



FY 2026–2027

Funding CHCs in State Budget

PENNSYLVANIA’S COMMUNITY HEALTH CENTERS

Pennsylvania’s Community Health Centers, also known as Federally Qualified Health Centers (FQHCs) 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 CHCs, which are the largest network of primary healthcare providers in the commonwealth. This network of non-profit Community Health Centers includes 54 organizations with more than 475 locations in 57 of the 67 PA counties. 48% percent of CHC locations are in rural communities. These critical providers serve:^[i]

More than 1 Million patients served annually
1 in 12 Pennsylvanians

- ▶ 86% of patients are at or below 200% of the Federal poverty level.
- ▶ 16% of patients are uninsured – a growing number as Pennsylvania and the country implement HR 1
- ▶ 44% 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, who may face challenges accessing care due to various health-related needs, 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 and behavioral health care for their entire life from health center professional healthcare teams.

PROPOSAL:

Community Health Centers across Pennsylvania are facing narrowing margins and increasing costs throughout their organizations. They must cover the cost of caring for the uninsured, contend with often inadequate Medicaid reimbursement, and cover necessary but unreimbursed services that help patients get well, stay well, and avoid higher cost ER or hospital care. Covering the costs of care and ensuring access has become even more challenging due to diminished revenue from the 340B Drug Savings Program, a program created to help safety net organizations like CHCs stretch scarce resources; inflation; and increasing workforce challenges. CHCs are incurring additional costs associated with telehealth services. Although CHCs quickly embraced telehealth services at the beginning of the pandemic, it 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. Telehealth is particularly important for behavioral health services, which nearly every CHC in Pennsylvania provides.



Throughout the pandemic and moving forward, Pennsylvania’s Community Health Centers have taken care of populations with limited access to healthcare 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.

CHC Patients	Uninsured Patients	Average PPS Rate ^[ii]	Unfunded Care
1,089,053	174,328	\$229.48 / Visit	\$40,004,789
CHC Visits	Uninsured Visits	Average PPS Rate	Unfunded Care
3,626,345	580,215	\$229.48 / Visit	\$133,147,738

FUNDING REQUEST:

PACHC, on behalf of the state’s Community Health Centers, is **requesting \$5 million in funding in the Pennsylvania State Budget (FY 2026–27)**, to assist CHCs 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 \$x,xxx for each CHC and CHC Look-Alike organization, plus \$xx.xx per uninsured patient as reported in the most recent publicly reported Uniform Data System (UDS).^[iii]

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

State support of Pennsylvania’s CHCs is fiscally wise, as the Commonwealth’s health centers contribute to the national health care savings of \$1.59 billion per year.^[v] 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.”^[vi]

Sources:

[i] Combined Pennsylvania Health Center Program Awardee Uniform Data System (UDS) Data, Reporting Period: 2024 <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: 2024 <https://data.hrsa.gov/tools/data-reporting/program-data?type=LOOK-ALIKE&state=PA>

[ii] 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.

[iii] Combined Pennsylvania Health Center Program Awardee Uniform Data System (UDS) Data, Reporting Period: 2024 <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: 2024 <https://data.hrsa.gov/tools/data-reporting/program-data?type=LOOK-ALIKE&state=PA>

[iv] FQHCs 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 pandemic.

[v] 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>

[vi] Congressional Budget Office Cost Estimate, S. 2840, Bipartisan Primary Care and Health Workforce Act, February 6, 2024, <https://www.cbo.gov/system/files/2024-02/s2840.pdf>

TAKE ACTION TODAY

Send a letter to your caucus leadership, Appropriations Chair, and Budget Secretary Reber in support of a line item for CHCs in the FY 2026-27 budget

