



# Scheduled Loss of Federal Grants Threatens Viability of NC's Primary Care Safety Net

## 2015 Policy Brief: The Health Center Funding Cliff

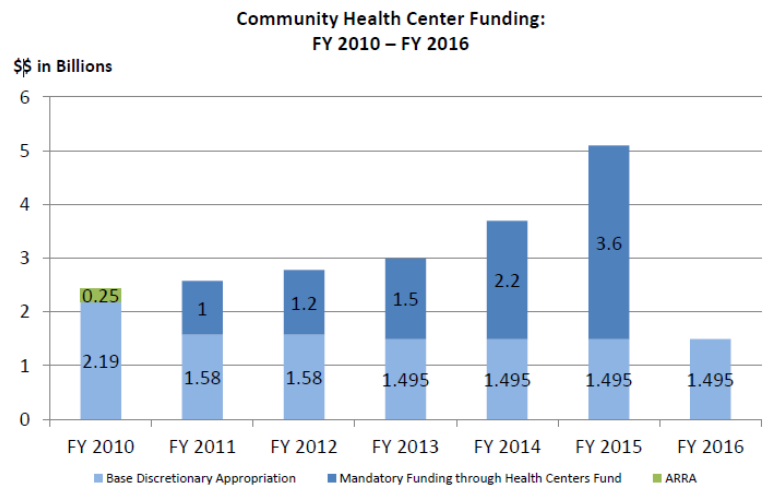
In 2011, Congress invested in new and expanded health centers through a 5-year federal Health Center Trust Fund. When crafted, the assumption was that expanded health centers could serve increased primary care needs for the newly insured. The model relied on Medicaid expansion combined with ACA Marketplace insurance to sustain the expanded and new health centers once Trust funding ended (September 30, 2015).

A number of disruptions to this model developed:

- In 2011, Congress cut \$600 million in discretionary funds from the base health center appropriation.
- In 2012, the US Supreme Court made Medicaid expansion optional for states and North Carolina elected not to expand.
- Since enrollment began in 2014, many uninsured selected bronze-level plans with higher co-pays and deductibles leaving them under-insured and relying on health center sliding fee discounts.

Given these challenges, NC community health centers and their patients are acutely vulnerable, and this is further compounded by the impending expiration of the Health Center Fund. It's expiration on September 30, 2015 is considered the "health center funding cliff." The cliff will result in a 70% loss in federal funds available to health centers and an average 10% revenue loss across NC community health centers. We need members of Congress to find a solution to the funding cliff and ensure solvency of the critical safety net resources we provide across the state.

### Health Center Funding Under Current Law



### Estimated North Carolina Impacts of FY 2015 Health Center Funding Cliff:

- **26 site closures (out of current total of 178)**
- **94,000 FQHC patients losing care (21% of total)**
- **\$115,000,000 = Increased costs to local emergency departments** (based on \$1,233 non-acute ED visit charge per patient)
- **570 direct jobs lost (20% of total health center FTEs)**

### Background on NC Federally Qualified Health Centers

North Carolina's Federally Qualified Health Centers (also known as community health centers, or CHCs) are private, nonprofit, community-based organizations that provide primary care – regardless of ability to pay – to 448,000 patients. Community health centers are led by majority consumer boards, serve medically underserved populations, and address the needs of their local communities. **Ninety-four percent of North Carolina CHC patients earn less than 200% of the federal poverty guidelines** (\$23,340 for an individual) and **47% are uninsured**. In addition to the uninsured, they serve Medicaid (25%), Medicare (14%), private pay patients (15%). Total annual health expenditures for patients served in North Carolina's CHCs were **62% less** than for patients receiving care in other ambulatory care settings.

# 2014 North Carolina Health Centers by County

- Alamance** | Piedmont Health Services
- Anson** | Anson Regional Medical Services
- Avery** | High Country Community Health
- Beaufort** | Metropolitan Community Health Services
- Bertie** | Bertie County Rural Health Association | Roanoke Chowan Community Health Center
- Bladen** | CommWell Health
- Brunswick** | CommWell Health
- Buncombe** | Western NC Community Health Services
- Cabarrus** | Cabarrus Rowan Community Health Centers
- Caldwell** | West Caldwell Health Council
- Caswell** | Caswell Family Medical Center | Piedmont Health Services
- Catawba** | Gaston Family Health Services
- Chatham** | Piedmont Health Services
- Chowan** | Gateway Community Health Centers
- Columbus** | Goshen Medical Center | Robeson Health Care Corporation
- Craven** | Goshen Medical Center
- Cumberland** | Stedman-Wade Health Services
- Davidson** | Gaston Family Health Services
- Duplin** | Goshen Medical Center
- Durham** | Lincoln Community Health Center
- Edgecombe** | Carolina Family Health Centers | OIC Family Medical Center | Rural Health Group
- Forsyth** | Southside United Health and Wellness Center
- Franklin** | Wake Health Services
- Gaston** | Gaston Family Health Services
- Gates** | Gateway Community Health Center
- Greene** | Greene County Health Care
- Guilford** | Triad Adult and Pediatric Medicine
- Halifax** | Rural Health Group
- Harnett** | First Choice Community Health Center
- Henderson** | Blue Ridge Community Health Services
- Hertford** | Roanoke Chowan Community Health Center
- Hoke** | Robeson Health Care Corporation
- Hyde** | Ocracoke Health Center
- Iredell** | Gaston Family Health Services
- Johnston** | CommWell Health
- Jones** | Goshen Medical Center
- Lenoir** | Kinston Community Health Center
- Lincoln** | Gaston Family Health Services
- Madison** | Hot Springs Health Program
- Martin** | Metropolitan Community Health Services
- Mecklenburg** | C.W. Williams Community Health Center
- Mitchell** | Bakersville Community Medical Clinic
- Montgomery** | Robeson Health Care Corporation
- Nash** | Carolina Family Health Centers
- New Hanover** | MedNorth Health Center
- Northampton** | Rural Health Group
- Onslow** | Goshen Medical Center
- Orange** | Piedmont Health Services
- Pamlico** | Greene County Health Care
- Pender** | CommWell Health
- Person** | Person Family Medical Center
- Pitt** | Greene County Health Care
- Randolph** | Randolph Family Health Care at MERCE
- Robeson** | Robeson Health Care Corporation
- Rockingham** | Triad Adult and Pediatric Medicine
- Rowan** | Cabarrus Rowan Community Health Centers
- Rutherford** | Blue Ridge Community Health Services
- Sampson** | CommWell Health | Goshen Medical Center
- Scotland** | Robeson Health Care Corporation
- Transylvania** | Blue Ridge Community Health Services
- Union** | Anson Regional Medical Services
- Vance** | Rural Health Group
- Wake** | Wake Health Services
- Warren** | Rural Health Group
- Watauga** | High Country Community Health
- Wayne** | Goshen Medical Center
- Wilson** | Carolina Family Health Centers

For a complete listing of NC CHC sites and services please visit [www.nchca.org](http://www.nchca.org)

