



National Association of  
Community Health Centers, Inc.

# ***A Sketch of Community Health Centers***

## **Chart Book 2006**



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For more information, email [research@nachc.com](mailto:research@nachc.com).

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# Preface

The National Association of Community Health Centers (NACHC) is pleased to present *A Sketch of Community Health Centers*, an overview of the federal health centers program and the communities they serve. Community Health Centers began over forty years ago as part of President Lyndon B. Johnson's declared "War on Poverty." Their aim then, as it is now, is to **provide affordable, high quality and comprehensive primary care to medically underserved populations, regardless of their insurance status or ability to pay**. A growing number of health centers also provide dental, behavioral, pharmacy, and other needed supplemental services. No two health centers are alike but they all share one common purpose: to provide primary health care services that are coordinated, culturally and linguistically competent, and community-directed.

Health centers play a critical role in the health care system as the **health care home to nearly 16 million people**. Across the country health centers produce positive results for their patients and for the communities they serve. They stand as evidence that communities can improve health, reduce health disparities, and deal with a multitude of costly and significant health and social problems – including substance abuse, HIV/AIDS, mental illness, and homelessness – if they have the resources and leadership to do so.

Although the health centers program has been very successful over the years in providing vital health care services to those in need, the program faces many looming challenges. Rising costs, narrowing revenue streams, and steady increases of newly uninsured and chronically ill patients threaten health centers' ability to meet growing need. **Federal and state support is critically important** to keep pace with rising costs and escalating health care needs.

Who health centers serve, what they do, and their impressive record of accomplishment in keeping communities healthy, is represented in the following charts.

# Section I: Who Health Centers Serve



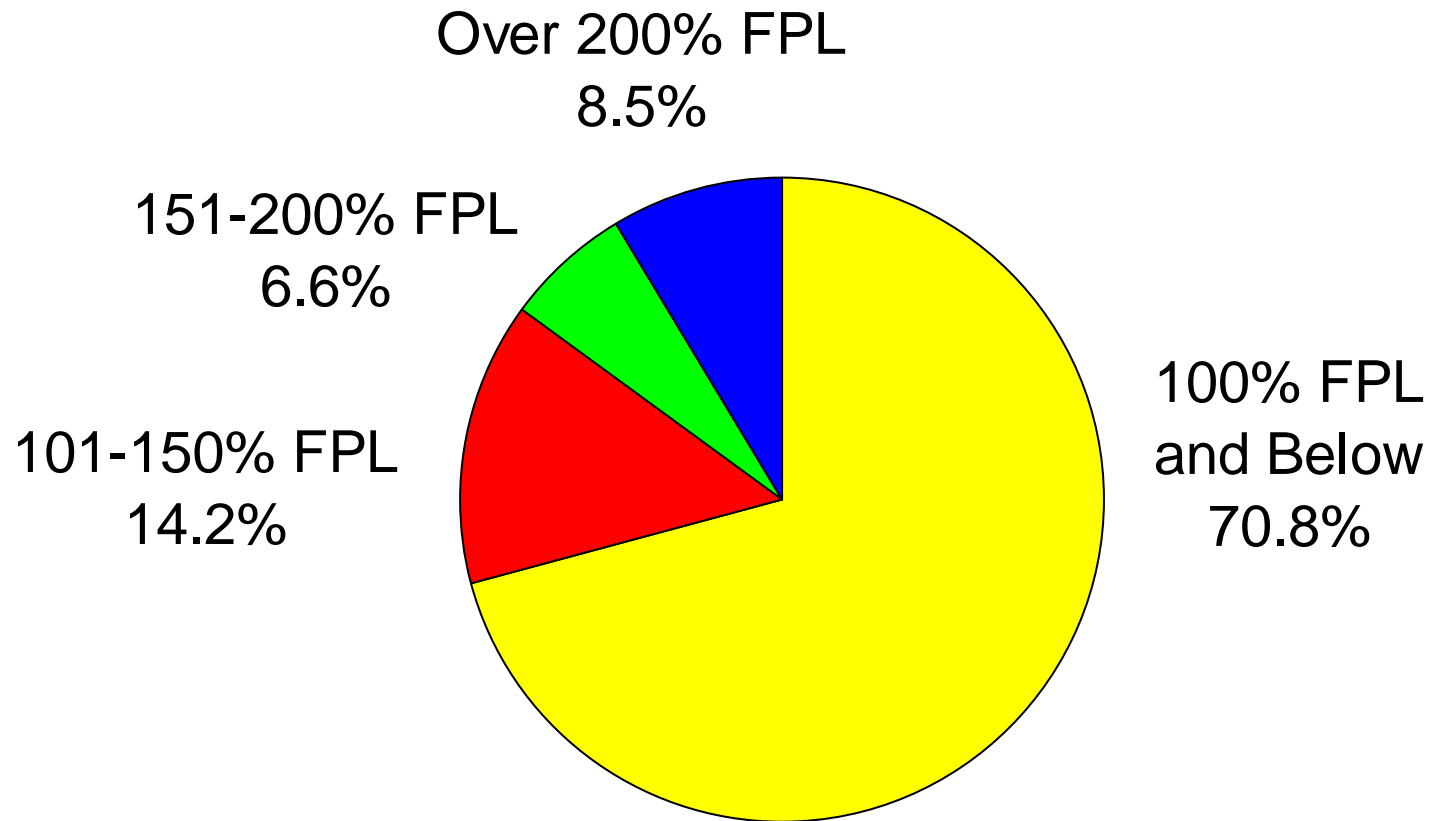
Figure 1.1

# Health Centers Serve...

- 1 in 9 **Medicaid** beneficiaries
- 1 in 7 **uninsured** persons, including
  - 1 in 5 **low income** uninsured
- 1 in 4 people in **poverty**
- 1 in 10 **minorities**
- 1 in 9 **rural** Americans

Figure 1.2

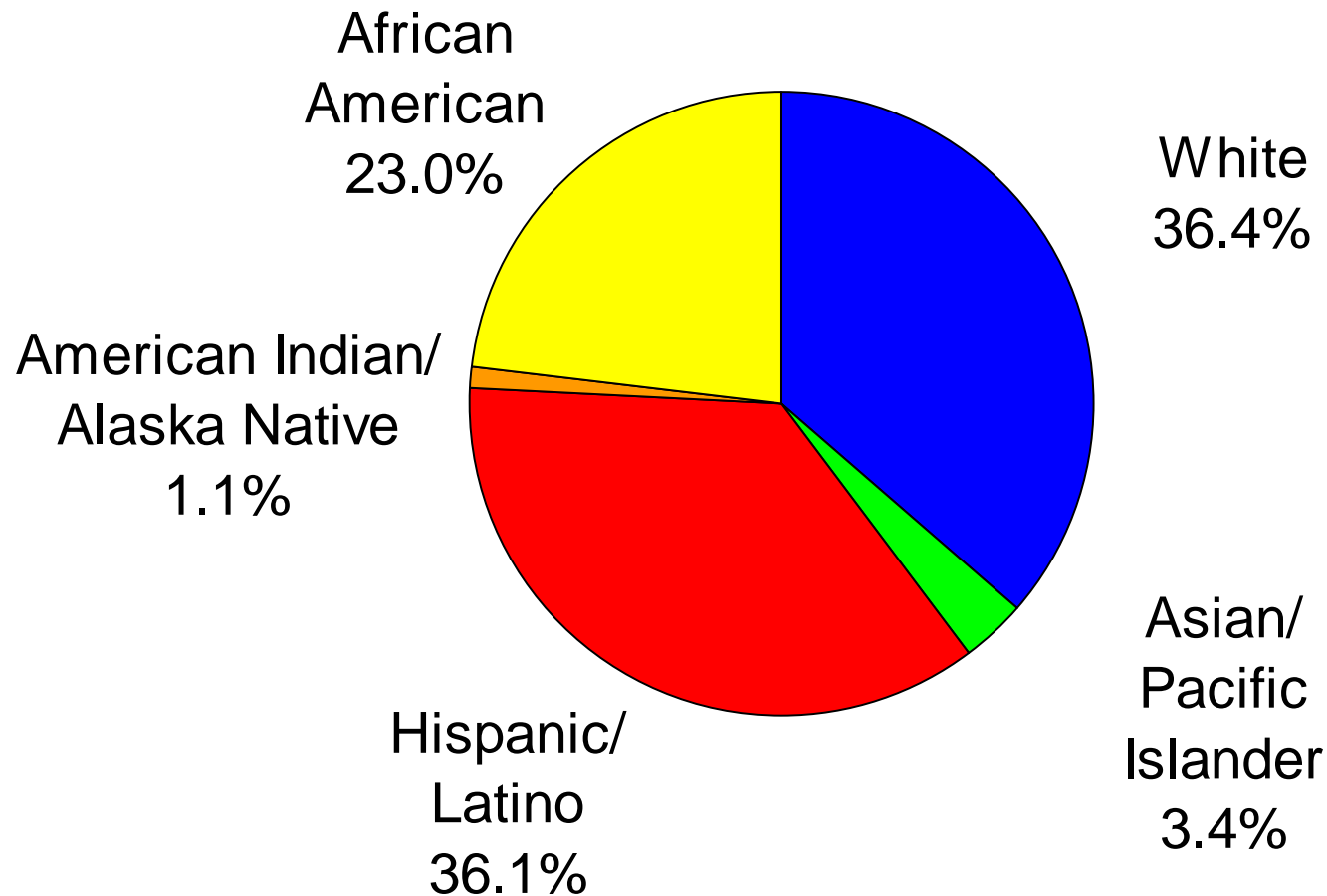
# Health Center Patients Are Predominately Low Income



Note: Federal Poverty Level (FPL) for a family of three in 2005 was \$16,090. (See <http://aspe.hhs.gov/poverty/05poverty.shtml>.) Based on percent known. Percents may not total 100% due to rounding.

Figure 1.3

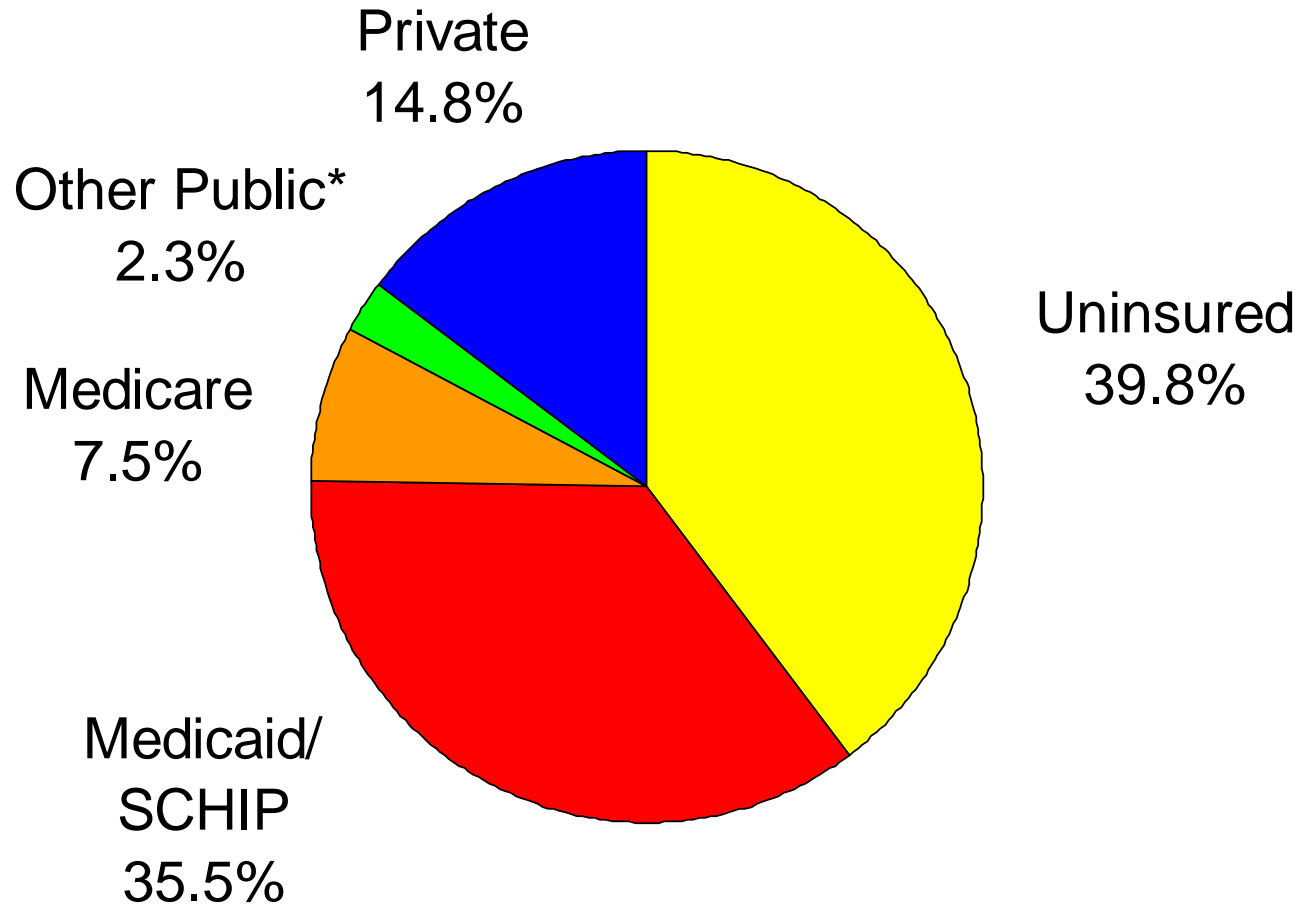
# Racial and Ethnic Minorities Make Up Two-Thirds of All Health Center Patients



Note: Based on percent known. Percents may not total 100% due to rounding.

Figure 1.4

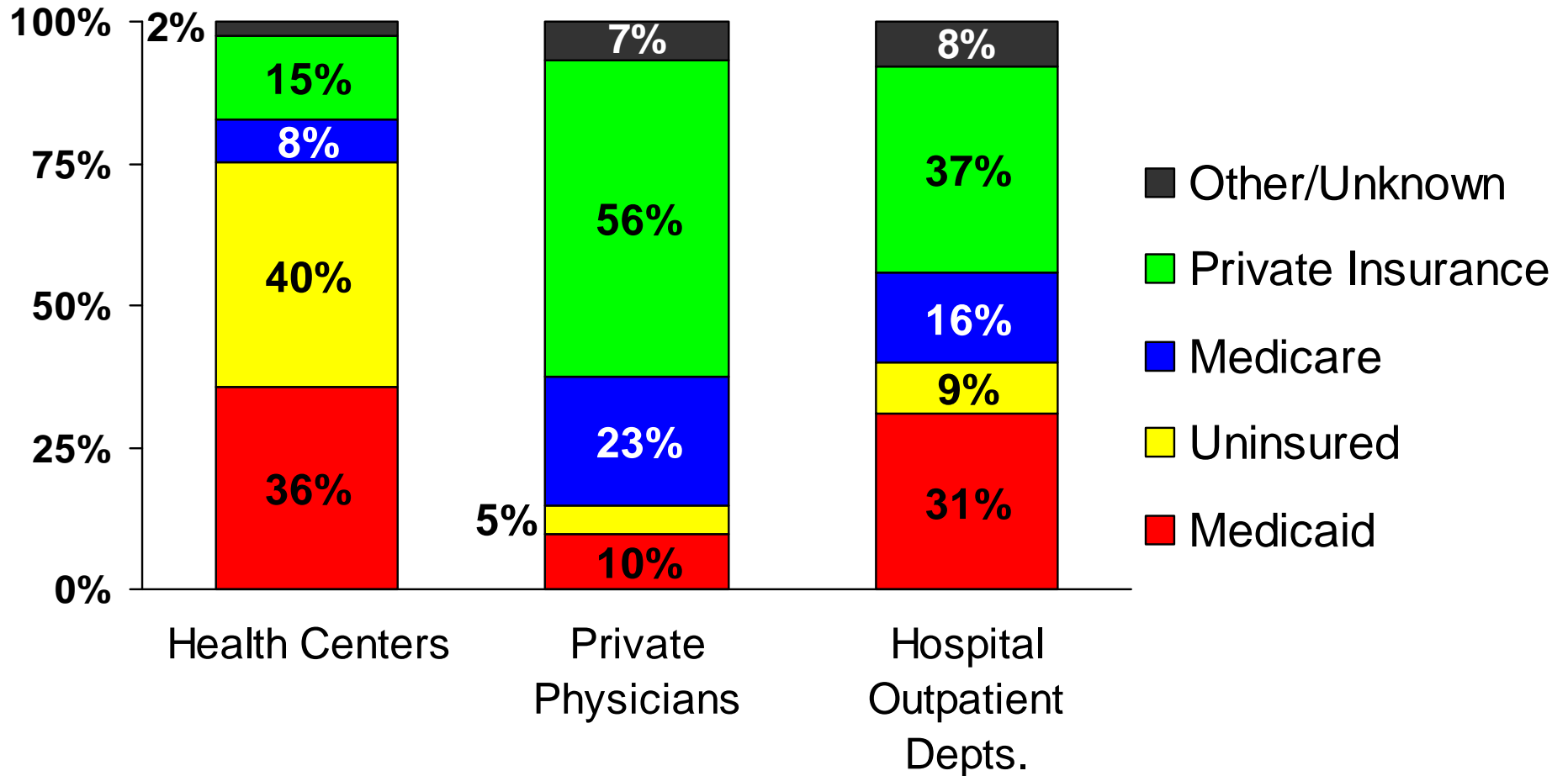
# Most Health Center Patients are Uninsured or Publicly Insured



\* Other public may include non-Medicaid SCHIP and state-funded insurance programs.  
Note: Percents may not total 100% due to rounding.

Figure 1.5

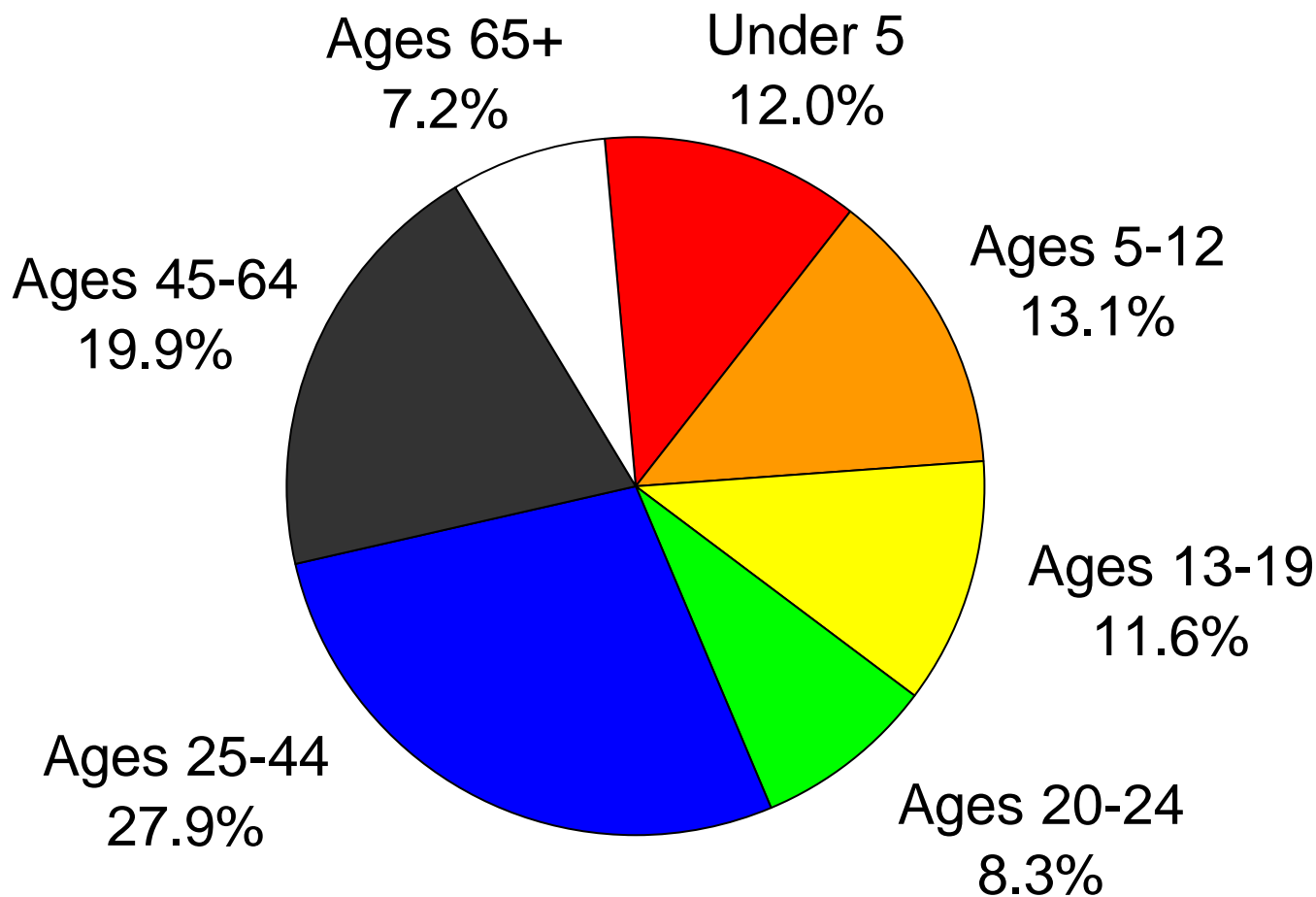
# Health Center Patient Mix Is Unique Among Ambulatory Care Providers



Notes: Other public includes non-Medicaid SCHIP and other state-funded insurance programs. Health Center data are from 2005, private physician and hospital outpatient data from 2004.  
Sources: Health Center from 2005 Uniform Data System. Private Physicians from 2004 NAMCS (CDC National Center for Health Statistics, 2006). Hospital Outpatient from 2004 NHAMCS (CDC National Center for Health Statistics, 2006).

Figure 1.6

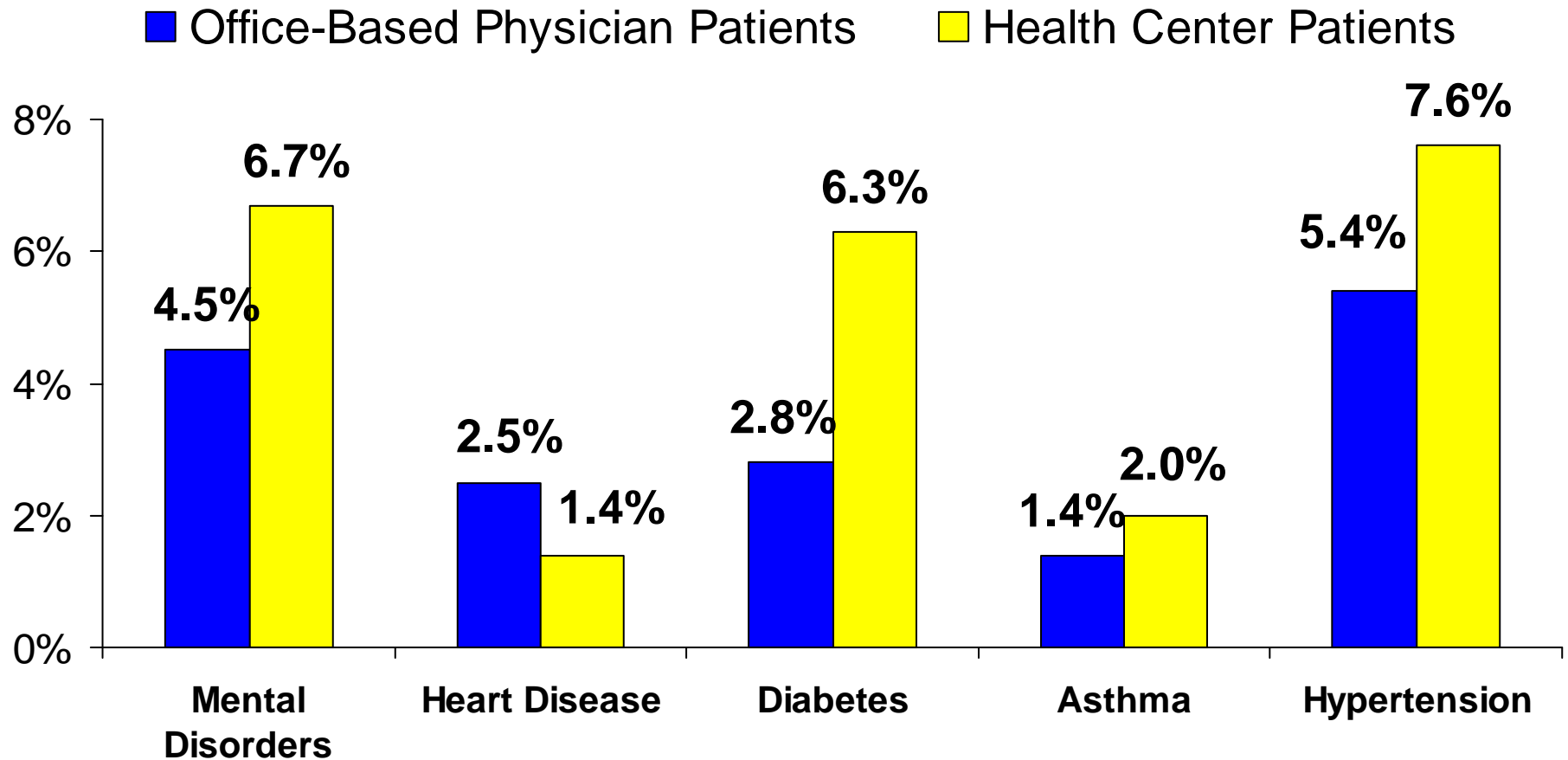
# Health Center Patients Range in Age



Note: Percents may not total 100% due to rounding.

Figure 1.7

# Health Center Patients are Generally More Likely to Have a Chronic Illness than Patients of Office-Based Physicians



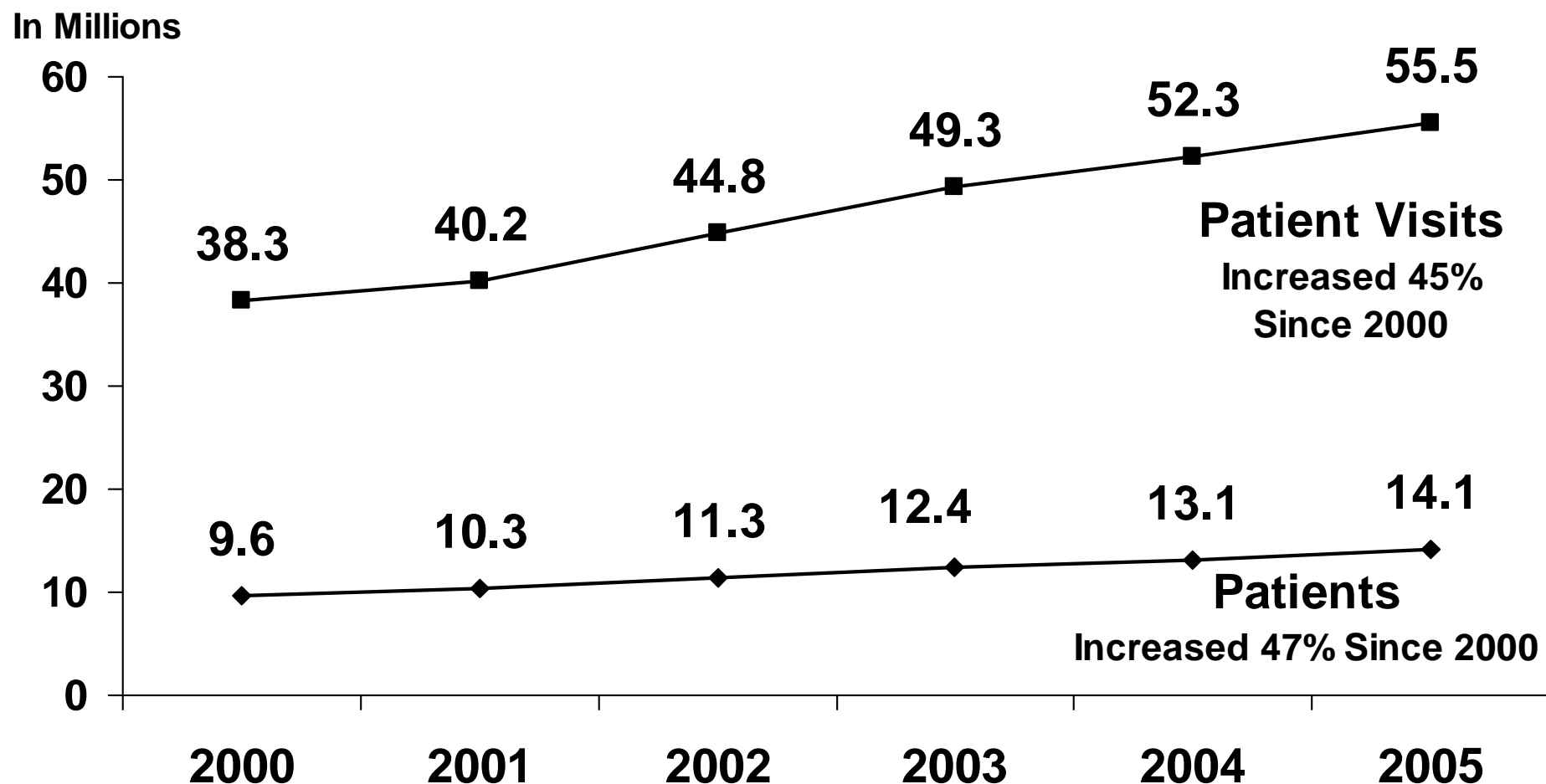
Source: Rosenbaum et al. *Health Centers as Safety Net Providers: An Overview and Assessment of Medicaid's Role*. Kaiser Commission on Medicaid and the Uninsured. 2003. Center for Health Services Research and Policy analysis of 2004 UDS. Office-based physician data based on 2002 National Ambulatory Medical Care Survey.

# Section II: Health Center Growth



Figure 2.1

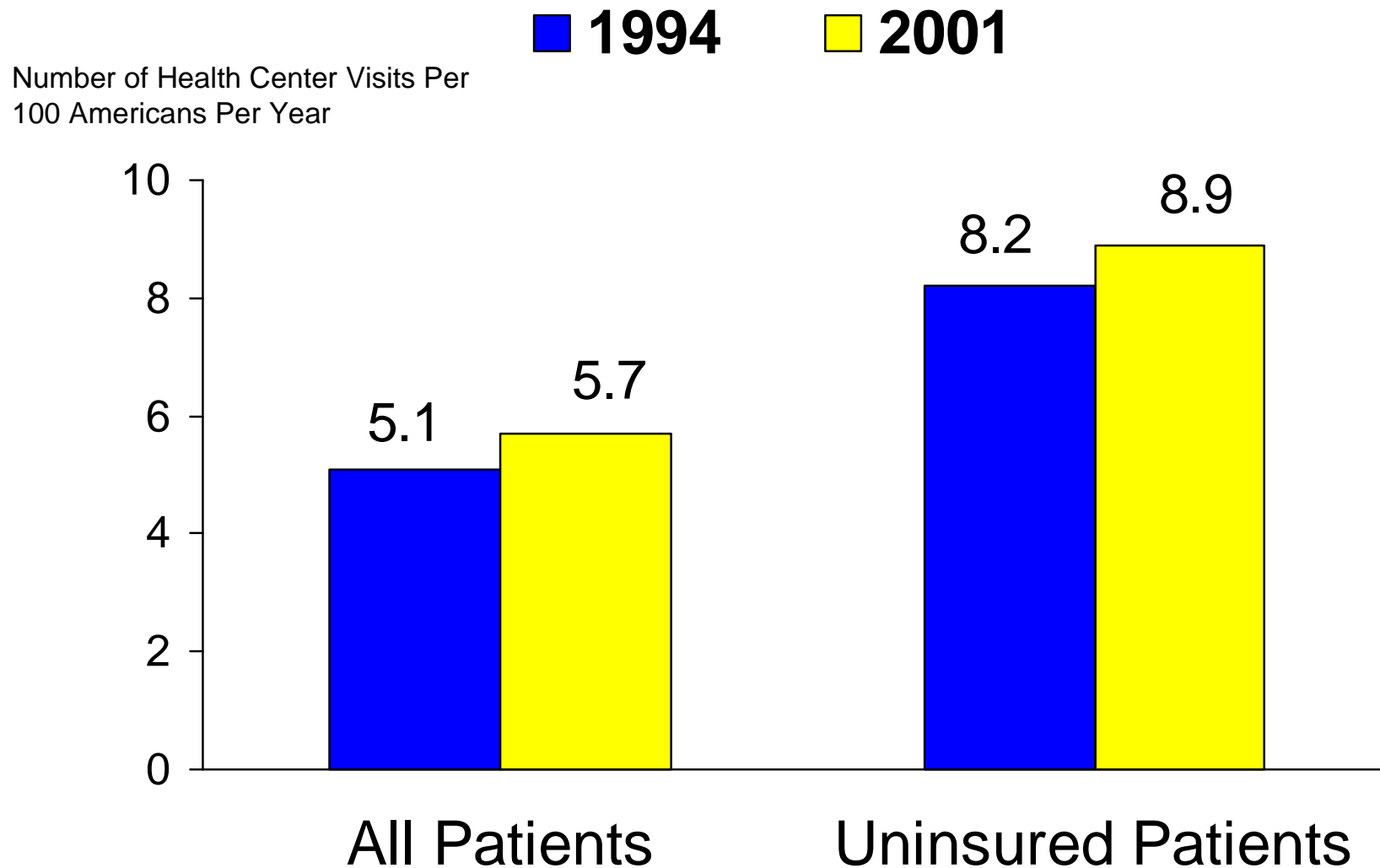
# The Number of Health Center Patients and Patient Visits Continues to Grow



Note: Excludes patients at non-Federally funded health centers, which treat an additional 1.5 million patients annually.

Figure 2.2

# Health Center Visit Rates Are On the Rise



Source: O'Maley AS, et al. "Health Center Trends, 1994-2001: What Do They Project for the Federal Growth Initiative?" March/April 2005. *Health Affairs* 24(2): 466-472.

Figure 2.3

# The Number of Health Centers Receiving Federal Health Center Grants Has Increased Dramatically

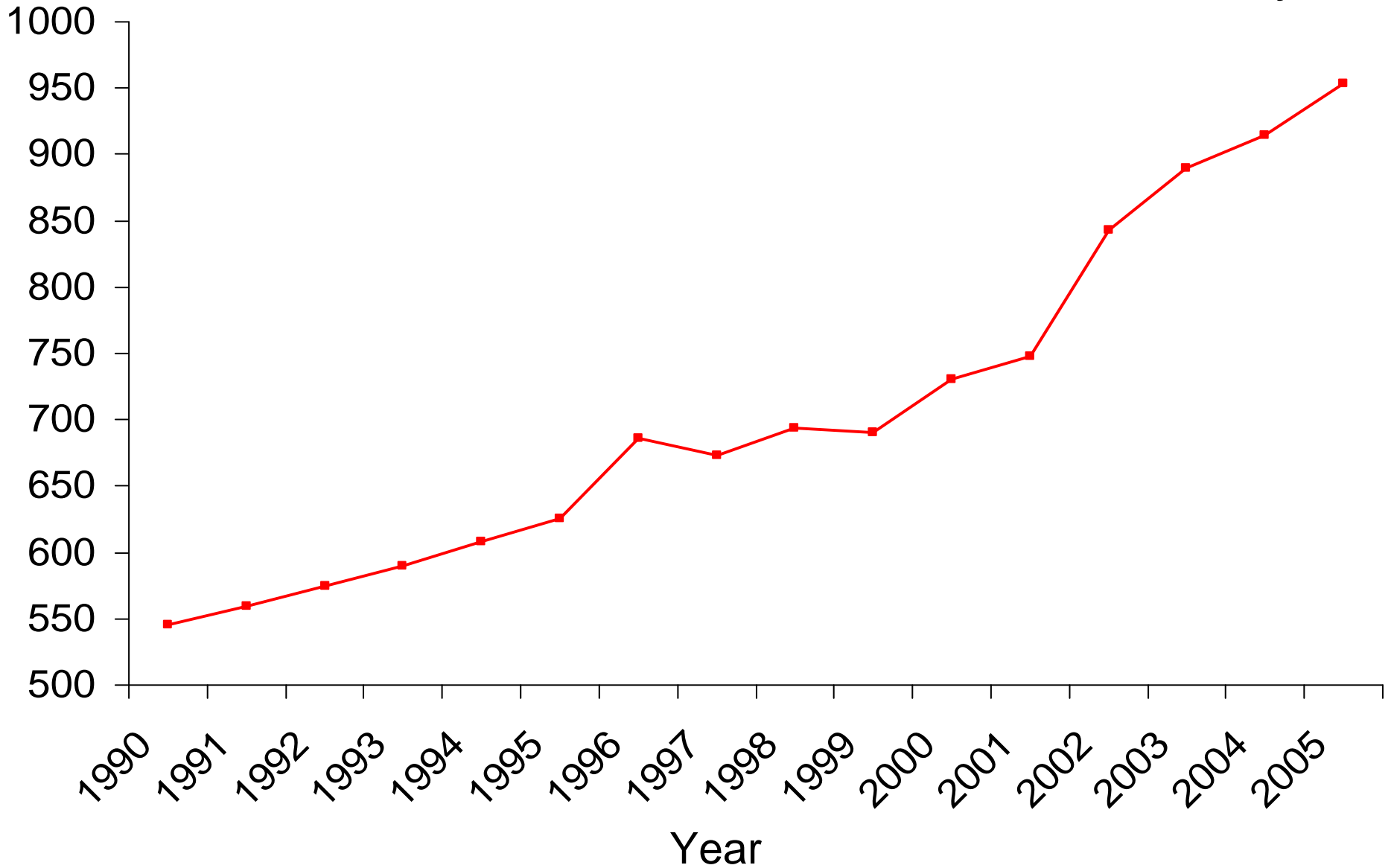


Figure 2.4

# Growth in Health Center Patients by Insurance Status, 1999-2005

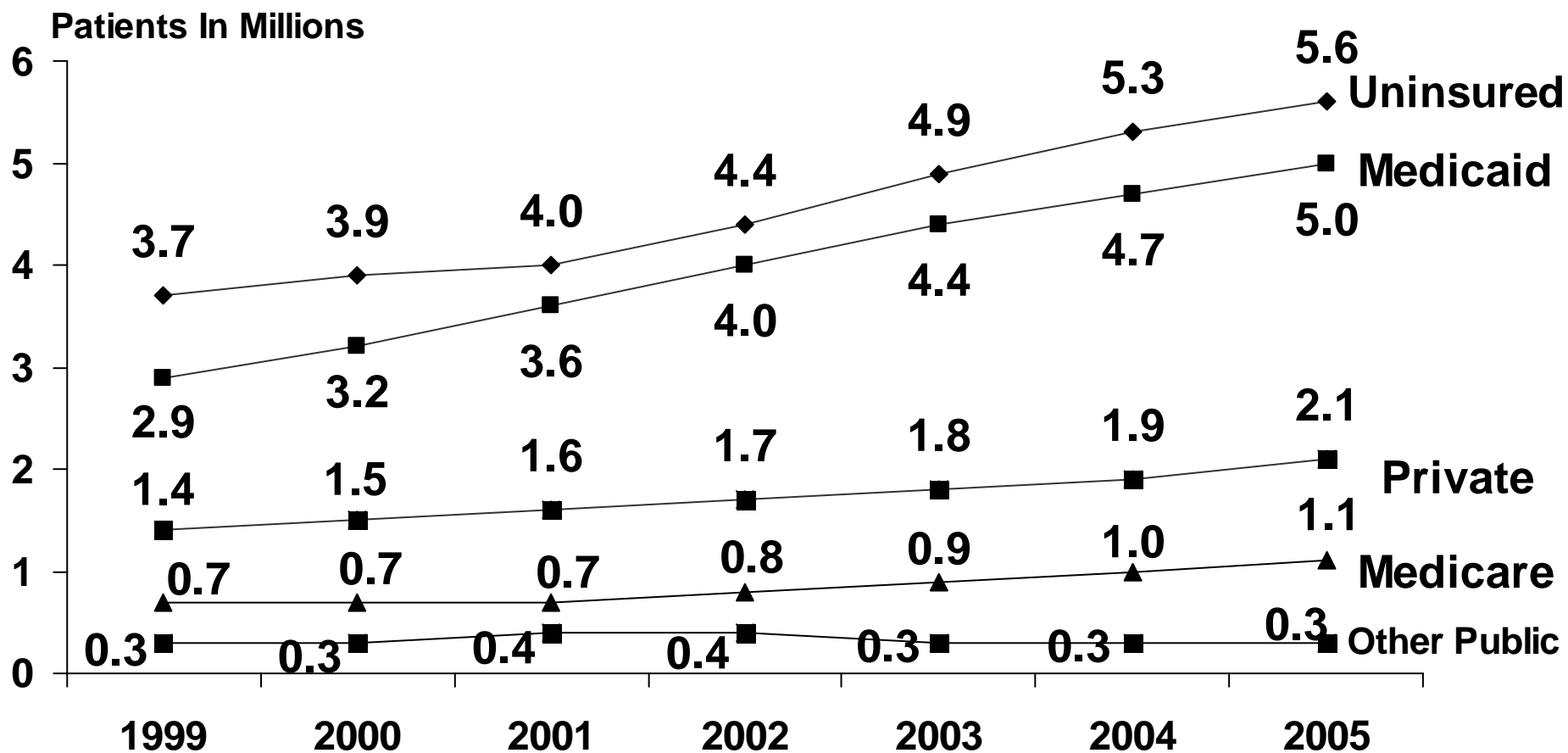
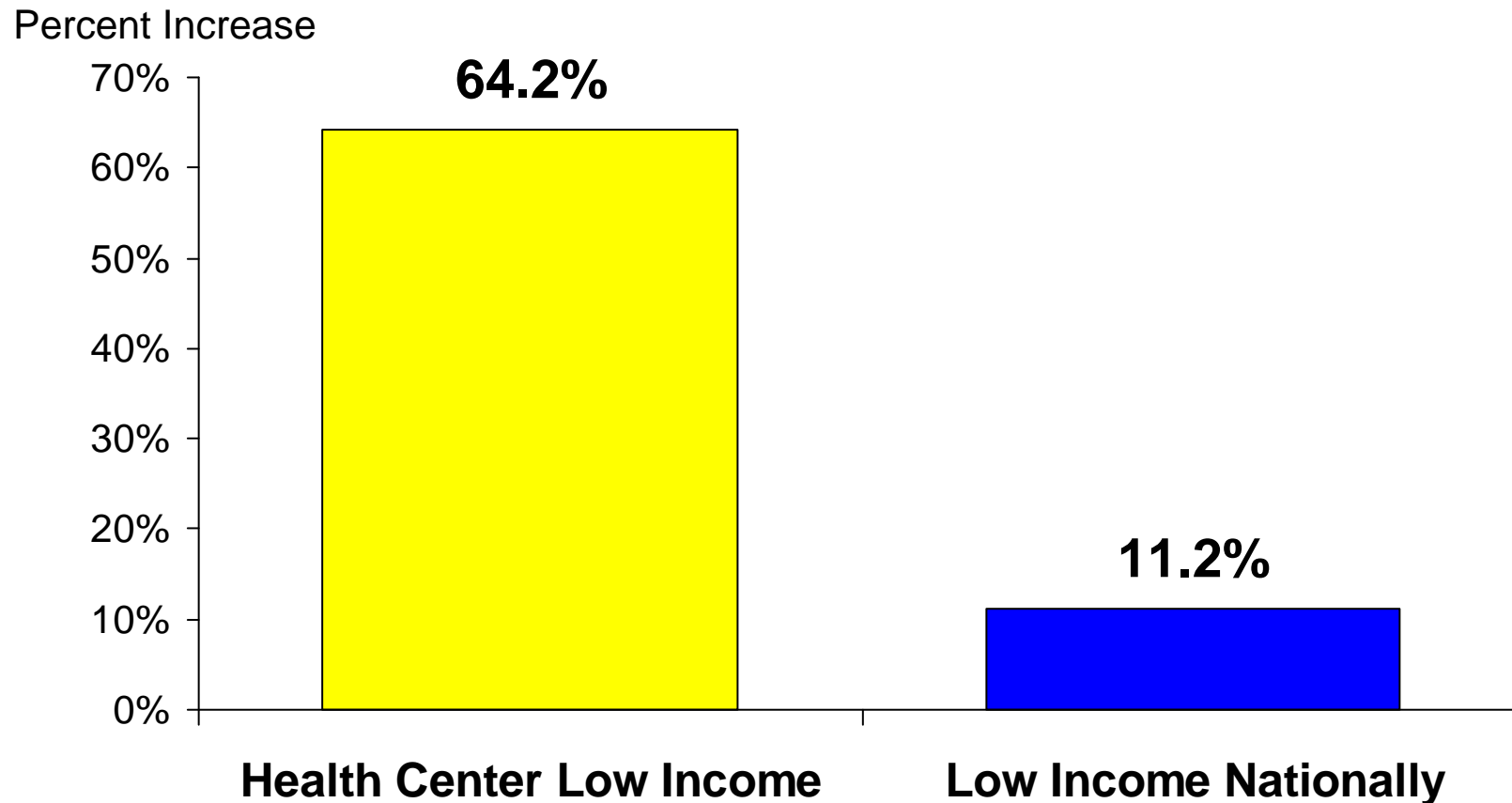


Figure 2.5

# The Number of Health Center Low Income\* Patients Is Growing Faster than Low Income Patients Nationally, 2000-2005



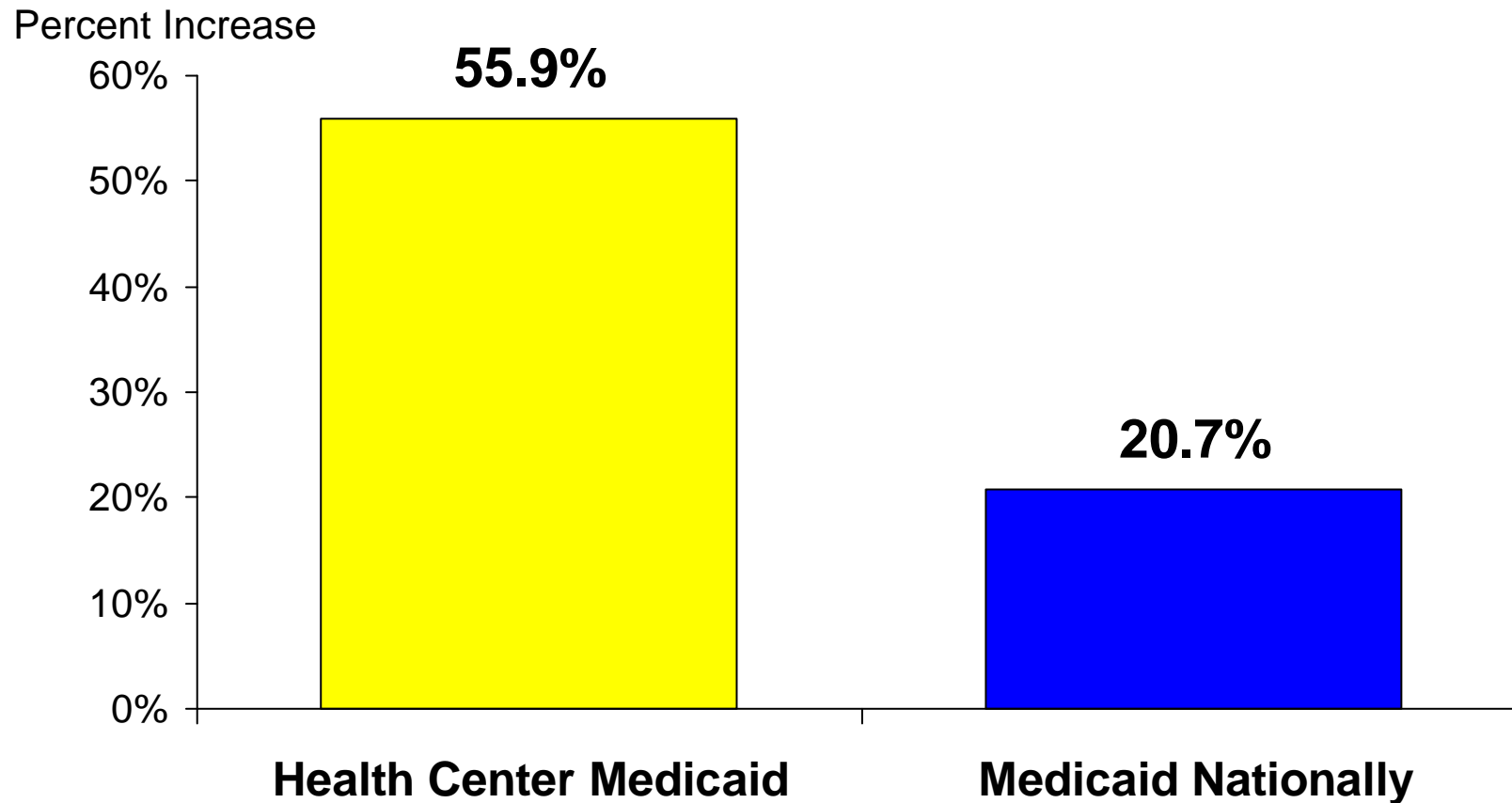
\* Patients under 200% of poverty.

Sources: US Census Historical Poverty Tables. "Table 5. Percent of People By Ratio of Income to Poverty Level: 1970 to 2005."

[www.census.gov/hhes/www/poverty/histpov/hstpov5.html](http://www.census.gov/hhes/www/poverty/histpov/hstpov5.html). And "Table 2. Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2005." [www.census.gov/hhes/www/poverty/histpov/hstpov2.html](http://www.census.gov/hhes/www/poverty/histpov/hstpov2.html). Health Center Data from Uniform Data System.

Figure 2.6

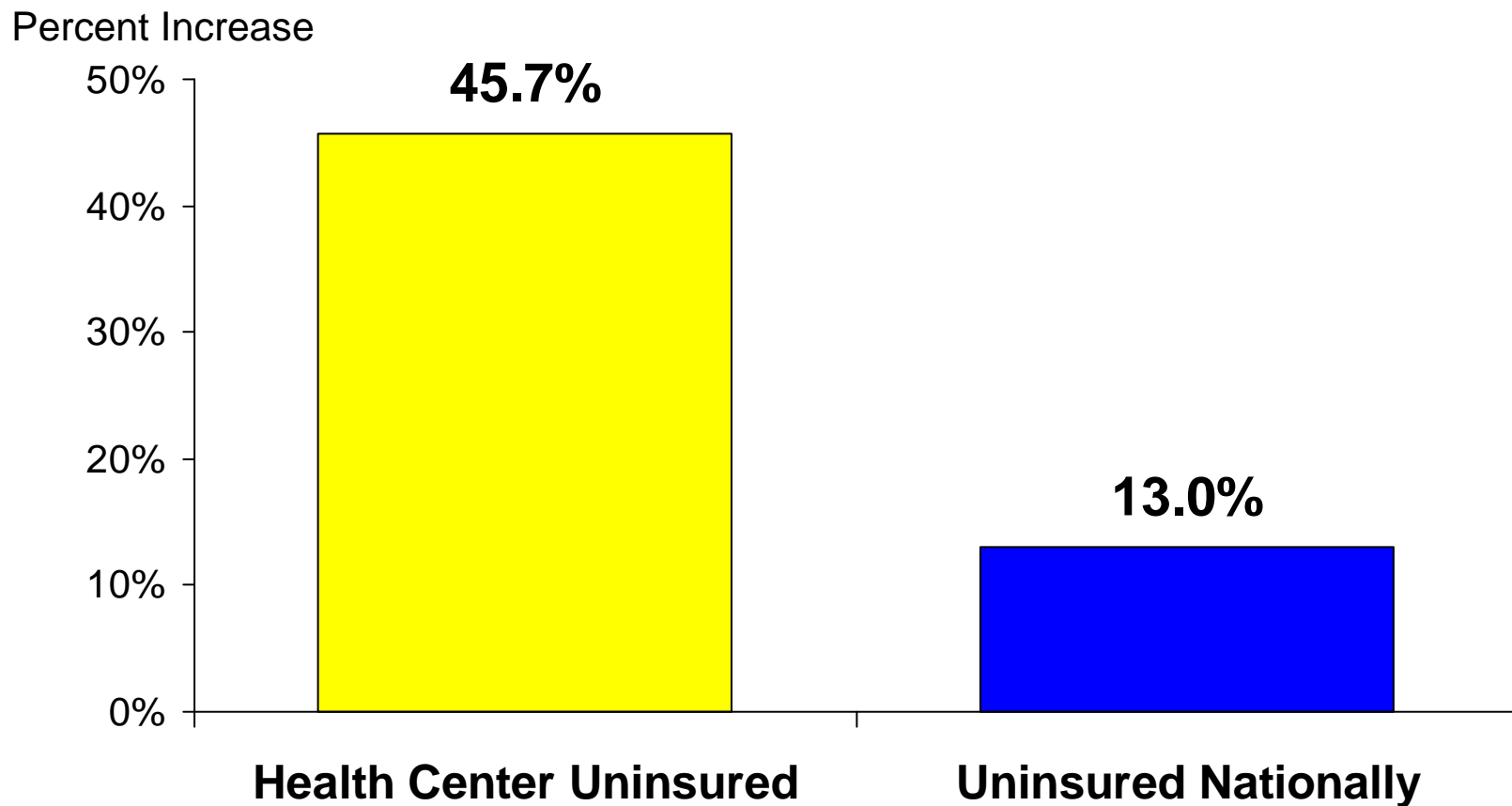
# The Number of Health Center Medicaid Patients Is Growing Faster than Medicaid Beneficiaries Nationally, 2000-2005



Sources: US Census Bureau. Historical Health Insurance Tables. "Table HI-1. Health Insurance Coverage Status and Type of Coverage by Sex, Race and Hispanic Origin: 1987 to 2005." [www.census.gov/hhes/www/hlthins/historic/hihist1.html](http://www.census.gov/hhes/www/hlthins/historic/hihist1.html). Health center from Uniform Data System.

Figure 2.7

# The Number of Health Center Uninsured Patients Is Growing Faster than the Uninsured Nationally, 2000-2005

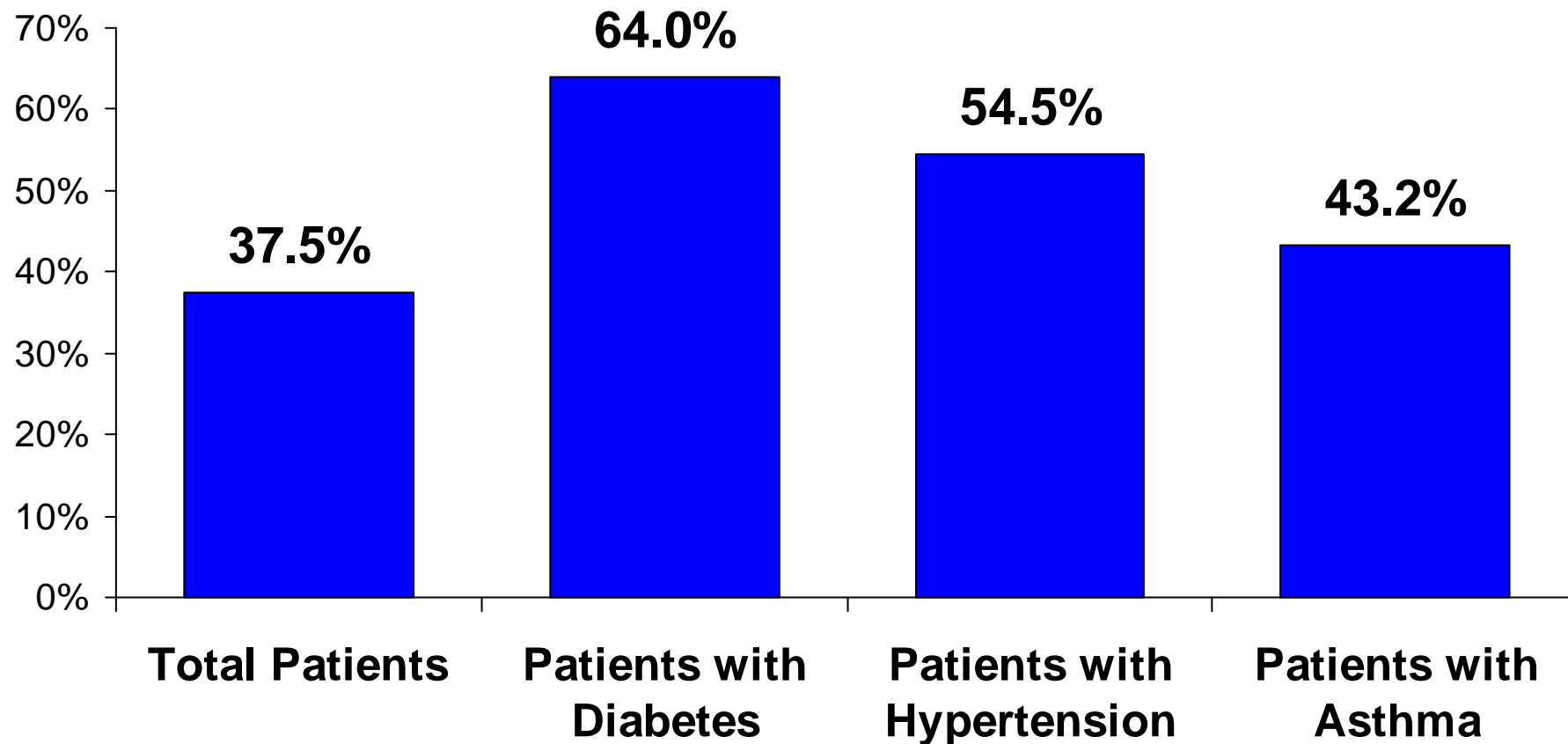


Sources: US Census Bureau. Historical Health Insurance Tables. "Table HI-1. Health Insurance Coverage Status and Type of Coverage by Sex, Race and Hispanic Origin: 1987 to 2005." [www.census.gov/hhes/www/hlthins/historic/hihist1.html](http://www.census.gov/hhes/www/hlthins/historic/hihist1.html). Health center from Uniform Data System.

Figure 2.8

# Growth in Health Center Patients and Patients with Select Chronic Conditions, 2001-2005

Percent Increase



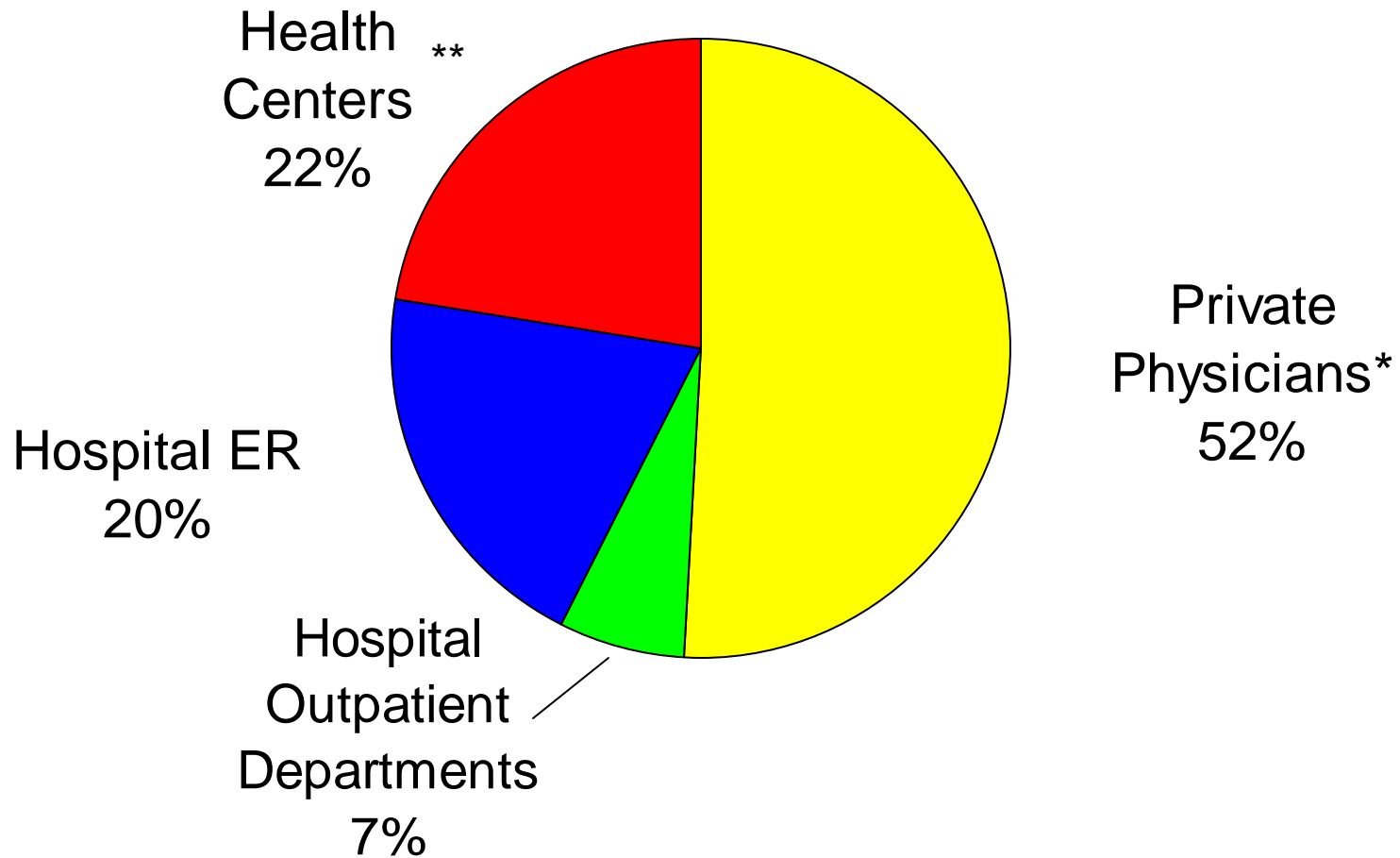


# Section: III

## Access to Care

Figure 3.1

# Health Centers Provide 22% of All Uninsured Ambulatory Care Visits



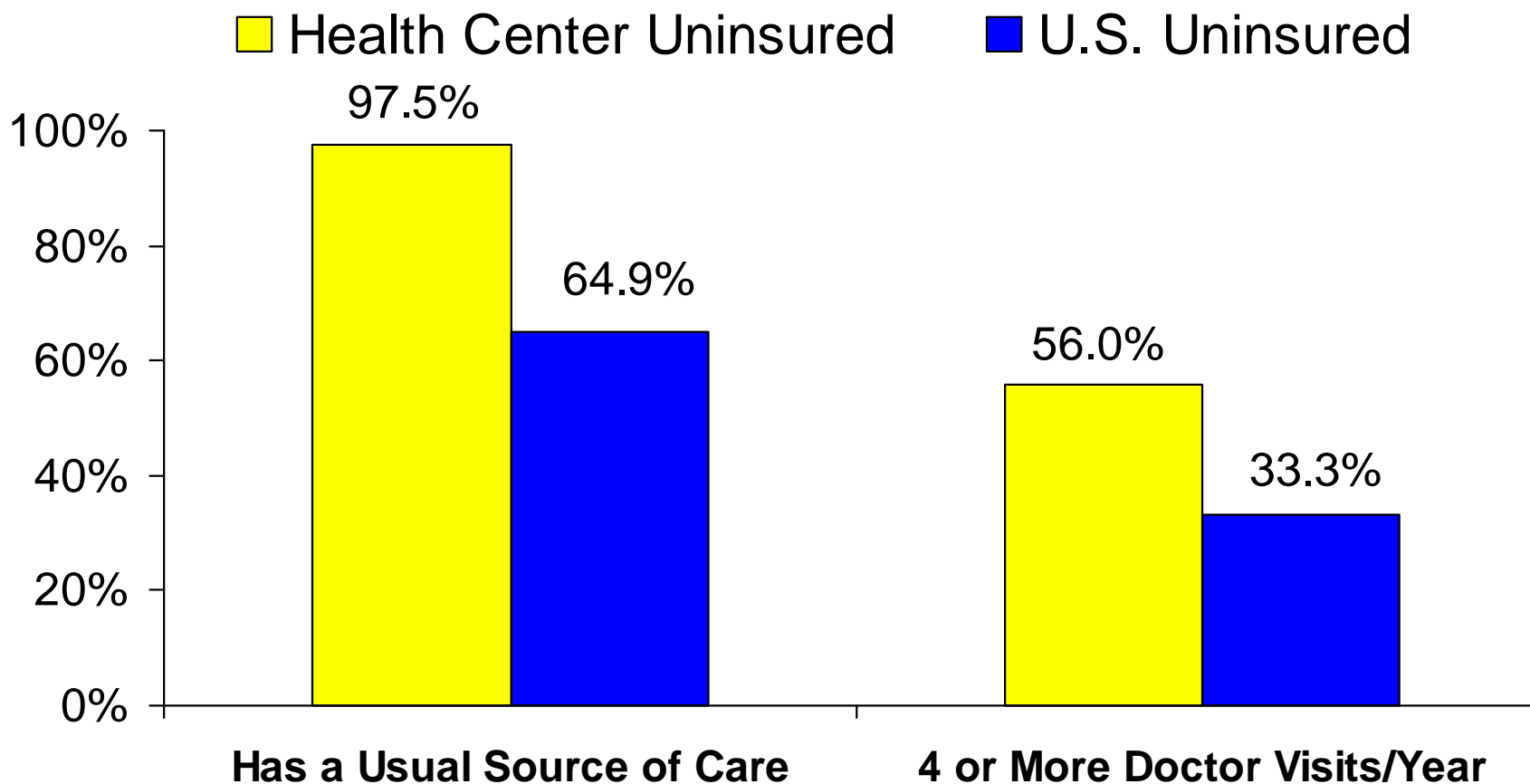
\*Includes all non-federally employed physicians outside hospitals and federally-run facilities.

\*\* Assumes the proportion of visits for the uninsured equals the proportion of patients that are uninsured.

Sources: Private Physicians from 2004 NAMCS (CDC National Center for Health Statistics, 2006). Hospital Outpatient and ER from 2004 NHAMCS (CDC National Center for Health Statistics, 2006). Health Center from 2004 Uniform Data System.

Figure 3.2

# Health Center Uninsured Patients Receive More Care than the Uninsured Nationally

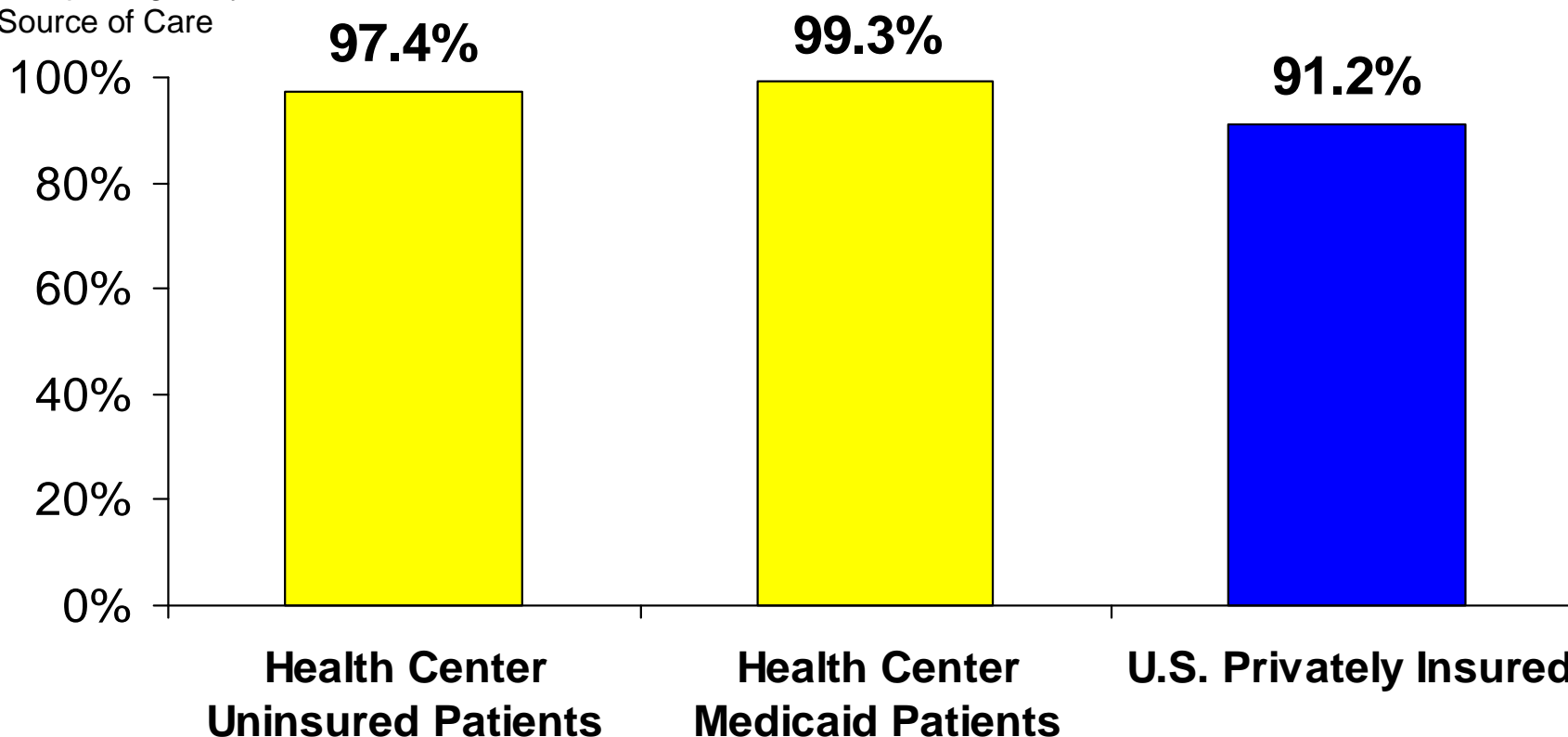


Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002, Preliminary Tables August 2004; and National Health Interview Survey, 2002.

Figure 3.3

# Health Center Uninsured and Medicaid Patients are More Likely to Have a Usual Source of Care than the U.S. Privately Insured

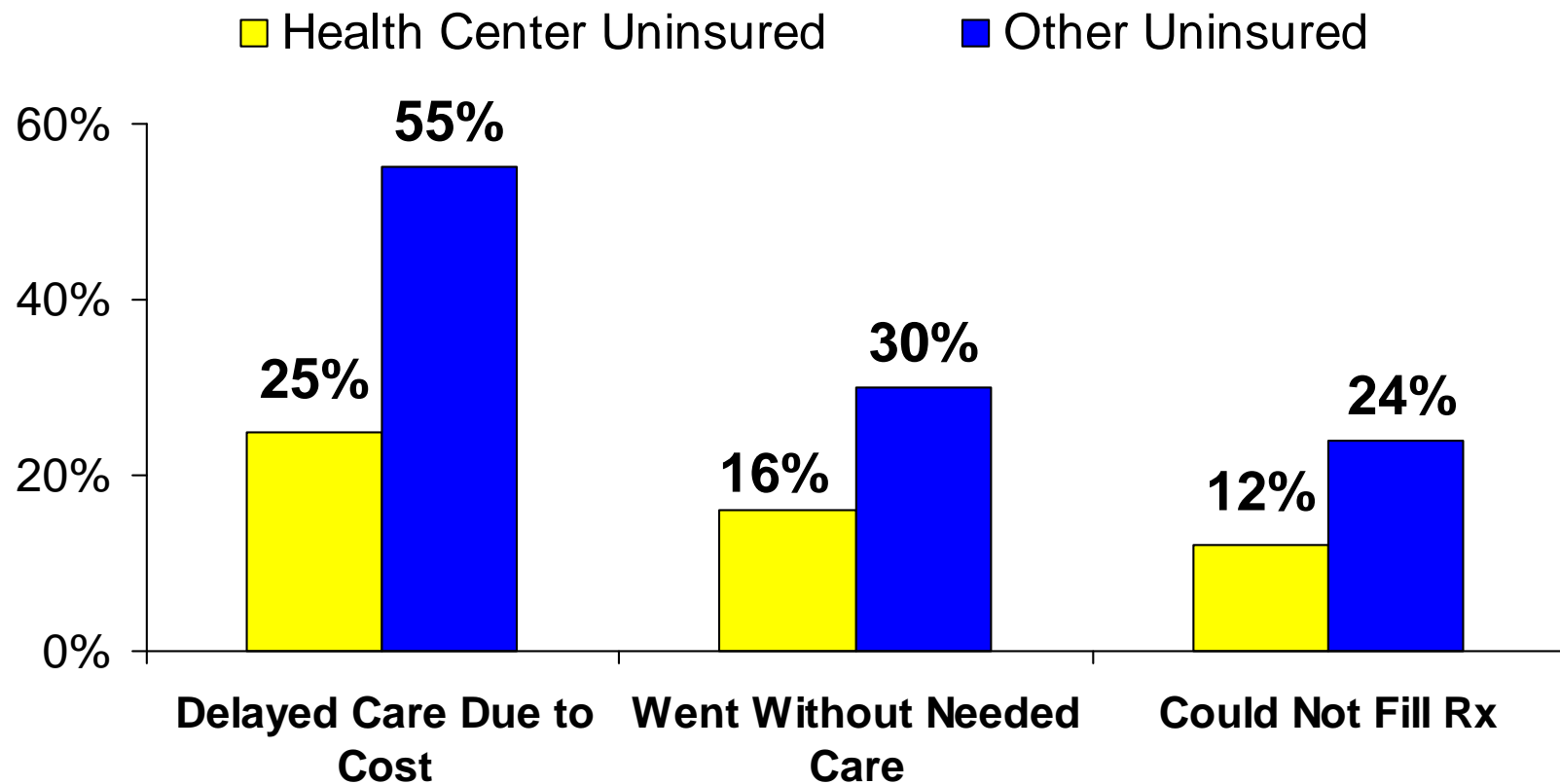
Percent Reporting They Have a Usual Source of Care



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002, Preliminary Tables August 2004; and National Health Interview Survey, 2002.

Figure 3.4

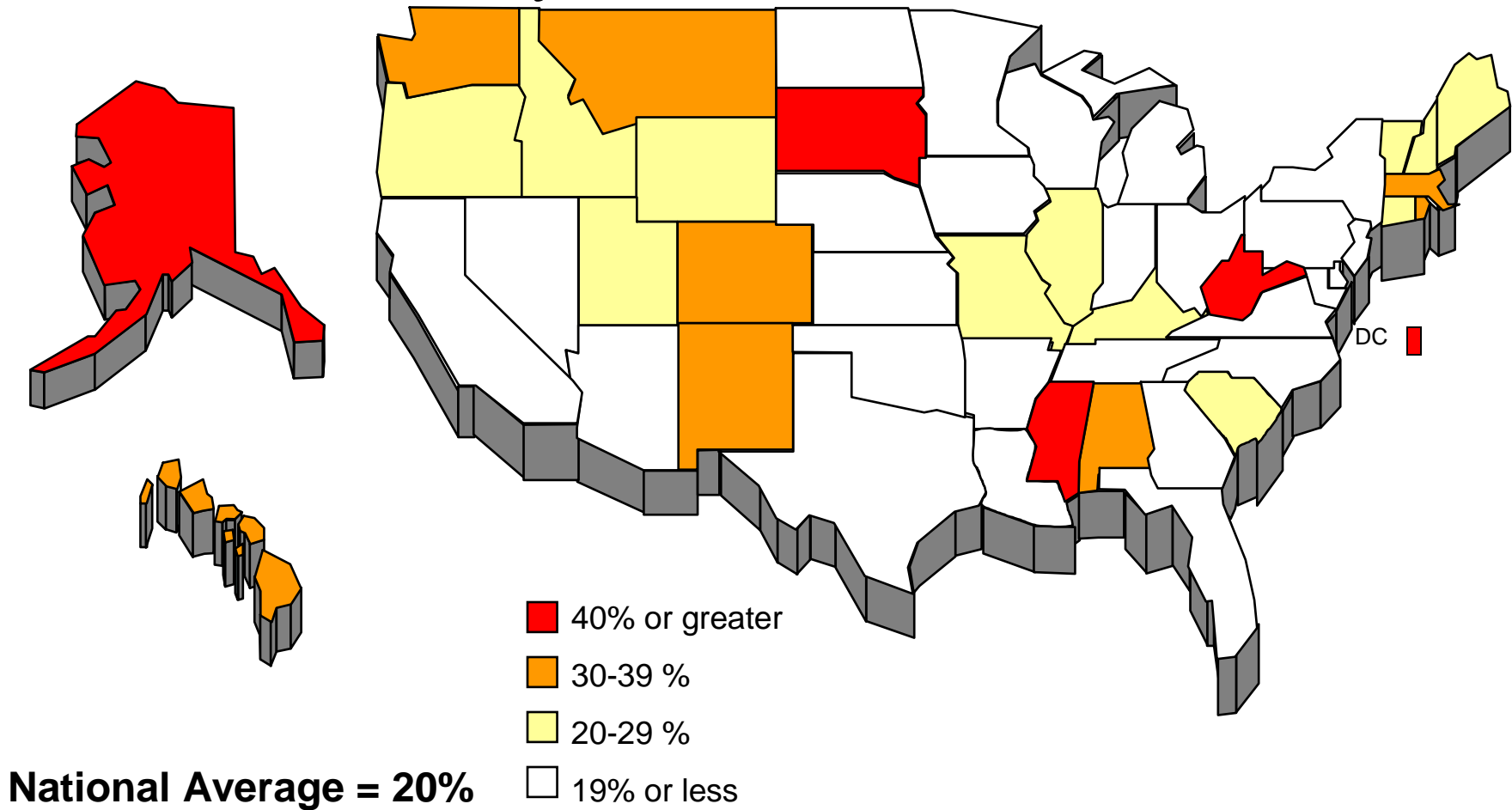
# Health Center Uninsured Patients are Twice as Likely To Get the Care They Need than Other Uninsured



Source: Politzer, R., et al. 2001. "Inequality in America: The Contribution of Health Centers in Reducing and Eliminating Disparities in Access to Care." *Medical Care Research and Review* 58(2):234-248.

Figure 3.5

# Percent of Low-income, Uninsured Served by Health Centers, 2005

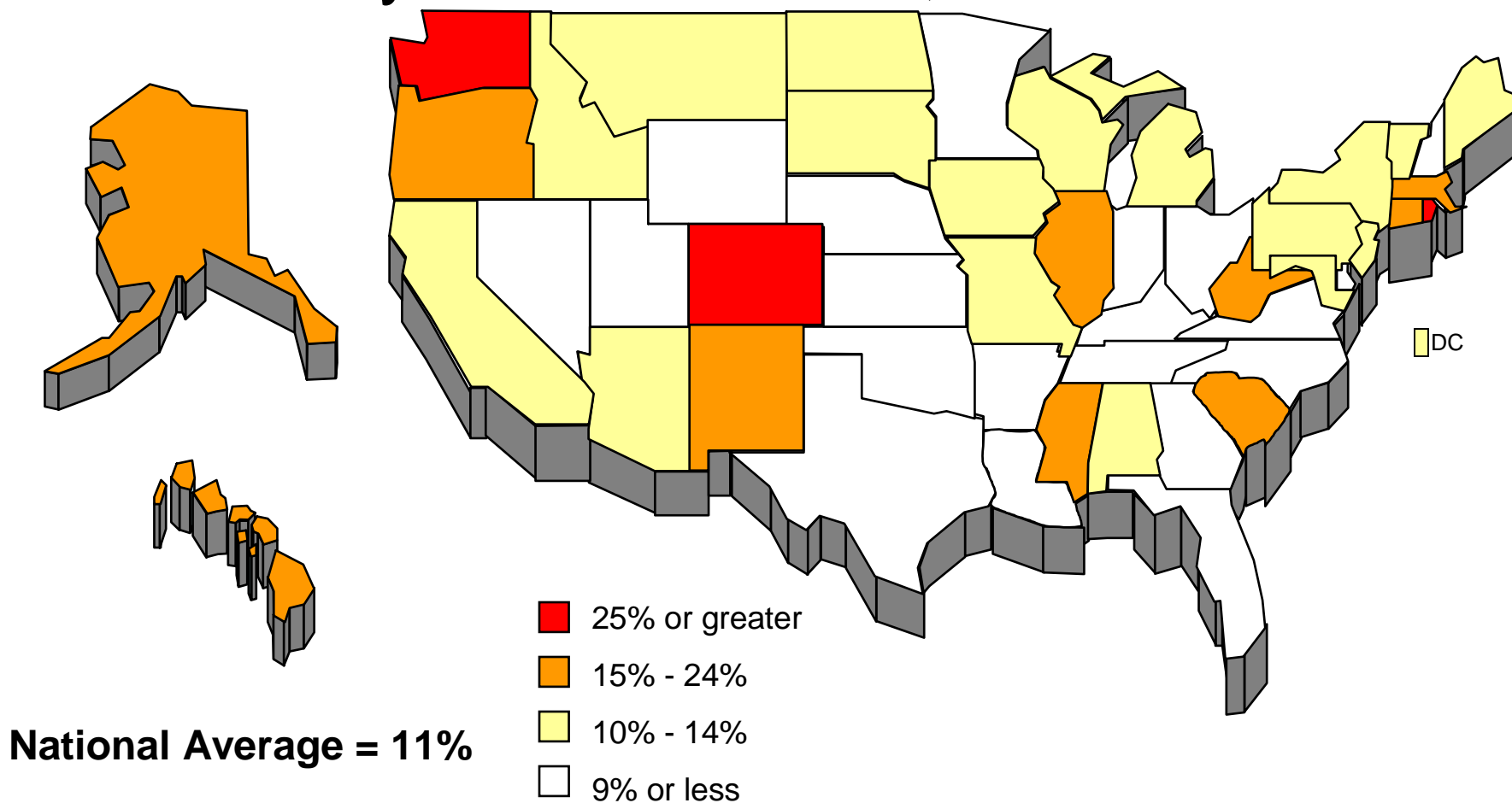


Note: Under 200% of poverty.

Source: NACHC, *Access to Community Health Databook*, 2005. [www.nachc.com/research/ssbysdat.asp](http://www.nachc.com/research/ssbysdat.asp).

Figure 3.6

# Percent of State Medicaid Beneficiaries Served by Health Centers, 2005

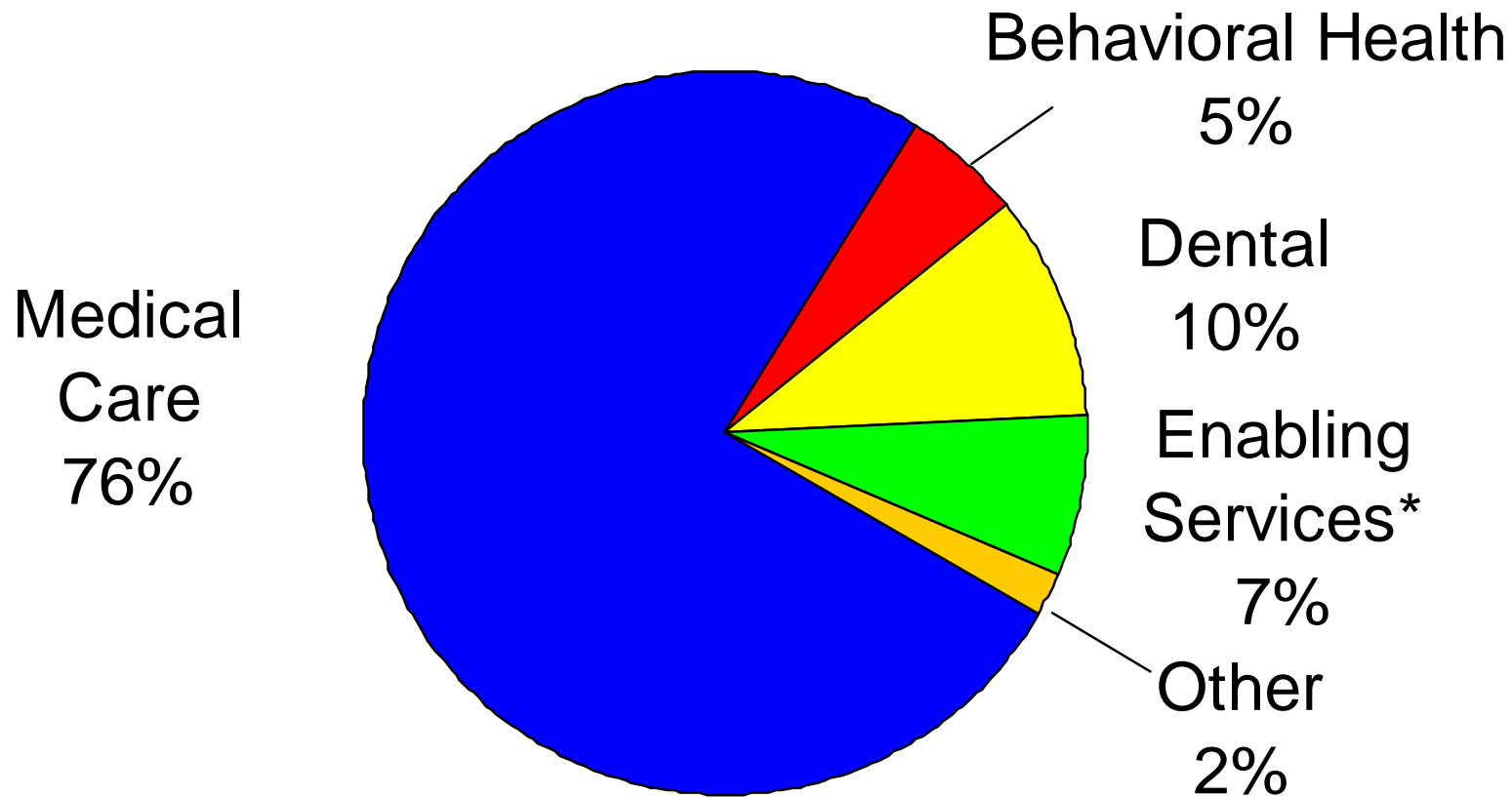


# Section IV: Preventive Services



Figure 4.1

# Health Center Patient Visits by Type of Service



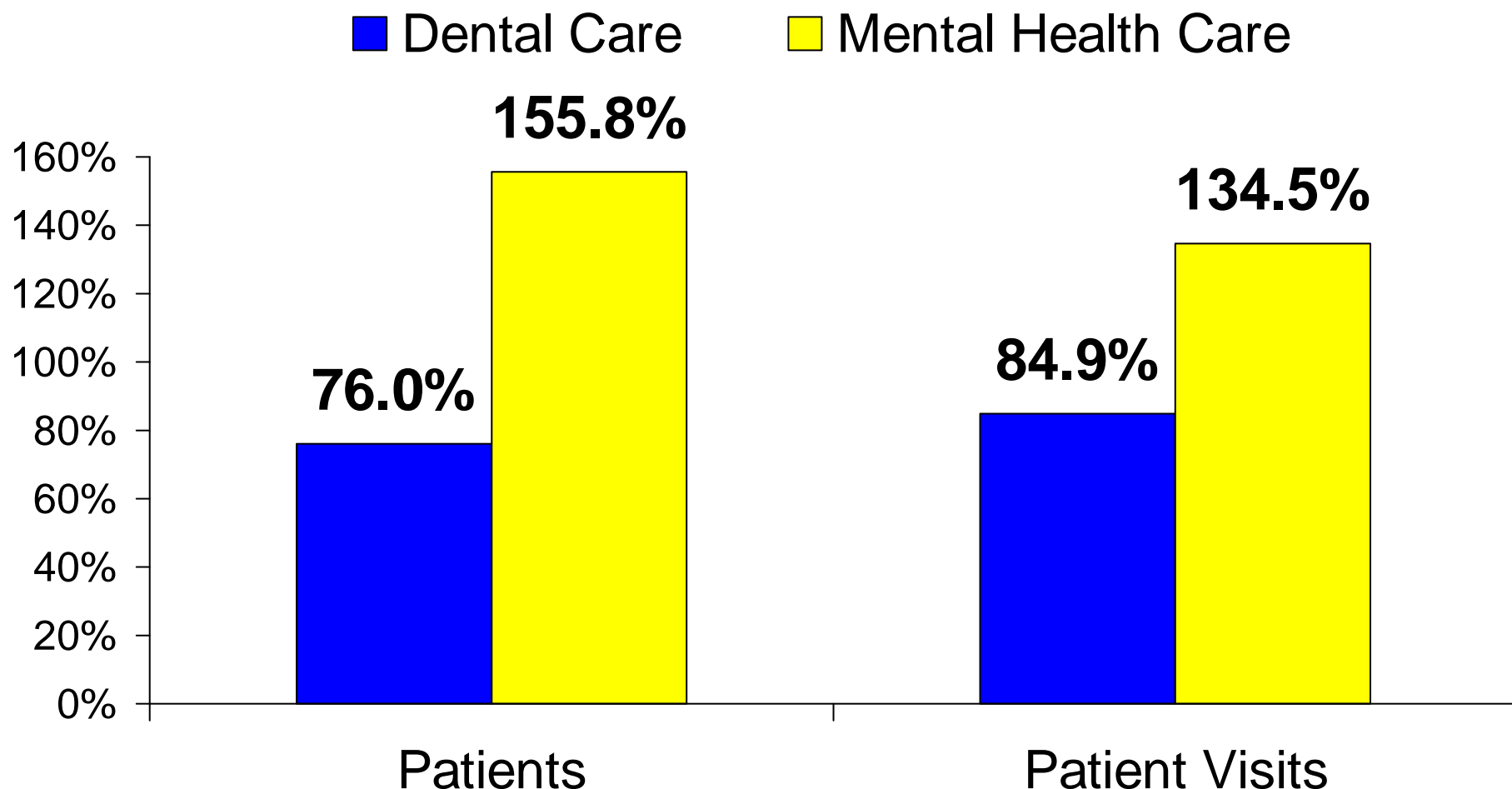
**Total = 60 million encounters\*\* in 2005**

\* Encounters for enabling services include visits to case managers and health educators.

\*\* Estimate includes both federally funded and non-federally funded health centers.

Figure 4.2

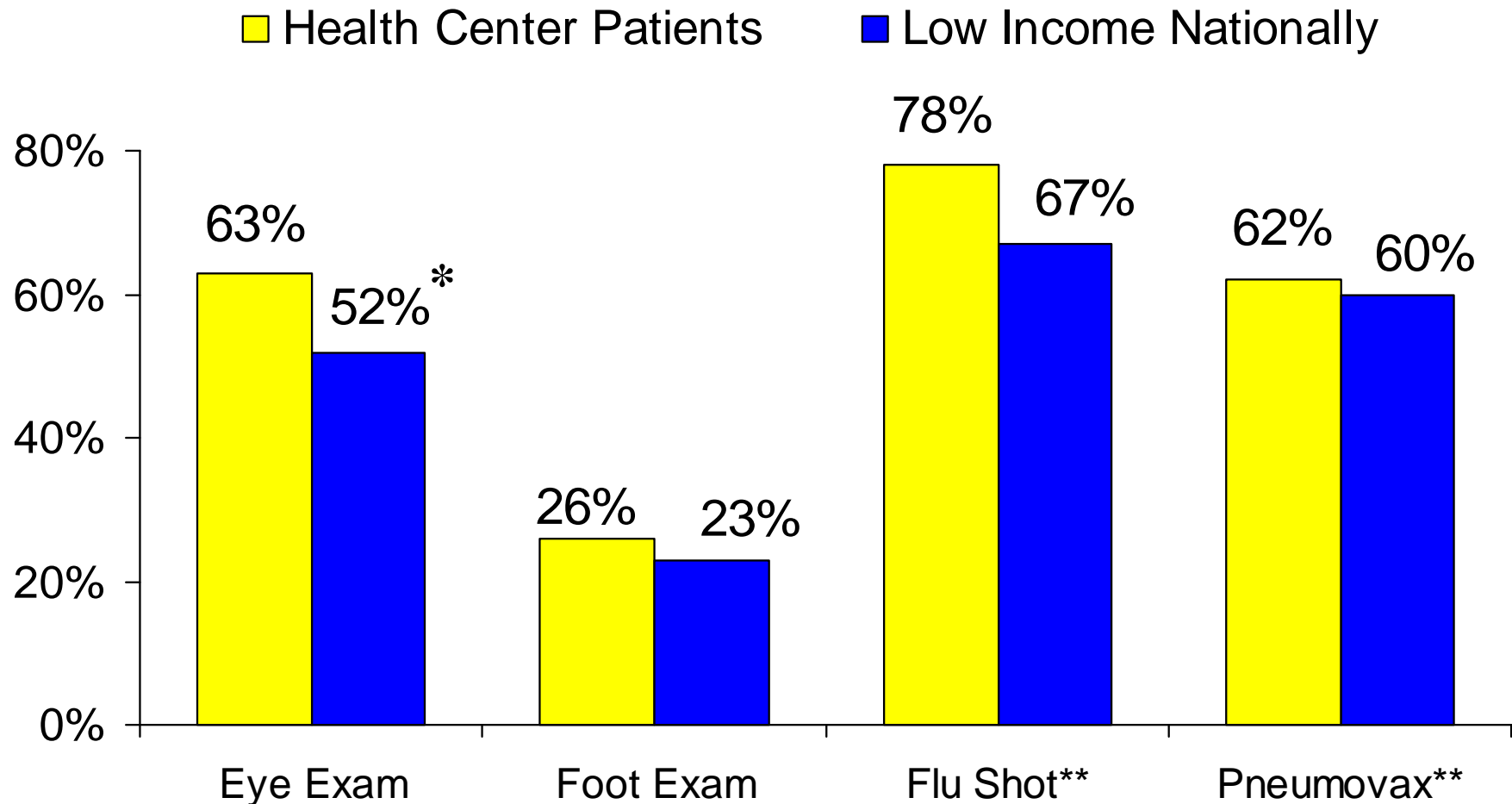
# Growth in Health Center Dental & Mental Health Care, 2000-2005



Note: Mental health does not include substance abuse.

Figure 4.3

# Health Center Diabetes Patients Receive More Care than Other Low Income Diabetics

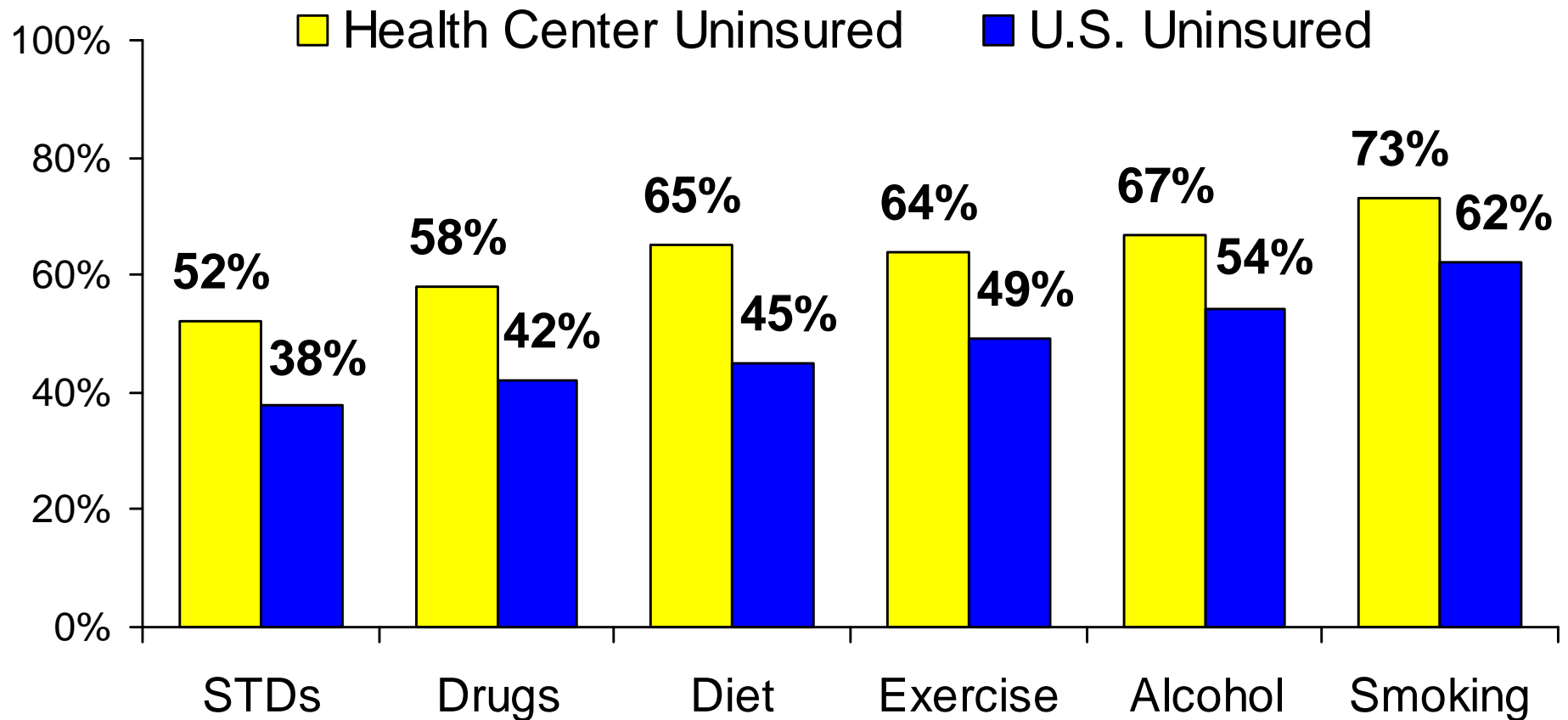


\*p<0.05 \*\*Age ≥ 65 years

Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.4

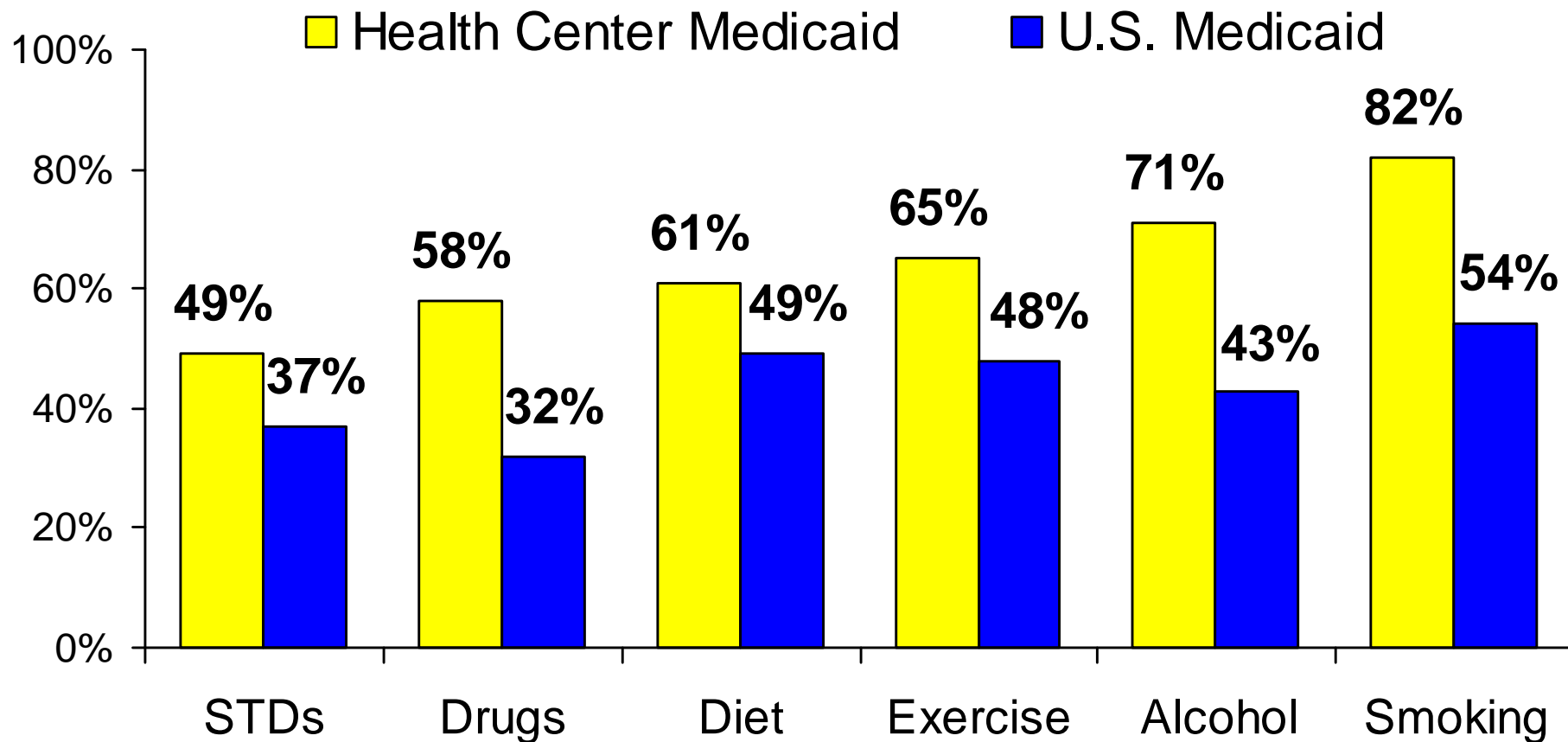
# Health Center Uninsured Patients Receive More Health Promotion Counseling than the Uninsured Nationally



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.5

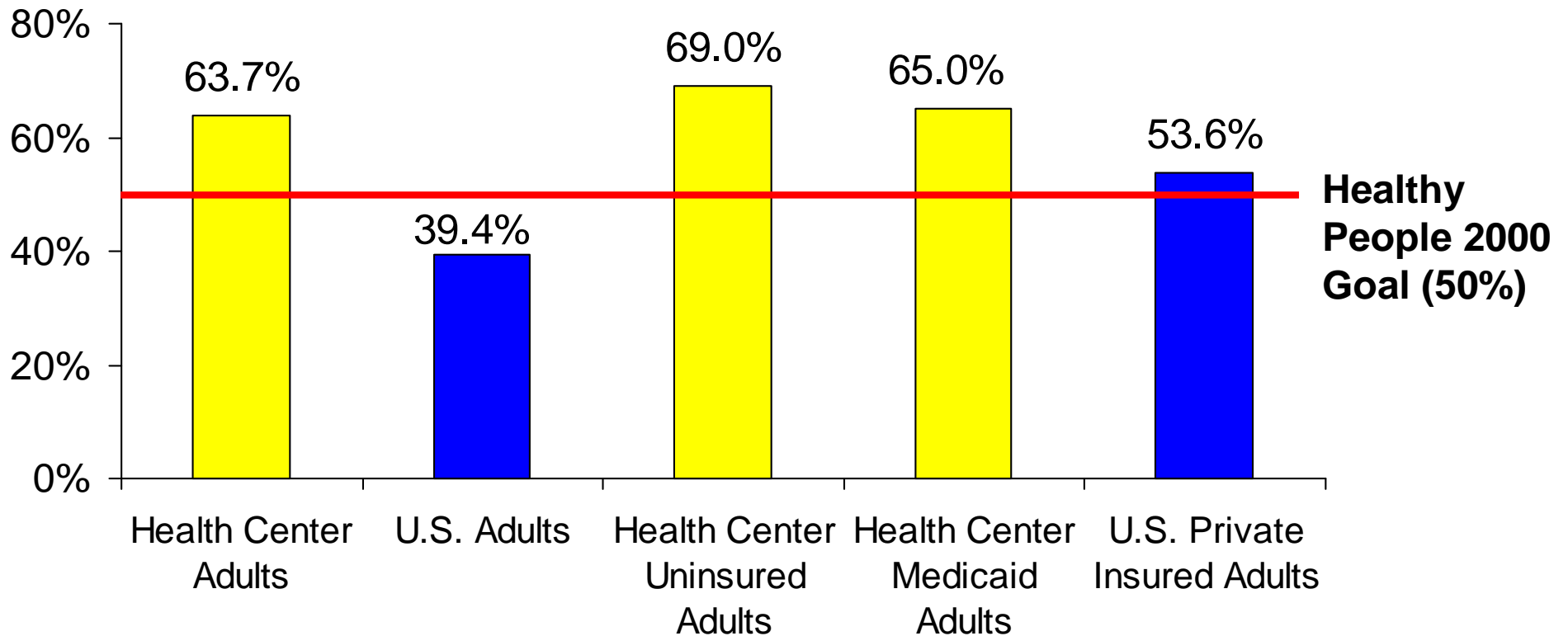
# Health Center Medicaid Patients Receive More Health Promotion Counseling than Medicaid Patients Nationally



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002. Created by: BA Bartman, CQSB/DCQ/BPHC/HRSA, July 2004.

Figure 4.6

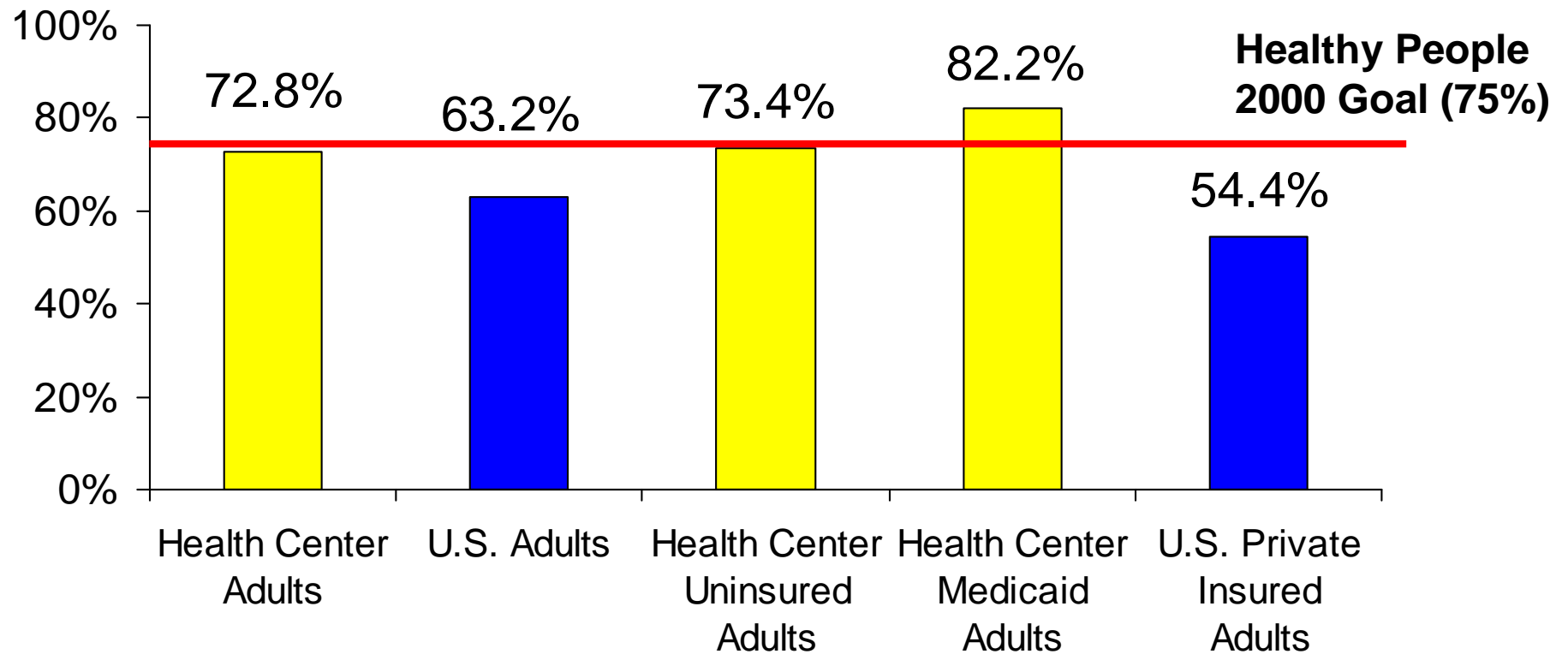
# 'Amount of Physical Activity' Discussed with Adults



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 4.7

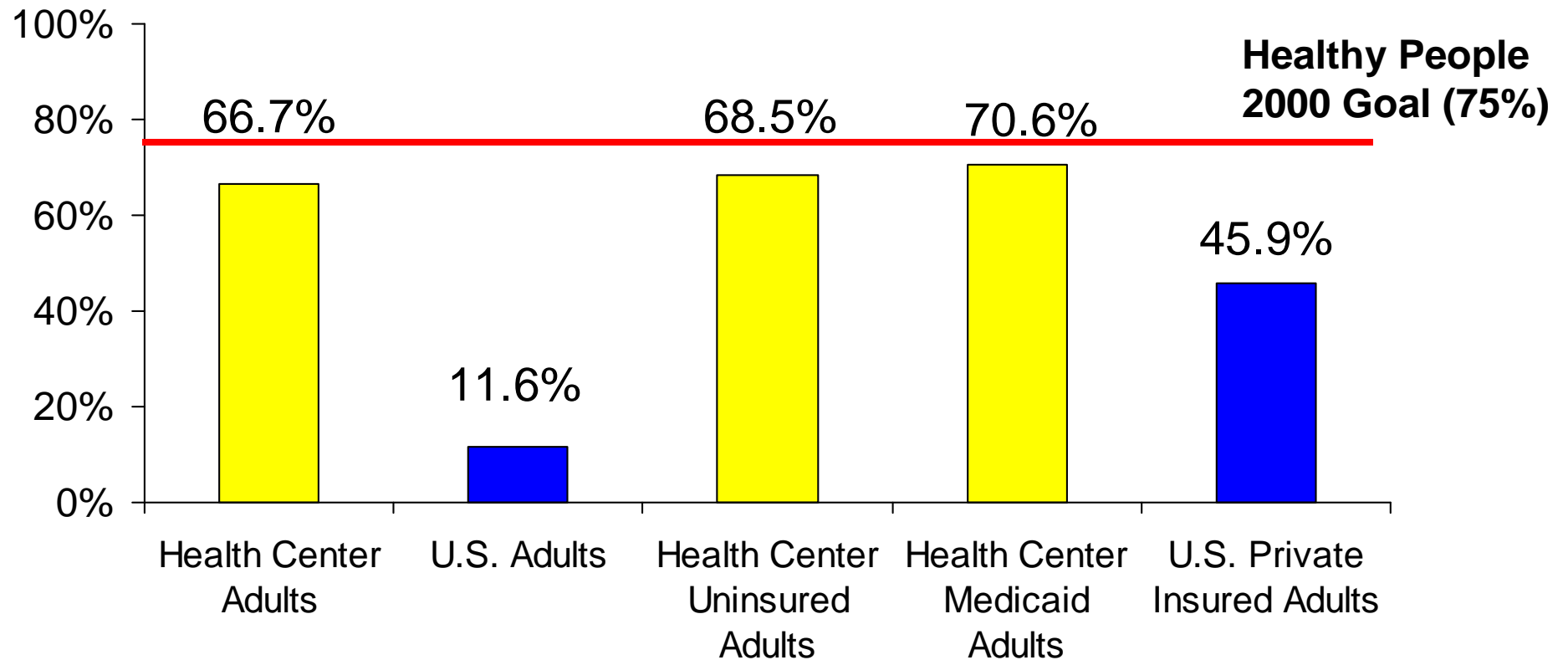
# 'Whether Smokes/Uses Tobacco' Discussed with Adults



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 4.8

# 'How Much/Often Drinks Alcohol' Discussed with Adults



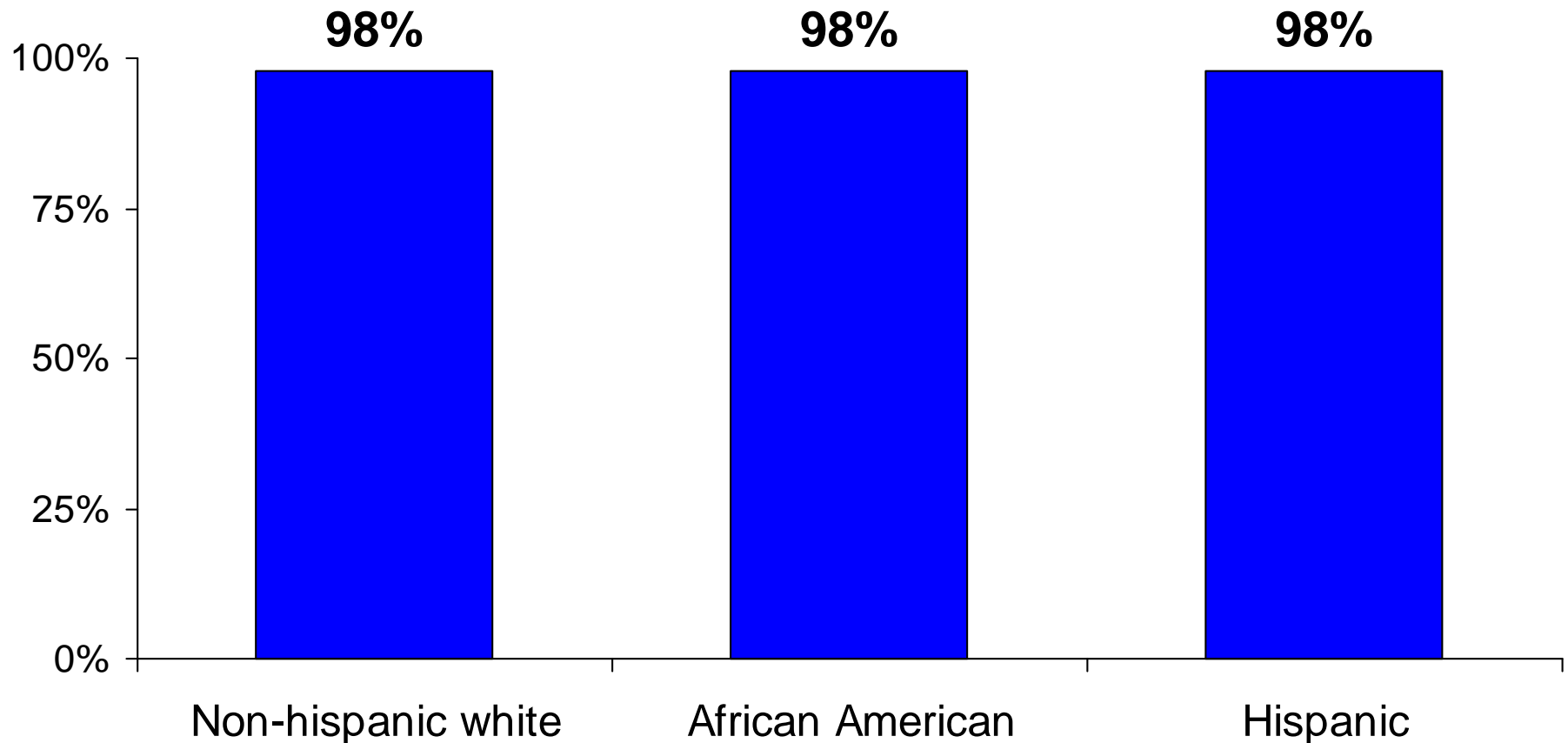
Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.



Section V:  
High Quality Care and Reducing  
Health Disparities

Figure 5.1

# Nearly All Health Center Patients Report that They Have a Usual Source of Care, 2002

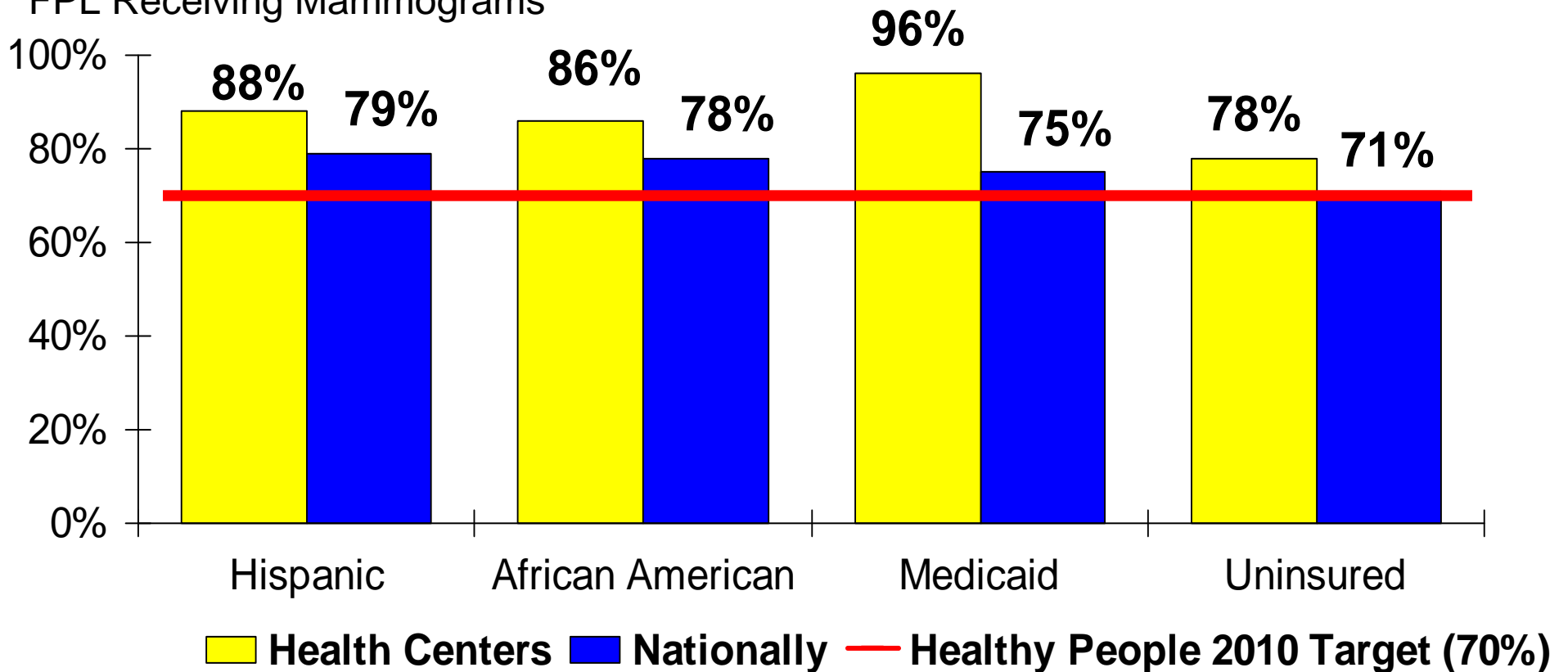


Source: AHRQ, "Focus on Federally Supported Health Centers," National Healthcare Disparities Report, 2004. <http://www.qualitytools.ahrq.gov/disparitiesReport/browse/browse.aspx?id=4981>

Figure 5.2

# Health Centers Reduce Disparities in Access to Mammograms

% of Women 40+ and <200% FPL Receiving Mammograms

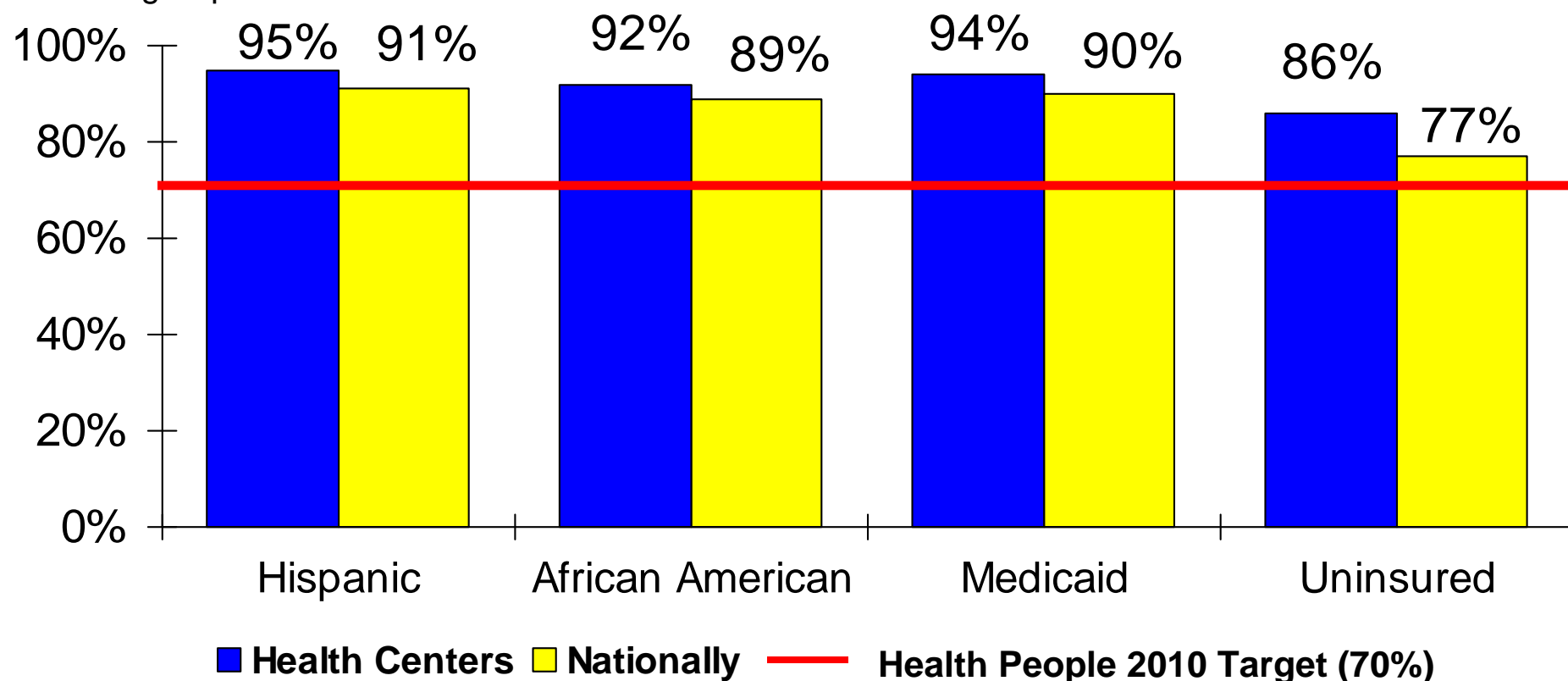


Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 5.3

# Health Centers Also Reduce Disparities in Access to Pap Tests

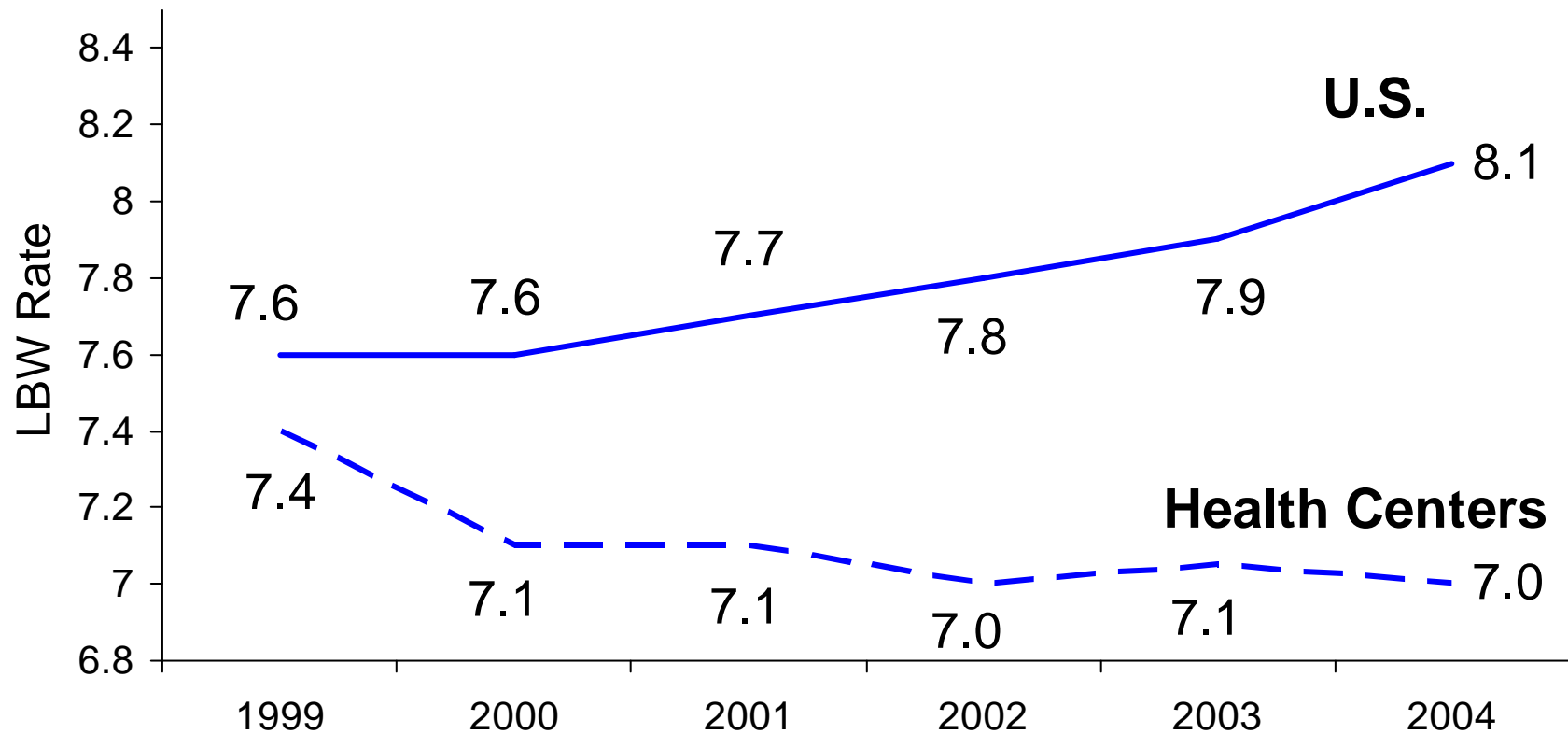
% of Women 18+ and <200% FPL  
Receiving Pap Smears in Last 3 Years



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. Based on Community Health Center User Survey, 2002; and National Health Interview Survey, 2002.

Figure 5.4

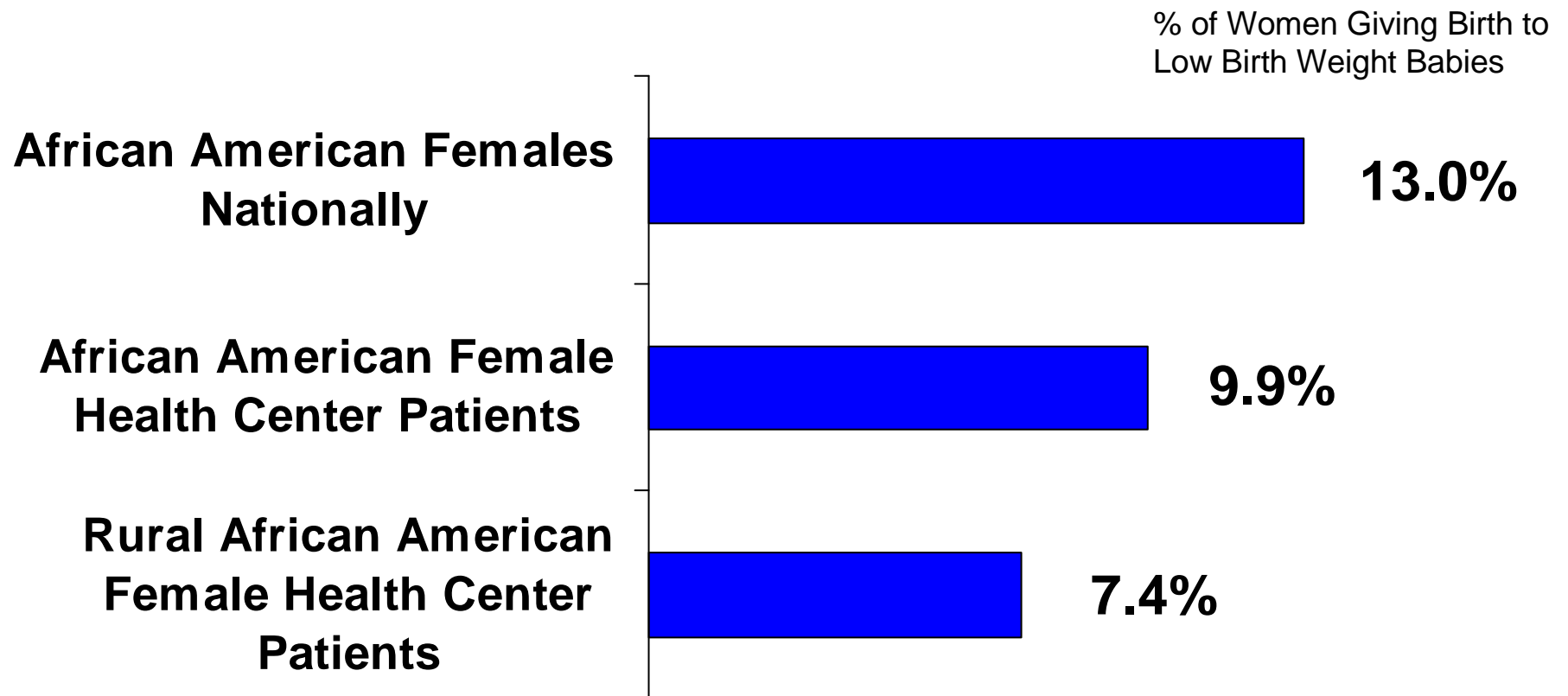
# Health Center Patients Have Lower Rates of Low Birth Weight than the U.S. Average



Source: Leiyu Shi, "The Role Of Health Centers In Improving Health Care Access, Quality, And Outcome For The Nation's Uninsured." Testimony At Energy and Commerce Committee, Subcommittee on Oversight and Investigations Congressional Hearing "A Review Of Community Health Centers: Issues And Opportunities." Washington, DC. May 25, 2005. US rates from National Center for Health Statistics (NCHS) - Health U.S. 2005 <http://www.cdc.gov/nchs/births.htm>. Health Center from Uniform Data System.

Figure 5.5

# Health Centers Decrease the Rate of Low Birth Weight Babies

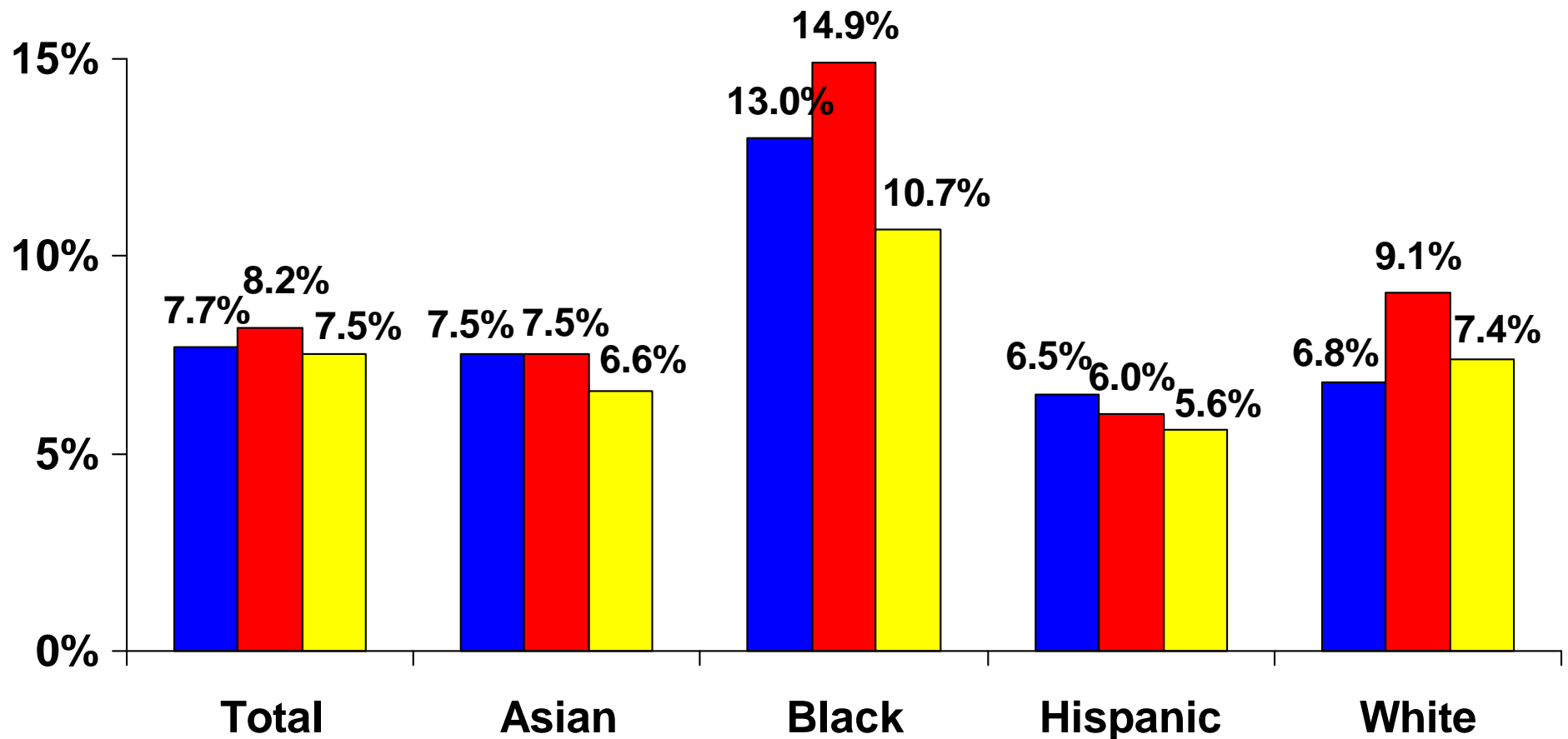


Source: Politzer, R., et al. 2001. "Inequality in America: The Contribution of Health Centers in Reducing and Eliminating Disparities in Access to Care." *Medical Care Research and Review* 58(2):234-248.

Figure 5.6

# Health Center Patients Have Lower Rates of Low Birth Weight than Their U.S. Counterparts

■ U.S. ■ U.S. Low Income ■ Health Center



Year is 2004.

Source: Shi, L., et al. (2004). America's health centers: Reducing racial and ethnic disparities in prenatal care and birth outcomes. *Health Services Research*, 39(6), Part I, 1881-1901.

Figure 5.7

# The Number of Health Center Patients Needing Care in Languages Other than English Has Risen 54%

Number of Patients Preferring Languages Other than English (in thousands)

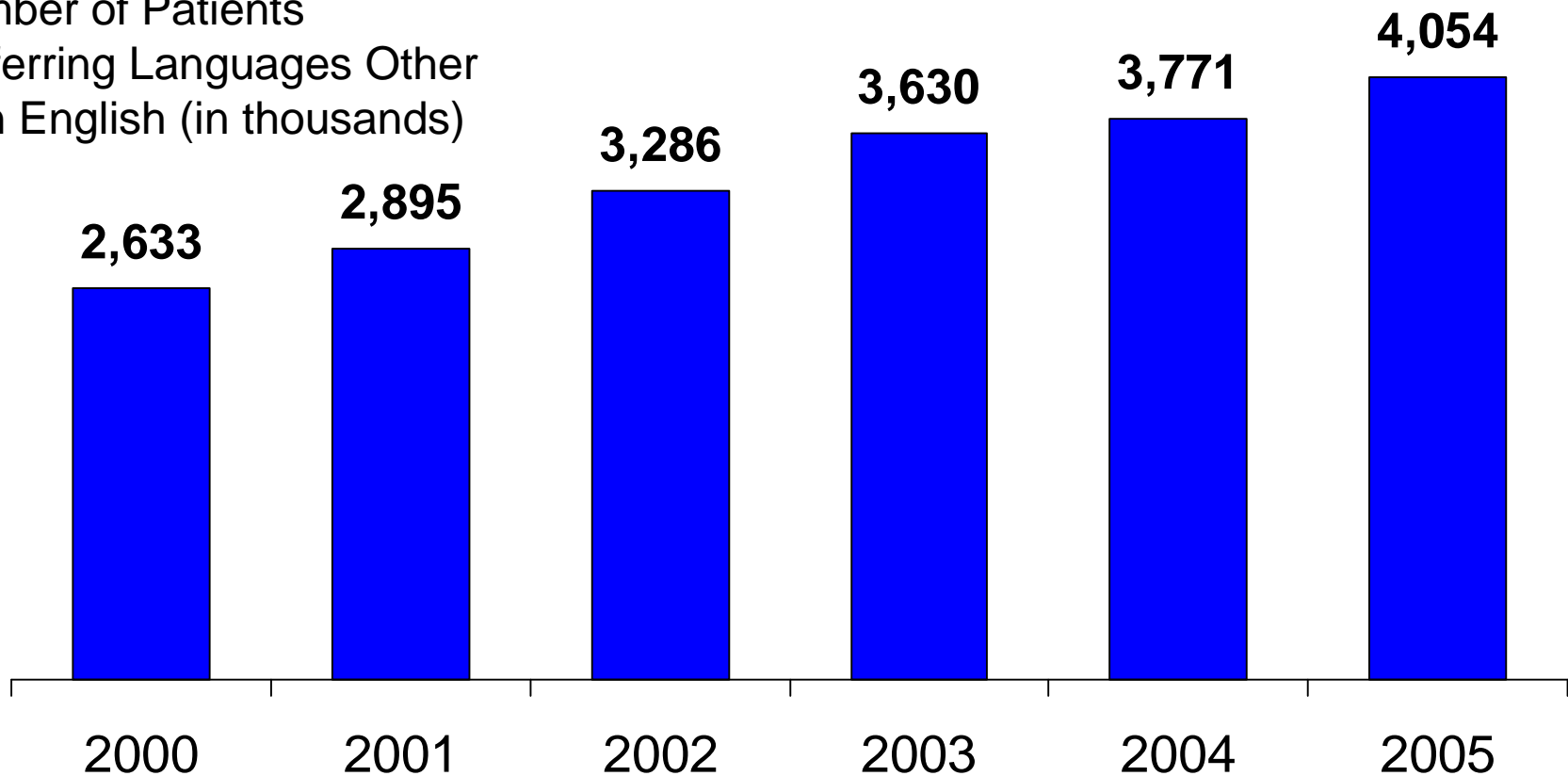
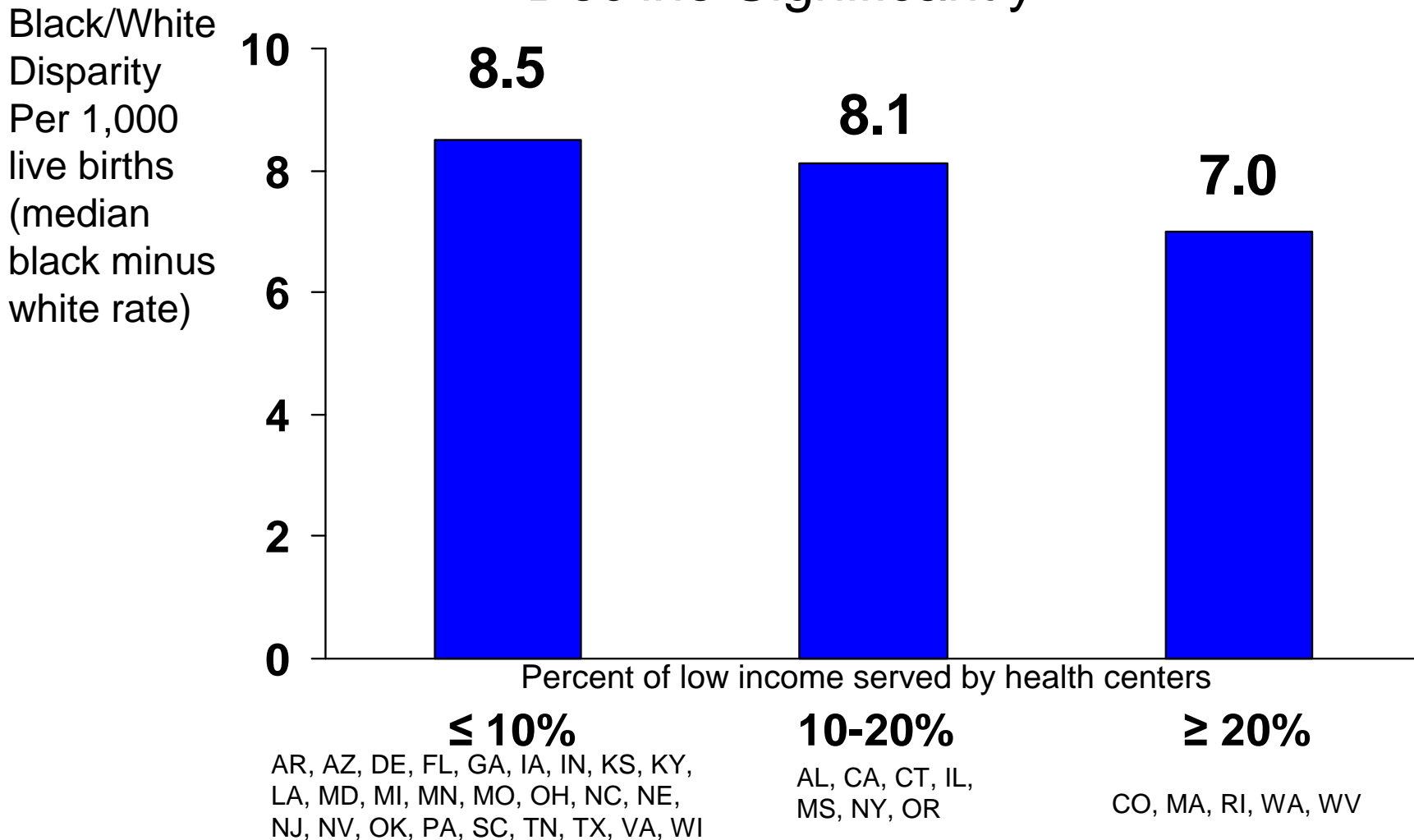




Figure 5.8

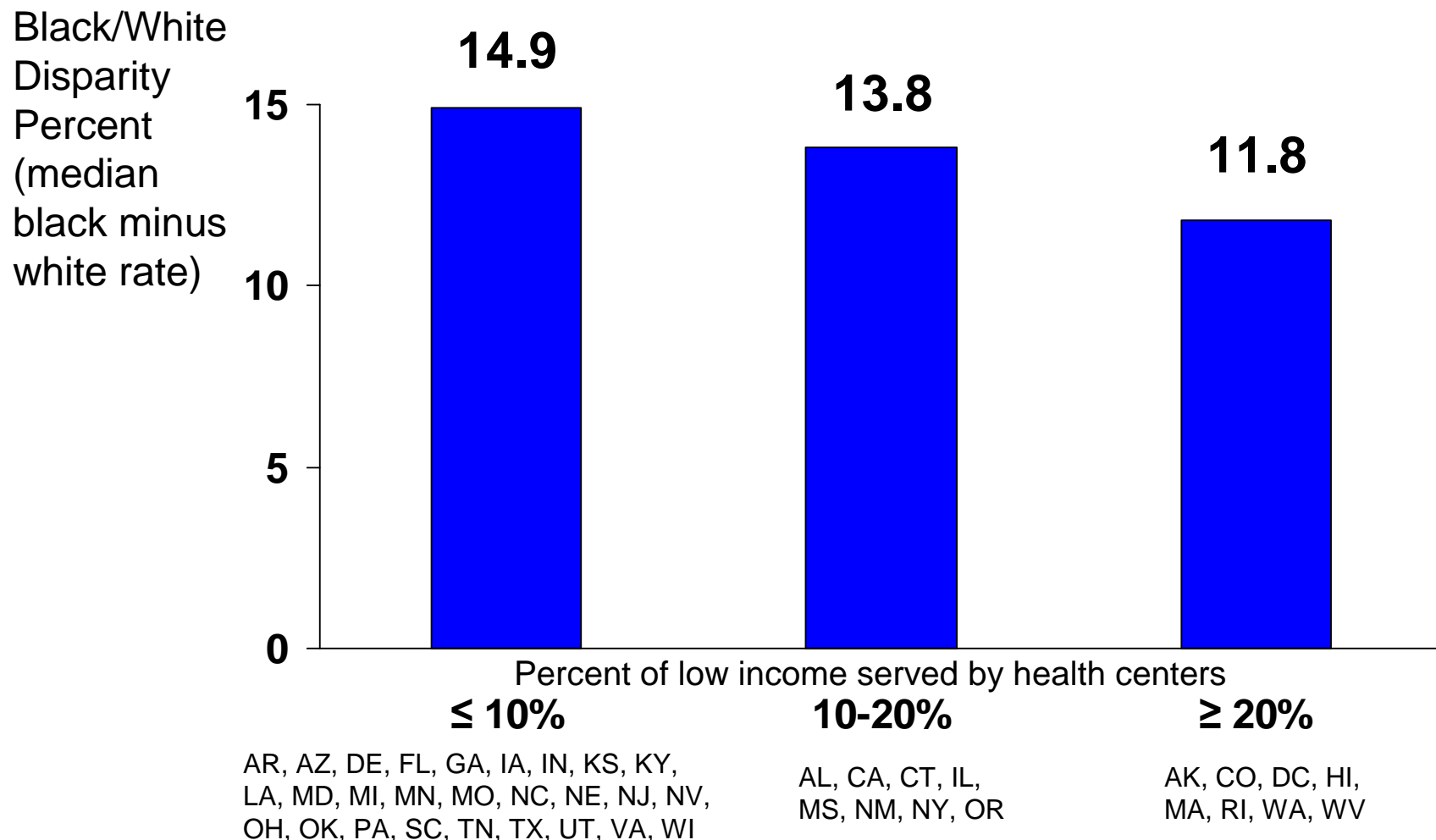
# As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Infant Mortality Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities*. Prepared for the National Association of Community Health Centers, September 2003. [www.gwhealthpolicy.org/downloads/GWU\\_Disparities\\_Report.pdf](http://www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf).

Figure 5.9

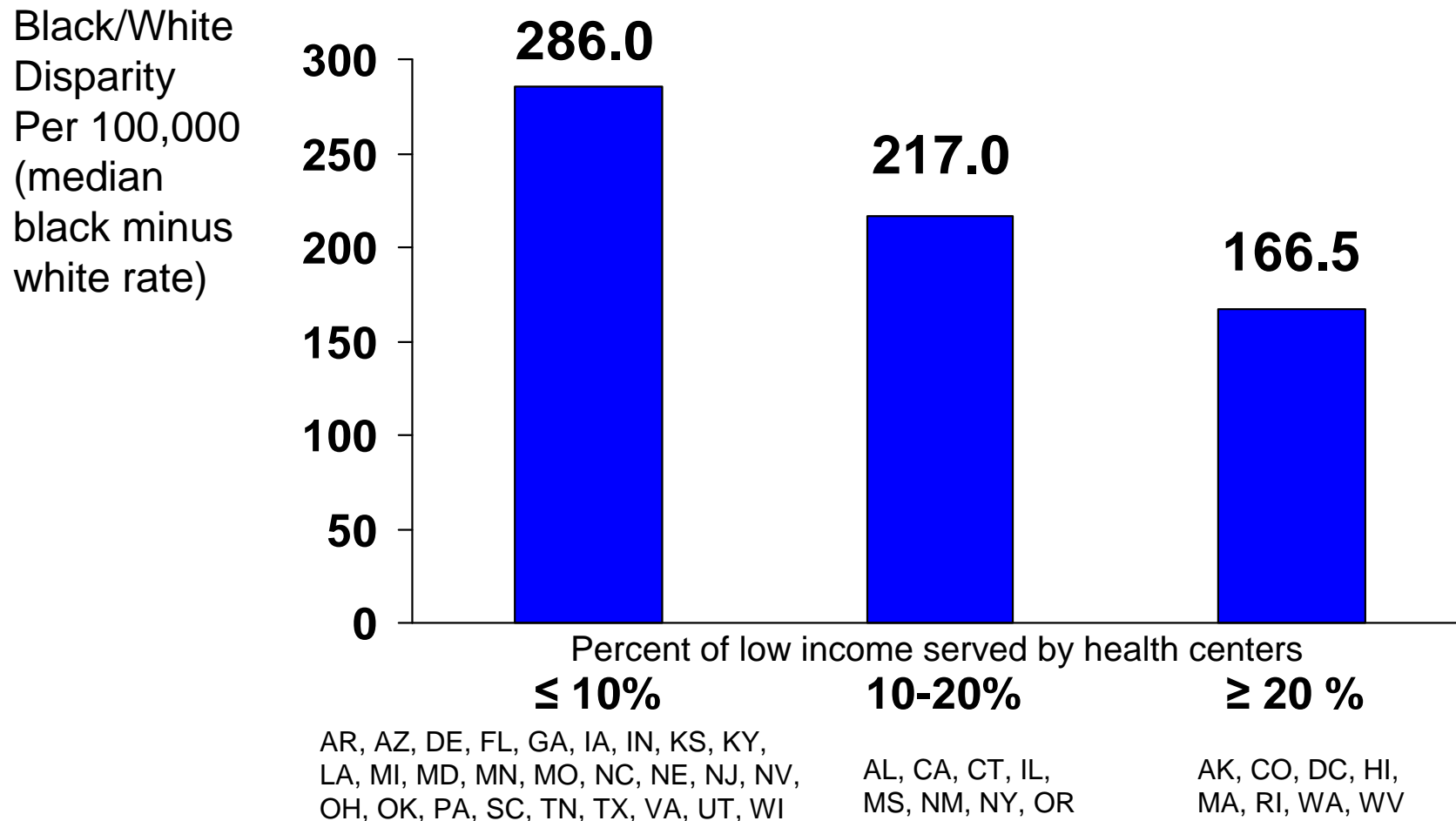
# As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Early Prenatal Care Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities*. Prepared for the National Association of Community Health Centers, September 2003. [www.gwhealthpolicy.org/downloads/GWU\\_Disparities\\_Report.pdf](http://www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf).

Figure 5.10

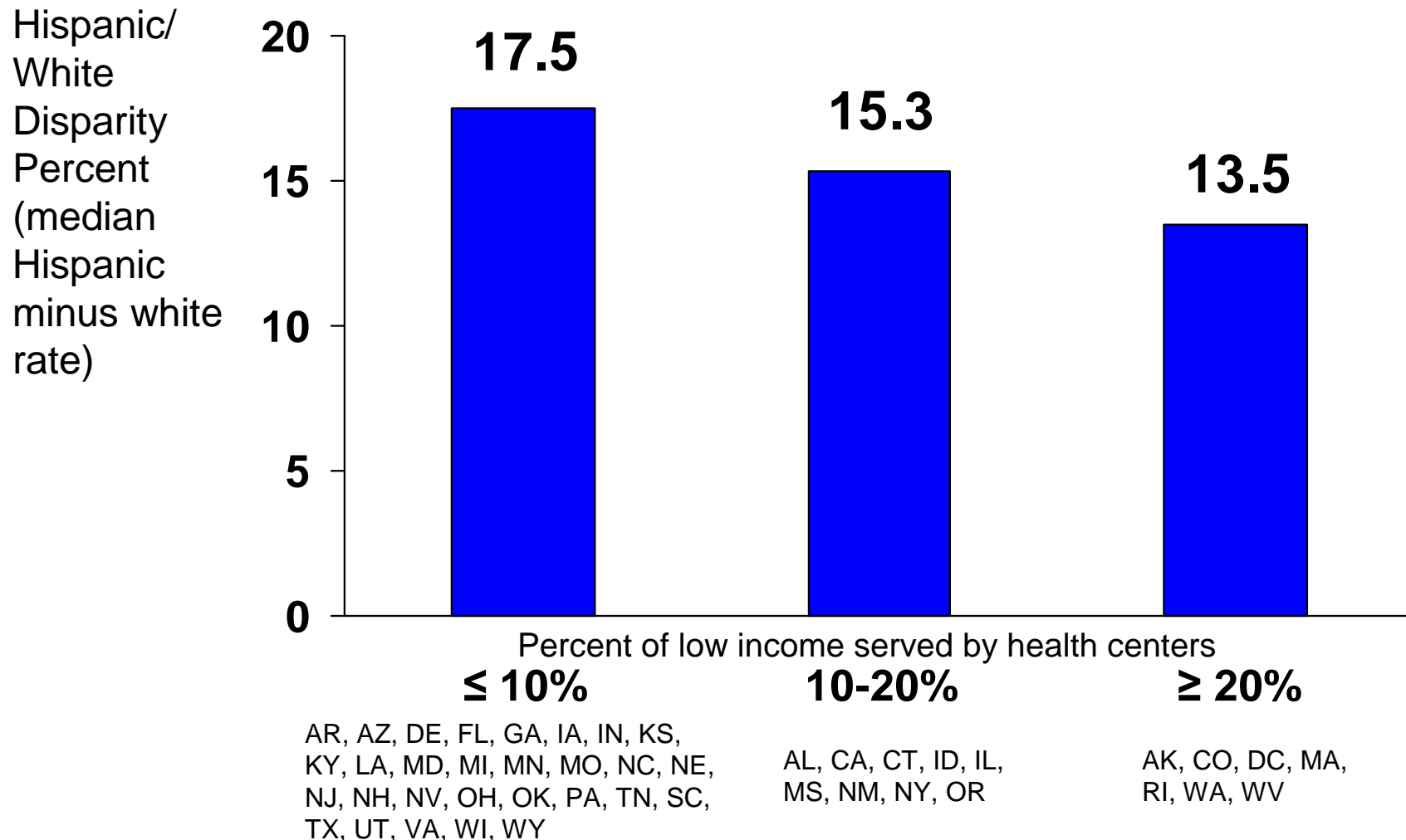
# As Health Centers Serve More Low Income State Residents, States' Black/White Health Disparities in Overall Mortality Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities*. Prepared for the National Association of Community Health Centers, September 2003. [www.gwhealthpolicy.org/downloads/GWU\\_Disparities\\_Report.pdf](http://www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf).

Figure 5.11

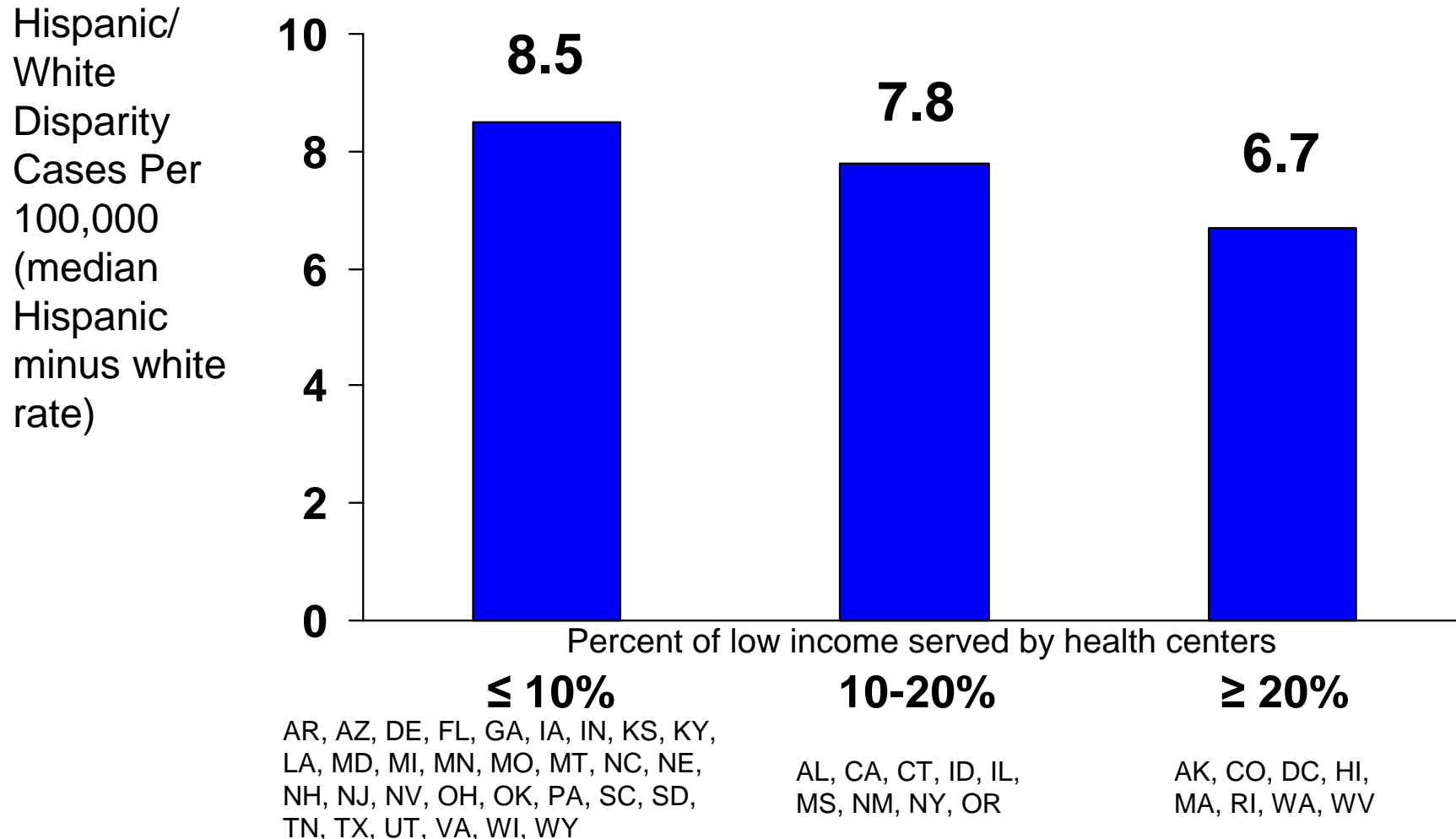
# As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Early Prenatal Care Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities*. Prepared for the National Association of Community Health Centers, September 2003. [www.gwhealthpolicy.org/downloads/GWU\\_Disparities\\_Report.pdf](http://www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf).

Figure 5.12

# As Health Centers Serve More Low Income State Residents, States' Hispanic/White Health Disparities in Health Disparities in Tuberculosis Decline Significantly



Source: Shin P, Jones K, and Rosenbaum S. *Reducing Racial and Ethnic Health Disparities: Estimating the Impact of High Health Center Penetration in Low-Income Communities*. Prepared for the National Association of Community Health Centers, September 2003. [www.gwhealthpolicy.org/downloads/GWU\\_Disparities\\_Report.pdf](http://www.gwhealthpolicy.org/downloads/GWU_Disparities_Report.pdf).

**Section VI:  
Providing Cost-Effective Care**

Figure 6.1

## Compared to Medicaid Patients Treated Elsewhere, Health Center Medicaid Patients...

- Are between 11% and 22% less likely to be hospitalized for avoidable conditions
- Are 19% less likely to use the ER for avoidable conditions
- Have lower hospital admission rates, lower lengths of hospital stays, less costly admissions, and lower outpatient and other care costs

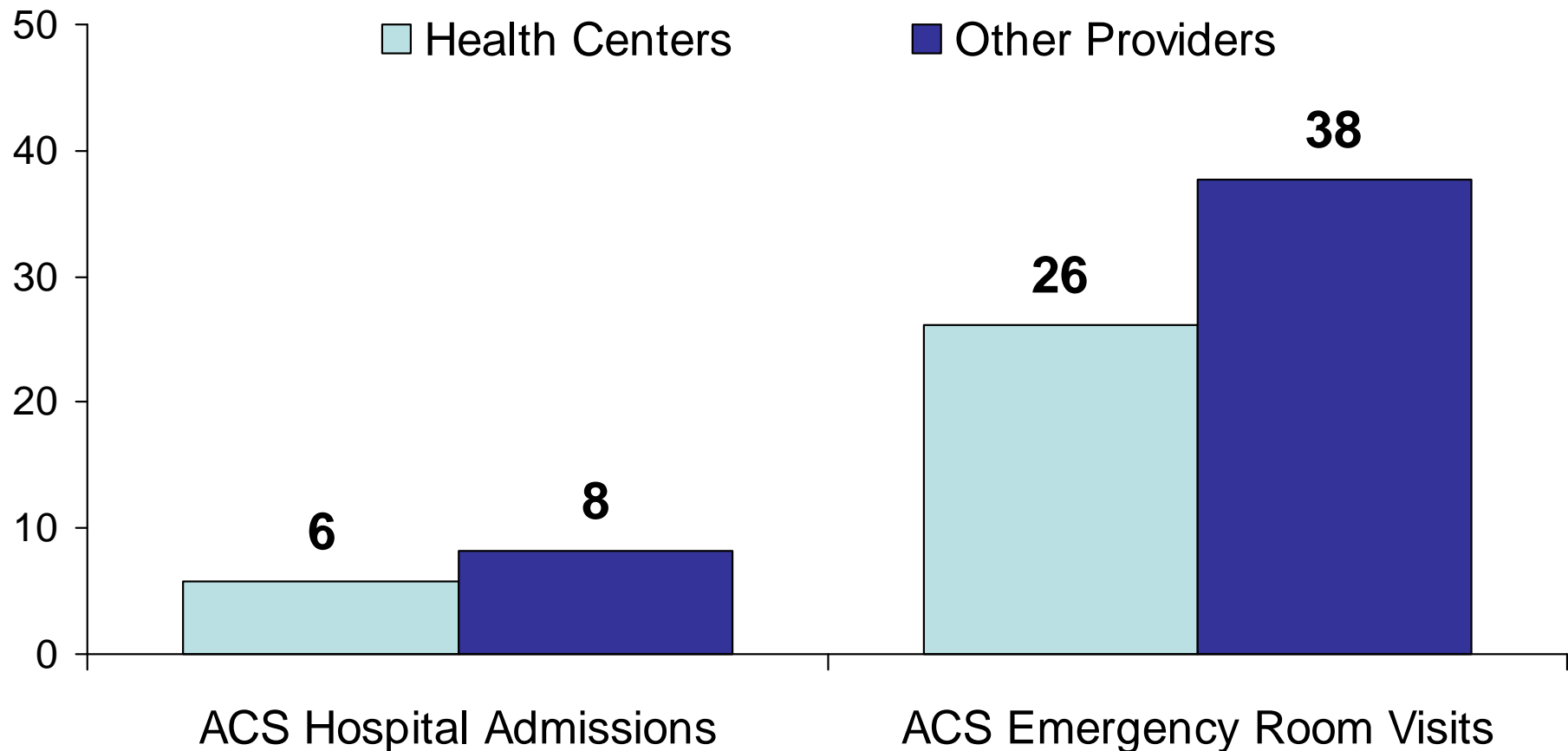
***Saving 30-33% in total costs per Medicaid beneficiary***

Sources: Falik et al. "Comparative Effectiveness of Health Centers as Regular Source of Care." 2006 *Journal of Ambulatory Care Management* 29(1):24-35. Falik et al. "Ambulatory Care Sensitive Hospitalizations and Emergency Visits: Experiences of Medicaid Patients Using Federally Qualified Health Centers." 2001 *Medical Care* 39(6):551-56. Duggar BC, et al. *Health Services Utilization and Costs to Medicaid of AFDC Recipients in California Served and Not Served by Community Health Centers*. Center for Health Policy Studies, 1994. Duggar BC, et al. *Utilization and Costs to Medicaid of AFDC Recipients in New York Served and Not Served by Community Health Centers*. Center for Health Policy Studies, 1994.

Figure 6.2

# Fewer Health Center Medicaid Patients Experience Ambulatory Care Sensitive Events

Number of Ambulatory Care Sensitive (ACS) events per 100 persons

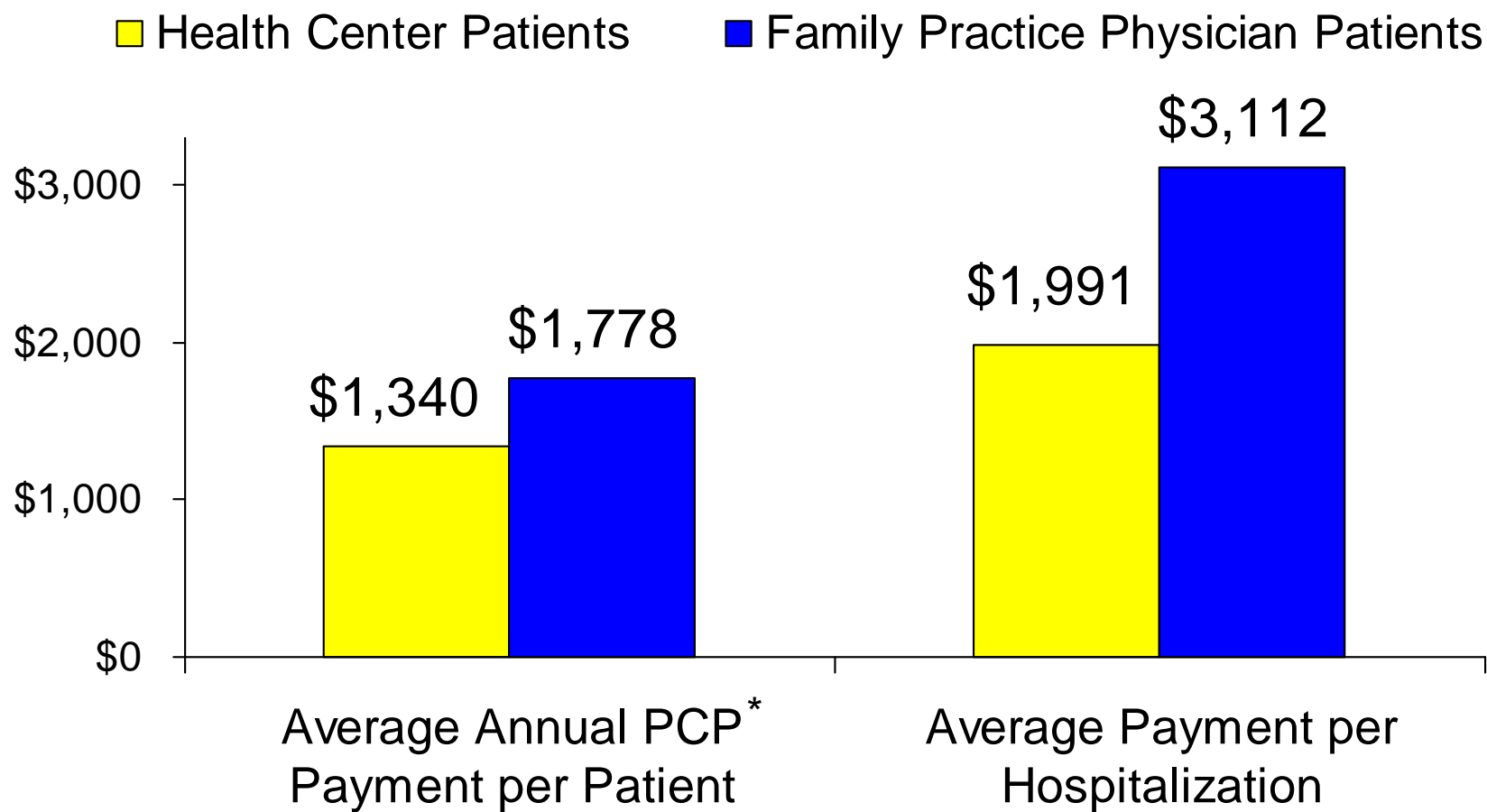


Source: Falik et al. "Comparative Effectiveness of Health Centers as Regular Source of Care," 2006 *Journal of Ambulatory Care Management* 29(1):24-35.



Figure 6.3

# South Carolina Case Study: Costs Associated with Treating Medicaid Diabetic Patients, 2000-2003



\* Primary Care Physician  
Source: South Carolina Budget and Control Board, 2004.

Figure 6.4

# Health Centers Could Save Over \$18 Billion Annually By Preventing Avoidable ER Visits

## Annual Wasted Expenditures on Avoidable Emergency Department Visits, 2006

Alabama	\$ 319,400,854	Kentucky	\$ 353,798,163	North Dakota	\$ 41,491,015
Alaska	\$ 32,732,965	Louisiana	\$ 354,757,738	Ohio	\$ 932,659,694
Arizona	\$ 311,438,714	Maine	\$ 105,902,573	Oklahoma	\$ 208,230,028
Arkansas	\$ 189,500,122	Maryland	\$ 320,407,972	Oregon	\$ 179,035,367
California	\$ 1,829,345,794	Massachusetts	\$ 401,458,842	Pennsylvania	\$ 790,754,728
Colorado	\$ 238,246,230	Michigan	\$ 726,928,960	Rhode Island	\$ 61,807,552
Connecticut	\$ 207,348,610	Minnesota	\$ 256,913,897	South Carolina	\$ 265,008,761
Delaware	\$ 47,497,790	Mississippi	\$ 252,769,055	South Dakota	\$ 36,418,180
District of Columbia	\$ 55,797,643	Missouri	\$ 429,712,468	Tennessee	\$ 476,285,058
Florida	\$ 1,061,420,739	Montana	\$ 54,444,985	Texas	\$ 1,233,549,349
Georgia	\$ 537,867,735	Nebraska	\$ 94,243,689	Utah	\$ 152,152,368
Hawaii	\$ 55,098,405	Nevada	\$ 112,928,929	Vermont	\$ 38,015,757
Idaho	\$ 88,713,842	New Hampshire	\$ 79,046,610	Virginia	\$ 452,375,606
Illinois	\$ 853,731,297	New Jersey	\$ 438,047,852	Washington	\$ 354,817,611
Indiana	\$ 441,019,299	New Mexico	\$ 132,027,370	West Virginia	\$ 180,480,840
Iowa	\$ 183,880,125	New York	\$ 1,126,031,176	Wisconsin	\$ 272,179,576
Kansas	\$ 159,038,693	North Carolina	\$ 548,645,880	Wyoming	\$ 36,360,931

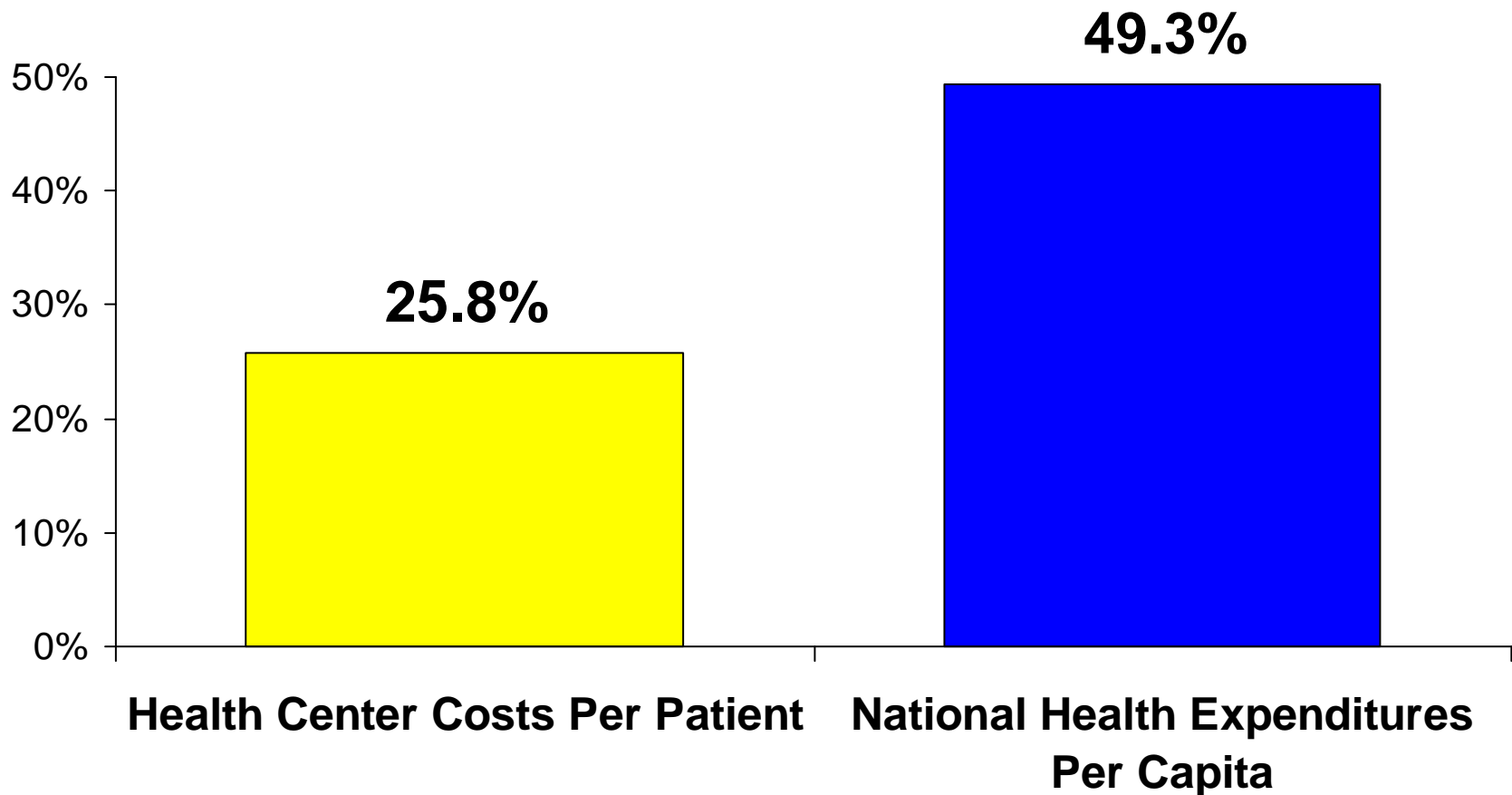
**United States \$18,445,991,718**

Source: NACHC 2006 Databook, [www.nachc.com/research/ssbysdat.asp](http://www.nachc.com/research/ssbysdat.asp).

Section VII:  
Health Centers' Rising Costs of  
Care and Shrinking Revenues

Figure 7.1

# Health Center Costs of Care Grow Slower than National Health Expenditures, 1999-2005



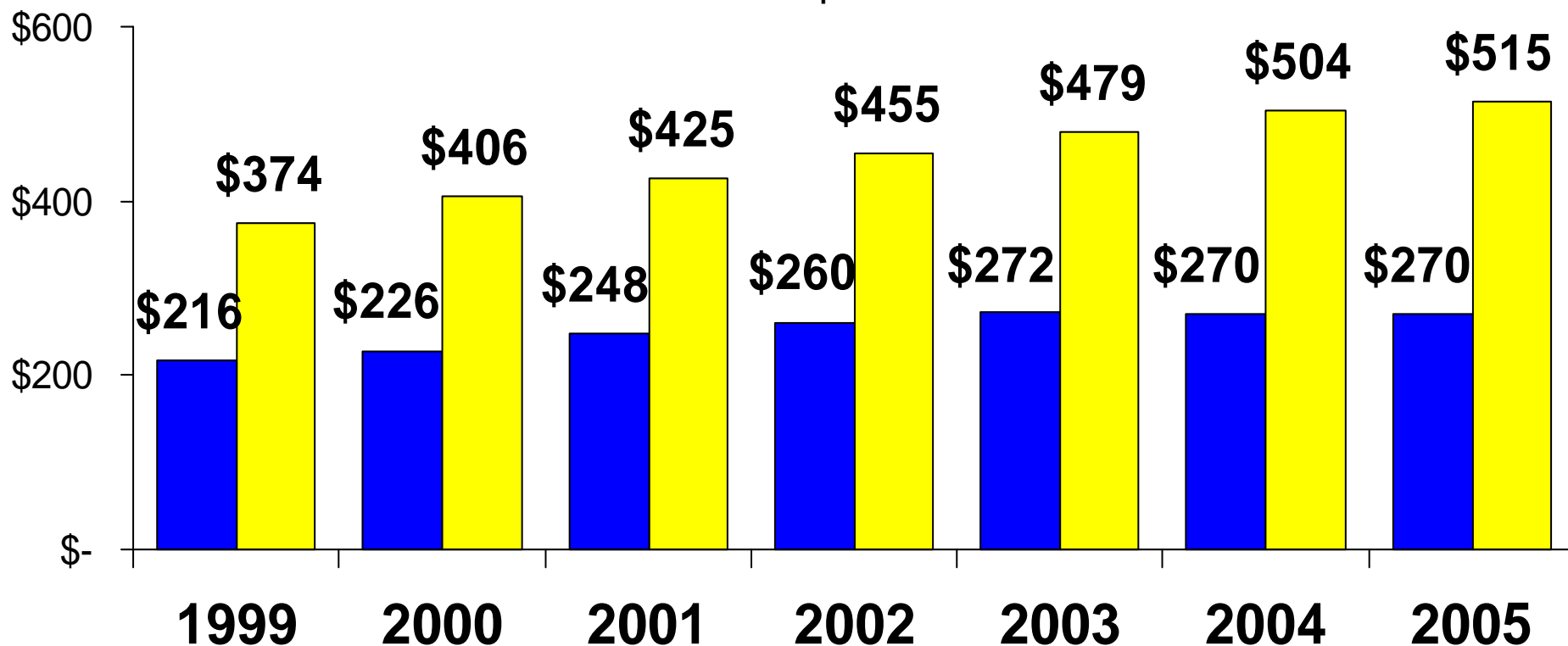
Note: National Health Expenditures for 2005 are projected.

Sources: Heffler S, et al. (2005) "US Health Spending Projections for 2004-2014." *Health Affairs* Web Exclusive w5-47. Smith C, et al. (2005) "Health Spending Growth Slows in 2003." *Health Affairs* 24(1):185-194. Levit K, et al. (2004) "Health Spending Rebound Continues in 2002." *Health Affairs* 23(1):147-159.

Figure 7.2

# Health Center Funding Has Not Kept Up with the Costs of Care

- Annual Federal Health Center Funding per Uninsured Patient
- Annual Health Center Cost per Patient



Note: Not adjusted for inflation. Federal appropriations are for consolidated health centers under PHSA Section 330. In 2004 and 2005, uninsured patients grew faster than federal funding.

Figure 7.3

# Payments from Third Party Payers Are Less than Cost

Percent of Charges Collected from Third Party Payers, 2005

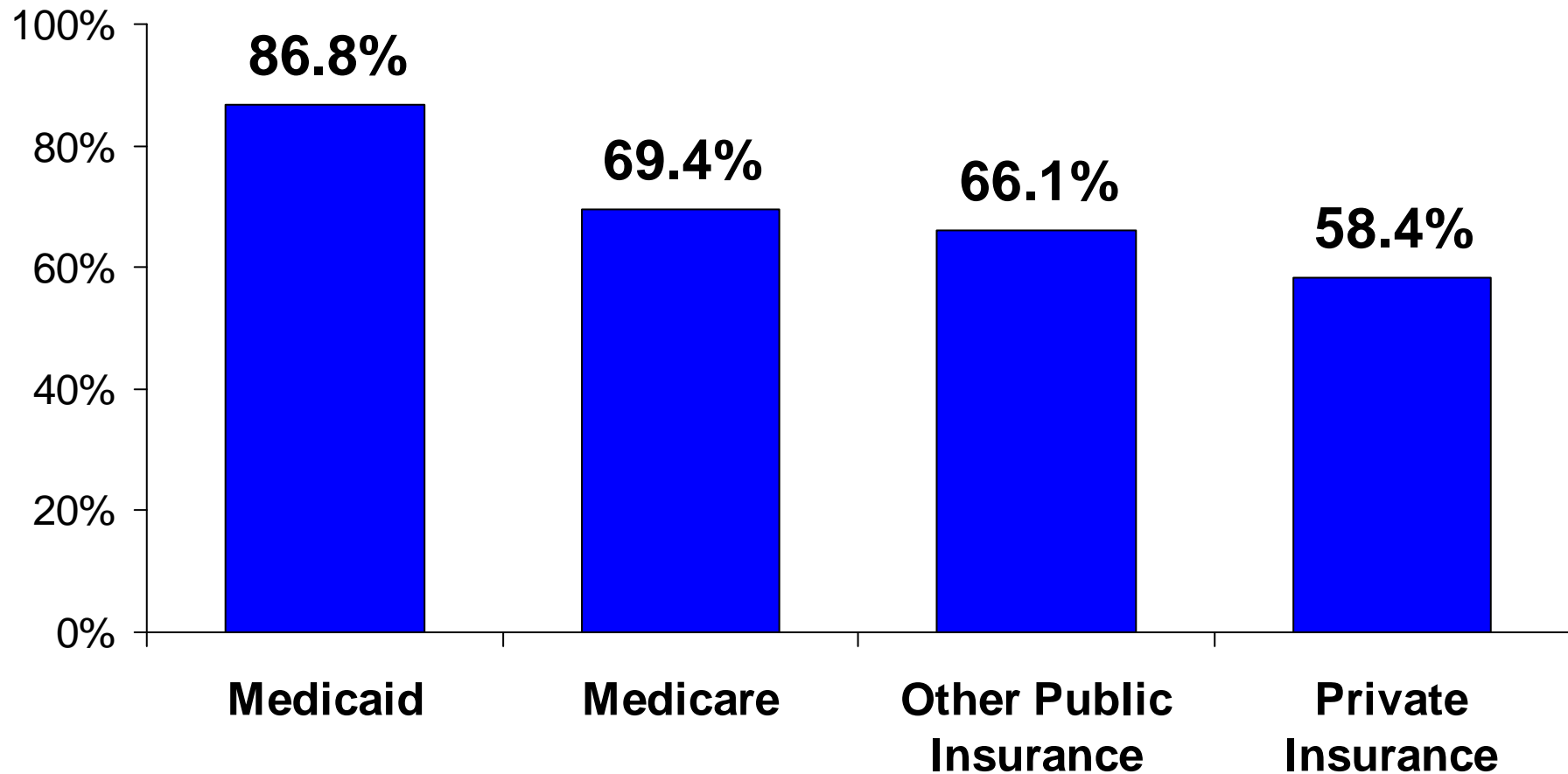
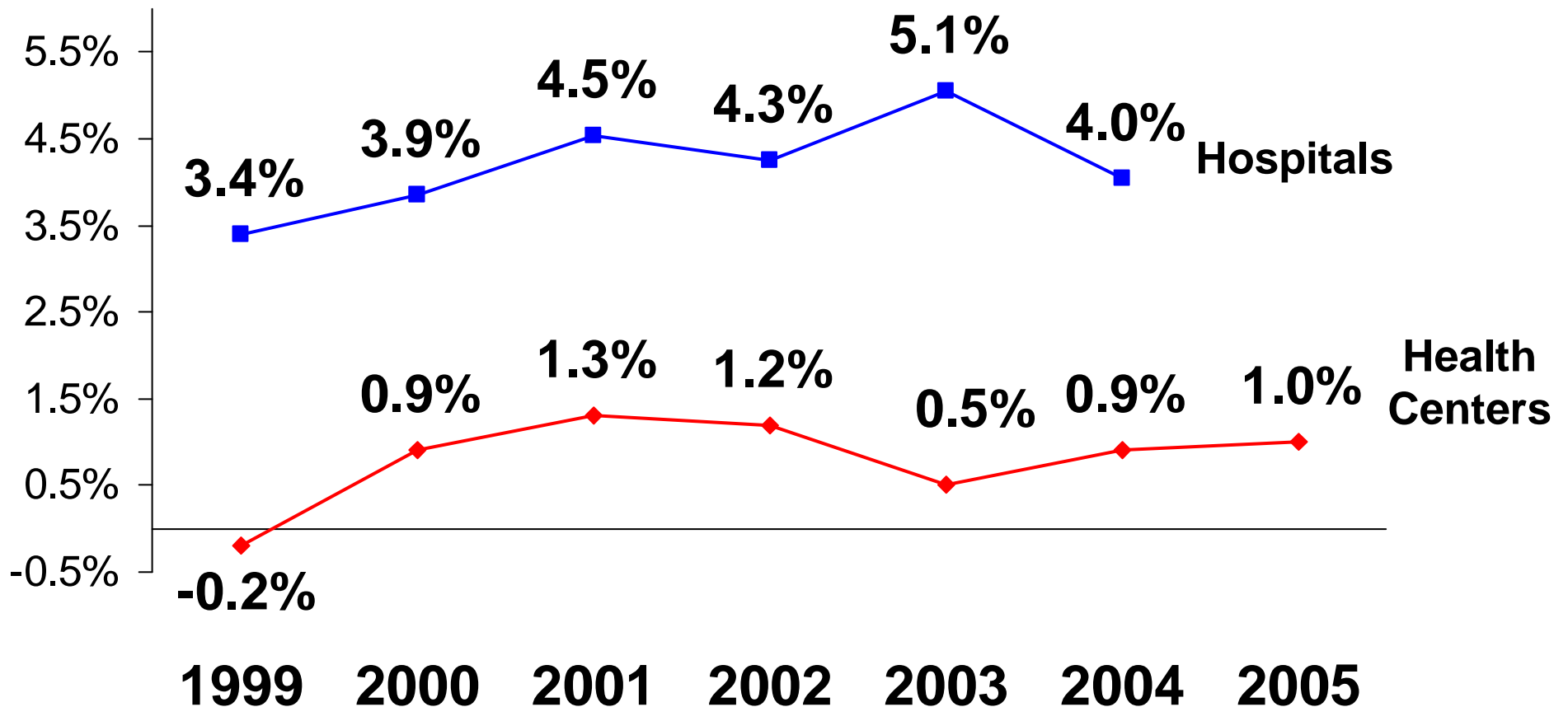


Figure 7.4

# Health Center Operating Margins are Negligible and Less than Hospital Operating Margins



Note: 2005 hospital data unavailable.

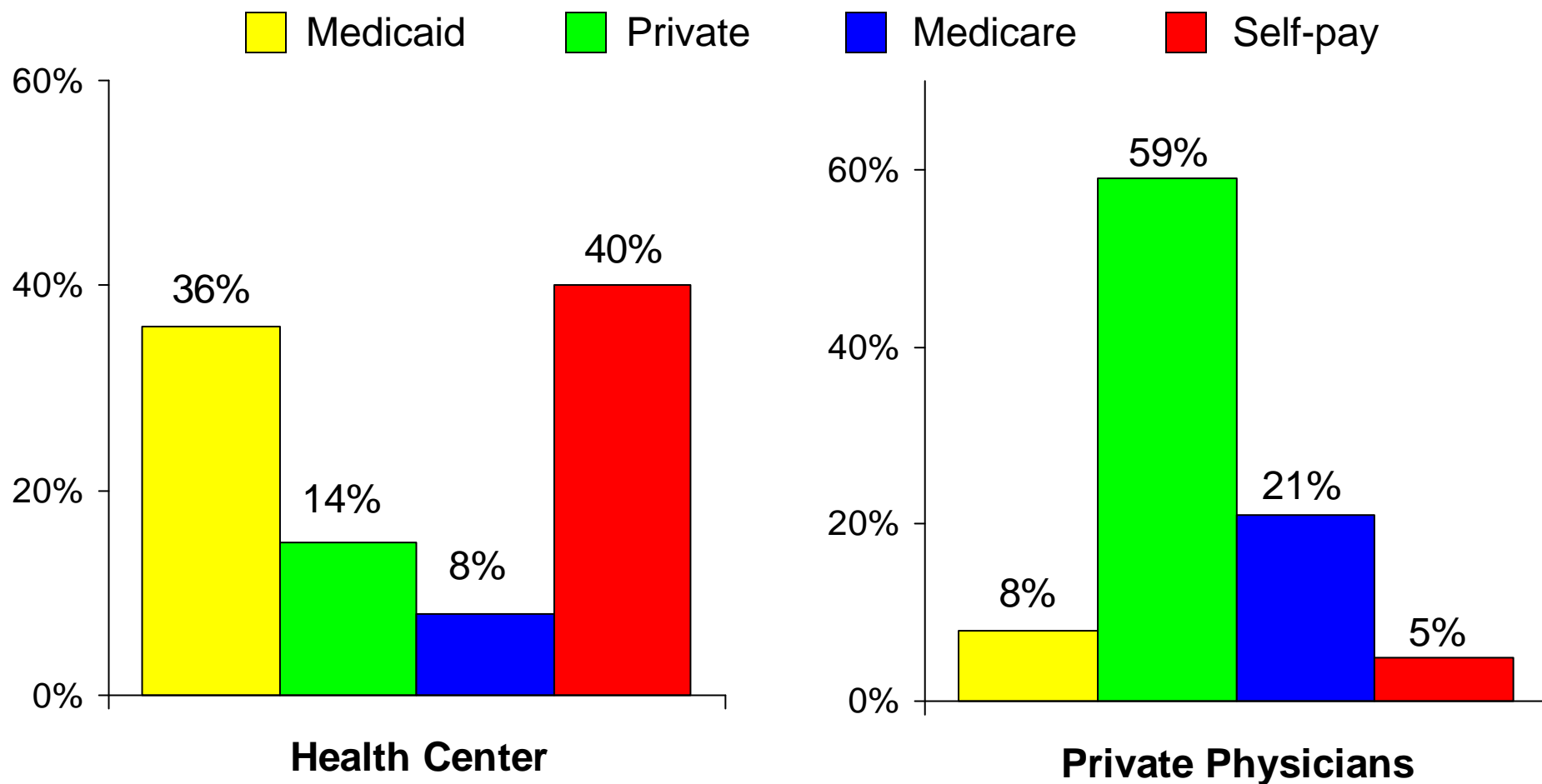
Source: Hospital from Healthcare Financial Management Association. "Declining Operating Margins Show US Hospitals Still Face Challenges." 2006 [http://www.solucient.com/articles/0206\\_DataTrends.pdf](http://www.solucient.com/articles/0206_DataTrends.pdf). Health Center data from Uniform Data System.

# Section VIII: The Importance of Medicaid



Figure 8.1

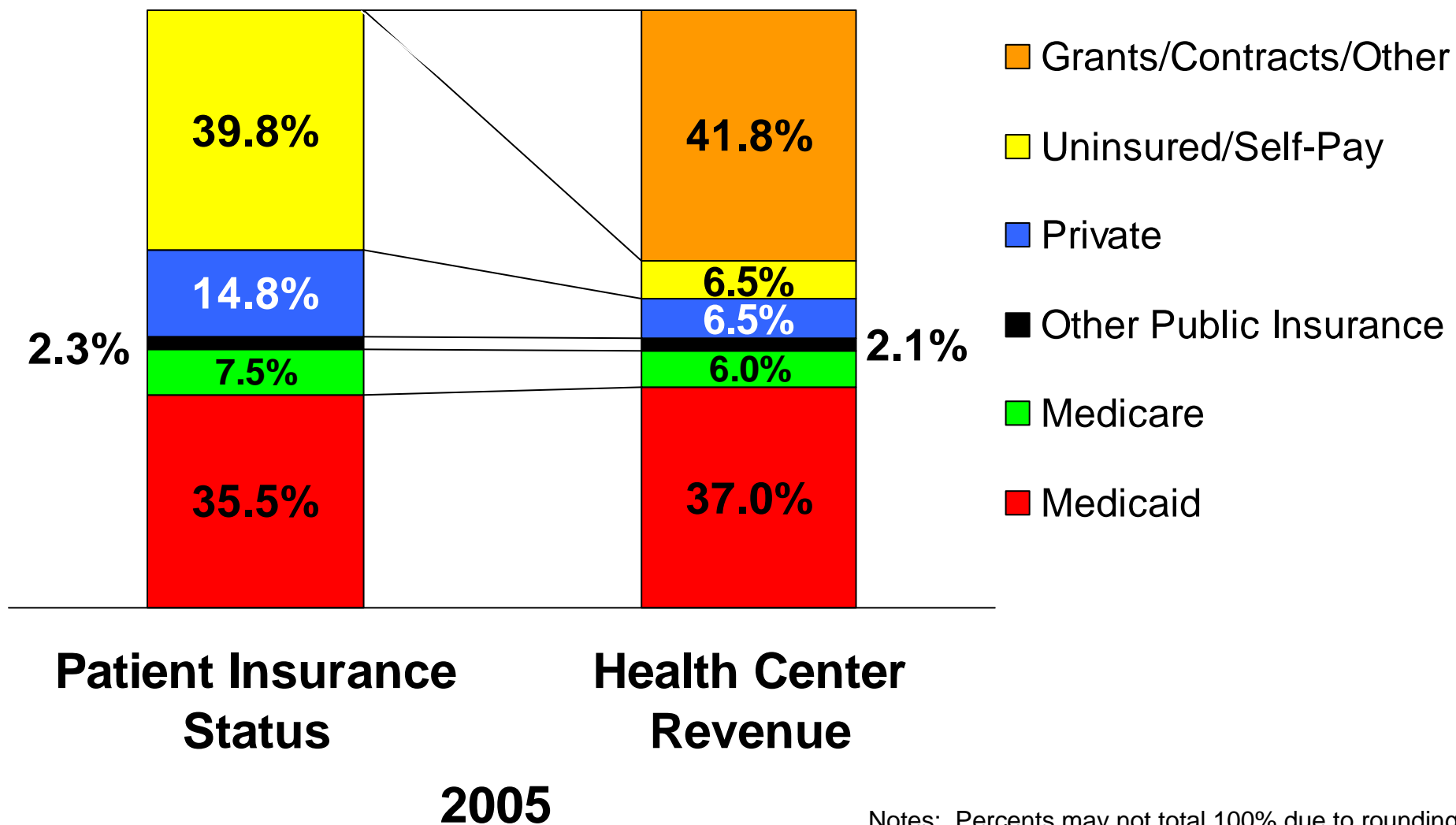
# Health Centers' Revenue Sources Do Not Resemble Those of Physician Practices



Source: Center for Health Services Research and Policy Analysis with 2004 UDS (patients) and 2002 National Ambulatory Medical Care Survey (visits)

Figure 8.2

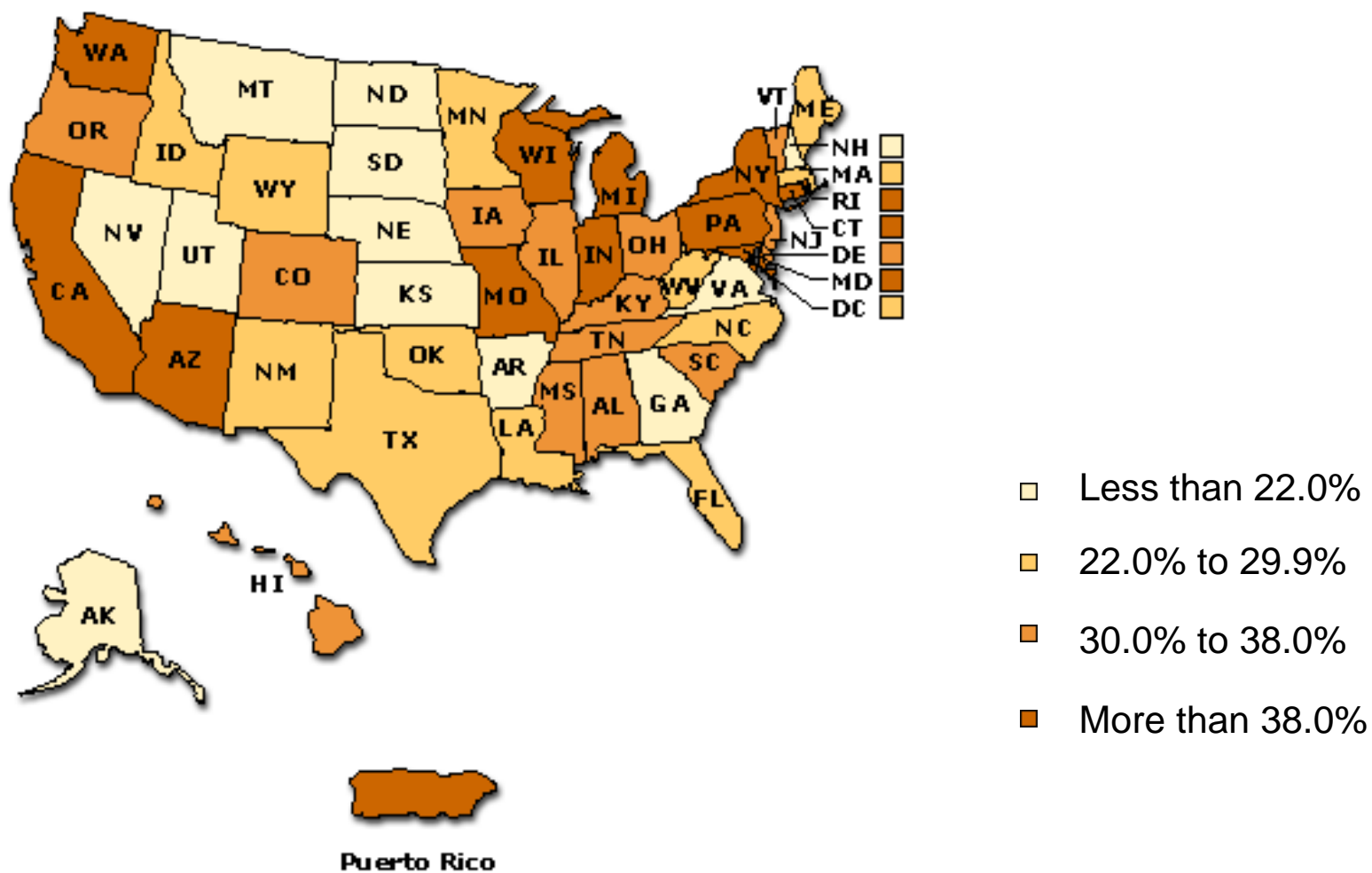
# Medicaid Revenue is Directly Proportional to Medicaid Patients



Notes: Percents may not total 100% due to rounding.

Figure 8.3

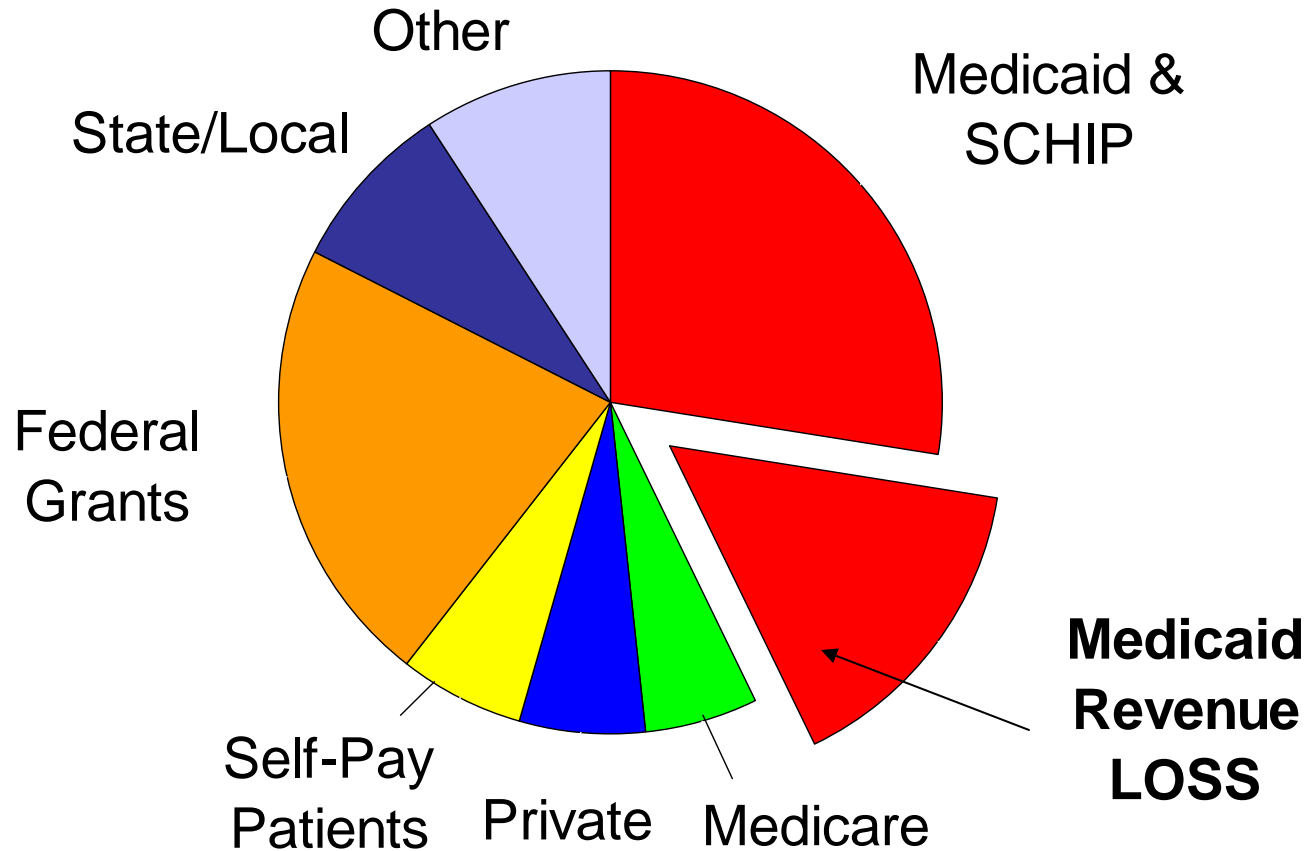
# Medicaid as a Percentage of Health Centers' Revenues, 2004



Source: Kaiser Family Foundation State Facts Online. Based on NACHC analysis of 2004 Uniform Data system.

Figure 8.4

# Loss of Medicaid Cost-Based Payments Would Erase 15% of TOTAL Revenues

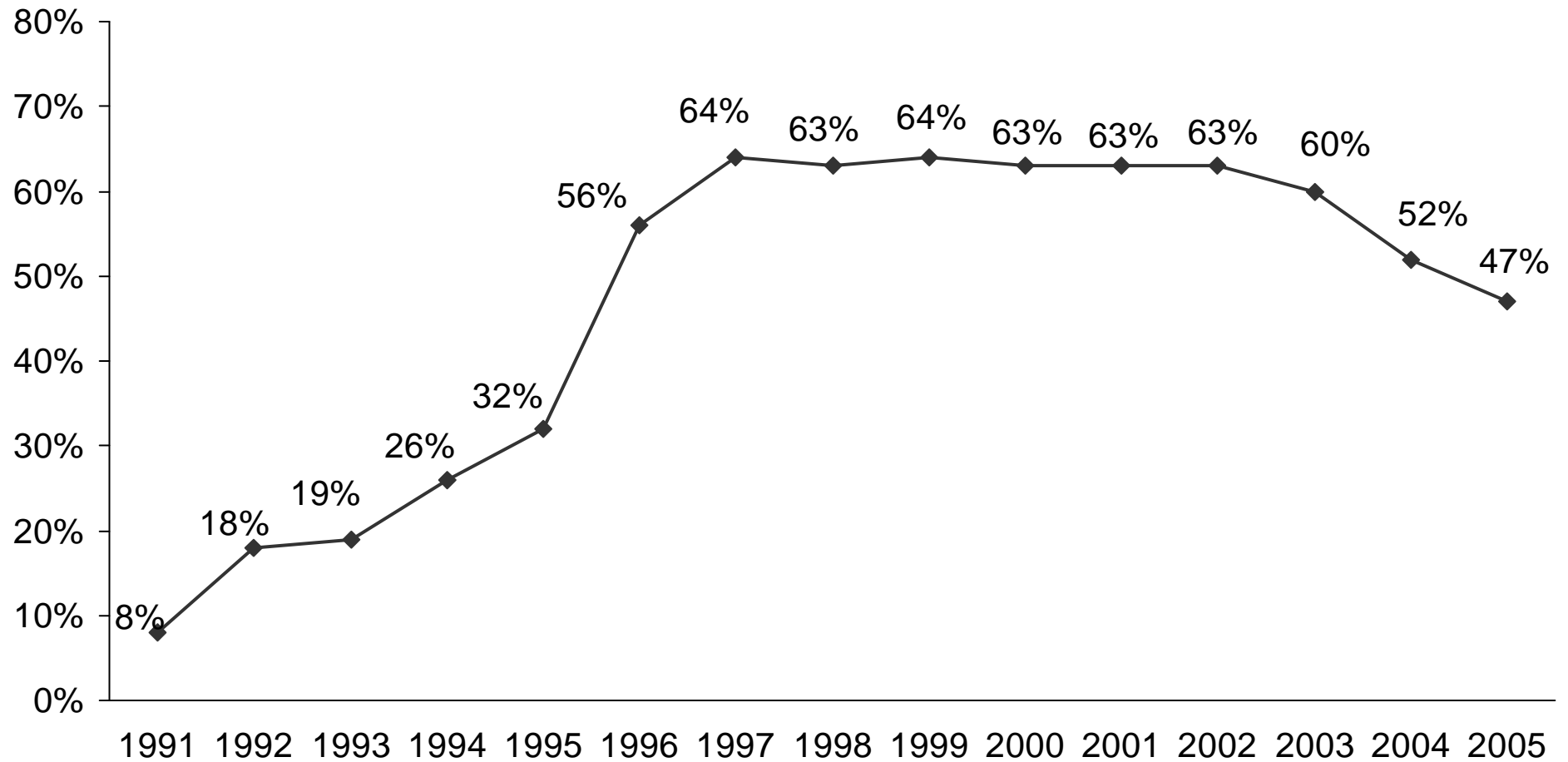


Note: By Federal law, Medicaid payment are based on cost and often through a prospective payment system. Reversing this law would erase 25-30% of Medicaid revenue for the *average* health center, or more than 15% of total revenue, through lowest payments.

Figure 8.5

# Health Centers Have Moved Substantially Into Medicaid Managed Care Participation

Percent of Medicaid health center patients enrolled in managed care

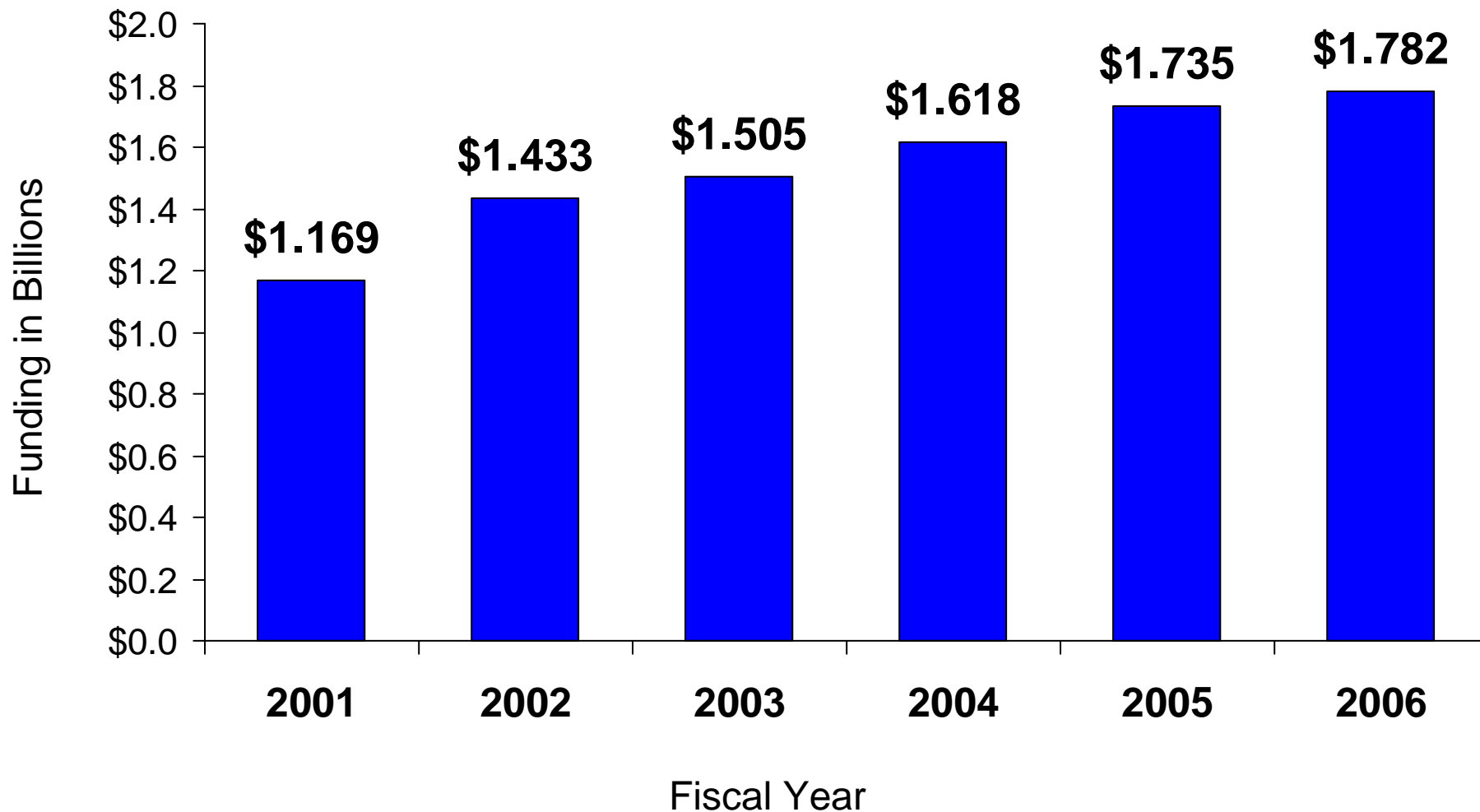


Note: Managed care does not include PCCM programs.

# Section IX: Federal Funding

Figure 9.1

# Recent Health Center Federal Appropriations History

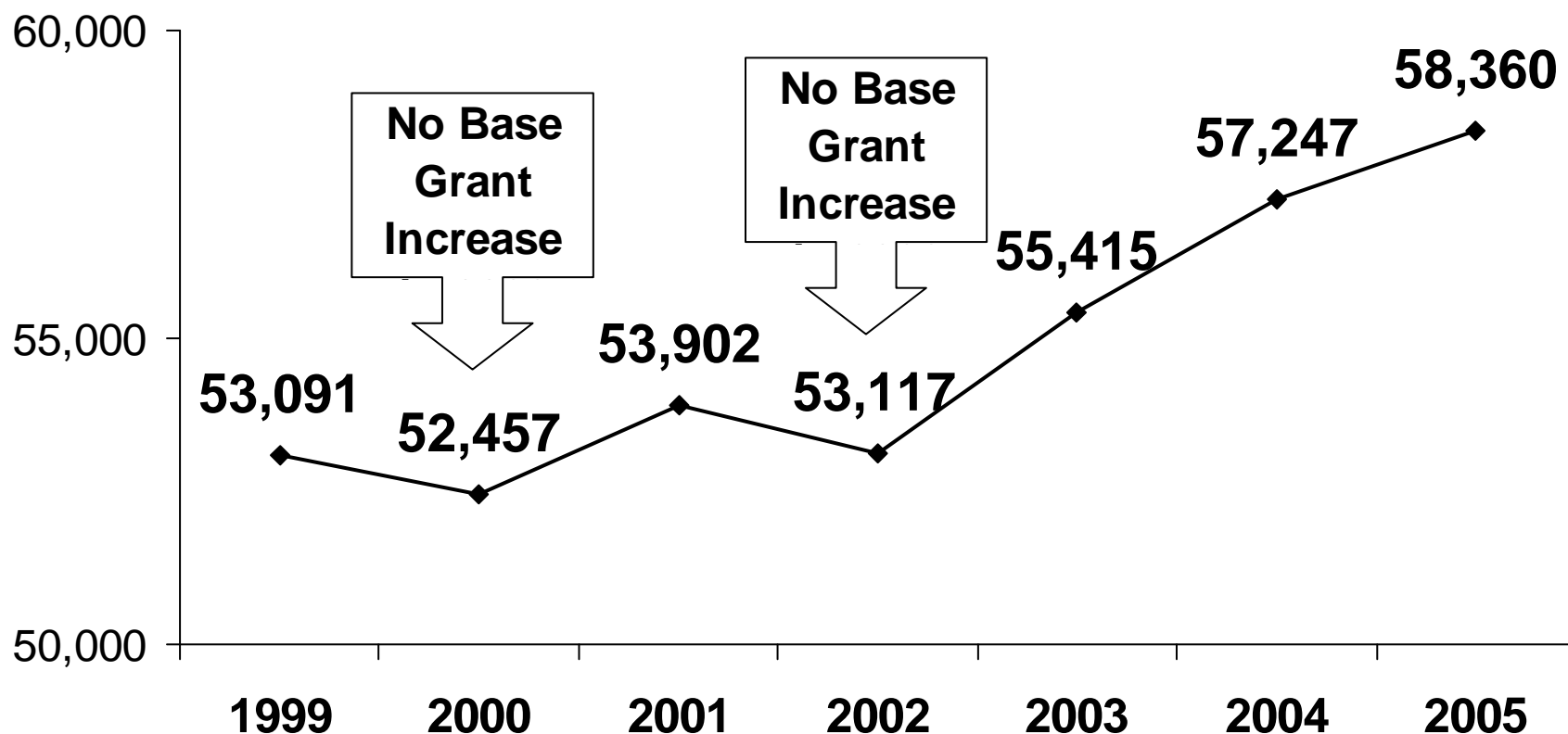


Note: Federal appropriations are for consolidated health centers under PHSA Section 330.

Figure 9.2

# Failure to Adjust Federal Grants Leads to Declines in Patient Care

Average Number of Encounters per Health Center

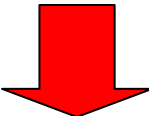
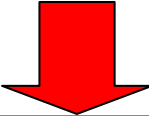
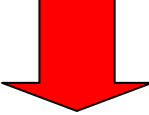
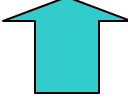



Note: Federal appropriations are for consolidated health centers under PHSA Section 330.



Figure 9.3

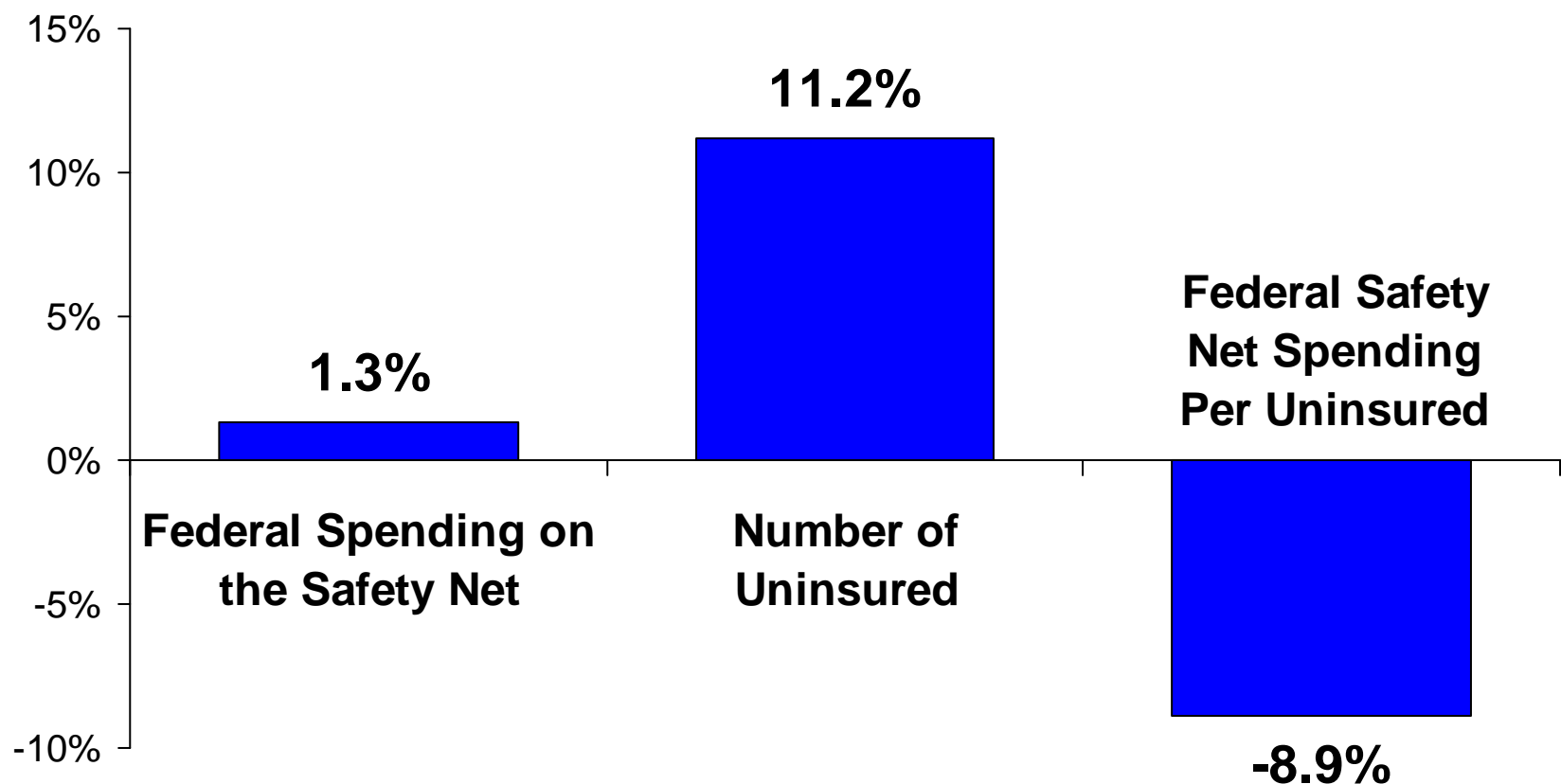
# Appropriations: Measuring Funding Results

Fiscal Year	Admin. Request	Final Approp.	Final vs. Request
2007	\$+181	\$+206/+145	???
2006	\$+304	\$+48	
2005	\$+219	\$+117	
2004	\$+122	\$+113	
2003	\$+114	\$+161	
2002	\$+124	\$+175	

Note: Federal appropriations are for consolidated health centers under PHSA Section 330.

Figure 9.4

# Percent Change in National Federal Safety Net Spending and Number of Uninsured, 2001-2004\*



Note: Includes funding for all safety net services. Percent change in Inflation adjusted totals. Constant 2004 Dollars

Source: Kaiser Commission on Medicaid and the Uninsured. "Growth in Uninsured Americans Outpacing Federal Spending on the Health Care Safety Net" 2005, <http://www.kff.org/uninsured/kcmu110405nr.cfm>.

# Section X: Remaining Challenges

Figure 10.1

# Major Challenges Facing Health Centers

- *Growth in Uninsured*: Continue to be Largest Group of Health Center Patients
- *Decline in Charity Care*: Cutbacks by Private Providers Squeezed by Managed Care
- *Loss of Medicaid and Other Public Funding*: Severe “Deficit Reduction” Cuts by States & now Congress
- *Changing Nature of Insurance Coverage*: Growing Shift to Catastrophic/High-Deductible Plans that Cover Little or no Preventive/Primary Care

Figure 10.2

# Federal Grants are not Keeping Pace with Costs or Uninsured Patient Growth

Federal Grant as Percent of Uninsured Patient Costs

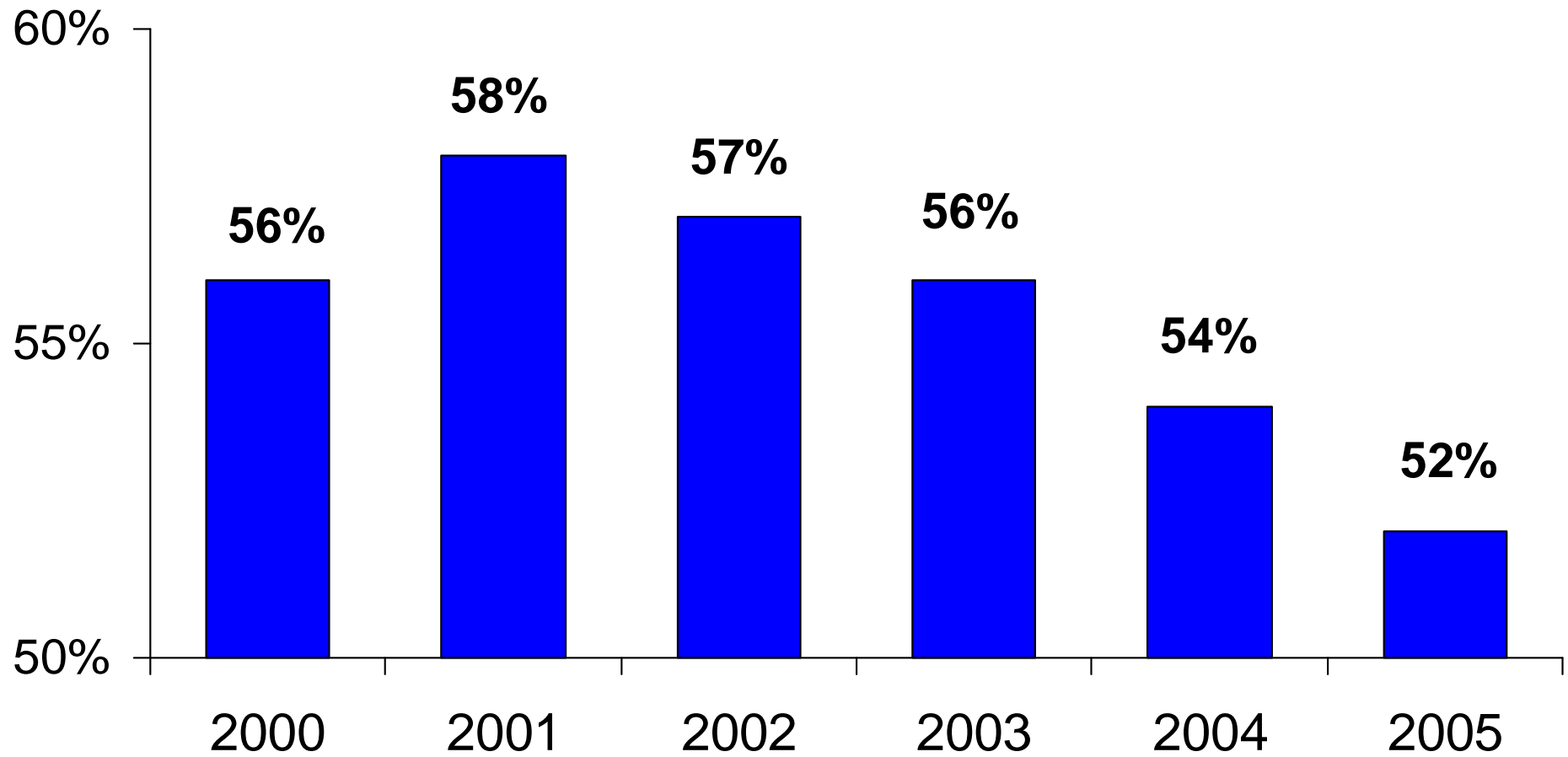
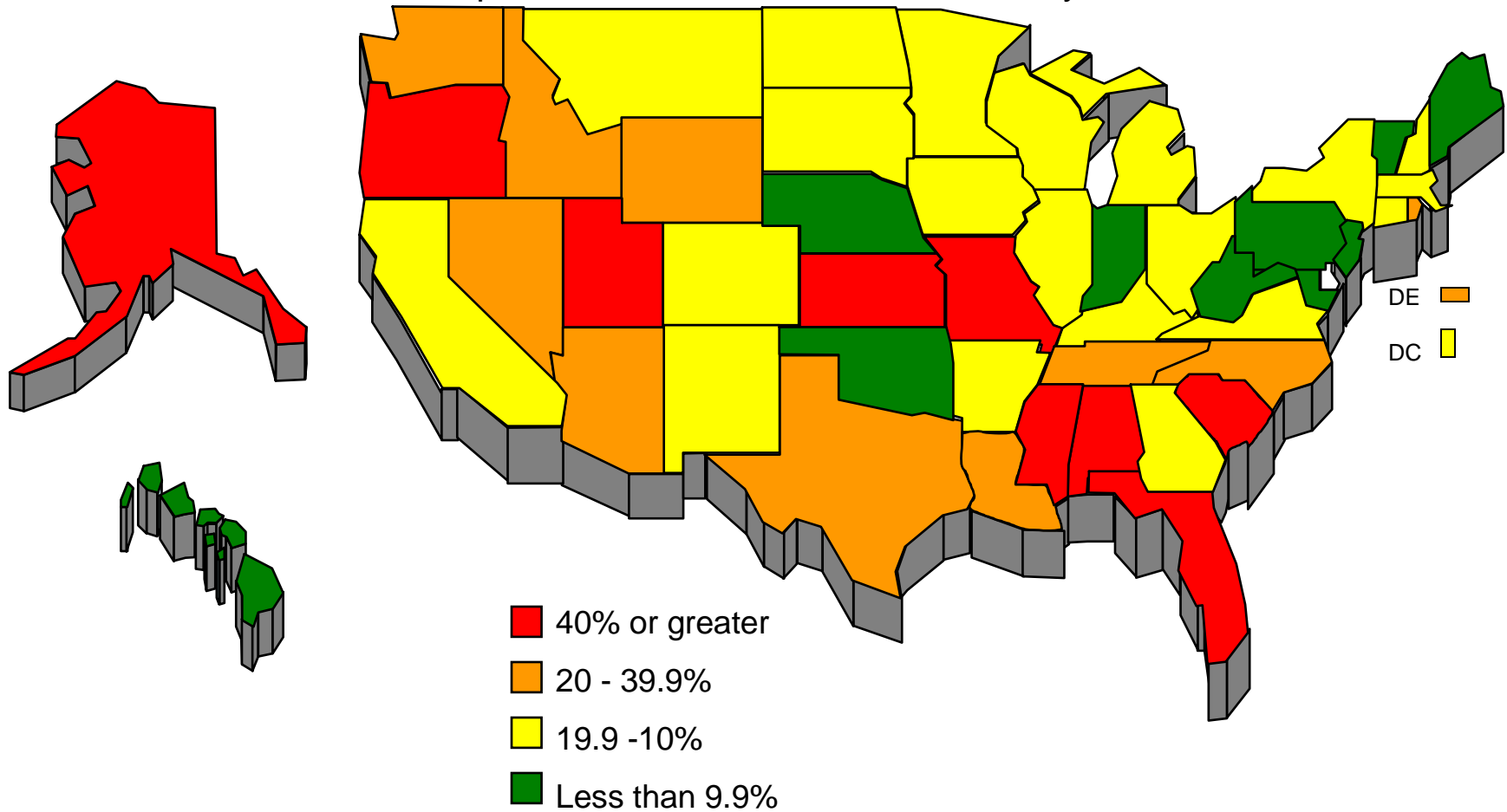


Figure 10.3

# 56 Million People Are Medically Disenfranchised

Percent of State Population Without Access to a Primary Care Provider, 2005



**National Average = 19.4%**

Note: Does not subtract health center patients as state and U.S. medically disenfranchised figures do.

Source: The Robert Graham Center. Health Services and Resource Administration (HPSA, MUA/MUP data, 2005 Uniform Data System), 2006 AMA Masterfile, Census Bureau 2005 population estimates, NACHC 2006 survey of non-federally funded health centers.

# Sources and Methodology

Source: All figures, unless otherwise noted, come from NACHC, 2006. Based on Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System. For more information, email [research@nachc.com](mailto:research@nachc.com).

Note: This chartbook includes data from Federally-Qualified Health Centers (FQHCs) who meet federal health center grant requirements and are required to report administrative, clinical and other information to the Federal Bureau of Primary Health Care. Only FQHCs receiving federal health center grants report data. Therefore, unless otherwise noted, this chartbook does not always include data from a category of FQHCs that does not receive these funds, known as FQHC Look-Alikes. Data reflected in this chartbook may consequently underreport the volume of health care delivered by health centers. There are approximately 100 FQHC Look-Alikes across the United States.