

Funding FQHCs in State Budget

Fiscal Year 2023-2024 Request

PENNSYLVANIA'S COMMUNITY HEALTH CENTERS

Pennsylvania's Community Health Centers, also known as Federally Qualified Health Centers (FQHC) and FQHC Look-Alikes, provide affordable quality care including primary health care, behavioral health care, dental care, vision services, pharmaceutical services, and other critical health enhancing services. Their doctors, dentists, psychologists, nurses, and other providers put the community at the heart of everything they do, every day.

As the state primary care association (PCA), the Pennsylvania Association of Community Health Centers (PACHC) represents and supports FQHCs, which are the largest network of primary healthcare providers in the commonwealth. This network of non-profit Community Health Centers includes 53 FQHC and FQHC Look-Alikes organizations with 395 locations in 54 of the 67 PA counties. Forty-eight percent of FQHC locations are in rural communities. These critical providers serve almost 1,000,000 patients annually or 1 in 13 Pennsylvanians. The patients served include:

- 88.35% of the patients are at or below 200% of the Federal poverty level.
- 13.06% of patients are uninsured. This number is expected to grow as Pennsylvania and the country undergoes the Medicaid Unwinding.
- 48.57% of patients are on Medicaid or CHIP.
- 2.86% of patients are homeless.

CONNECTING COMMUNITIES WITH QUALITY, AFFORDABLE CARE

Community Health Centers are in their local communities, delivering care designed around those who need it most. FQHCs ensure patients, who may face challenges accessing care due to various social determinants of health and issues of health equity, can access and afford quality care without compromise. FQHCs offer:

- **Sliding Fees:** Individuals can get the care they need at a price they can afford with sliding fees based on income and family size.
- **Enrollment Assistance:** FQHCs offer free, personalized, no obligation, unbiased assistance to help individuals and families gain the security of health insurance coverage.
- **Care for All:** Health care for all patients regardless of ability to pay, insurance status, age, sex, religion, or race.
- **Medical Home:** Individuals can get primary care and behavioral health care for their entire life from health center professional healthcare teams.



Questions: Contact Eric Kiehl, PACHC
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PROPOSAL

Community Health Centers across Pennsylvania are faced with narrowing margins and increased costs throughout their organizations. They must cover the cost of caring for the uninsured, often inadequate Medicaid reimbursement, and the costs of necessary but unreimbursed services that are needed to help the patients they serve get well and stay well, and not require higher cost ER or hospital care. Covering the costs of care and ensuring access to care have become even more challenging because of diminished revenue from the 340B Drug Savings Program, a program created to help safety net organizations like FQHCs to stretch scarce resources; inflation; and increasing workforce challenges. There are also additional costs associated with telehealth services. FQHCs quickly embraced telehealth services at the beginning of the pandemic. The use of telehealth is now a critical modality in the delivery of care in both rural and urban communities, mitigating some of the barriers to care like lack of childcare, paid time off from work, and transportation. Nowhere is telehealth more important than in the delivery of behavioral health services, which nearly every FQHC in Pennsylvania provides.

Throughout the pandemic and moving forward, Pennsylvania's Community Health Centers have taken care of Pennsylvania's most vulnerable populations and have served as the state's safety net for much of this population across both rural and urban settings. The chart below highlights the unfunded costs Pennsylvania Community Health Centers encounter to just care for the uninsured population in Pennsylvania.

FQHC Patients	Uninsured Patients	Average PPS Rate ⁱ	Unfunded Care
992,412	129,609	\$216.46/Visit	\$28,055,164
FQHC Visits	Uninsured Visits	Average PPS Rate	Unfunded Care
3,585,864	468,314	\$216.46/Visit	\$101,371,248

ⁱ PPS Rate: Under PPS, FQHCs are paid a predetermined rate, that encompasses reimbursement for all services provided during a single visit, and it is adjusted annually for inflation.

FUNDING REQUEST

Pennsylvania's Community Health Centers are requesting \$10 million in funding in the Pennsylvania State Budget (FY 2024-25), to assist FQHCs in covering the costs of providing care to uninsured Pennsylvanians and to assist in covering many of the additional unfunded costs, such as Community Health Workers, transportation, care coordination, technology costs, etc. Each Community Health Center's award amount would be determined using the following formula depending on, and not to exceed, the total amount funded as part of the state budget: a Base value of \$50,000 for each FQHC and FQHC Look-Alike organization, plus \$56.70 per uninsured patient as reported in the most recent publicly reported Uniform Data System (UDS).

To date, Community Health Centers have not had a line item in the Pennsylvania State Budget to assist in covering care for this population.

State support of Pennsylvania's FQHCs is fiscally wise. The Commonwealth's health centers save the health care system \$1.59 billion per year. The Federal Congressional Budget Office recently noted that "Evidence suggests that such care leads to more cost effective care and ultimately to lower federal spending for the Medicaid and Medicare populations they serve; the use of health care provided by CHCs generally is associated with lower spending in emergency departments, in inpatient hospital settings, and for other outpatient services."



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