



Daniel R. Hawkins, Jr.
Senior Vice President, Public Policy and Research
National Association of Community Health Centers
1400 Eye Street NW, Suite 910
Washington, DC 20005

Testimony to the Senate Appropriations Subcommittee on
Labor, Health and Human Services, Education, and Related Agencies

Introduction

Chairman Cochran, Ranking Member Murray, and Members of the Subcommittee: on behalf of our nation's community health centers, we wish to thank you for the opportunity to submit testimony for the record as you consider the Fiscal Year (FY) 2017 Labor-Health and Human Services-Education and Related Agencies Appropriations bill.

Health Centers- General Background

For over 50 years, health centers have been operating as community-owned, non-profit entities providing primary medical, dental, and behavioral health care as well as pharmacy and a variety of enabling and support services to patients and communities in need. In 2014, over 1,300 health center organizations served more than 9,000 urban and rural communities nationwide, serving as the "health care home" for more than 24 million patients, including nearly 7 million children and nearly 300,000 veterans. Health centers operate in all 50 states, the District of Columbia, all U.S. Territories, and nearly every Congressional district.

By statute and mission, health centers are located in medically underserved areas (or serve medically underserved populations) and are governed by patient-majority boards to ensure they are responsive to the needs of each individual community they serve. Health centers offer comprehensive care to all residents of the community, regardless of ability to pay or insurance status, and offer services on a sliding fee scale. Health centers' unique model of care has resulted in savings to the entire health system of approximately \$24 billion annually. Health center care reduces preventable hospitalizations and emergency department (ED) use, as well as the need for more expensive specialty care. The services provided at health centers save \$1,263 per patient per year when compared to expenditures for non-health center patients.

In addition to reducing costs, health centers also serve as small businesses and economic drivers in their communities. Health centers employ over 175,000 individuals and generate an estimated \$26.5 billion in needed economic activity for communities that need it the most.

FY 2016 Funding Background

We want to thank the members of this Subcommittee for their strong support of health centers within the Consolidated and Further Continuing Appropriations Act of 2016 to ensure health center funding continues to reach communities in need. In FY 2016, the Health Centers program received a total of \$5.1 billion in total federal funding. This includes \$1.49 billion in discretionary funding provided by the Subcommittee and \$3.6 billion in mandatory funding for health centers through the continuation of Community Health Center Fund in H.R. 2, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA).

FY 2017 Funding Request

Thanks to investments by Congress and with support from this Subcommittee, health centers have doubled the number of patients served since 2000 and expanded to new communities. Since 2005, health centers have gone from serving one in five Americans living in poverty to one in four, and today serve a higher proportion of the uninsured than at any time in the last ten years. In addition to serving more people and communities, health centers are offering an increasingly comprehensive range of services on-site – 81% now offer mental health and/or substance abuse treatment, 77% offer oral health, and 40% offer pharmacy. However, continued investment is needed to make each health center a truly integrated “one-stop shop” for patient care.

Therefore, health centers are respectfully requesting Congress and this Subcommittee ensure funding for the Health Centers Program remains whole and does not suffer any funding reductions in FY2017, within either the discretionary or mandatory funding streams. This includes rejecting proposals to shift funds to mandatory spending with a corresponding reduction in discretionary funding below FY16 levels. Continued funding for the Health Centers Program at the FY2016 program level of \$5.1 billion is consistent with the levels outlined on an overwhelmingly bipartisan basis in MACRA and will preserve the high quality cost-effective primary care offered today at health centers across the country.

We also have support from a record number of Members of Congress for continued health center funding. In March, 62 Senators signed a letter led by Sens. Roger Wicker (R-MS) and Debbie Stabenow (D-MI) to this Subcommittee as part of the annual appropriations process. The letter highlighted the important role of health centers in providing primary care and their proven track record of success in fostering innovation and cost savings within the health care system. A copy of the letter can be viewed here:

<http://www.nachc.com/client/FY17%20Final%20SIGNED%20CHC%20letter.pdf>

Leveraging Investments in Access with a Robust Clinical Workforce

As the health center model has grown and evolved to meet the increasingly complex needs for care in underserved communities, combating workforce shortages has been a constant battle for health centers. Though the ranks of health center clinical care staff have nearly doubled since 2000, workforce shortages are limiting the ability of individual health centers to serve as many patients as they could if fully staffed. A recent report issued by NACHC focusing on clinical workforce needs, entitled *Staffing the Safety Net: Building the Primary Care Workforce at America's Health Centers*, found that virtually all health centers are experiencing at least one clinical vacancy and that 70 percent of health centers say they currently have at least one vacancy for a family physician. The crucial finding related to how much further health centers collectively could leverage federal investments: according to their own projections, if fully staffed, health centers could serve an additional two million patients.

Addressing the workforce needs of health centers is a major factor in providing high quality care to all patients. Health centers work synergistically with the National Health Service Corps (NHSC) to address staffing needs, but are also working to “grow our own” workforce through residency training programs at health centers including through Teaching Health Centers and Nurse Practitioner Residency Training Programs. However, while roughly half of all National Health Service Corps clinicians serve in health centers, many health centers still cannot gain access to NHSC providers due to insufficient funding for the program. We feel now, more than ever, is the time for sustainable investments by Congress in order for health centers to meet existing and future demands for care. We urge the Subcommittee to fund the National Health Service Corps at the President’s Budget request of \$380 million, to provide scholarships and loan repayment to thousands more clinicians.

Of course, we are also looking towards the end of FY2017 when funding provided under MACRA for the Health Center Fund is set to expire again. Without Congressional action, health centers will once again face a 70 percent reduction of funding. A reduction in funding of that magnitude will directly impact every health center in nearly every Congressional district. When facing this potential reduction in 2015, we estimated 7.4 million patients would have lost access to care at their local health center and nearly 57,000 clinicians and other staff would have lost their jobs—given recent investments called for by Congress, these numbers would almost surely be higher if this funding were to expire next year. We strongly believe the federal investments that support the health center system of care must be sustained and stabilized to ensure access to care is not disrupted. To that end, we look forward to working with the members of the Subcommittee to ensure the “Health Center Funding Cliff” will not occur. We urge Congress to take action well before the September 2017 expiration of the Health Center Fund to make the Health Centers Fund permanent and reduce the uncertainty caused by year-by-year renewals of this critical investment in access to care.

Conclusion

As the FY2017 appropriations process moves forward, we urge you to maintain current funding levels for our nation’s health centers. Despite the progress made in expanding the program in recent years, health centers continue to see unmet need in our communities and are experiencing increased demand. Though some health center patients have gained insurance, this doesn’t automatically translate into meaningful access to care. Health centers are still serving a large number of under-insured patients, as well as those who remain uninsured. We are extremely grateful for your past support and ask for the Subcommittee’s continued support for the Health Centers Program. We look forward to working with you and thank you for your consideration.