



Hawai'i Primary Care Association

Beth Giesting, CEO, 808-791-7820, bgiesting@hawaiiipca.net

Community Health Centers

Community health centers (CHCs), which are independent, community-governed nonprofit organizations, are established only in federally designated underserved areas or in communities with significant numbers of people who are underserved by virtue of economic, cultural, or geographic barriers. In Hawai'i, CHCs are a growing provider set, serving 110,000 people per year on six islands. In 2007, the community health center patient population profile was as follows:

- 27% Native Hawaiian
- 21% Asian
- 28% Caucasian
- 12% Pacific Islanders (other than Native Hawaiian)
- 16% needed interpretation services
- 71% were below poverty.
- 70% were rural and 30% were urban.
- 30% were uninsured.
- 40% had Medicaid or Med-QUEST coverage
- 12,000 were homeless.

CHCs provide an array of all necessary primary care services including medical, dental, and behavioral health care. They significantly supplement these with “enabling” services to ensure that patients whose socio-economic circumstances are a barrier to access and good health are getting the help they need. Enabling services include assistance enrolling in programs, transportation help, case management, and referral coordination.

The need for investment in primary care in Hawai'i

Hawai'i's population and health care environment are rapidly changing:

- More people are moving to rural and neighbor island communities.
- Health care providers in those same areas are retiring or moving away and aren't being replaced. Those physicians and dentists who stay have full practices that cannot absorb more patients. As a result, doctors are less likely to accept emergency calls or hospital duties.
- The whole population is aging and more likely to suffer from chronic disease. This trend is more marked in many rural areas which have disproportionate numbers of elderly, Native Hawaiians, and lower income residents.
- Besides the population whose access to care is limited by a shortage of available providers, an estimated 120,000 Hawai'i residents have no health insurance at all and more than 200,000 are enrolled in Med-QUEST. Both groups have trouble finding available health care providers and are more likely to use emergency departments for primary care needs.
- Existing provider resources are increasingly strained as too few medical students choose to work in primary care to meet the demands of underserved areas, and federal loan repayment programs are insufficient to meet Healthcare Professional Shortage Area (HPSA) needs in Hawai'i.

Community Health Centers meet Hawai'i's needs

No provider is better able to meet the needs of our rapidly changing health care economy than a community health center. CHCs are stable nonprofit, community-based organizations that provide high-quality, comprehensive primary care to all people – rich or poor – in the community.

CHCs offer health care stability

Community health centers are nonprofit corporate models providing a stable infrastructure for quality assurance, practice and administrative management, continuity of care, and accountability to the community. While practitioners may come and go, CHCs remain and ensure continuity of care. The stability of CHCs is supported by both a cost-effective model of care, including integration of non-physician providers in medical and behavioral health services, and by supports from the federal and state governments that include:

- Financial subsidies to serve the underserved;
- Enhanced payment levels for Medicaid and Medicare;
- Federal tort claim coverage for professional liability;
- The ability to purchase prescription drugs for patients at reduced federal prices;
- Eligibility for loan repayment programs; and
- State dental license provisions that enhance recruitment to CHCs.

CHCs provide access to comprehensive primary and preventive care

Community health centers operate fifty sites in areas where there are few other health care providers and where populations have economic and cultural barriers to care. CHCs are the only logical provider in communities where private practices aren't economically feasible because they welcome and provide equally good care to all, regardless of income or insurance status. All provide an array of medical and behavioral health services, most also provide dental care, and all provide other preventive and primary care services appropriate to the needs of their communities.

Additionally, CHCs add significant value to their clinical services by being models of culturally competent care, incorporating linguistic and culturally appropriate services with Western healing. To further address the needs that their clients have that affect their health, CHCs offer extensive services tailored to the needs of clients such as:

- Application assistance for Medicaid and other public benefits;
- Case management;
- Active, managed referral;
- Follow-up;
- Health education;
- Nutrition counseling;
- Wellness programs; and
- Transportation assistance, among others.

By means of their comprehensive clinical care and supplemental services, community health centers very effectively reduce unnecessary ER use and hospitalizations.*

CHCs provide high quality care

Unique among primary care providers in Hawai'i, community health centers are actively engaged in a quality improvement and monitoring initiative known as the "Health Disparities Collaboratives." Initially focused on better management of chronic diseases, the initiative has grown to include quality transformation in all aspects of clinical and management services at CHCs. Most CHCs will soon have incorporated better electronic health records and management systems and have unprecedented opportunities to produce outcome data on standardized measures.

* According to *"Inequality in America: The Contribution of Health Centers in Reducing and Eliminating Health Disparities in Access to Care."* Medical Care Research and Review, June 2001, **Community health centers provide high quality care and save the system money:**

- Medicaid patients served by community health centers are 22% less likely to be hospitalized for avoidable conditions.
- Community health centers save the Medicaid program 30% in annual spending, per beneficiary, due to reduced specialty care referrals and fewer hospitalizations and emergency room visits.
- Uninsured adults who go to community health centers are more likely to get counseling on diet, exercise, smoking, substance abuse, and STDs.
- Women who go to community health centers are significantly more likely to get mammograms, clinical breast exams, and Pap smears.

CHCs are cost-effective

Community Health Centers save Hawai'i's health care system millions of dollars every year. These savings are due to the CHC model that emphasizes comprehensive primary care, integration of services, and care management to overcome patient socioeconomic barriers and health system fragmentation. Savings are due to reduced: referral to specialists; duplication of diagnostic tests; emergency room use; and the need for hospital admissions.

A study prepared by the Robert Graham Center using Medical Expenditure Panel Survey (MEPS) data for 2004 shows that CHCs save an average of \$1,810 per patient per year when compared to the private practice system. Savings are greater for poor, non-elderly adults who are most likely to start showing the effects of chronic conditions and who are the most likely in our society to be uninsured. The following table shows the Graham Center findings and their extrapolation to Hawai'i CHCs, based on 2007 patient usage.

		Mean Total Medical Expenditures			Cost Savings Extrapolated to HI	
		Non-CHC	CHC	Difference	HI CHC Patients	Savings
Overall		\$4,379	\$2,569	\$1,810	107,121	\$193,889,010
Poverty:	Not Poor	\$4,292	\$2,429	\$1,863	16,087	\$29,970,081
	Poor	\$5,060	\$2,858	\$2,202	74,600	\$164,269,200
Insurance:	Medicaid	\$3,128	\$2,132	\$9,996	43,122	\$42,949,512
	No Insurance	\$2,138	\$1,216	\$ 922	31,557	\$29,095,554
	Private Insurance	\$3,370	\$1,456	\$1,914	24,364	\$46,632,696
Age:	0-17	\$1,416	\$1,217	\$ 199	30,764	\$6,122,036
	18-34	\$2,753	\$ 954	\$1,799	28,872	\$51,940,728
	35-64	\$5,130	\$3,108	\$2,022	39,002	\$78,862,044

Supporting Community Health Centers

Public support for Community Health Centers can come in a variety of forms, including funding from state general funds, sharing federal funds directed to the State for special purposes that CHCs help meet, and devising new funding streams such as tobacco, or other, taxes dedicated to the health care system.

State policies can greatly affect the financial and business strength of CHCs. These policies may be related to licensing of health care providers or may address Medicaid operations that assure that CHCs are paid appropriately by health plans, that they gain market share by getting Medicaid auto-assigns, and that a health plan that CHCs created and from which they benefit is supported by the Medicaid agency.

For more information, see the National Academy for State Health Policy's publication, "Federal Community Health Centers and State Health Policy: A Primer for Policy Makers" at www.nashp.org/Files/health_centers_primer.pdf.