WHY HEALTH CENTERS MATTER
LA RED HEALTH CENTER

Community Health Centers improve access to care for the nation’s most medically underserved. Community Health Centers ensure that over 20 million underserved patients have a place for primary and preventive care. Also known as Federally-Qualified Health Centers (FQHCs), health centers care for 1 out of every 7 Medicaid beneficiaries nationally. Health centers offer comprehensive primary and preventive care services that propel system-wide cost savings and improve patient health.

DELIVERING SAVINGS
Medicaid beneficiaries relying on Health Centers are 19% less likely to use the emergency room and 11% less likely to be hospitalized for preventable conditions. As a result, health centers save the federal-state Medicaid program $6 billion annually.

In Delaware, Health Centers serve 7% of Medicaid patients with only 0.5% of Medicaid expenditures.

THE IMPORTANCE OF ADEQUATE MEDICAID PAYMENTS
As the largest insurer of health center patients, adequate Medicaid payments are essential to a center’s solvency. Over the years, Medicaid reimbursement has decreased at a time when health centers are serving more Medicaid patients.

PROSPECTIVE PAYMENT SYSTEM (PPS)
Medicaid PPS was established by Congress with the intent of ensuring appropriate payment for covered individuals while not forcing health centers to cross-subsidize Medicaid out of their federal grants. This unique payment system is critical to the continued success of Health Centers in providing cost-savings primary and preventive care, not only to their Medicaid patients but to all uninsured individuals.

Without a unique PPS rate, inadequate payment for the Health Center patients covered by Medicaid, combined with the extremely limited payment for patients who are uninsured, would quickly cause Health Centers to lose viability.

ESTIMATED AFFORDABLE CARE ACT IMPACT
By 2017, MACHC estimates that Delaware will have between 65,000 and 82,000 newly insured residents as a result of the Affordable Care Act. Around 16,000 newly insured residents will reside in the communities that are served by La Red Health Center. Of these 16,000, roughly 4,000 will be under 133 percent of the poverty line and eligible to receive Medicaid. MACHC estimates that 9,000 residents will become insured through the new exchanges.

STATE HEALTH IMPLEMENTATION PLAN
In response to the Affordable Care Act and medicaid expansion, Community Health Centers in Delaware are creating task forces responsible for moving forward with Federal requirements and closely examining how to implement major provisions such as health insurance exchanges and insurance reforms.