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UNDERSTANDING THE IMPACT AND CONSEQUENCES OF HEALTH CENTER (DE)FUNDING

Introductions:

- Welcome and Introduction to the RCHN Community Health Foundation Webcast Series by:
- Feygele Jacobs, MPH, MS
EVP/Chief Operating Officer
RCHN Community Health Foundation



Featured Speaker:

- *Peter Shin Ph.D., M.P.H.*

Associate Professor

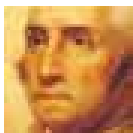
Director

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George Washington University School of
Public Health and Health Services



THE GEORGE WASHINGTON UNIVERSITY
SCHOOL OF PUBLIC HEALTH
AND HEALTH SERVICES

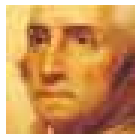
Featured Speaker:

- ***Katherine Hayes, J.D.,***

Associate Research Professor

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Selected Health Center Impact on:

- Health disparities
- Children's health and education
- High-risk pregnant women
- Economic security
- Health care savings

Budget proposals

- **H.R. 1**
 - \$1.3 billion
 - Loss of available ARRA funding
 - NACHC projected loss of capacity to serve over 3 million patients now and 11 million overall
- **Threat of budget cuts still loom**

1. Number of Patients Served and Federal Funding Levels

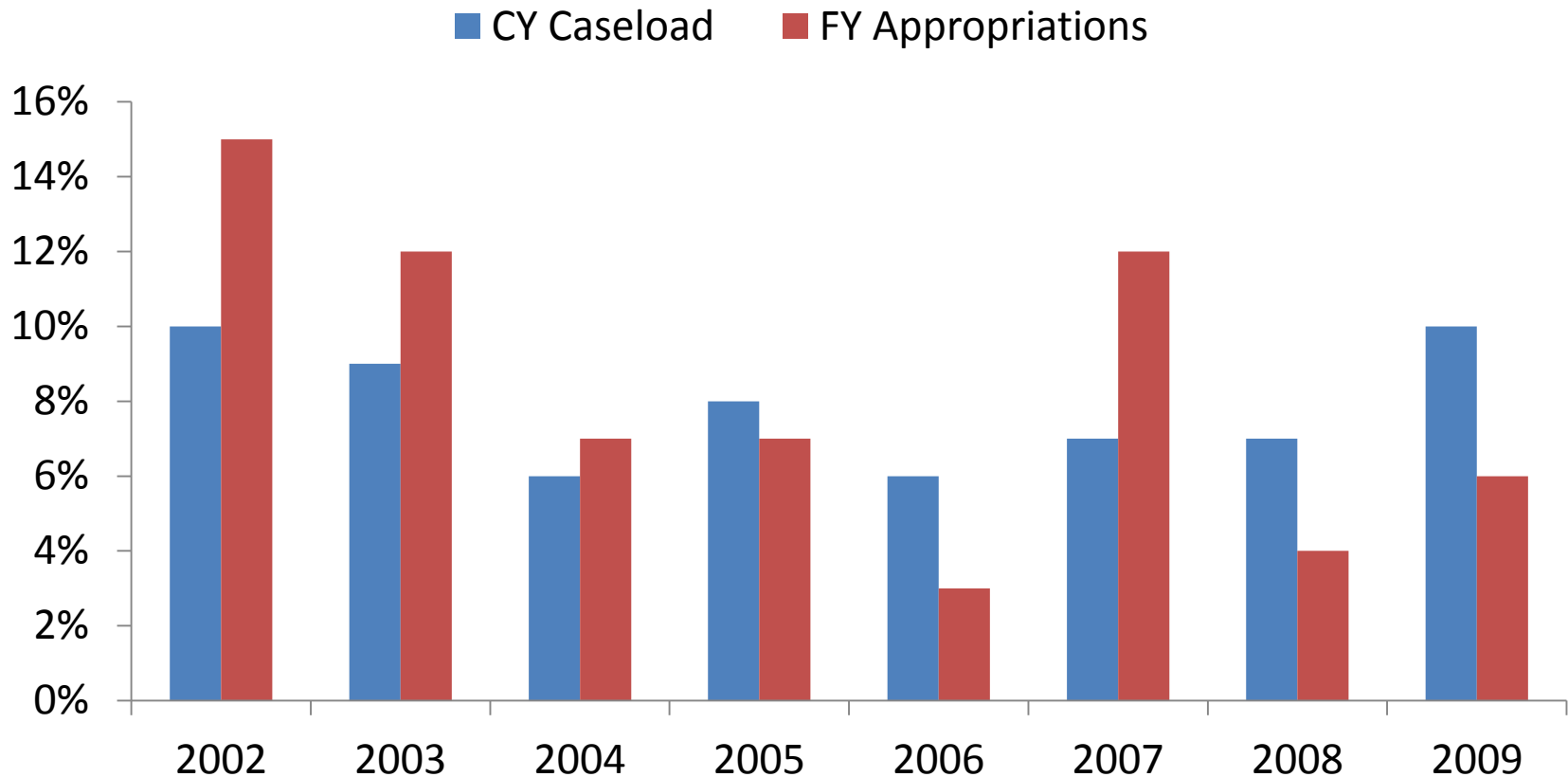
	2001	2003	2005	2007	2009*
Patients (CY, millions)	10.3	12.4	14.1	16.1	18.8
Federal funding (FY, \$ billions)	1.17	1.50	1.73	1.99	2.19

*Caseload reflects residual effects of the Recovery Act grants; Federal funding refers to appropriations and does not include ARRA grants

Source: Number of patients from UDS data, HRSA

Policy Research Brief #21

2. Annual Change in Caseload (CY) and Federal Funding (FY)



Policy Research Brief #22

3. Selected Characteristics of Health Center Patients at Risk for Loss of Access to Care under Proposed House of Representatives FY 2011 Spending Reductions	Estimated number of at-risk patients	Percent of at-risk patient population
Total number of patients, all characteristics	11,000,000	100%
Low-income (i.e., less than 200% of the Federal Poverty Level)	10,120,000	92%
Medicaid	3,960,000	36%
Uninsured	4,180,000	38%
Racial/ethnic minority	7,480,000	68%
Child < 6 years of age	1,430,000	13%
Women of childbearing age (age 15-44)	3,080,000	28%
Low-income patients with ongoing need for cardiovascular disease	2,270,000	21%
Uninsured	890,000	8%
Medicaid	650,000	6%
Low-income patients with ongoing need for diabetes	580,000	5%
Uninsured	170,000	2%
Medicaid	190,000	2%
Low-income patients who may be unable to manage arthritis	1,230,000	11%
Uninsured	460,000	4%
Medicaid	390,000	4%
Low-income patients with ongoing asthma care needs	710,000	6%
Uninsured	300,000	3%
Medicaid	280,000	3%
Low-income uninsured patients likely to forgo care	2,070,000	19%
Near poor (150% FPL) uninsured adults left with no usual source of care	1,620,000	15%
Near poor (150% FPL) uninsured adults with at least one chronic condition that may be unmanaged	940,000	9%
Uninsured families who will spend less on food and other basic needs to pay for health care services	930,000	8%

Policy Research Brief #20



The Role of Community Health Centers in Addressing the Needs of Uninsured Low Income Workers

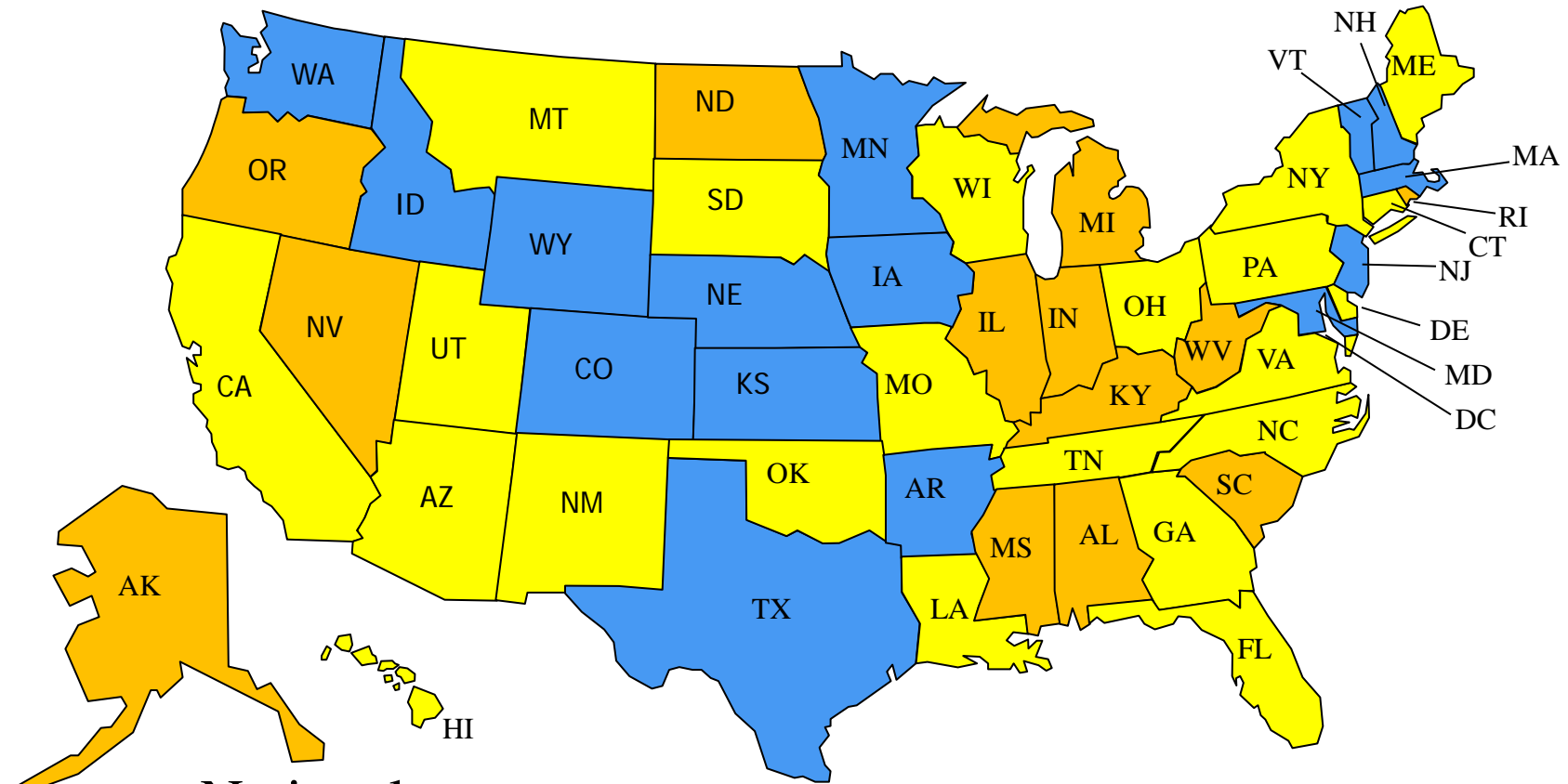
4. Low-income Uninsured Adults and Employment Status, 2009-10

State	Low-income, uninsured adults	Percent who are employed	State	Low-income, uninsured adults	Percent who are employed
AK	44,000	48%	MT	64,000	55%
AL	345,000	46%	NC	789,000	54%
AR	281,000	56%	ND	31,000	26%
AZ	547,000	50%	NE	91,000	64%
CA	3,167,000	53%	NH	49,000	59%
CO	309,000	58%	NJ	468,000	56%
CT	138,000	51%	NM	206,000	52%
DC	29,000	45%	NV	197,000	47%
DE	38,000	53%	NY	1,013,000	53%
FL	1,629,000	51%	OH	698,000	50%
GA	935,000	52%	OK	235,000	53%
HI	40,000	50%	OR	326,000	47%
IA	134,000	60%	PA	465,000	50%
ID	109,000	60%	RI	49,000	45%
IL	742,000	48%	SC	325,000	47%
IN	394,000	45%	SD	49,000	53%
KS	166,000	57%	TN	501,000	50%
KY	346,000	43%	TX	2,734,000	56%
LA	368,000	52%	UT	116,000	50%
MA	116,000	57%	VA	393,000	53%
MD	281,000	58%	VT	21,000	62%
ME	53,000	55%	WA	365,000	56%
MI	593,000	45%	WI	228,000	52%
MN	176,000	68%	WV	125,000	37%
MO	391,000	53%	WY	30,000	63%
MS	247,000	47%	Total	21,188,000	52%

Source: 2009-10 Current Population Survey, U.S. Census.

Policy Research Brief #22

4A. Proportion of Low-income, Uninsured Adults Who are Employed, 2009-10



National average = 52%

- > 55% (15 states)
- 50% - 55% (22 states)
- < 50% (13 states and D.C.)

NOTE: National average based on 11.1 million low-income uninsured workers and 21.2 million low-income uninsured.

SOURCE: 2009-10 Current Population Survey, U.S. Census.

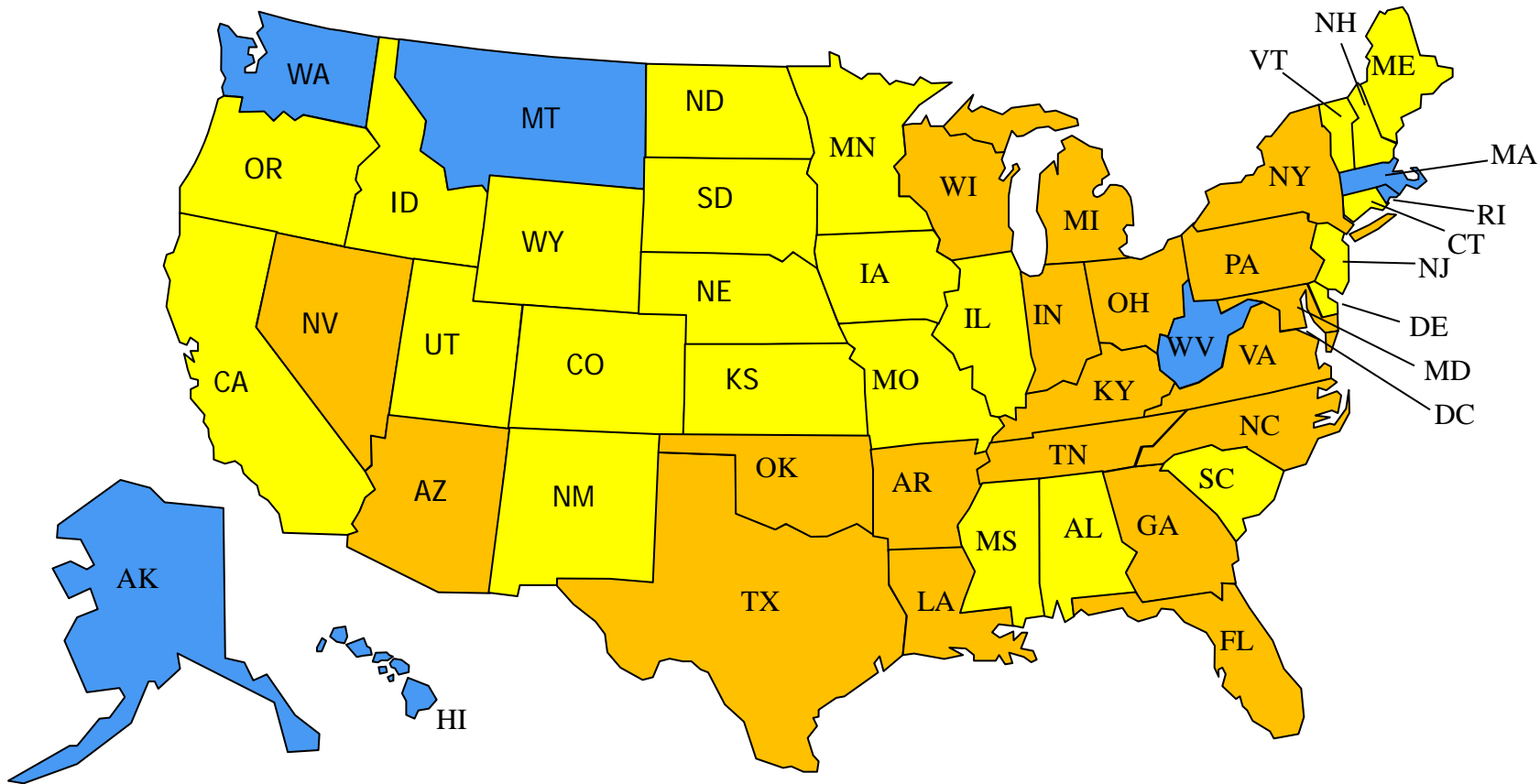
5. Estimates of the Low-income Uninsured Labor Force Served by Health Centers, 2009-10

State	Low-income, uninsured working adults served by health centers(a)	Percent of the state low-income uninsured labor force (b)	State	Low-income, uninsured working adults served by health centers(a)	Percent of state low-income uninsured labor force (b)
AK	11,000	52%	MT	18,000	51%
AL	56,000	35%	NC	83,000	19%
AR	25,000	16%	ND	2,000	25%
AZ	35,000	13%	NE	16,000	27%
CA	512,000	30%	NH	8,000	28%
CO	85,000	47%	NJ	75,000	29%
CT	25,000	36%	NM	38,000	35%
DC	9,000	69%	NV	13,000	14%
DE	7,000	35%	NY	126,000	23%
FL	160,000	19%	OH	59,000	17%
GA	60,000	12%	OK	22,000	18%
HI	10,000	50%	OR	38,000	25%
IA	27,000	34%	PA	55,000	24%
ID	27,000	41%	RI	12,000	54%
IL	132,000	37%	SC	45,000	29%
IN	34,000	19%	SD	9,000	35%
KS	28,000	30%	TN	59,000	24%
KY	30,000	20%	TX	205,000	13%
LA	41,000	21%	UT	21,000	36%
MA	51,000	77%	VA	38,000	18%
MD	26,000	16%	VT	4,000	31%
ME	9,000	31%	WA	107,000	52%
MI	56,000	21%	WI	22,000	19%
MN	30,000	25%	WV	26,000	56%
MO	56,000	27%	WY	5,000	26%
MS	44,000	38%	Total	2,700,000	25%

(a) Estimates based on 2009-2010 CPS' proportion of low income uninsured adults who work and the UDS' reported number of uninsured adult (nonelderly) health center patients.

(b) The proportion of low-income, uninsured working adults in the state served by health centers is calculated as the number of low-income uninsured patients divided by the number of low-income uninsured workers in the state.

5A. Proportion of Low-income, Uninsured Workers Served by Health Centers, 2009-10



National average = 25%

- > 49% (7 states and DC)
- 25% - 49% (24 states)
- < 25% (19 states)

NOTE: National average based on 2.7 million low-income uninsured adult patients and 11.1 million low-income uninsured workers

SOURCE: 2009-2010 Current Population Survey, U.S. Census and 2009 UDS, HRSA

Budget Impacts on Health Center

- **Health disparities**
- **Children's health and education**
- **High-risk pregnant women**
- **Economic security**
 - At least two-fold return on investment
 - 2.7 million low-income, uninsured workers
- **Health care savings**
 - Medical primary/preventive care home
 - Loss or gain of \$15 billion savings

GG/RCHN CHF Collaborative Briefs

- **The Role of Community Health Centers in Addressing the Needs of Uninsured Low- Income Workers: Implications of Proposed Federal Funding Reductions (#22)**
- **The Health Care Access and Cost Consequences of Reducing Health Center Funding (#21)**
- **Who Are the Health Center Patients Who Risk Losing Care Under the House of Representatives' Proposed FY 2011 Spending Reductions? (#20)**
- http://www.gwumc.edu/sphhs/departments/healthpolicy/dhp_publications/?pubsdisplay=RecentPubs
- www.rchnfoundation.org

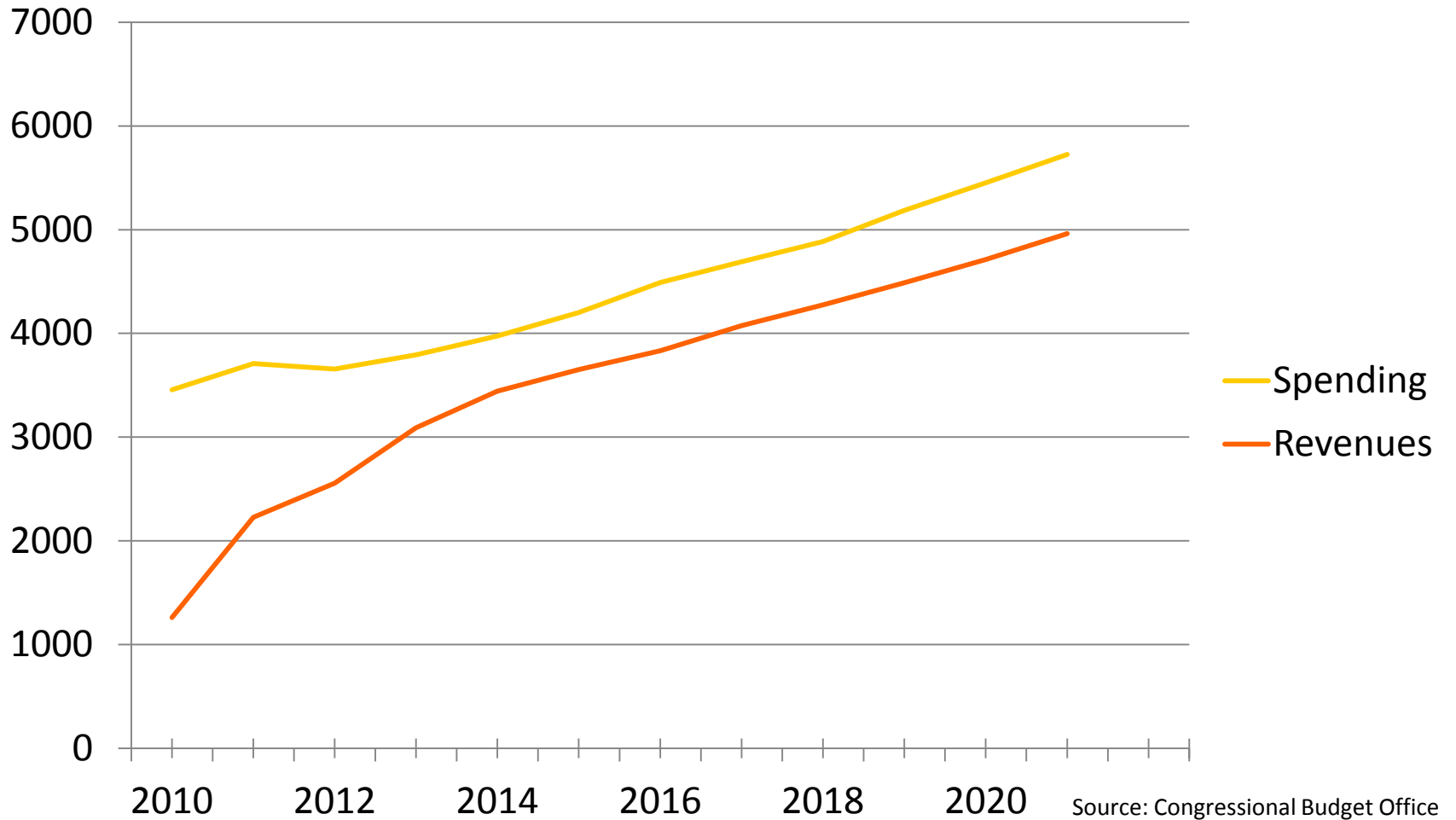


The Federal Budget Policy and Political Perspective: What's Ahead

Policy and Politics of the Federal Budget

- Review of current federal spending and deficits
- Status of the FY 2011 budget
- Politics of the Federal Budget
- What's Ahead for Community Health Centers

Federal Deficit



Federal Deficit

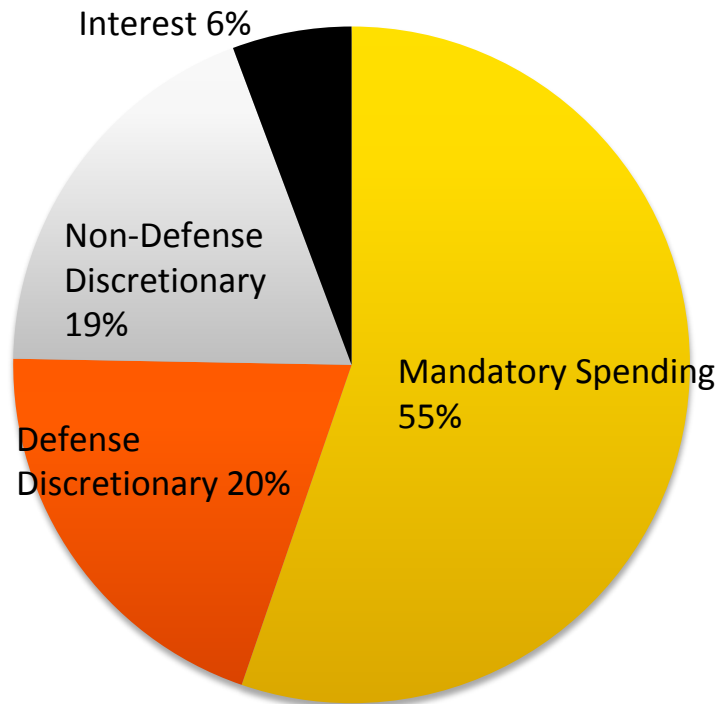
- “If current laws remain unchanged, deficits will total \$7 trillion over the next 10 years.”
- “If certain policies that are scheduled to expire under current law are extended instead, deficits may be much larger.”
- “If federal debt continues to expand faster than the economy—as it has since 2007— the growth of people’s income will slow, the share of federal spending devoted to paying interest on the debt will rise more quickly, and the risk of a fiscal crisis will increase.”

Congressional Budget Office, March 2011

Discretionary Spending Shrinking as a Percentage of Federal Spending

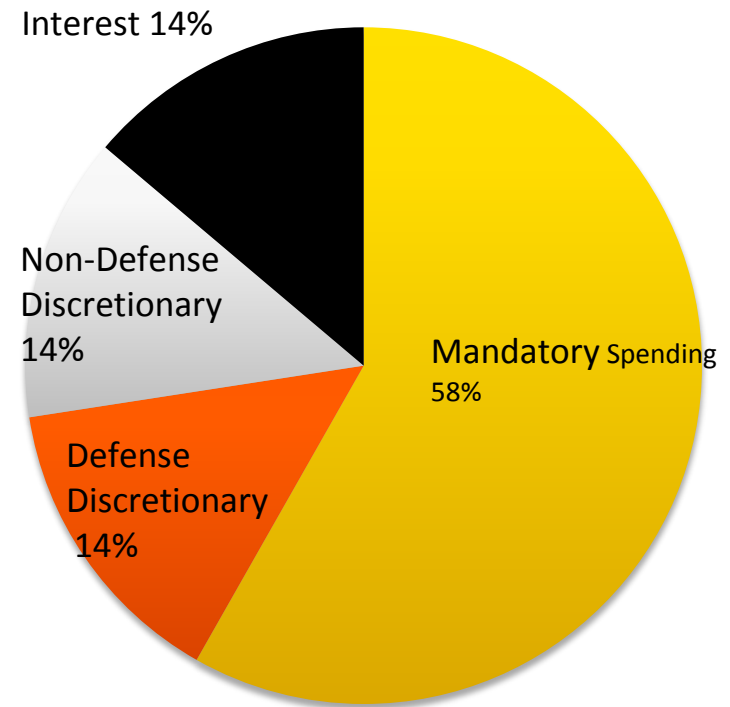
Non-defense 19 percent

Fiscal Year 2010



Non-defense about the same as interest on the debt at 14 percent

FY 2021



Source: Congressional Budget Office

What is “discretionary” anyway?

- **Discretionary Non-Defense**
 - Law enforcement
 - Homeland security
 - Transportation
 - National parks
 - Disaster relief
 - Education
 - Foreign aid
 - Non-mandatory health programs (NIH, CDC, HRSA)

Status of FY 2011 Funding

- **Fiscal year 2011 (October 1, 2010 - September 30, 2011)**
 - **Continuing Resolutions**
 - 1st - 4th Continuing Resolutions - Short term through 3/4/11
 - Further Continuing Resolution - through 3/18/11 (cut \$2 billion)
 - Full year - through 9/30/11 (cut \$61 billion) - failed (GOP)
 - Full year - through 9/30/11 (cut \$10 billion) - failed (Dem)
 - Additional Continuing Resolution - through 4/8/11 (cuts \$6 billion)

Budget Impasse

- **Republican Controlled House**

- 87 freshmen - pledge to cut \$100 billion
- House Leadership - cut \$61 billion
- 3 week extension cut \$6 billion (54 Republicans voted against)
- “Riders” - Conservative Republicans insisting on language
 - Eliminate funding for Title X
 - Prohibit any funds from being used to implement health reform
 - Prohibit implementation of environmental regulations
 - Prohibit implementation of financial regulation reform
 - Hyde Amendment with no exceptions
 - Other

Budget Impasse

- **Democratic controlled Senate**

- Senate rejected House funding resolution (\$61 billion)
- Senate rejected Senate Democratic Leadership funding resolution (\$10 billion) - Conservative Democrats voted against
- “Riders” won’t pass in Senate
 - Eliminate funding for Title X
 - Prohibit any funds from being used to implement health reform
 - Prohibit implementation of environmental regulations
 - Prohibit implementation of financial regulation reform
 - Hyde Amendment with no exceptions
 - Other

Worst-case Scenario

- “Non-essential” services stop
- Each agency defines “essential” services
- Recent shutdowns
 - 5 days - November 1995; 21 days - January 1996
- **Services curtailed in 1996**
 - Federal workers furloughed
 - National parks close
 - Environmental cleanup stopped
 - Health care
 - Medicare claims not paid
 - States did not receive Medicaid federal matching payments
 - Veterans health programs closed
 - CDC, NIH, and other activities scaled back

What's Ahead?

- **Bad News**

- FY 2011 continuing resolution expires April 8th
- No consensus in sight
- Debt limit vote in May
- FY 2012 begins on October 1, 2011

- **Good News**

- CHCs enjoy broad bipartisan support
- Good data to back up your roles as safety-net providers
- Excellent federal advocacy network in place



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Thank You

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