

# Funding FQHCs in State Budget

Fiscal Year 2025-2026

## Medical Assistance Programs, CHC Funding in State Budget \$50 Million Request

### PENNSYLVANIA'S COMMUNITY HEALTH CENTERS

Pennsylvania's Community Health Centers (CHC), 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 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 CHCs, which are the largest network of primary healthcare providers in the commonwealth. This network of non-profit Community Health Centers includes 53 Community Health Centers with more than 475 locations in 55 of the 67 PA counties. Forty-eight percent of CHC locations are in rural communities. These critical providers serve more than 1,000,000 patients annually or 1 in 13 Pennsylvanians. The patients served include:

- 87.54% of the patients are at or below 200% of the Federal poverty level.
- 13.95% of patients are uninsured. This number is expected to grow as Pennsylvania and the country undergo the Medicaid Unwinding.
- 48.28% of patients are on Medicaid or CHIP.

### CONNECTING COMMUNITIES WITH QUALITY, AFFORDABLE CARE

Community Health Centers are in their local communities, delivering care designed around those who need it most. CHCs ensure patients, that 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. CHCs 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:** CHCs 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, dental care, and behavioral health care for their entire life from health center professional healthcare teams.



Questions: Contact Eric Kiehl, PACHC  
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Pennsylvania Association of  
Community Health Centers

www.pachc.org



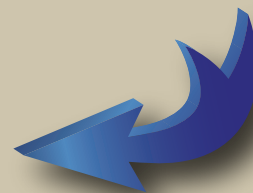
## PROPOSAL

Community Health Centers across Pennsylvania are continually faced with narrowing margins and increased costs throughout their organizations. In addition to covering the cost of caring for the uninsured and making up for inadequate Medicaid reimbursement, Community Health Centers are facing additional unfunded costs for a myriad of services that are needed to care for all their patients truly and comprehensively. At the same time, attacks on the 340B program; which enables covered entities, such as CHCs, to stretch scarce federal resources as far as possible; inflation; and increasing workforce challenges are directly impacting the ability to provide care. There are also additional costs associated with telehealth services, which CHCs quickly embraced telehealth services at the beginning of the pandemic. The use of telehealth is now a critical part of the care being delivered in both rural and urban communities. Nowhere is telehealth more important than in the delivery of behavioral health services.

Throughout the pandemic and moving forward, Pennsylvania's Community Health Centers have taken care of Pennsylvania's most vulnerable populations and has filled in the gaps to serve as the state's public safety net for much of this population across both rural and urban settings. The chart below highlights the unmet needs Community Health Centers encounter to care for the patient population in Pennsylvania.

Unmet Patient Needs	# of Unmet Need Patients (BPHC National Est)	% of Total Patients	Total Unmet Cost	Uninsured Portion
Mental	275,637	27%	\$10,195,805	\$1,422,591
Dental	61,253	6%	\$2,594,661	\$362,026
SUD	357,307	35%	\$180,833,047	\$25,231,109
Vision	81,670	8%	\$2,071,155	\$288,982
Enabling	347,098	34%	\$154,951,570	\$21,619,942
<b>Total</b>			<b>\$350,646,238</b>	<b>\$48,924,650</b>

Scan the QR code to access the sample letter that a Senator or Representative may send to leadership



### \$50 MILLION REQUEST

PACHC, on behalf of the state's Community Health Centers, is requesting a line item in the amount of \$50 million in the Pennsylvania State Budget (FY 2025-26), to assist CHCs Pennsylvanians in covering many of the unfunded costs, such as Community Health Workers, transportation, care coordination, technology costs, etc., patient unmet needs, and to assist in covering the costs for providing care to uninsured.

Community Health Centers have not had dedicated funding in the Pennsylvania State Budget to assist in covering care for this population. In addition, Pennsylvania health centers save the health care system \$1.59 billion per year. According to a Matrix Global Advisors analysis, which quantifies the direct and indirect economic impact of community health centers in Pennsylvania, these centers supported more than 13,000 jobs, nearly \$2.4 billion in economic output, and almost \$980 million in labor income in 2021. 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."

- i. Combined Pennsylvania Health Center Program Awardee Uniform Data System (UDS) Data, Reporting Period: 2022 <https://data.hrsa.gov/tools/data-reporting/program-data/state/PA> and Pennsylvania Health Center Program Look-Alike Uniform Data System (UDS) Data, Reporting Period: 2022 <https://data.hrsa.gov/tools/data-reporting/program-data?type=LOOK-ALIKE&state=PA>
- ii. Source: <https://bphc.hrsa.gov/funding/health-center-service-area-needs#services> and 2023 HRSA UDS. Does not include look-alike data. Uninsured portion is 17.9%. 2023-2025 estimates include current and projected patients. \*Enabling service costs and patient counts used to approximate interpretation costs; about 5 percent of enabling service costs were attributable to interpretation services in 2023.
- iii. CHCs received \$10 million in CARES Act funding through the FY 2020-21 PA State Budget for community-based health care centers that receive HRSA grant funding to assist providing care and services during the COVID pandemic.
- iv. Geiger Gibson/RCHN Community Health Foundation Research Collaborative, Using Primary Care to Bend the Curve: Estimating the Impact of a Health Center Expansion on Health Care Costs, September 1, 2009, <https://www.rchnfoundation.org/wp-content/uploads/2013/01/Bending-the-Curve-9-1-09-nal.pdf>
- v. Economic Impact of Community Health Centers in Pennsylvania, March 2023, [https://getmga.com/wp-content/uploads/2023/04/Matrix\\_NACHC-Summary\\_Pennsylvania.pdf](https://getmga.com/wp-content/uploads/2023/04/Matrix_NACHC-Summary_Pennsylvania.pdf)
- vi. Congressional Budget Office, Cost Estimate, S. 2840, Bipartisan Primary Care and Health Workforce Act, Page 7, Feb. 6, 2024, <https://www.cbo.gov/system/files/2024-02/s2840.pdf>