

## Hawai'i's Community Health Centers

The services of community Health Centers (CHCs) are essential to the well-being of the people of Hawai'i and to our health care system. They are a bulwark against disappearing health care providers in rural Hawai'i; embrace a superior model of care that ensures access, quality, and cost-effectiveness; and are specialists in meeting the needs of people whose socio-economic disadvantages would otherwise be a barrier to getting proper health care.

While non-profit community-based federally-sanctioned CHCs offer a degree of stability to community health delivery systems, they need support to continue to grow to meet the needs of the underserved. Given the State's financial crisis, our agenda for health for 2010 is limited to three critically important basic health issues:

- *Ensure the adequacy of funding for CHCs: Release all special funds earmarked for their benefit.*
- *Plan a better mental health system. Meanwhile, use some of the CHC special funds to ease the additional burden on CHCs for filling much of the gap left by Mental Health Division cuts.*
- *Restore dental benefits for adults covered by Med-QUEST. Such vital services otherwise add to the uninsured burden carried by the CHCs.*

### Who do Community Health Centers Serve in Hawai'i?

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Hawai'i has a network of fourteen community health centers (CHCs) on six islands serving 120,000 people. CHCs, also known as federally-qualified health centers because they respond to an array of federal quality and access standards, traditionally serve the "underserved:" people with socio-economic barriers to care, including lack of health insurance. Essential to 1 in 10 Hawai'i residents, CHCs serve 62% of all those with incomes below poverty, 40% of the uninsured, and 21% of Med-QUEST enrollees. They also touched the lives of most of the homeless people in the state and specialize in caring for people who can't navigate the American health care system due to linguistic and cultural differences.

Although CHCs serve all residents of underserved communities, those also include people who otherwise have no "health care home" (see section on "What Do CHCs Do?"). Approximately 30% of CHC patients have Medicare and private insurance but get their health care at a CHC both because they get excellent service there and because many communities across Hawai'i have too few other health care providers to serve the population.

The profile of CHC patients in 2008 was:

- 28% uninsured
- 41% covered by Med-QUEST
- 7% covered by Medicare
- 24% covered by private insurance
- 26% were Native Hawaiian
- 17% were Pacific Islanders
- 74% were below poverty
- 71% were residents of rural communities including nearly 50,000 who live on Neighbor Islands

## What Do CHCs Do?

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**The CHC Model of Care.** Community health centers provide a comprehensive array of primary care services including medical, dental, and mental health services and add other services appropriate to their communities such as WIC nutrition, dispensing pharmacy services, and prevention-oriented health education. But that's just a start: every CHC also:

- Encourages an on-going relationship between the client and provider so that any health problems can be identified early and managed appropriately.
- Provides additional services that ensure that patients have timely access to care and assistance. Some of these services include language translation and an emphasis on cultural competence. CHCs also schedule evening and weekend clinics and are striving to be available to clients outside of office hours to improve health even when an office visit isn't warranted.
- Coordinates care so that referrals to other necessary services are successfully managed and information is appropriately maintained in the client's chart. This practice discourages unnecessary trips to emergency rooms and duplicative diagnostic testing, prescriptions, and visits to specialists.
- Emphasizes quality, safety, and achieving good clinical outcomes. CHCs are ahead of the curve in implementing electronic health records and use them to monitor improvement in their patients' health. While CHC patients often arrive in very poor health, CHCs work on improvements that help keep patients productive and out of hospitals.

The model of care described above is often referred to as a “**patient-centered health care home**” and is attracting a lot of attention because it is clinically effective, saves money, and is well-received by patients.

**CHCs and Health Information Technology.** CHCs in Hawai'i are innovators in use of electronic health records (EHRs) and patient management systems that support care quality and patient safety while improving administrative efficiencies and cash flow. Over 90% of Hawai'i's CHCs have implemented EHRs and are working in networks to ensure effective use and participation in ever-changing trends in health information exchange and technology, including opportunities to take advantage of federal Centers for Medicare and Medicaid Services (CMS) funded EHR enhancement. CHCs also have at their disposal technology for telemedicine and enhanced administrative information systems.

## What are the Economic Contributions of CHCs?

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**Saving Money.** Because CHCs invest in a model that gets good clinical outcomes, it is also remarkably cost-effective. A long-term relationship and enhanced access to care result in early diagnosis and treatment of health problems while the emphasis on care management and quality results in good outcomes and reduced duplication. With less unnecessary emergency room, in-patient, and specialty utilization, CHCs save the health care system \$1,093 per year per patient. That means that Hawai'i's health center network resulted in \$128 million in savings in 2008. Broken down by sector, CHCs saved:

- \$35.5 million on care for 32,506 uninsured people (these savings accrued to the State, hospitals, insurers, and patients themselves);
- \$52.9 million on care for 48,425 Med-QUEST-enrolled people (these savings accrued to the state and federal governments);
- \$30.6 million on care for 28,009 privately insured people (these savings accrued to the insurers);
- \$9.0 million on care for 8,249 Medicare-enrolled people (these savings accrued to the federal government).

**Economic Stimulus.** CHCs are well-placed in economically challenged areas to be significant economic anchors. They attract insurance reimbursements and federal, state, and private grants and contracts that support their services. These, in turn, support jobs at all levels in the community and help turn it into a place where people can live and thrive. The following shows both the direct and expanded economic effects of community health centers on the communities they serve.

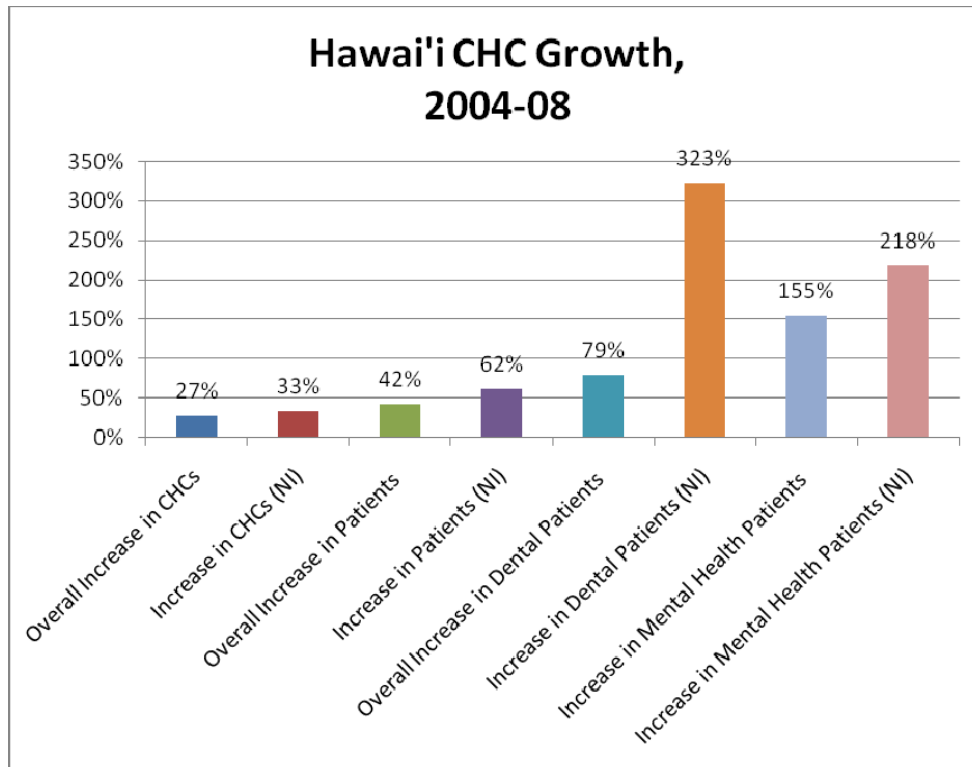
	Users of Service	Direct Outputs (Costs)	Direct Employment (FTEs)	Expanded Output*	Expand Jobs (FTEs) Supported*
Neighbor Island CHCs	48,684	\$33 million	344	\$65 million	651
O'ahu CHCs	68,527	\$70 million	833	\$141 million	1,406
TOTAL CHCs	117,211	\$103 million	1,177	\$206 million	2,058

### What are the Growth Trends for CHCs in Hawai'i?

Fortunately, community health centers have been growing. The five-year (2004-2008) growth trends for health centers in Hawai'i show:

- Growth in the number of CHCs from 11 to 14.
- Growth in the number of people served from 82,600 to 117,211 (up 42%).
- Growth in the number of people getting dental services from 12,052 to 21,604 (up 79%).
- Growth in the number of people getting mental health services from 5,170 to 13,180 (up 155%).

Growth on Neighbor Islands from 2004-2008 was even stronger, with 62% more clients overall, 323% more dental clients, and 218% more mental health clients.



## Where do CHCs Fit Into Health Care Reform?

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At one time there would have been an assumption that the expansion of health insurance meant that CHCs were no longer needed. In fact, that is not at all the case. CHCs herald one of the best and most cost-effective models of health care in America and they provide their services to all people in their communities. They are also an accessible provider in areas all over the country that are experiencing a shortage of health care providers.

Community health centers are still the best provider of care for socio-economically disadvantaged people, even if they have insurance, but there is an expectation that for some time to come, even if federal health care reform is enacted, 5-10% of our population will continue to be uninsured.

## Needs of Community Health Centers

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CHCs contribute significantly to the health of Hawaii residents, save money, relieve provider shortages, and support the economy and jobs. In return, State policy and funding would better support the viability and growth of CHCs with the following:

### Reliable funding for growth:

Operating funds. Community health centers embrace a model of care that includes services for all their patients that improve health and reduce ER, in-patient, specialty, and other health system costs. Because of the way health care financing works, CHCs aren't adequately compensated for the many services they render that save money for the rest of the system. Particular operating funding needs include:

- Adequate funding to care for the uninsured. State resources cover only a fraction of the number of uninsured people cared for by CHCs and a fraction of the cost associated with their care. Increased funds available on a reliable basis would allow for expansion of capacity and outreach that would ensure that people with no insurance remained linked to a health care home and the associated cost-savings.
- Adequate funding from private insurers. While CHCs are provided enhanced reimbursement from government-funded insurers (Medicare and Med-QUEST), private insurance reimbursement barely covers basic clinical care but not the care management, health education, and enhanced access that truly reduce costs for the insurer.
- Underfunded CHCs are typically challenged to meet the needs for expert planning, monitoring, and administration of all their programs and are constantly called upon to take on more responsibility such as emergency preparedness, health professions training, and health information technology implementation.

Capital. The foremost barrier to CHC expansion is the cost for facility expansion. This is exacerbated in Hawai'i where the cost of land and construction are among the highest in the country.

**Workforce:** CHCs are great employers in underserved areas, hiring people for positions that range from unskilled entry level to the highest levels of professional and administration staff. Despite its many attractions, Hawai'i can be a very challenging place to recruit and most CHCs actively provide training opportunities for administrative, clinical, and support positions. In the competitive world of clinician recruitment (physicians, dentists, and others), reliable loan repayment and other incentives would help Hawai'i's health centers immensely, especially in rural areas.

#### Policy and Funding Issues for the Future

- Work with us to develop a strategy to provide State-supported grants and low-interest loans to support CHC capital needs.
- Support the development of a State Loan Repayment program. Such a program can attract a federal match to attract clinicians to underserved areas in exchange for payment of their educational loans.
- Support other workforce initiatives that make clinicians available in underserved areas by expanding professional scope of practice so that professionals can do the utmost for which they're trained.
- Encourage insurers to pay adequately for the value they receive from the patient-centered health care home model.