



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

2015 Policy Brief: The Health Center Funding Cliff

The Affordable Care Act 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).

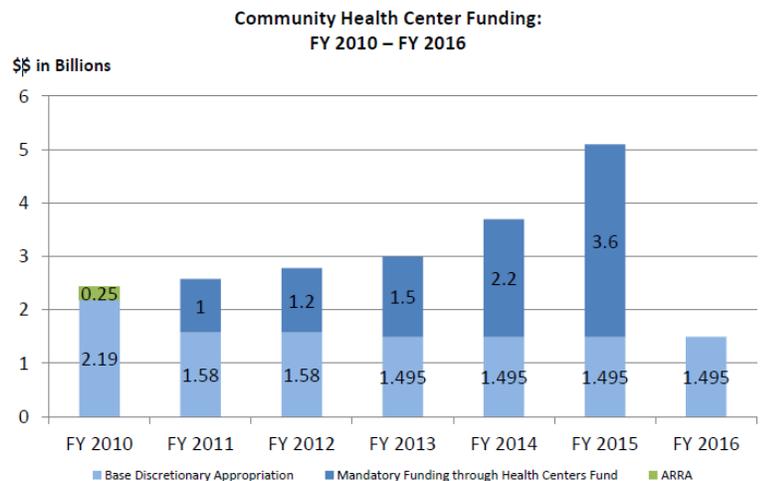
A number of disruptions to this model developed:

- 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 Delaware elected 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, DE community health centers are acutely vulnerable and need further support through extension of the Trust Fund. Its expiration on September 30, 2015 is considered the “health center funding cliff.”

The cliff will result in a 60%-70% loss in federal funds available to health centers and an **average 37% loss of revenues** to DE 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 Delaware Impacts of FY 2015 Health Center Funding Cliff:

- **4 site closures (out of current total of 11)**
- **19,000 FQHC patients losing care (24% of total) of 50,000 patients served**
- **\$23,000,000 = Increased costs to local emergency departments** (based on \$1,233 non-acute ED visit charge per patient)
- **Almost 121 direct jobs lost (37% of total health center FTEs)**

Background on DE Federally Qualified Health Centers

Delaware'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 about 50,000 patients. Community health centers are led by majority consumer boards, serve medically underserved populations, and address the needs of their local communities. **96% percent of Delaware CHC patients earn less than 200% of the federal poverty guidelines** (\$23,340 for an individual) and **37% are uninsured**. In addition to the uninsured, they serve Medicaid (39%), Medicare (6%), private pay patients (19%). Total annual health expenditures for patients served in Delaware's CHCs were **62% less** than for patients receiving care in other ambulatory care settings.

2014 Delaware Health Centers by County

New Castle | Westside Family Healthcare, Inc | Henrietta Johnson Medical Center

Kent | Westside Family Healthcare, Inc

Sussex | La Red Health Center, Inc

For a complete listing of DE CHC sites and services please visit www.machc.com