



ADVOCATES FOR  
COMMUNITY  
HEALTH

May 22, 2026

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Prepared for the Senate 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 2027 Appropriations for the Subcommittee on Labor, Health and Human Services, Education and Related Agencies. **Advocates for Community Health requests \$2.88 billion in funding for the Community Health Center Program in Fiscal Year 2027.**

[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 1,300 health centers in the U.S.<sup>1</sup> These grants enable CHCs to support the costs of caring for uninsured patients; as of the first quarter of 2024, 27.13 million people in the United States remained uninsured.<sup>2</sup> 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 close workforce gaps to address acute shortages and help mitigate related costs associated with launching new services, extending hours, or adding accessible service locations.<sup>3</sup> Fundamentally, these grants help health centers act as a centerpiece of our health care safety net.

Health centers have proven they can do a great deal with limited resources, but they could do even more with a meaningful investment. CHCs 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's scarce resources.

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<sup>1</sup> *Uniform Data System (UDS) National Health Center Program Data Overview*, 2024. Health Resources and Services Administration (HRSA). Accessed at: <https://data.hrsa.gov/topics/healthcenters/uds/overview/national>

<sup>2</sup> *National Uninsured Rate at 8.2 Percent in the First Quarter of 2024* (Issue Brief No. HP-2024-17). Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, August 2024. Accessed at <https://aspe.hhs.gov/sites/default/files/documents/ee0475e44e27daef00155e95a24fd023/nhis-q1-2024-datapoint.pdf>

<sup>3</sup> 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>.

Unfortunately, federal funding has not kept pace with rising demand at health centers. The nation's largest primary care network, this program has received no discretionary funding increases in recent years. This is particularly stark at a time when CHC populations continue to rise precipitously. In the past 10 years, health center patient populations have increased from 21.1 million patients in 2012<sup>4</sup> to over 32 million patients in 2024,<sup>5</sup> a 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 32.4 million patients CHCs serve, 25.1 million are uninsured or covered by Medicaid and/or Medicare, and ninety percent have incomes at or below 200% of the federal poverty level. Rural communities especially rely on CHCs.<sup>6</sup> 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.

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 CHCs stand at only 3.5 percent, making federal funding even more important.<sup>7</sup>

Health centers are deeply grateful for the funding provided for the mandatory Community Health Center Fund for 2026. At the same time, greater long-term stability is needed, as the fund remains subject to periodic reauthorization, including again at the end of this year. That uncertainty can make it more difficult for health centers to plan ahead and continue serving patients and communities effectively.

As the Subcommittee considers funding for FY27, please note that CHC 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. Research shows that, for every \$1 invested in primary care, \$13 is saved in downstream costs.<sup>8</sup>

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<sup>4</sup> 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/>.

<sup>5</sup> *Uniform Data System (UDS) National Health Center Program Data Overview*, 2024. Health Resources and Services Administration (HRSA). Accessed at: <https://data.hrsa.gov/topics/healthcenters/uds/overview/national>

<sup>6</sup> Health Resources and Services Administration, *Impact of the Health Center Program*, August 2025. Accessed at <https://bphc.hrsa.gov/about-health-center-program/impact-health-center-program>

<sup>7</sup> 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](https://geigergibson.publichealth.gwu.edu/community-health-centers-financial-jeopardy-without-sufficient-federal-funding#footnote2_bi3obad).

<sup>8</sup> 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-pcpch/Documents/PCPCH-Program-Implementation-ReportFinal-Sept-2016.pdf>.

Furthermore, according to a Congressional Budget Office report, evidence suggests care provided at CHCs 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.<sup>9</sup> As noted by Dr. Robert Nocon at the Kaiser Permanente School of Medicine, CHCs were estimated to save a total of \$25.3 billion for the Medicaid and Medicare programs in 2021.<sup>10</sup>

Not only do CHCs save the health care system and patients themselves money, but they also serve as economic engines for under-resourced neighborhoods. Studies show that, for every dollar of federal funding invested in CHCs, \$11 is generated in total economic activity through increased spending on related health service expenses, food services, transportation, construction, and more.<sup>11</sup>

The bottom line is that CHCs are facing enormous financial challenges while serving a larger and more important role in our health care system than ever before. We urge the Senate 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 CHCs have a proven track record of savings, accountability, and positive economic impact, but they are also 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.

CHCs 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 requires a strong CHC 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.

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.

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<sup>9</sup> 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>.

<sup>10</sup> 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](https://www.help.senate.gov/imo/media/doc/Testimony-Nocon-CHCs%202023-0228_Final.pdf).

<sup>11</sup> National Association of Community Health Centers (NACHC). *Health Centers Provide Cost Effective Care*, 2015. Accessed at [https://southsidecoalition.org/wp-content/uploads/Cost\\_Effectiveness\\_FS\\_2015.pdf](https://southsidecoalition.org/wp-content/uploads/Cost_Effectiveness_FS_2015.pdf).