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## **As Congress Delays, Louisiana's Community Health Centers Face a Perfect Storm**

*With Congress at a stalemate and our state's budget crisis looming, Louisiana's Community Health Centers are facing a serious financial crisis - even as new numbers indicate that Health Centers are a boon to the state's economy.*

A new report released by Capital Link, a Boston based FQHC consulting group, shows that in 2016 Louisiana's 34 Federally Qualified Health Center (FQHC) organizations generated a \$567 million economic impact and saved the state's healthcare system \$922 million. While FQHCs (commonly known as Community Health Centers) are known for providing high quality preventive and primary health care to patients, they also work to stimulate economic growth and generate cost savings for both urban and rural communities across Louisiana.

Among the report's findings:

- In 2016, Louisiana's 34 FQHC organizations generated a total economic impact of \$567 million.
- By emphasizing the importance of preventive care and steering patients away from the emergency room, Louisiana's FQHCs are instrumental in driving down the cost of patient care. In 2016, Louisiana FQHCs served nearly 385,000 patients, resulting in a \$436 million savings to the Medicaid program and an overall \$922 million savings to the overall health system.
- The report indicates that costs to Medicaid are 24% lower at FQHCs compared to other providers.
- Louisiana's FQHCs generated 4,682 jobs in 2016 (2,595 direct jobs and an additional 2,087 non-direct jobs). In some rural communities across Louisiana, the local FQHC is the largest employer.
- FQHCs generated \$70 million in federal, state, and local tax revenues.

Despite these accomplishments, Louisiana's Community Health Centers find themselves in the midst of a funding crisis as Congress delays reauthorization of the Health Centers Program. According to the Louisiana Primary Care Association (LPCA), \$62 million in federal investment is at risk if Congress fails to find a solution. The threat of this devastating funding cut is already having an adverse impact on health center operations. Community Health Center CEOs are forced to consider staff reductions, cutting service hours, and hitting pause on a number of planned expansions and capital improvement projects.

"The numbers speak for themselves," said Gerrelda Davis, Executive Director of the LPCA. "This economic impact report demonstrates the tremendous value that health centers provide to our citizens. Any Fortune 500 company or small business owner understands that a \$62 million investment in return for a \$567 million economic impact is a good deal. Congress needs to understand that failing to support Community Health Centers will not only lead to a disruption in healthcare, but will also impact our economy."

The statistics outlined in the report are comparable to FQHC statistics in other states. Nationally, health centers serve 1 in 7 Medicaid beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons. Two-thirds of health center patients are members of racial or ethnic minorities, which places health centers at the center of the national effort to reduce racial disparities in health care.

Congressional funding for Community Health Centers expired on September 30, 2017, even though the Health Centers Program is one of the few programs that continues to receive bipartisan support from members of Congress. “For the past 50 years, health centers across the country have earned bipartisan support,” said Ms. Davis. “As Congress works to address a slate of contentious issues, quickly renewing health center funding could be the perfect catalyst for increased cooperation and compromise in Washington DC.”

Every member of Louisiana’s Congressional delegation has voiced their support for health centers. “Community Health Centers are a vital part of our health system, particularly for the most vulnerable among us,” said Rep. Cedric Richmond. “In Louisiana alone, health centers served 385,000 patients in 2016, nearly a quarter of whom are uninsured, and more than half of whom are on Medicaid. It is absolutely critical for the health of our communities that health centers receive robust federal funding so that they can continue their life saving work.”

In addition to the federal funding crisis, Community Health Centers are also bracing for possible healthcare cuts at the state level. As it stands today, Governor Edwards’ budget proposal would slash \$656.6 million from state healthcare funding and devastate safety net programs. LPCA is working to determine how this cut could impact health center patients. “While our organization is still analyzing the possible economic and human impact of the Governor’s proposed budget cuts, we will continue to educate policymakers on the importance of supporting health centers and other programs that expand access to healthcare,” said Tiffany Netters, LPCA’s Director of Health Policy and Governmental Affairs.

[The entire report can be found here.](#)

### **About the Louisiana Primary Care Association**

The Louisiana Primary Care Association (LPCA) represents 35 federally funded, private, non-profit and public Community Health Centers across Louisiana that serve nearly 385,000 patients annually. LPCA promotes community-based health services through advocacy, education, and collaboration with community partners. Our goal is to ensure that every Louisianan has access to affordable, quality, primary care services. For more information, visit [www.LPCA.net](http://www.LPCA.net).

### **About Capital Link**

Capital Link is 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. They provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit [www.caplink.org](http://www.caplink.org).

This report measured economic impact using IMPLAN, integrated economic modeling software. 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. The report was created with FY16 financial data and 2016 Uniform Data System files in cooperation with the Louisiana Primary Care Association.