NATIONAL ASSOCIATION OF Community Health Centers

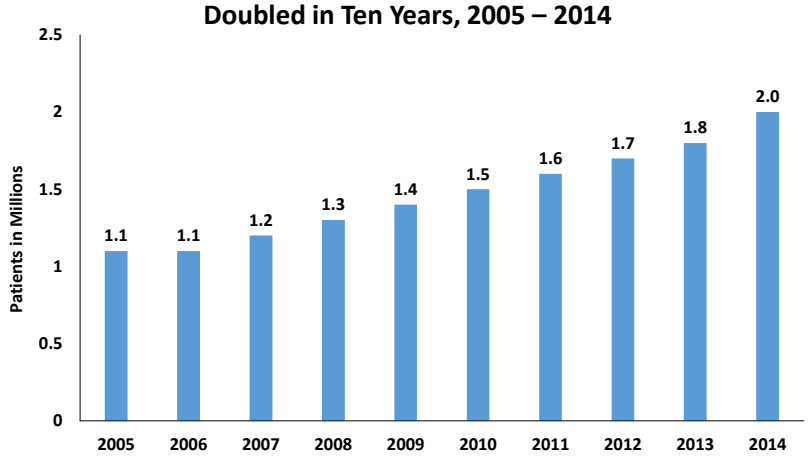
Fact Sheet
May 2016

Health Centers and Medicare: Caring for America's Seniors

Health Center Program Grantees and look-alikes are non-profit, community-directed, primary and preventive care providers serving low-income and medically underserved communities. [§] In the Medicare program, health centers are known as Federally Qualified Health Centers. They, along with Medicare, improve access to crucial health care services. Millions of older adults and persons with disabilities rely on Medicare to help get the care they need, and health centers work to ensure that anyone can access high quality and affordable primary and preventive health services. Health centers are able to do this all while also generating savings for Medicare.

In 2014, **health centers served nearly 2 million Medicare beneficiaries**, many of whom would not otherwise have access to primary care. Medicare patients currently make up 8.6% of all health center patients nationally, and many health center serve far more. In fact, Medicare patients make up at least 15% of total patients at nearly 1 out of every 5 health centers.[1]

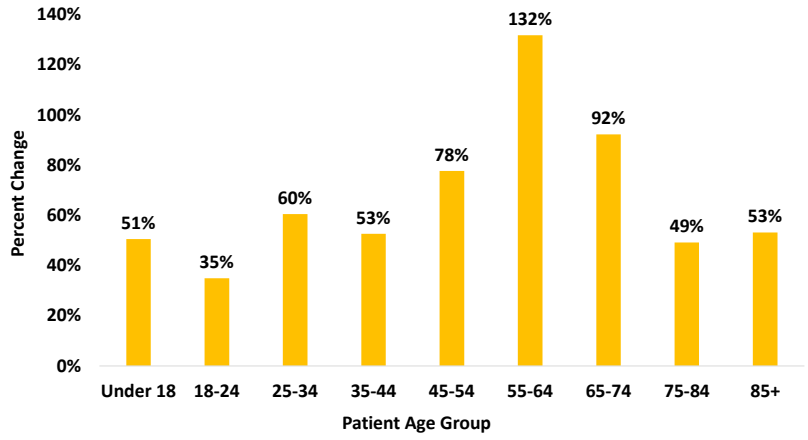
Figure 1
The Number of Health Center Medicare Patients Has Doubled in Ten Years, 2005 – 2014



Source: Federally-funded health centers only. 2005-2014 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS.

The number of Medicare beneficiaries served by health centers has nearly doubled since 2005 (Figure 1). Their numbers will continue to grow as health centers expand into new communities and as current and new patients reach age 65 and become eligible for the insurance program. Similar to the rest of the U.S. population, the health center population is aging. Between 2005 and 2014, growth in the number of patients nearing Medicare eligibility (ages 55-64) outpaced that of all other age groups, and even exceeded the rate of growth in the total number of health center patients during that time period (Figure 2). Those aged 65-74 represented the second fastest growing age group over the same time. These trends suggest that health centers will see far more Medicare patients in the near future.

Figure 2
The Number of Health Center Patients Ages 55-64 Has Grown Faster than All Other Age Groups, 2005-2014



Source: Federally-funded health centers only. 2005-2014 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS.

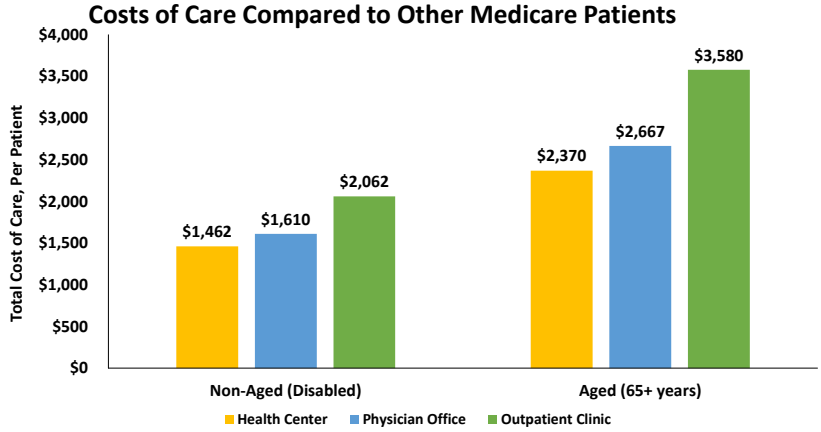
This project was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under cooperative agreement number U30CS16089, Technical Assistance to Community and Migrant Health Centers and Homeless for $6,375,000.00 with 0% of the total NCA project financed with non-federal sources. This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government.

CARING FOR COMPLEX PATIENTS

Health centers serve high numbers of Medicare patients who are also eligible for Medicaid because of their low incomes. These "dual eligibles" have extensive health care needs. They are significantly more likely to suffer from multiple chronic conditions, such as diabetes, chronic lung disease, and Alzheimer's disease.[3] **More than 2 in 5 (42%) adult health center patients with Medicare insurance are dual eligibles** compared to 21% nationally.[4]

Figure 3

Health Center Medicare Patients Have 10-30% Lower Total Costs of Care Compared to Other Medicare Patients



Source: Mukamel, D.B. et al. Comparing the cost of caring for Medicare beneficiaries in federally funded health centers to other care settings. *Health Serv Res.* 2015, July. 26(5).

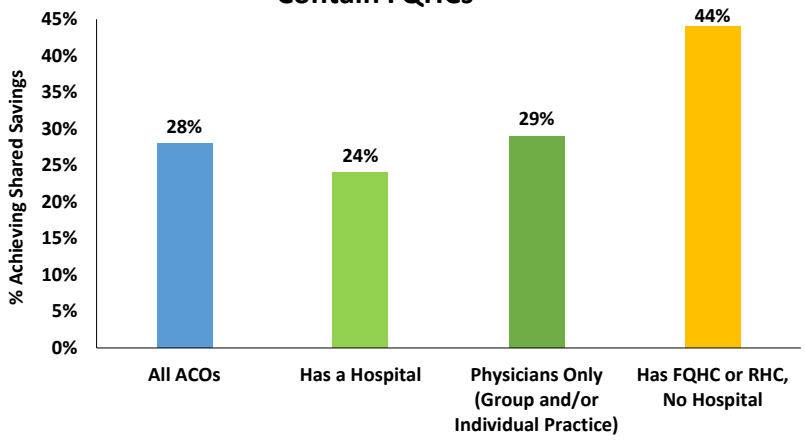
GENERATING SAVINGS FOR MEDICARE

Despite serving a large number of Medicare beneficiaries with multiple and complex medical conditions, health centers deliver significant savings for the Medicare program. A recent study analyzing Medicare claims data from 14 representative states across the U.S. found that the **total cost of care per patient with Medicare is 10-30% lower for patients using health centers** (Figure 2), compared with patients seeking care at private physician offices and hospital outpatient clinics. This was due primarily to lower non-primary care costs. Other research finds that higher health center penetration in an area is associated with 10% lower Medicare spending without compromising the quality of care.[5]

In addition, Medicare Accountable Care Organizations (ACOs) with health centers are nearly twice as likely, on average, to generate shared savings compared to all ACOs (Figure 3).

Figure 4

More Medicare ACOs Generate Shared Savings When They Contain FQHCs



Source: Centers for Medicaid and Medicare Services, DHHS. Medicare Shared Savings Program Webinar: Performance Year 2014 Quality Performance and Financial Reconciliation Results for ACOs with 2012, 2013, and 2014 Start Dates, Slide Deck. September 1, 2015. And Introcaso, D. and Berger, G. MSSP Year Two: Medicare ACOs Show Muted Success. Health Affairs Blog. September 24, 2015. Accessed from http://healthaffairs.org/blog/2015/09/24/mssp-year-two-medicare-acos-show-muted-success/

§ In this document, unless otherwise noted, the term "health center" is generally used to refer to organizations that receive grants under the Health Center Program as authorized under section 330 of the Public Health Service Act, as amended (referred to as "grantees") and FQHC Look-Alike organizations, which meet all the Health Center Program requirements but do not receive Health Center Program grants.

Sources: 1. 2014 Uniform Data System, Bureau of Primary Health Care, HRSA, DHHS. 3. Cassidy, A. "Care for Dual Eligibles." Health Affairs. 2011, June 13, http://www.healthaffairs.org/healthpolicybriefs/brief.php?brief_id=70 Meyer, H. "The Coming Experiments in Integrating and Coordinating Care for 'Dual Eligibles'." Health Affairs. 2012, June, http://content.healthaffairs.org/content/31/6/1151.full 4. George Washington University Analysis of 2009 Health Center Patient Survey. BPHC, HRSA, DHHS. And The Henry J. Kaiser Family Foundation. "State Health Facts: Dual Eligibles as a Percent of Total Medicare Beneficiaries." 2010. Access from http://kff.org/medicaid/state-indicator/duals-as-a-of-medicare-beneficiaries/ 5. Sharma, R., Lebrun-Harris,L., and Ngo-Metzger, Q. "Costs and Clinical Quality Among Medicare Beneficiaries: Associations with Health Center Penetration of Low-Income Residents." MMR 4.3 (2014):E1-E17.

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