

Value of Health Centers TODAY

Coalition of Orange County Health Centers



Federally Qualified Health Centers (FQHCs) and other safety-net clinics are locally-controlled, non-profit organizations that offer a range of quality services, including primary care, behavioral health, dental and vision. In 2015, California health centers contributed over **\$8 billion in total economic impact** and **over 59,000 jobs**. These health centers served **20% of the Medi-Cal population**, but received only **2.8% of total Medi-Cal expenditures**.

Coalition of Orange County Health Centers Provides...

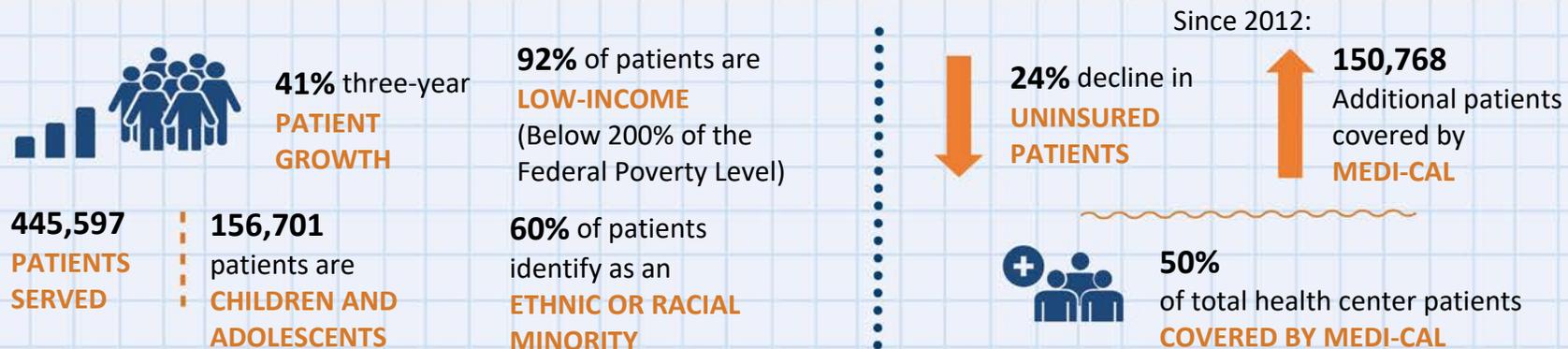
JOBS and other positive impacts on the ECONOMY



SAVINGS to the health system



ACCESS to care for vulnerable populations



Value of Health Centers TOMORROW?

Coalition of Orange County Health Centers



If Congress and the new President agree to **roll back Medicaid eligibility** to pre-Affordable Care Act levels, **eliminate subsidies for insurance plans** offered through the exchanges, and **reduce health centers' federal operating support by 70%**, the health center of tomorrow will look dramatically different than it does today. Health centers would rapidly destabilize financially, with cascading negative impacts to employees, patients, and the communities they serve. The state of California would experience a **\$3.8 billion economic reduction** and a **loss of over 27,000 jobs** from just the Health Center Program.

Potential future impacts specific to Coalition of Orange County Health Centers Health Centers are highlighted

FEWER JOBS and negative impacts on the ECONOMY



1,488
TOTAL JOBS LOST



\$196,721,355
DECLINE IN TOTAL ECONOMIC IMPACT
of current operations



818 HEALTH CENTER JOBS and
670 OTHER JOBS IN THE COMMUNITY



\$93,067,825
DIRECT HEALTH CENTER SPENDING
\$103,653,530
COMMUNITY SPENDING

HIGHER COSTS to the health system



174,109 former
health center patients
SEEK CARE ELSEWHERE or **DELAY CARE** and
end up with **COSTLY HEALTH PROBLEMS**



\$353 Million
HIGHER COSTS TO THE HEALTH SYSTEM
than if health center doors remained open

BARRIERS to care for vulnerable populations



39%
DECLINE IN
PATIENTS



145,241
fewer patients
covered by
MEDI-CAL

Value of Health Centers

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REFERENCES AND DATA SOURCES

1. Economic and Employment Impacts: Calculated by Capital Link using 2015 IMPLAN Online.
2. Savings to Medi-Cal: Nocon et al. *Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings*. American Journal of Public Health: November 2016, Vol. 106, No. 11, pp. 1981-1989.
3. Savings to the Health System: Richard et al. *Cost Savings Associated with the Use of Community Health Centers*. Journal of Ambulatory Care Management, Vol. 35, No. 1, pp. 50–59, January/March 2012.
4. Access to Care for Vulnerable Populations: Bureau of Primary Health Care, HRSA, DHHS, 2015 Uniform Data System.
5. Fewer Jobs and Negative Impacts: Calculated by Capital Link using 2015 IMPLAN Online with the assumptions listed in #6.
6. Higher Costs and Barriers to Care: Calculated by Capital Link using the difference between pre-ACA levels and 2015 levels to derive the change in payer mix, operating revenue and expenses. Estimates are also based on HRSA's calculation of the national impact of a 70% loss to 330 funding. In December, 2016, HRSA estimated in a response to a request from Congress that a 70% cut to Section 330 funding would lead to 9 million patients losing access to care, 51,000 jobs lost, 2,800 sites closed, and nearly \$7.5 billion in reduced overall health center revenues. Capital Link's estimate further assumes that these losses would be spread on a pro rata basis, according to the 2015 "share" of patients, FTEs and revenues of grantees.

Summary of 2015 Economic Activity

Stimulated by Current Operations

		Economic Impact	Employment (# of FTEs*)
Community Impact	Direct	\$ 595,591,361	4,508
	Indirect	\$ 224,025,358	1,374
	Induced	\$ 439,309,654	2,916
	Total	\$1,258,926,373	8,798

Summary of Projected Economic Losses

Stimulated by Projected Losses After Medi-Cal Roll back and Cuts to Federal Operating Support

		Economic Impact	Employment (# of FTEs*)
Community Impact	Direct	\$ 93,067,825	818
	Indirect	\$ 35,006,473	215
	Induced	\$ 68,647,057	456
	Total	\$ 196,721,355	1,488

*Full-Time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40-hour work week, a person who works 20 hours per week (i.e. 50 percent time) is reported as "0.5 FTE." FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as "0.33 FTE" (4 months/12 months).

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HOW ECONOMIC IMPACT IS MEASURED

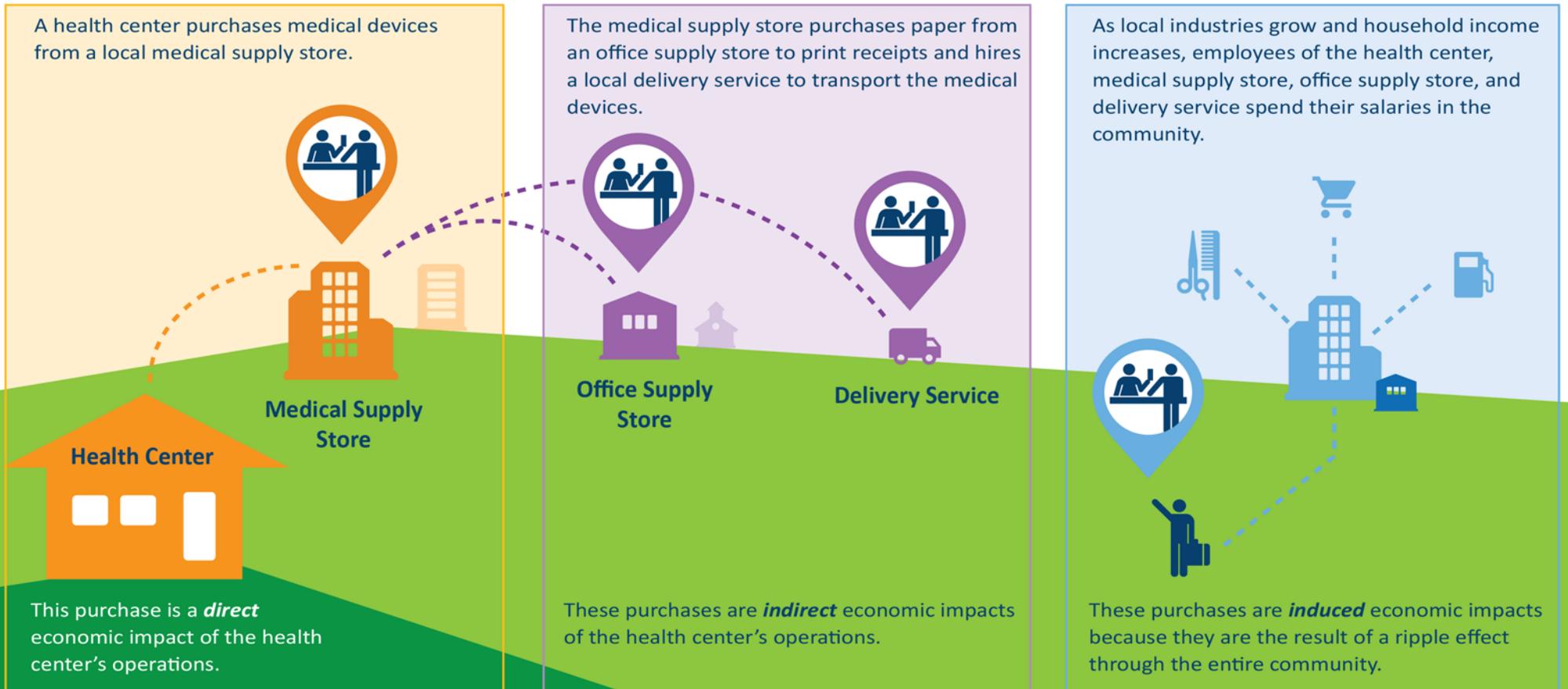
Using IMPLAN, integrated economic modeling software, this analysis applies the “multiplier effect” to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using 2015 IMPLAN Online.

WHAT ARE DIRECT AND COMMUNITY IMPACTS?

Direct impacts result from *health center expenditures associated with operations, new facilities, and hiring.*

Community impacts can be indirect, resulting from *purchases of local goods and services, and jobs in other industries.*

Community impacts can be induced, resulting from *purchases of local goods and services at a household level made by employees of the health center and suppliers.*



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COMMUNITY HEALTH CENTERS INCLUDED IN THIS ANALYSIS

AltaMed Medical Group
Camino Health Center
Center for Inherited Blood Disorders (CIBD)
Central City Community Health Center
CHOC Children's Health Center
Families Together of Orange County
Friends of Family Health Center
HOPE Clinic
Hurtt Family Health Clinic
Korean Community Services Health Center
Laguna Beach Community Clinic
Lestonnac Free Clinic
Livingstone CDC
Nhan Hoa Comprehensive Health Care Clinic
North Orange County Regional Health Foundation
Obria Medical Clinics
Providence Speech and Hearing Center
Serve The People Community Health Center
Share Our Selves Community Health Center
Sierra Health Center
St. Jude Neighborhood Health Centers
University of California, Irvine (UCI) Family Health Center
Vietnamese Community of Orange County
Vista Community Clinic: The Gary Center

This report was developed by Capital Link, a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 18 years to plan capital projects, finance growth, and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at www.caplink.org.