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FOR IMMEDIATE RELEASE November 26, 2019

New Report: Louisiana Community Health Centers Spur \$772 Million Economic Impact

In a new report by Capital Link, data indicates Louisiana's Community Health Centers generate a \$772 million economic impact for the state, while saving the healthcare system nearly \$1 billion.

Baton Rouge, LA – In a new report released by Capital Link and sponsored by the Louisiana Primary Care Association, 35 Federally Qualified Health Centers (commonly referred to as Community Health Centers), are responsible for an annual \$772 million economic impact on Louisiana's economy. By servicing Medicaid patients at a 24% lower cost than private providers, managing chronic conditions, keeping patients out of the emergency room, and emphasizing the importance of preventive care, Community Health Centers saved the healthcare system \$868 million.

Among the report's additional findings:

- In 2018, Louisiana's Community Health Centers saved Louisiana's Medicaid program \$645 million.
- Health centers reinvested in their communities by engaging in \$416 million in direct health center spending, resulting in an additional \$356 million in indirect and induced community spending.
- Louisiana's Community Health Centers employed 3,149 individuals and spurred the creation of 2,635 additional jobs in their surrounding communities.

Last year, Louisiana's Community Health Centers provided primary care, oral health, and behavioral health services to over 444,000 patients across the state. Health centers continue to serve as the providers of choice for those who have recently gained access to health insurance coverage through Medicaid expansion. As this report demonstrates, while 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. See the full report here.

Aside from money saved, Community Health Centers spur economic growth by creating jobs. From employees with advanced clinical and administrative expertise to those just beginning their career path, health centers offer opportunities for all candidates who are passionate about serving their community.

"Year after year, health centers continue to demonstrate that they are critical components of Louisiana's healthcare safety-net," said Gerrelda Davis, Executive Director of the Louisiana Primary Care Association. "This report confirms that health centers are proven leaders in meeting the needs of patients at an affordable cost to taxpayers. The federal government has no program with a better return on investment than it does with the Health Center Program."

Thirty-five Community Health Centers were included in this analysis. Economic numbers were derived using health center audited financial statements and statistics as reported on the 2018 Uniform Data System. An integrated economic modeling software called IMPLAN was used which applies the "multiplier effect" to capture the direct, indirect, and induced economic effects of health center business operations. 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 by Capital Link and funded by the Louisiana Primary Care Association for the use of its members.

About the Louisiana Primary Care Association

The Louisiana Primary Care Association (LPCA) represents 38 federally funded, private, non-profit and public Community Health Centers (and 2 Look-Alikes) across Louisiana that serve over 444,000 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 <u>www.LPCA.net</u>.

About Capital Link

Capital Link is a non-profit organization that has worked with hundreds of health centers and primary care associations for over twenty years to plan for sustainability and growth, access capital, improve and optimize operations and financial management, and articulate value. Capital Link provides an extensive range of services, customized according to need, with the goal of strengthening health centers – financially and operationally – in a rapidly changing marketplace. For more information, visit <u>www.caplink.org</u>.

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