, *Community Health Centers: A Vital Resource for COVID-19 Vaccination in the Era of Commercialization*, National Association of Community Health Centers, October 5, 2023. Accessed at <https://www.nachc.org/chcs-a-vital-resource-for-covid-19-vaccination-in-the-era-of-commercialization/>.

⁹ Peter Shin, Rebecca Morris, Feygele Jacobs, and Leighton Ku. *Updated Estimates Show That Medicaid Unwinding Threatens Health Center Capacity to Serve Vulnerable Patients*. Geiger Gibson Program on Community Health at George Washington University, 2023. Accessed at <https://geigergibson.publichealth.gwu.edu/updated-estimates-show-medicaid-unwinding-threatens-health-center-capacity-serve-vulnerable>.

Health centers are also contending with historic inflation, severe health care workforce strain and shortages, and the continued erosion of 340B program savings. In addition, median operating margins for the nation's community health centers stand at only 3.5 percent, making federal funding even more important.¹⁰

Health centers were grateful for the small but important increase allocated to the mandatory Community Health Center Fund as part of the continuing resolution that passed in March 2024, after years of flat and near-flat funding. However, the fund's authorization expires on December 31, 2024; this comes after three additional short-term extensions. Health centers have no guarantee that the Fund will be reauthorized for the long term in December, let alone that Congress will enact a sufficient funding increase to address ongoing financial challenges and ensure stability for patients and their communities. The reality is that health center funding has not kept pace with the increased needs within the community nor the sharp increases in costs for goods, services, and workforce. Health centers are depending on Congress to help them make ends meet.

As the Subcommittee considers funding for FY25, please note that community health center funding is especially efficient and effective, delivering cost savings, patient health, and community well-being. Across the board, being connected to primary care services like those provided at CHCs leads to better outcomes and lower costs. Recent research shows that, for every \$1 invested in primary care, \$13 is saved in downstream costs.¹¹

Furthermore, according to a recent Congressional Budget Office report, evidence suggests care provided at community health centers leads to more cost-effective care, lower federal spending for the Medicaid and Medicare populations they serve, and lower spending in emergency departments, in inpatient hospital settings, and for other outpatient services.¹² As noted by Dr. Robert Nocon at the Kaiser Permanente School of Medicine, community health centers were estimated to save a total of \$25.3 billion for the Medicaid and Medicare programs in 2021.¹³

Not only do community health centers save the health care system and patients money, but they also serve as economic engines for under-resourced neighborhoods. A study by Capital Link has shown that, for every dollar of federal funding invested in community health centers, \$11 is generated in total economic activity through increased spending on related health service expenses, food services, transportation, construction, and more.¹⁴ As an example, health centers in Oklahoma created 4,869 jobs and generated \$822,711,237 in total economic activity in

¹⁰ Peter Shin, Feygele Jacobs, and Rebecca Morris. *Community Health Centers in Financial Jeopardy Without Sufficient Federal Funding*. Geiger Gibson Program on Community Health at George Washington University, 2024. Accessed at https://geigergibson.publichealth.gwu.edu/community-health-centers-financial-jeopardy-without-sufficient-federal-funding#footnote2_bi3obad.

¹¹ Sherril Gelmon et al. *Implementation of Oregon's PCPCH Program: Exemplary Practice and Program Finding*. Oregon Health Authority, September 2016. Accessed at <https://www.oregon.gov/oha/HPA/dsi-ppch/Documents/PCPCH-Program-Implementation-ReportFinal-Sept-2016.pdf>.

¹² Congressional Budget Office Cost Estimate. *S. 2840, Bipartisan Primary Care and Health Workforce Act*, February 6, 2024. <https://www.cbo.gov/system/files/2024-02/s2840.pdf>.

¹³ Robert Nocon, Kaiser Permanente Bernard J. Tyson School of Medicine. *Testimony on Community Health Centers: Saving Lives, Saving Money before the United States Senate Committee on Health, Education, Labor and Pensions Committee*. March 02, 2023. Accessed at https://www.help.senate.gov/imo/media/doc/Testimony-Nocon-CHCs%202023-0228_Final.pdf.

¹⁴ National Association of Community Health Centers (NACHC). *Health Centers Provide Cost Effective Care*, 2015. Accessed at http://nachc.org/wpcontent/uploads/2015/06/Cost-Effectiveness_FS_2015.pdf.

2021.¹⁵ In Connecticut, health centers created 8,087 jobs and generated \$1,322,940,773 in total economic activity in 2021.¹⁶ And in Alabama, health centers created 4,944 jobs and generated \$852,341,899 in total economic activity in 2021.¹⁷

Also notable, the quality of care provided by community health centers has not altered or been sacrificed in the face of growth. As of 2022, 1,058 community health centers (77%) have been certified as Patient-Centered Medical Homes (PCMH), and community health centers have eight times greater odds of attaining PCMH certification than other types of health care practices.¹⁸ The PCMH model enables community health centers to generate strong patient outcomes at lower costs despite treating patients who are often sicker with more complex health care needs.

The bottom line is that community health centers are facing enormous financial challenges while serving a larger and more important role in our health care system than ever before. We urge the House Appropriations Committee to invest in this important component of the health care safety net. Such an investment is more than warranted; it is vital. Not only do community health centers have a proven track record of savings, accountability, and positive economic impact, they are the breeding ground for invaluable innovation to drive further savings and better health outcomes, all while responding to the localized needs of their community. The Health Center Program is a shining example of a vital federal investment with localized control and impact, and massive system-wide returns in the form of savings, employment, and economic stimulation in otherwise underserved communities.

Community health centers are required to serve every patient who walks through their doors, regardless of their insurance status or ability to pay. But to do so, they need an investment from the federal government that matches communities' needs. This comprehensive, culturally, and linguistically competent care also requires a strong community health center workforce. It is critical that we reinvest in the Health Center Program to address the ever-increasing need in communities across the nation and allow them to expand and offer more people their high-quality, low-cost services. Health centers have proven they can do a great deal with limited resources; but they could do even more with a meaningful investment. Community health centers are poised to care for our nation's underserved, innovate and drive new models of care, produce healthier patients and communities, and save our health care system scarce resources.

Congress has the opportunity to set this vital health care system on the right course for the future. Whether measured in lives or dollars, there is no better health care investment than the Health Center Program.

¹⁵ NACHC State Fact Sheets, Oklahoma, 2023. Accessed at https://www.nachc.org/wp-content/uploads/2023/06/StateFactSheet_OK_2023-1-1.pdf.

¹⁶ NACHC State Fact Sheets, Connecticut, 2023. Accessed at https://www.nachc.org/wp-content/uploads/2023/04/StateFactSheet_CT_2023-1.pdf.

¹⁷ NACHC State Fact Sheets, Alabama, 2023. Accessed at https://www.nachc.org/wp-content/uploads/2023/06/StateFactSheet_AL_2023-1-3.pdf.

¹⁸ National Association of Community Health Centers. *Community Health Center Chartbook 2022*. Accessed at <https://www.nachc.org/wp-content/uploads/2022/03/Chartbook-Final-2022-Version-2.pdf>.