

Health Center Funding



31
MILLION
PATIENTS

Consistent, bipartisan support for federal funding has enabled Community Health Centers to become the largest primary care network in the country, providing care to over 31 million patients, or 1 in 11 individuals. These locally controlled organizations represent the best, most diverse, and innovative part of the healthcare system. They provide comprehensive primary care and integrated behavioral health, dental, pharmacy, substance use disorder treatment, and ancillary care services for patients in urban, suburban, rural, and frontier communities nationwide.



Health centers have a proven track record as efficient providers. According to the Congressional Budget Office, investments in health centers save **the healthcare system billions of dollars by reducing preventable inpatient hospitalizations and emergency room visits through timely access to more efficient and effective 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 (approximately 30 percent) and the multi-year base funding from the Community Health Center Fund (roughly 70 percent). 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. Congress must agree on a final bill to provide maximal funding before the deadline.**

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 through December 2025.
- More than doubles the Teaching Health Center Graduate Medical Education program over seven years to \$300 million.

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 to fund a base grant adjustment for existing health centers, expand service hours and school-based health centers, and implements 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 National Health Service Corps for three years.
- \$300 million per year for the Teaching Health Center Graduate Medical Education program for five years.
- Additional workforce programs to expand primary care capacity by training more allied health professionals, physicians and nurse practitioners.



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Community Health Centers understand today's challenging budget environment. However, federal health center funding is too vital to the over 31 million patients and their communities nationwide to expire. With additional funding, health centers would be able to address three primary goals:

1

Retain the current health workforce and recruit the next generation of committed health center staff.

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 centers have received level federal base funding for five years.

2

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 could expand into new communities and close the gap for Americans with limited or no access to primary care. The last expansion of health centers was in 2019 when over 500 organizations applied for \$50 million of New Access Point funding.

3

Improve access to behavioral health and dental services.

Health centers help lower the cost of medical care by providing primary and preventive services that reduce the need for costlier medical care, such as preventable emergency room visits and inpatient hospital care. Central to this approach is an emphasis on treating the entire person through integrated care that includes providing behavioral and oral health services and addressing underlying determinants of health.

How You Can Help

- **Strengthen Health Centers Through Multi-Year Increased Funding:** There is bipartisan consensus for increased health center funding. **We urge leaders in both chambers to work together to pass a bipartisan multi-year extension at the maximal funding level that recognizes the pressing needs of health centers, such as rising costs associated with care delivery, unmet patient needs, and workforce challenges.**