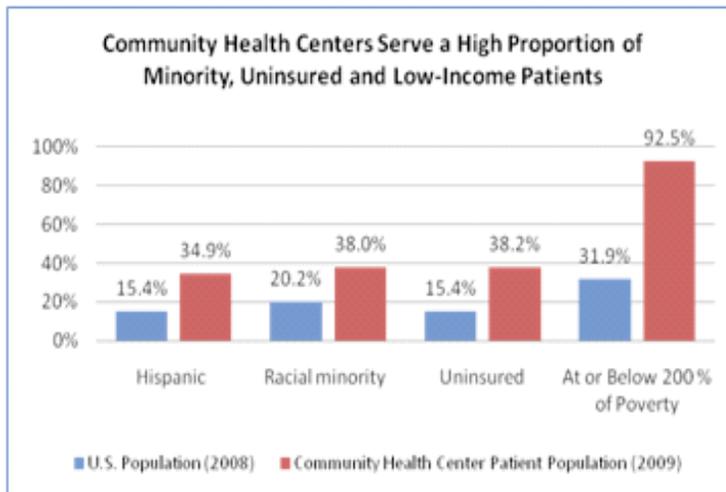




Medicaid and Community Health Centers Threatened with Funding Cuts
WHAT IS REALLY AT STAKE FOR LATINAS AND IMMIGRANT COMMUNITIES?

OVERVIEW

Federal guidelines for Medicaid and the Children's Health Insurance Program (CHIP) have traditionally encouraged local innovation in providing care for the most needy.ⁱ One of the key places of service innovation has been at Community Health Centers (CHC) where 36% of patients depend on Medicaid to cover costs of primary and preventative care.



Unlike private medical practices, CHCs have a mission of providing care to all patients regardless of their ability to pay.ⁱⁱ In 2010, more than 1,100 federally-funded CHCs treated 19.5 million patients and one in sixteen people relied on one for primary health care.ⁱⁱⁱ Latinos are not only Medicaid and CHIP patients at CHCs, they are also primary beneficiaries of this safety net. For example, about 35% of CHC patients are Latino. In 2009, about 865,000 CHC patients were migrant and seasonal farm workers, many of whom were Latinas.^{iv v}

The paramount importance of Medicaid for Latinos is demonstrated by recent data from the U.S. Census Bureau. Today, more than **one in four Latinos (26.4%)** and **one in two Latino children**

(49.4%) depend on Medicaid or CHIP for health care access.^{vi} Medicaid's importance has only been heightened for Latinos during the economic recession. Between 2009 and 2010, while one million more Latinos fell into poverty, they were able hold onto health insurance because of Medicaid.

However, ongoing federal budget and deficit reduction negotiations may put CHCs and Latina health at risk. Proposals for the 2012 federal budget include blocking the implementation of Affordable Care Act (ACA) expansions, reducing access to family planning services and deep cuts to health and entitlement programs. Another threat may come from the Joint Select Committee on Deficit Reduction, which is tasked with issuing recommendations in November 2011 for \$1.5 trillion in deficit reduction over the next decade. The Obama administration's own suggestions to this Committee include saving \$320 billion over ten years through adjustments to health programs, including \$14.9 billion in savings to Medicaid by replacing the current system by which the federal government reimburses individual states for their Medicaid programs with a new "blended rate" for each state.^{vii}

If adopted, this "blended rate" proposal would shift a greater proportion of responsibility for financing Medicaid from the federal government to the states. This presents the real possibility that states, already struggling to fund Medicaid, would cut back on services and reimbursements to health care providers and destabilize already-struggling safety-net service providers like CHCs. These providers are already dealing with \$90 million in state cuts and very lean Medicaid and CHIP reimbursements.^{viii} Any additional scaling back of CHCs fiscal ability to provide services would mean clipping the lifeline Latinas and their families have to essential health services.^{ix}

CHCs provide an essential first line of defense to safeguard Latina health and are often the only source of care for reproductive health and preventive services such as pelvic exams, immunizations, cervical cancer and mammogram screenings, and family planning services.^x Beyond offering primary healthcare services, CHCs also provide services that facilitate access to care, such as translation and transportation services, dental health, mental health, substance abuse counseling, pharmaceutical and case management.

KEY FACTS

- Research suggests that low income, Medicaid and uninsured patients, including Latinas, are more likely to receive preventive services at CHCs than in other settings.^{xi xii}
- CHCs could save the U.S. close to \$18 billion by reducing emergency department visits, hospitalization, and other avoidable, costly care.^{xiii}
- Eliminating health disparities for racial and ethnic minorities would have reduced direct medical care costs by \$229.4 billion over a three-year period.^{xiv}
- By 2015, under PPACA, CHCs could reach 40 million patients and create nearly 300,000 new jobs.
- CHCs save \$122 billion in total health care costs over 5 years.
- CHCs serve as an important point of service because they provide access for many Latinas regardless of their insurance status of ability to pay.^{xv}

RECOMMENDATIONS

- CHCs have an economic impact of \$12.6 billion annually in their local communities.^{xvi xvii} The federal government should invest in programs that keep CHCs viable, including Medicaid and CHIP. In addition, public insurance and federal grants should be expanded so that this unique model of care delivery can thrive.
- Channeling funds to CHCs will enhance workforce development in areas of great need because these facilities are often located in rural, immigrant and low-income communities.^{xviii xix}
- Urge members of the Joint Select Committee on Deficit Reduction to safeguard current levels of federal funding for Medicaid and to protect the implementation of the Affordable Care Act.

Cuts to Medicaid are not the solution to reducing healthcare costs. Instead, it is a destructive strategy that will hurt low-income families, healthcare providers and states. Not only will this loss be detrimental to Latinas, but will also cost the U.S. three million jobs, putting our economic recovery on further shaky grounds.^{xx} In tough economic times, while families are struggling to remain employed, pay their bills and meet basic needs, policymakers should consider cost-saving alternatives that do not harm Latinas by attacking the solvency of cost-effective, high-quality health centers.^{xxi}

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ⁱⁱⁱ U.S. Department of Health and Human Services. Health Resources and Services Administration. Health Centers: Where to go for care you can afford. Retrieved September 29, 2011 from <http://www.hrsa.gov/ourstories/healthcenter/healthcenterweek.html>

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^{ix} Community Health Centers: Opportunities and Challenges of Health Reform. Retrieved April 14, 2011 from: <http://www.kff.org/uninsured/8098.cfm>

^x National Association of Community Health Centers. America's Health Centers. Retrieved April 6, 2011 from:

<http://www.nachc.com/client/America%27s%20Health%20Centers%20updated%2009%2010.pdf>

^{xi} Community Health Centers: Opportunities and Challenges of Health Reform. Retrieved April 14, 2011 from: <http://www.kff.org/uninsured/8098.cfm>

^{xii} National Association of Community Health Centers. America's Health Centers. Retrieved April 6, 2011 from:

<http://www.nachc.com/client/America%27s%20Health%20Centers%20updated%2009%2010.pdf>

^{xiii} Expanding Healthcare Centers under healthcare reform: doubling patient capacity and bringing down costs. Retrieved April 24 from:

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^{xv} National Association of Community Health Centers. America's Health Centers. Retrieved April 6, 2011 from:

<http://www.nachc.com/client/America%27s%20Health%20Centers%20updated%2009%2010.pdf>

^{xvi} Community Health Centers: Opportunities and Challenges of Health Reform. Retrieved April 14, 2011 from: <http://www.kff.org/uninsured/8098.cfm>

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