



---

## Hawai'i Primary Care Association

Beth Giesting, CEO, 808-791-7820, [bgiesting@hawaiiipca.net](mailto:bgiesting@hawaiiipca.net)

---

### Community Health Centers as Economic Engines

**Community health centers (CHCs) are well known as much-needed health care providers but not so widely recognized as economic engines for the low-income communities they serve, typically geographic areas most in need of such help.** Forty-two years ago, when community health centers were first established by the federal government, their authorization was through the Office of Economic Opportunity. While they are now programs under the Department of Health, Human Services & Education, their origins remind us that health and economic factors are closely linked.

#### Attracting Funds into Underserved Communities

---

**As nonprofit organizations, Community Health Centers annually attract substantial funds to their communities.** Federal funding, amounting to more than **\$37 million**, comes from grants and reimbursements for care from the federally funded portion of Medicaid and the Medicare program. Private donors and foundations contributed more than **\$6 million** to CHCs in 2007. Other funds that health centers secure for their communities include private insurance reimbursements and state and local subsidies.

#### Skills and Jobs

---

**Community health centers are community-owned economic assets.** The majority of their board members are clients of CHC services and, through service to the CHC, develop skills to plan for and meet community health needs. The centers are important employers – often the largest – in their communities and offer entry-level jobs and career paths to people who often would otherwise have few job options. CHCs prize community, language, and cultural competencies among staff, attributes that may not be highly valued by other employers. Besides on-the-job training, community health centers pay for formal employment-enhancing education, including certificate and degree programs and those that earn continuing education credits. **CHCs are prime training sites for health care trainees such as dental and medical assistants, social workers, nurses, medical students and residents, psychologists, dentists, and students of business administration.**

#### Livable Communities

---

**CHCs contribute to the livability of their communities.** Because they offer an array of accessible personal health care, even people with chronic conditions can be comfortable moving to or remaining in a community that has a CHC. **The selection of services at CHCs is surprisingly comprehensive and may include WIC nutrition, exercise classes, substance abuse counseling, perinatal care, prescription drugs, mental health services, and dental care.** Of course the availability of skilled and unskilled jobs – without a long commute - is a major attraction.

#### Economic Multipliers

---

**Although they operate on thin margins, CHCs are stable and resilient nonprofit businesses that develop and reinvest financial resources in their communities.** From a macroeconomic perspective, dollars spent by CHCs have a greater impact when viewed in the context of the additional output and jobs they stimulate in other industries. Economists describe and measure aggregate economic impact of investments in an economy by computing and applying area and industry-specific “multipliers.”

Multiplier effects vary depending on the industry and the geographic area in which funds are expended, and are calculated and reported by the U.S. Department of Commerce through the Regional Input-Output Modeling System (RIMS II).

**Economic multipliers for health care activity are high in comparison to other industries, making dollars spent by CHCs among the most productive in supporting the local economy.** The following charts show direct and expanded activities of CHCs by island for 2007:

	Users of Service	Direct Output (costs)	Direct Employment (FTEs)	Expanded Output	Expanded Jobs (FTEs) Supported
Island of Hawai'i	26,248	\$15.2 million	163.58	\$30.19 million	309.93
Maui	9,597	\$7.4 million	82.54	\$14.7 million	150.74
Moloka'i	1,627	\$1.9 million	16.63	\$3.7 million	38.44
Kaua'i	6,515	\$6.4 million	69.58	\$12.7 million	130.18
O'ahu	63,152	\$62.7 million	791.19	\$124.8 million	1,281.66
<b>TOTAL</b>	<b>107,139</b>	<b>\$93.5 million</b>	<b>1,123.52</b>	<b>\$186.1 million</b>	<b>1,910.96</b>
Total Rural	77,037	\$67.9 million	752.49	\$135.2 million	1,387.66
Total Urban	30,102	\$25.6 million	371.03	\$51.0 million	523.30

*The RIMS II Expanded Output Factor is 1.9328; the Expanded Jobs Factor is cost/1,000,000 x 23.8489.*

The following chart shows financial resources CHCs garnered in 2007:

	Federal Funds Incl. grants, Medicare & Federal Share of Medicaid	State & Local Funds Incl. State Share of Medicaid	Private Insurance Payments	Foundations & Fundraising
Island of Hawai'i	\$6.3 million	\$3.7 million	\$2.1 million	\$0.5 million
Maui	\$3.0 million	\$3.0 million	\$0.5 million	\$0.5 million
Moloka'i	\$0.9 million	\$0.2 million	\$0.2 million	\$0.1 million
Kaua'i	\$4.2 million	\$0.7 million	\$0.6 million	\$0.1 million
O'ahu	\$22.8 million	\$18.5 million	\$4.0 million	\$4.9 million
<b>TOTAL</b>	<b>\$37.2 million</b>	<b>\$26.1 million</b>	<b>\$7.3 million</b>	<b>\$6.1 million</b>
Total Rural	\$27.4 million	\$17.3 million	\$6.4 million	\$3.1 million
Total Urban	\$9.8 million	\$8.8 million	\$0.9 million	\$3.0 million

Community health centers in Hawai'i have grown to meet expanding needs over the past five years and have brought economic benefits with their expansion. Compare the direct and expanded output and jobs for 2000 and 2007:

	Direct Output (Costs)		Direct Employment		Expanded Output		Expanded Jobs	
	2000	2007	2000	2007	2000	2007	2000	2007
Island of Hawai'i	\$5.4 mil.	\$15.2 mil.	74.0	163.58	\$10.5 mil.	\$30.2 mil.	129.8	309.9
Maui	\$4.6 mil.	\$7.4 mil.	57.2	82.54	\$9.0 mil.	\$14.7 mil.	110.6	150.7
Moloka'i	-	\$1.9 mil.	-	16.63	-	\$3.7 mil.	-	38.4
Kaua'i	-	\$6.4 mil.	-	69.58	-	\$12.7 mil.	-	130.2
O'ahu	\$33.6 mil.	\$62.7 mil.	514.6	791.19	\$65.0 mil.	\$124.8 mil.	802.0	1,281.7
<b>TOTAL</b>	<b>\$43.7 mil</b>	<b>\$93.5 mil.</b>	<b>645.8</b>	<b>1,123.52</b>	<b>\$84.5 mil.</b>	<b>\$186.1 mil.</b>	<b>1,042.4</b>	<b>1,911.0</b>
Total Rural	\$30.4 mil.	\$67.9 mil.	435.4	752.49	\$58.8 mil.	\$135.1 mil.	725.2	1,388.0
Total Urban	\$13.3 mil.	\$25.6 mil.	210.4	371.03	\$25.7 mil.	\$51.0 mil.	317.2	523.3

*Health centers included in this study are Bay Clinic, Hāmākua Health Center, Community Clinic of Maui, Hāna Community Health Center, Moloka'i Community Health Center, Ho'ōla Lāhui Hawai'i/Kaua'i Community Health Center, Kalihi-Pālana Health Center, Kōkua Kalihi Valley, Ko'olauloa Community Health & Wellness Center, Wai'anae Coast Comprehensive Health Center, Waikīkī Health Center, Waimānalo Health Center, and West Hawai'i Community Health Center.*