

Health Center Funding



32
MILLION
PATIENTS

Consistent, bipartisan support has made it possible for Community Health Centers to care for 32.5 million patients, or 1 in 10 people in the U.S. - the most ever. These locally controlled organizations represent the best, most resilient, diverse, and innovative part of the health system. They provide comprehensive primary care with integrated behavioral health, dental, pharmacy, specialty, and ancillary care services for patients in rural, frontier, mountain, urban, and suburban communities nationwide.



Health centers have a proven track record as cost-effective providers. According to the Congressional Budget Office, investments in health centers save **the health system billions of dollars by reducing preventable inpatient hospitalizations and emergency room visits through timely access to affordable primary care.** Health centers are also significant contributors to their communities' economic well-being. A study by Matrix Global Advisors found that **health centers supported more than half a million jobs, over \$37 billion in labor income, and nearly \$85 billion in economic output.**



Health centers receive federal funding through two pathways - the annual discretionary funding and the multi-year base funding from the Community Health Center Fund. In March, Congress passed bipartisan legislation to extend base funding through December 2024 at an annualized rate of \$4.4 billion prospectively. **There is bipartisan and bicameral support for legislation that continues and increases health center funding.**

The Lower Costs, More Transparency Act passed the House of Representatives in December 2023 by a strong bipartisan vote of 320-71. It includes:

House Bill (H.R. 5378)

- \$4.4 billion per year for Community Health Centers through December 2025.
- \$350 million per year for the National Health Service Corps (NHSC) through December 2025.
- Doubles the capacity of the Teaching Health Center Graduate Medical Program (THCGME) to train more providers.

The Bipartisan Primary Care and Health Workforce Act was reported out of the Senate Health, Education, Labor and Pensions Committee last year. It includes:

Senate Bill (S. 2840)

- \$5.8 billion per year for Community Health Centers for three years, including stabilizing resources for existing health centers, expanding service hours and school-based services, and implementing new requirements for nutrition and behavioral health services.
- One-time \$3 billion for health center capital projects, prioritizing dental and behavioral health projects.
- \$950 million annually for the NHSC for three years.
- \$300 million per year for the THCGME for five years.
- Additional workforce programs to expand primary care capacity and train more allied health professionals, physicians and nurse practitioners.



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Health centers are on the front lines of healthcare, providing essential services to 10 percent of U.S. population - but millions more are still waiting for affordable primary care. As we navigate today's challenging budget environment, it's critical to recognize that federal health center funding will create a healthier nation in the following ways:

1

Strengthen and build the health center workforce. A recent estimate by Matrix Global Advisors illustrates that health center funding has eroded by \$2.1 billion because of inflation and patient growth. Compounding this challenge is that health center grant funding falls short of the cost of providing care for uninsured patients by approximately \$500 per patient and health centers have not received increases to their base funding in a decade. **Statutory language dedicating increased funding to stabilize health centers and position them to maintain and expand patient services despite rising costs due to workforce challenges and technology.**

2

Expand access to integrated primary and preventive care and generate cost-savings. Health centers help lower the cost of medical care by providing primary and preventive services that reduce the need for costlier care, such as preventable emergency room visits and inpatient hospital care. Health centers provide whole-person, comprehensive primary care that is within the walls of the exam room, but also go beyond to address social drivers of health as well through enabling services to address food insecurity or lack of housing. Yet, the Health Resources and Services Administration (HRSA) has identified gaps in care for the existing population that could be closed with additional funding. For example, health centers only meet 27 percent of the need for mental health services, 6 percent of the substance use disorder need, 35 percent of oral health need, 8 percent of the need for vision, and 34 percent of the need for enabling services.

3

Expand into new communities. A recent analysis by Health Landscape (a division of the American Academy of Family Physicians) found that 100 million individuals in the country have limited or no access to primary care, especially in rural and mid-sized communities. Health centers are well positioned to meet these communities' primary care needs, but the last expansion of the health center program was in 2019 when HRSA funded 77 new health centers out of over 500 applications through \$50 million of federal funding. Just this year, HRSA received over 600 applications to create new health centers in underserved communities, but lacks the resources to fund those applications. With additional funding, health centers can ensure greater access to cost-effective primary care in more communities.

How You Can Help

- Strengthen Health Centers by allocating **\$5.8 billion in base funding for Community Health Centers** in the year-end package and **dedicating the majority of the funding to a stabilization fund for existing health centers.**
- Support primary care workforce programs by funding the **National Health Services Corps at \$950 million per year** and increasing funding for the Teaching Health Center Graduate Medical Education program to **\$300 million over five years.**