

Health Centers and Medicaid

40 YEARS OF IMPROVING ACCESS TO CARE TOGETHER

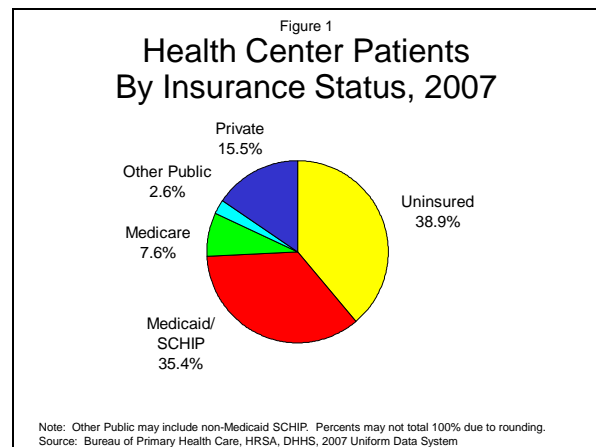
Both Medicaid and health centers are important means for improving access to care for the nation's most medically underserved. Medicaid is the single most important source of health care coverage for low-income and disabled Americans, most without other affordable insurance options. Health centers are community-based providers of high quality, cost-effective primary and preventive health care, and serve **18 million** traditionally hard to reach patients. Also known as Federally-Qualified Health Centers (FQHCs), they currently serve as medical homes for **1 in 8 Medicaid beneficiaries** (6 million Medicaid patients) across the country.

HEALTH CENTER PARTICIPATION IN MEDICAID

More than a third of all FQHC patients have Medicaid coverage. However, Medicaid covers only 11% of private, office-based physician visits, and only half of office-based physicians are willing to accept all new Medicaid patients and one-fifth are not accepting any.

FQHC patients are therefore more likely than the general population to be enrolled in Medicaid, with 35% of all FQHC patients enrolled in the program compared to 14% nationally.

Overall, the number of Medicaid patients seen at FQHCs continues to grow. In fact, the number of health center Medicaid patients grew twice as fast as the number of Medicaid beneficiaries nationally – 61% vs. 26% - between 2000 and 2006.

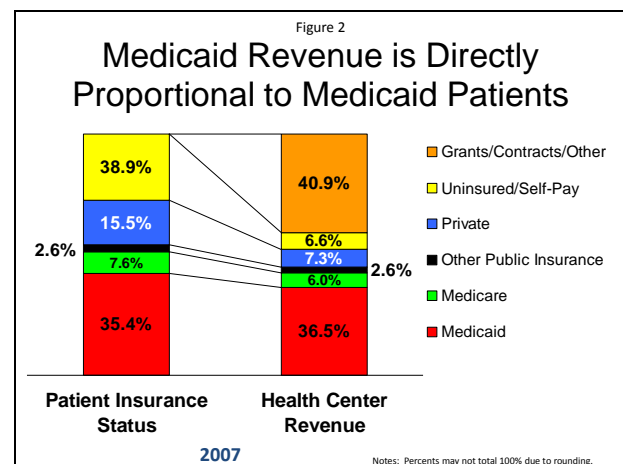


DELIVERING MEDICAID SAVINGS THROUGH QUALITY CARE

FQHCs control costs by providing primary care and prevention services, thereby reducing the need for more costly hospital care down the road. Several studies found that **FQHCs save Medicaid programs as much as 30-33% in annual spending for FQHC Medicaid patients due to reduced specialty care referrals and fewer hospital admissions and emergency room visits.** In addition, their management of patients with chronic conditions has **improved patient outcomes**, generating, for example, significantly lower costs per Medicaid diabetes patient compared to other providers.

MEDICAID FINANCING

As the largest insurer of FQHC patients, adequate Medicaid payments are essential to a center's financial wellbeing. **Medicaid represents 37% of total revenue for FQHCs** – the largest of any single source and is directly proportional to the percent of patients with Medicaid. Medicaid reimburses FQHCs on a per visit basis that ensures FQHC grant revenues can be dedicated to care for the uninsured rather than subsidizing care for Medicaid patients. As a result, FQHCs have been able to more than double the number of uninsured patients they serve. Given the fundamental interrelationship between health centers and Medicaid, changes in one profoundly impact the other.



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* Sources: NACHC 2008, based on 2007 Uniform Data System, BPHC, HRSA, DHHS. Kaiser Family Foundation (2003), *Health Centers as Safety Net Providers: An Overview and Assessment of Medicaid's Role*, www.kff.org. NACHC (2004), *Nation's Health at Risk II: A Front Row Seat in a Changing Health Care System*, www.nachc.com/research. CDC (2007), *National Ambulatory Medical Care Survey: 2005 Summary*. For more information, email research@nachc.com. This publication was supported by Grant/Cooperative Agreement Number U30CS00209 from the Health Resources and Services Administration, Bureau of Primary Health Care (HRSA/BPHC). Its contents are solely the responsibility of the authors and do not necessarily represent the official views of HRSA/BPHC.