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Community Health Centers Brace for the Impact of Medicaid Redeterminations

With expiration of the pandemic-era Medicaid continuous coverage requirement on March 31, Medicaid redeterminations could cause millions of health center patients to become uninsured.

Community Health Centers provide quality, cost-effective health care to over 30 million patients in medically underserved communities. More than 80% of health center patients are uninsured or enrolled in Medicaid, Medicare, or another public insurance provider. Health centers rely on federal grant funding to provide services to patients on an income-adjusted sliding-fee scale. This funding ensures that health centers can provide affordable care to all patients who walk through their doors, regardless of income or insurance status.

Health centers are a critical safety net for individual and community health. Health centers helped to ensure equitable access to medical interventions throughout the COVID-19 pandemic, providing over 21 million COVID-19 tests and 23 million COVID-19 vaccines to patients in medically underserved communities. In addition to rapidly implementing COVID-19 interventions, health centers continued to provide critical primary care services throughout the pandemic. Access to primary care improves health outcomes and reduces in-patient hospital and emergency department utilization. Health centers save the health system an estimated \$24 billion annually by keeping patients healthy and reducing spending on costlier services like emergency department visits. In many communities, health centers were the only providers who remained open throughout the pandemic for routine essential services like child well visits and continuous treatment for patients with chronic conditions.

Thanks to congressional action, health centers were able to maintain essential community-based services in the face of unprecedented challenges. The Families First Coronavirus Response Act required state Medicaid agencies to provide enrollees with continuous coverage in exchange for increased federal contributions. This action allowed millions of patients to maintain coverage during the threat of COVID-19 infection, while navigating other challenges related to the COVID-19 pandemic. More patients with Medicaid coverage enabled health centers to allocate more resources to providing care for uninsured patients. Reimbursement for more services also enabled health centers to be on the frontlines fighting the COVID-19 pandemic. According to a NACHC survey, 90% of health centers reported providing more services to patients who might otherwise go without care thanks to congressional action to provide continuous Medicaid coverage for patients.

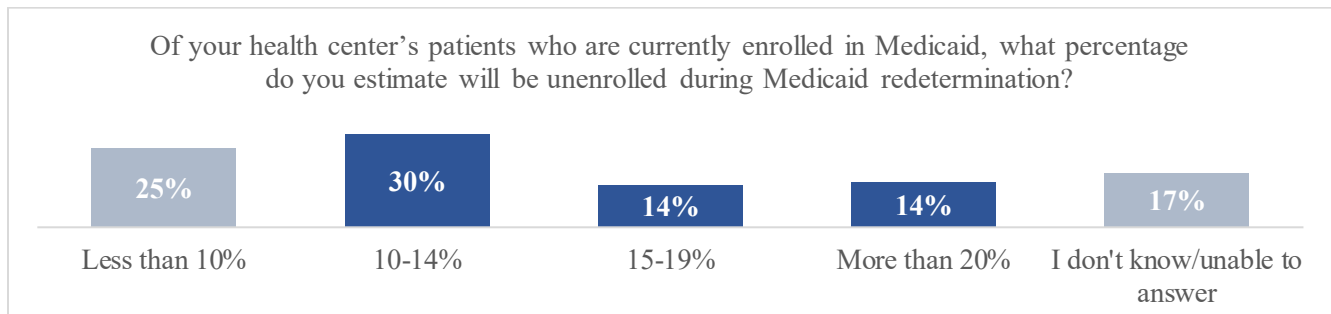
Medicaid redeterminations could cause millions of health center patients to become uninsured. Staying true to their mission, health centers will continue to treat everyone who seeks care regardless of insurance status or ability to pay. As a result, health centers will face multiple challenges, including shrinking Medicaid revenue and increased costs in care for uninsured patients. These changes come as health centers are still reeling from the pandemic, a shortage of health care workers, and high rates of medical inflation, resulting in financial and operational strain which could now be exacerbated by a growing uninsured patient population.

The National Association of Community Health Centers (NACHC) surveyed 420 health centers from all 50 states and US territories to understand the severity of financial and operational strain that may result from these converging challenges. **Results reveal that Medicaid redeterminations could severely impact operations at some health centers and could disrupt patient care.**

Federal funding is critically important for health centers' ability to care for more uninsured patients and to minimize disruptions in care for millions of patients nationwide who are at risk of losing health insurance coverage.

Key Findings:

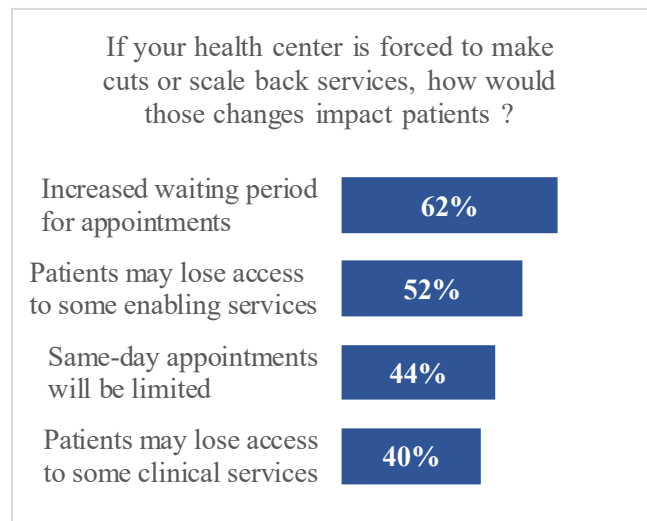
Over a fourth (28%) of health centers surveyed estimate that **at least 15% of patients enrolled in Medicaid will lose coverage during redetermination**. Over half (58%) of health centers surveyed estimate that at least 10% of patients enrolled in Medicaid will lose coverage.



72% of health centers surveyed say that patients undergoing treatment for chronic conditions will be among those who lose Medicaid coverage. This could result in a **disruption of care** for patients with diabetes, cancer, substance use disorders, and other conditions that require regular visits for continuous treatment. Disruptions in care for these patients could result in more severe disease that requires costlier treatments, or even visits to the emergency department or inpatient hospital stays.

85% of health centers surveyed anticipate facing financial and/or operational challenges related to the Medicaid unwinding. Projected financial losses stem from reduced Medicaid revenue and uncompensated care for more uninsured patients. Over half of respondents anticipate having to reduce staffing and retention efforts and scale back some services due to financial and operational strain.

Patients will feel the impact of unwinding-related strain on health center operations. 62% of respondents expect patients to face an increased waiting period for appointments, and 42% say patients may lose access to some clinical services if health centers are forced to make cuts due to financial strain.



“Our Medicaid population has doubled over the past three years and represents 60% of our revenue. We anticipate a significant loss of Medicaid beneficiaries and revenue.”

“The Medicaid unwinding will have a drastic impact on our capitated revenue which hinders ability to provide critical care.”

-Health center leaders in Washington and Oklahoma

75% of health centers surveyed said that increased funding for outreach and enrollment assistance would smooth the redetermination process and minimize coverage gaps for health center patients. Health centers are ramping up outreach to patients currently enrolled in Medicaid, but resources are spread thin.

Health centers are a critical resource for patients who are at risk of losing their Medicaid coverage. Federal funding is more important than ever as health centers navigate redeterminations and continue to provide affordable health care to the nations uninsured.