



# American Recovery and Reinvestment Act (ARRA): Community Health Centers

- Improves Access Health Care Services
- Improves Needed Infrastructure
- Economic Impact to the state
- Expands needed Services

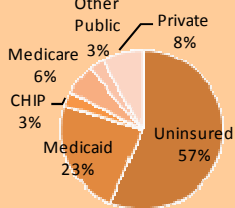
## Federally Qualified Health Centers in Texas

# FQHCs ~ 67  
# Delivery Sites ~ 357  
Total Patients ~ 814,654

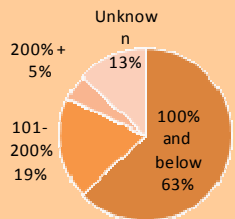
Texas Community Health Center (CHC) Clients

Percent Latino ~ 62%  
Percent Black ~ 12%  
White (includes Latinos) ~ 58%

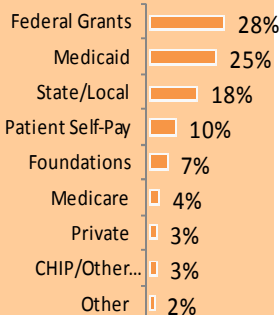
### Insurance Status



### Income Level



### Revenue Sources, 2008



Federally-supported Community Health Centers (CHC) are a critical and powerful component of the primary health care delivery system and social safety net structure in Texas. The importance of their pivotal role is reflected in the huge investment, \$2.8 billion<sup>1</sup>, to CHC and health-related programs under ARRA. Channeled through the United States Department of Health and Human Services, **\$2 billion of the total allocation is dedicated to Community Health Centers in an effort to expand the capacity of primary health care services to the Nation's uninsured and underserved populations, as well as create new jobs.** Funding targets health care services, renovations and repairs and investments in health information technology. The funds are distributed among Capital Improvements Program (CIP), grants to expand and upgrade CHCs; Increase Demand for Community Health Centers, to expand services and to serve more people; New Access Points, funds to 126 CHCs to serve an additional 750,000 people and create over 5,000 jobs; Facilities Investment Program, for construction and renovation. ARRA funding was also dedicated to increase support for the National Health Service Corps, a scholarship and loan repayment program to increase the supply of primary health care providers in health professions shortage areas. Most CHCs are located in health professions shortage areas.

### What are Community Health Centers?

CHCs are Federally-Qualified Health Centers (FQHC), which are consumer-controlled non-profit, primary health care organizations that remove common barriers to care such as cost, geography, language, culture and other barriers. All are in designated Medically Underserved Areas (MUA). There are approximately 1200 health center organizations and 800 delivery sites in the U.S.<sup>2</sup> In Texas, there are 67 FQHCs that support 357 delivery sites.<sup>3</sup> CHCs are open to all residents regardless of insurance status or ability to pay. **They are located in high-need areas that are largely low-income, communities of color and/or rural**



Source: Health Resources and Services Administration, 2005

**areas, have poor health status such as higher than average infant mortality and medical professional shortage areas.** By providing comprehensive cost-effective primary care CHCs reduce high cost emergency, hospital and specialty care. Nationally, they save the health care system \$24 billion a year.

### The Recession and CHCs

The rise in unemployment, as a result of the recession, has led to a growth in the uninsured and/or Medicaid and SCHIP enrollment. It is estimated that "for every one percent increase in unemployment, more than one million people lose their health insurance and another million people enroll in Medicaid and CHIP."<sup>4</sup> The NACHC conducted a survey and found between June 2008 and June 2009, total visits increased 14 percent, compared to 6 percent the previous year. The survey also found new patients were delaying needed preventive care due to lack of finances.<sup>5</sup>

*"these new dollars and this new designation, we'll be able to expand our services almost twofold, to over 5,000 patients."*<sup>6</sup>

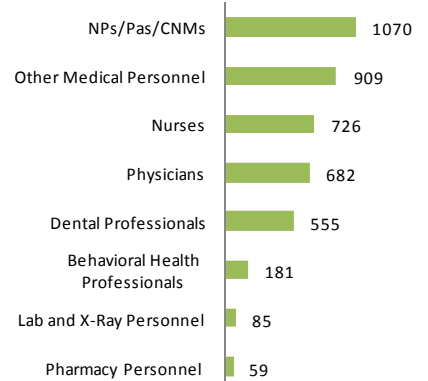
ARRA came at an appropriate time as federal grants had not been keeping up with the increasing need and cost of care; federal grants as a percent of the cost of uninsured patients had been on the decline. **This trend further challenges Texas CHCs, as the percent of clients that are uninsured is 57%, compared to the national average of 39%.<sup>7</sup>** Nationally, ARRA funds were able to provide funding for 126 New Access applicants that went unfunded in FY 2008 when only 42 of 260 applicants were funded. Expanding the access to health care through ARRA has allowed 7,316 jobs to be created or saved, not including construction jobs.

### Federal Grants as a Percent of Uninsured



Source: NACHC

### ARRA-Funded Health Center Clinicians Between



Source: NACHC



# ARRA & Community Health Centers: *State Comparison*

The tables below are a comparison of the four states that are receiving the most grants for each of the three CHC related programs. Table 1 is a baseline need reference for several large populated states. California and Texas are the first and second most populated states and are appropriately being awarded the first and second most amount of grants. Together, the two states also contain 50% of the country's Latino population.

|                               | Totals | CA  | TX  | NY  | FL  |
|-------------------------------|--------|-----|-----|-----|-----|
| % of U.S. Population          | 100%   | 12% | 8%  | 6%  | 6%  |
| % of U.S. Latino Population   | 100%   | 29% | 21% | 7%  | 7%  |
| % Latino of State Population  | 16%    | 38% | 41% | 17% | 19% |
| % of U.S. Uninsured           | 100%   | 15% | 13% | 6%  | 8%  |
| % Uninsured                   | 15%    | 19% | 25% | 14% | 20% |
| % Uninsured Latinos           | 31%    | 29% | 37% | 24% | 31% |
| % State Living below 200% FPL | 32%    | 34% | 39% | 31% | 33% |

Source: U.S. Census Bureau, Current Population Survey 2009

|   | Total           | California    | Massachusetts | Texas         | New York      |         |
|---|-----------------|---------------|---------------|---------------|---------------|---------|
| Total Awards                                  | \$1,857,895,707 | \$238,739,746 | \$118,053,686 | \$116,047,677 | \$95,860,889  |         |
| Total Economic Impact Due to ARRA             | \$3,217,662,895 | \$438,126,733 | \$202,212,742 | \$212,177,979 | \$168,200,930 |         |
| Patients Supported by ARRA as of 3/31/10      | Total           | 2,114,046     | 345,463       | 46,628        | 107,604       | 118,707 |
|   | Uninsured       | 1,199,610     | 197,778       | 16,025        | 84,579        | 42,240  |
| % of Two-Year Target Reached By End of Year 1 | % Total         | 74%           | 90%           | 68%           | 52%           | 88%     |
|   | % Uninsured     | 100%          | 125%          | 81%           | 76%           | 116%    |

Source: NACHC, "More Patients Gain Access to Health Center Care Thanks to Stimulus Funds"

ARRA investment in CHCs is anticipated to allow the centers, in two years, to serve 2.9 million new patients and 1 million uninsured. After just a year, clinics are serving 2.1 million new patients, 74% of the two-year projected target. **While on-par with overall projections, Texas is lagging behind the national average and other large states, reaching 52% of its projected total new patients, and 76% of uninsured patients.**

| States / Territories             | Total         | California   | Texas        | New York     | Florida      |
|----------------------------------|---------------|--------------|--------------|--------------|--------------|
| Number of Grants                 | 1,128         | 117          | 65           | 51           | 43           |
| Amount                           | \$337,903,282 | \$48,088,867 | \$20,019,818 | \$19,439,038 | \$17,616,277 |
| Projected New/Retained Jobs      | 6,379         | 896          | 461          | 323          | 255          |
| Estimated New Patients           | 2,116,911     | 303,474      | 149,445      | 89,524       | 100,976      |
| Estimated New Uninsured Patients | 1,051,530     | 148,376      | 93,021       | 31,137       | 73,692       |
| % - New Uninsured/ New Patients  | 50%           | 49%          | 62%          | 35%          | 73%          |

Source: hhs.gov/recovery

It is projected that the impact of ARRA funding to CHC, as a result of new and retained jobs and the multiplier effect of additional expenditures attributed to the \$2 billion, will yield \$3.4 billion in new economic benefits annually based on Capital Link.

| State              | Total         | California   | Texas        | Florida      | Louisiana   |
|--------------------|---------------|--------------|--------------|--------------|-------------|
| Funding            | \$154,781,545 | \$15,600,000 | \$14,414,728 | \$10,107,586 | \$8,649,385 |
| Estimated Patients | 751,200       | 80,890       | 55,920       | 35,720       | 48,870      |
| Projected Jobs     | 5,570         | 600          | 415          | 265          | 360         |

Source: hhs.gov/recovery

California is receiving more than double the amount of IDS and CIP grants as Texas despite Texas having a higher percentage of Latinos, low income people, and uninsured—population characteristics that are associated with a high need for CHCs. Texas has consistently had one of the highest rates of uninsured and government insured (Medicaid/CHIP) people in the country. These trends along with the percent of new patients who are uninsured and the continued unemployment problems the whole country is dealing with demonstrates further need.

| State  | Total         | California    | Texas        | New York     | Florida      |
|--|---------------|---------------|--------------|--------------|--------------|
| Number of Health Center Grantees                     | 1,123         | 115           | 64           | 51           | 44           |
| Health Center ARRA Capital Improvement Program Grant | \$851,520,259 | \$109,264,437 | \$44,326,879 | \$53,202,437 | \$41,038,412 |

Source: hhs.gov/recovery

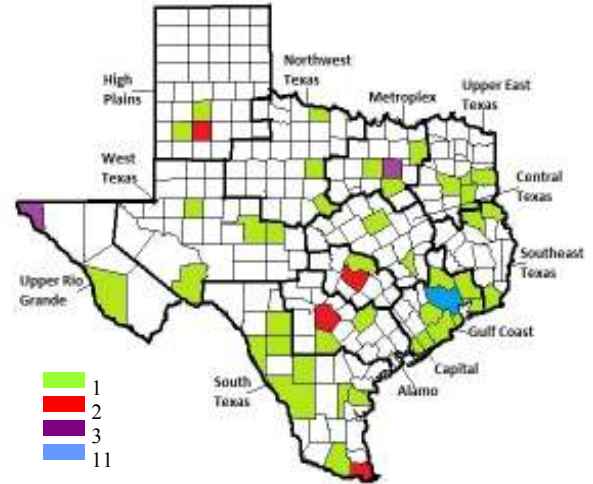


# ARRA & Community Health Centers: Texas' 12 Economic Regions

Texas is 2nd to California in the number of CHC grants (64) it has received. The adjacent map shows the counties and economic regions in which grants were awarded. Many of the CHCs receiving funding had for years prior been trying to secure funding and had been denied due to lack of federal funding available.

- **South Texas was awarded the most amount of money.** In addition to being MUAs 8 of the 11 sites awarded grants are located in Health Professional Shortage Areas (HPSAs) and one service a Medically Underserved Population (MUP). It has one of the highest uninsured rates and people on Medicaid, and is 78% Hispanic.
- **Gulf Coast received the most grants.** Eleven CHCs in Houston received grants.
- **Upper Rio Grande is 10th in population but 4th in funds awarded.** The border region is a high need area as it has the highest uninsured and Hispanic population, a large Spanish speaking population and is a HPSA.

Number of ARRA Grants by Economic Regions, 2010



| Region                                   | Metroplex          | Gulf Coast          | Alamo               | South Texas         | Capital            | Upper East Texas   | Central Texas      | High Plains        | Southeast Texas    | Upper Rio Grande    | Northwest Texas    | West Texas         |
|--|--------------------|---------------------|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| #grants/reporting <sup>1</sup>           | 7/5                | 18/12               | 4/3                 | 11/9                | 3/1                | 4/3                | 2/2                | 4/3                | 3/3                | 4/3                 | 3/3                | 4/4                |
| Region Population <sup>2</sup>           | 5,487,477          | 4,854,454           | 1,991,773           | 1,892,342           | 1,346,833          | 1,015,648          | 963,139            | 780,733            | 740,952            | 704,318             | 549,267            | 524,884            |
| Client Pop <sup>3</sup>                  | 57,521             | 99,817              | 74,858              | 168,478             | 33,051             | 62,075             | 67,004             | 58,398             | 74,057             | 48,106              | 24,691             | 24,267             |
| Hispanic                                 | 33,058             | 46,908              | 51,500              | 150,885             | 17,848             | 5,134              | 29,301             | 38,569             | 23,684.07          | 34,429              | 7,579.09           | 13,575             |
| Non Hispanic                             |                    |                     |                     |                     |                    |                    |                    |                    |                    |                     |                    |                    |
| Black                                    | 8,685              | 24,265              | 3,650               | 311                 | 2,975              | 2,675              | 16,506             | 6,796              | 22,607             | 67                  | 2,505              | 1,688              |
| less than 200%                           | 43,476             | 76,843              | 64,642              | 145,237             | 29,415             | 12,059             | 59,208             | 49,306             | 63,952             | 39,628              | 15,833             | 13,415             |
| HPSA                                     | 3                  | 7                   | 3                   | 8                   |                    |                    | 2                  | 2                  | 1                  | 2                   | 2                  | 4                  |
| MUP                                      |                    | 3                   | 3                   | 1                   |                    | 1                  |                    |                    |                    |                     |                    |                    |
| New Access Point Services <sup>4</sup>   | \$3,850,000        | \$3,900,000         | \$1,300,000         |                     |                    | \$1,300,000        |                    | \$1,048,100        | \$1,300,000        | \$998,202           | \$575,825          |                    |
| Increased Demand for Services            | \$1,799,618        | \$3,792,149         | \$2,403,430         | \$3,894,745         | \$1,560,342        | \$677,690          | \$1,098,556        | \$1,358,170        | \$749,237          | \$1,469,901         | \$677,265          | \$720,773          |
| Capital Improvement Construction Program | \$3,608,405        | \$8,238,938         | \$4,817,450         | \$8,778,824         | \$3,289,640        | \$1,838,312        | \$2,845,140        | \$3,043,918        | \$1,605,540        | \$3,059,270         | \$1,614,185        | \$1,837,257        |
| Facility Investment Construction Program |                    |                     | \$11,051,134        | \$15,000,000        |                    |                    | \$5,296,239        |                    |                    | \$6,000,422         |                    |                    |
| Health Information Technology Awards     |                    |                     | \$4,024,697         |                     | \$3,970,197        |                    |                    |                    |                    |                     |                    |                    |
| <b>Grand Total</b>                       | <b>\$9,258,023</b> | <b>\$15,931,087</b> | <b>\$23,596,711</b> | <b>\$27,673,569</b> | <b>\$8,820,179</b> | <b>\$3,816,002</b> | <b>\$9,239,935</b> | <b>\$5,450,188</b> | <b>\$3,654,777</b> | <b>\$11,527,795</b> | <b>\$2,867,275</b> | <b>\$2,558,030</b> |
| Pop - WHT <sup>5</sup>                   | 61%                | 49%                 | 44%                 | 19%                 | 62%                | 74%                | 65%                | 64%                | 69%                | 18%                 | 76%                | 57%                |
| Pop - BLK                                | 13%                | 17%                 | 6%                  | 1%                  | 8%                 | 16%                | 16%                | 5%                 | 21%                | 3%                  | 6%                 | 4%                 |
| Pop - HSP                                | 21%                | 29%                 | 48%                 | 78%                 | 25%                | 8%                 | 16%                | 28%                | 8%                 | 78%                 | 16%                | 37%                |
| % Medicaid <sup>6</sup>                  | 13%                | 14%                 | 17%                 | 29%                 | 13%                | 15%                | 14%                | 14%                | 15%                | 22%                 | 13%                | 15%                |
| % Uninsured - Tot <sup>7</sup>           | 26%                | 29%                 | 23%                 | 30%                 | 24%                | 25%                | 26%                | 27%                | 23%                | 33%                 | 24%                | 27%                |
| % Uninsured - WHT <sup>8</sup>           | 13%                | 14%                 | 13%                 | 14%                 | 13%                | 15%                | 14%                | 17%                | 16%                | 12%                 | 16%                | 16%                |
| % Uninsured - HSP                        | 43%                | 45%                 | 30%                 | 35%                 | 32%                | 33%                | 32%                | 33%                | 39%                | 42%                 | 33%                | 34%                |
| % Uninsured - BLK                        | 24%                | 30%                 | 27%                 | 26%                 | 23%                | 28%                | 23%                | 26%                | 24%                | 23%                 | 26%                | 25%                |

Table Notes

1. The number of grants awarded / number of those clinics which demographic information is available for in the TACHC Membership Directory (see note #3).
2. Census Bureau, Population Estimates 2009
3. Texas Association of Community Health Centers (TACHC) Membership Directory, 2010
4. [http://www.hhs.gov/recovery/hrsa/recovery\\_health\\_cnr\\_awards.html](http://www.hhs.gov/recovery/hrsa/recovery_health_cnr_awards.html)
5. Census Bureau, Population Estimates 2009
6. Texas Health and Human Services Commission, Medicaid Enrollment January 2010
7. Census Bureau, Small Area Health Insurance Estimates (SAHIE) for Counties and States 2007
8. Texas State Data Center, County Estimates of the Uninsured for Texas, 2005



## Summary:

Starting as a small demonstration program in the mid-sixties, the history of CHC developments demonstrate a persistent commitment to equal access to quality health care for all populations. Not surprisingly, and because they were developed as ‘consumer-controlled’ healthcare delivery organizations they often encountered political and policy obstacles limiting the resources needed to better meet the severe health needs of the communities and populations they serve. Today, CHCs represent the nation’s largest single system of comprehensive primary health care. They have proven their value in multiple ways – preventive care, health care quality, integrated and coordinated service delivery, costs, economic stimulus, and positively impacting the needs of the uninsured and under-insured (17.1 million in 2008). The health inequities and disparities that impact low income and people of color populations would be substantially greater if not for CHCs.

ARRA funds have contributed in increasing health care access to low-income and Latino populations who have the highest uninsured and under-insured rates in Texas. Arguably, Texas should have received more ARRA funds if measured by population size, number of uninsured/under-insured, poverty levels, and health conditions compared to other states. These conditions which permeate the State are also uniquely exacerbated across diverse regions – U.S./Mexico border counties, rural vastness, and large cities with poor social and health conditions across multiple neighborhoods.

ARRA funds provided a much-needed resources to build the capacity of CHCs, an economic boost locally and is a great complement to the current implementation of the Affordable Health Care Act and its provisions to expand health coverage. Those provisions include:<sup>8</sup>

- **Increased funding for health centers:** \$11 billion is allocated for broad health center expansion over five years, which will enable them to serve more patients.
- **Insurance expansions:** Medicaid coverage will be expanded to all individuals below 133% of the federal poverty level and health insurance exchanges will be created, with subsidies for low and moderate income individuals. These expansions will improve access to coverage for many uninsured health center patients.
- **Medicare payment reform:** A Medicare prospective payment system for health centers will be developed and the Medicare payment cap will be eliminated.
- **Workforce and training:** \$1.5 billion is appropriated for the National Health Service Corps, which provides staffing for many health centers. In addition, a number of grant and repayment programs, including the Teaching Health Centers program, will increase funding for recruitment and training to bolster the primary care workforce.
- **Delivery system reform:** Several pilot and demonstration programs will reorganize the health care delivery system. Health centers are positioned to participate in many of these new initiatives, many of which include an emphasis on comprehensive patient care and prevention.

For Latinos, CHCs will have the expanded opportunity to have an even greater impact in addressing the health care inequities and disparities they continue to encounter in Texas. There are over 3.4 million uninsured Latinos in the State, 754,533 are children and 2,887,500 adults; representing 58% and 56% of all uninsured children (1,149,840) and adults (5,172,901) respectively.

Indeed, ARRA was a boost but much more is required.

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## Endnotes

1. <http://www.hhs.gov/recovery/programs/index.html>
2. National Association of Community Health Centers (NACHC), United States at a Glance < <http://www.nachc.com/client/documents/United%20States%20FSv2.pdf>>
3. NACHC, Texas Health Center Fact Sheet <<http://www.nachc.com/client/documents/research/2009-State-Fact-Sheets/TXFS08.pdf>>
4. NACHC, Recession Brings More Patients to Community Health Centers <[http://www.nachc.com/client/documents/rising\\_patient\\_%20demand\\_093.pdf](http://www.nachc.com/client/documents/rising_patient_%20demand_093.pdf)>
5. *ibid.*
6. “Stimulus money to benefit Lubbock health coverage” < [http://www.kcbd.com/Global/story.asp?S=9942319&nav=menu69\\_1\\_3](http://www.kcbd.com/Global/story.asp?S=9942319&nav=menu69_1_3)>
7. NACHC, Texas Health Center Fact Sheet
8. “Community Health Centers: Opportunities and Challenges of Health Reform” <<http://www.kff.org/uninsured/upload/8098.pdf>>