



**Presentation to the Health Care Task Force
August 11, 2009**

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CCHN

- CCHN represents Colorado's 15 Community Health Centers (CHCs), also known as Federally Qualified Health Centers (FQHCs). CHCs provide a health care home to one in 10 people in the state.
- Mission: To increase access to high quality health care for people in need in Colorado
- Long – Term Goal: Double the number of people in Colorado over the next 20 years who are able to have their primary health care needs met because they have access to a CHC. This goal is CCHN's Access for All Colorado plan.

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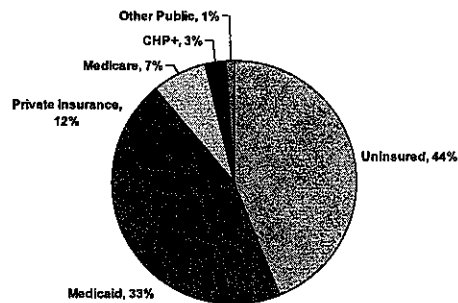
What is a Community Health Center?

- Part of national movement to increase access to care following the vision of the Johnson Administration in 1965
- Are located in high-need areas
- Are governed by community boards – 51% of board members must be patients

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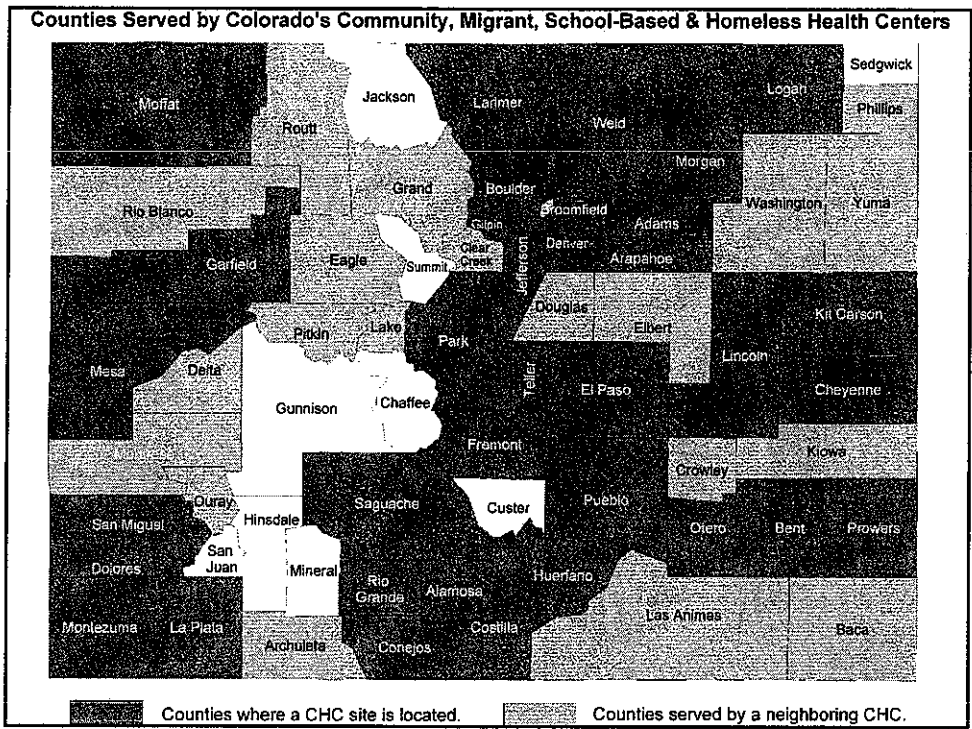
Colorado Community Health Centers

- Nonprofit providers of medical, dental, mental health services
- Comprehensive primary care on a sliding fee scale based on ability to pay
 - Uninsured, Medicaid, CHP+
 - 93% of patients have incomes < 200% FPL (\$42,400 per year for a family of four in 2008)
- 15 organizations, 138 clinics
 - 419,000 patients in 2008; 1.7 million annual visits
 - 3,000+ employees
 - Clinic sites in 35 counties
- Average annual cost per patient = \$685



Insurance Status of
CHC Patients

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CHC Federal Funding

- CHCs receive a grant through the Public Service Act
 - This federal grant comprises approximately 17% of CHC budgets
 - CHCs use this funding to offset the costs of uncompensated care and other enabling services (outreach, transportation, and translation)
 - CHCs are required to report a variety of information annually to the federal government, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues

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CHC Federal Funding

- Medicaid rate – CHCs receive reasonable cost reimbursement for Medicaid services, as mandated in federal statute to assure that Medicaid covers the cost for treating Medicaid patients. This way, CHCs are able to keep their federal grant focused on its intended use: care for uninsured patients.

- As part of CHIPRA, states are required to begin reimbursing CHCs under CHP+ the same as they do under Medicaid, effective October 1, 2009.

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CHC State Funding

- In 2008, state funding (outside of patient revenue) comprised 21% of CHCs' budgets.

- CHCs rely on the following state funding to care for their uninsured patients:
 - Primary Care Fund from Amendment 35 tobacco tax
 - Colorado Indigent Care Program (CICP) from General and Federal Funds
 - Comprehensive Primary & Preventative Care (CPPC) grants program from tobacco settlement
 - CDPHE's Cancer, Cardiovascular & Pulmonary Disease (CCPD) grants program from Amendment 35 tobacco tax

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CHC Budget Cuts to Date

- Primary Care Fund — \$6.351 million
- Comprehensive Primary & Preventative Care (CPPC) Grants
 - \$2.4 million cut in FY 09-10 (no new grants)
 - 16% cut to existing multi-year grants awarded in prior years
 - CHCs typically receive between 40–80% of this funding
- Upcoming Expiration of Ref C
 - Due to expire June 30, 2010 will result in a 75% cut to the CICP community clinic provider reimbursement pool when the funding drops from \$26 million to \$6 million.
- Medicaid FFS rate cuts

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Economic Downturn Increasing Demand on CHCs

- In the fall of 2008 CHCs began to report increased patient utilization over the same period in the previous year including:
 - Some CHCs reporting that visits by the uninsured up as much as 41%
 - Medicaid visits up between 15 – 23% at some CHCs
 - Other CHCs without capacity for new patients seeing increases in their waiting list from 150 – 1,800 for primary care, mental health services, and dental care.

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America Recovery and Reinvestment Act (ARRA) Funding

The federal economic stimulus plan, the American Recovery and Reinvestment Act (ARRA), included over \$2 billion nationally over two years for several initiatives related to CHCs.

- Operations
- Infrastructure/capital
- Health Information Technology
- Primary Care Workforce Development

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America Recovery and Reinvestment Act (ARRA) Funding

- Operations: \$500 million to support new CHC sites and service areas, to increase services at existing sites, and provide supplemental payments for spikes in uninsured populations.
 - \$155 million in funds from the ARRA to 126 CHCs nationally that had approved but unfunded New Access Point Grant applications from Fiscal Year 2008. One Colorado CHC, Peak Vista Community Health Centers in Colorado Springs, received a \$1.3 million grant for a mobile Health Center.
 - \$340 million was awarded for Increased Demand in Services (IDS) awards. IDS was designed to respond to the need of CHCs who are hard hit by increased demand. Colorado's 15 CHCs received \$7.5 million in IDS grants.

Results from the first quarter (March – June): 9,000 new patients, 52% of whom are uninsured, and 43 new or retained staff

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America Recovery and Reinvestment Act (ARRA) Funding

- Infrastructure: \$1.5 billion in funding for CHC construction, renovation, equipment, and acquisition of health information technology.
 - *Capital Improvement Program (CIP)* – Awarded July 1, one-time grants intended to help CHCs address pressing capital improvement needs such as construction, repair, renovation, and equipment purchases, including health information technology systems, as well as create employment opportunities in medically underserved communities. Across the country, each CHC received a base amount of \$250,000 with an additional \$35 for every patient served up to \$2.5 million. Colorado's 15 CHCs received a total of \$16,832,185.

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America Recovery and Reinvestment Act (ARRA) Funding

- Infrastructure, continued
 - *Facility Investment Program (FIP)* – A nationally competitive grants process allowing for one-time facility improvement to address capital improvement needs. Project must be distinct and separate from CIP projects, and lead to access to health services for underserved populations and create CHC and construction-related jobs.
 - Approximately 70% of Colorado CHCs applied for this funding. Award announcements will be made this fall.
 - The Colorado Health Foundation is helping support these applications.

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The Colorado Health Foundation Investment

- In August, The Colorado Health Foundation announced a \$20 million investment in CHCs to maximize the ARRA investment.
- These dollars will go toward operations funding and capital expansions, helping CHCs care for more people in their communities.

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America Recovery and Reinvestment Act (ARRA) Funding

- Health Information Technology: We're still waiting for details on these grants, which are intended to provide funding for Medicaid providers for the adoption and use of Electronic Health Records. In order to qualify for these payments, providers must have at least 30% patients defined as "*needy individuals*" (e.g. not just CHCs).

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America Recovery and Reinvestment Act (ARRA) Funding

- **Primary Care Workforce Development: \$500 million for primary care workforce development programs.**
 - \$300 million of this funding will be for the National Health Service Corps.
 - \$200 million will be for the Title VII Health Professions and Title VII Nurse Training Programs.

These funds will help CHCs and other safety net providers recruit and retain physicians, dentists, nurse practitioners, and other providers needed in medically underserved communities.

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America Recovery and Reinvestment Act (ARRA) Funding

- Funds are temporary – they are not a permanent part of the federal budget.
- Any new buildings or expanded facilities will need to be staffed and equipped on beyond the two years that the economic stimulus package covers.
- Community Health Centers are planning long-term as well as near-term when determining how to use these federal funds to improve and increase access to health care for our communities.

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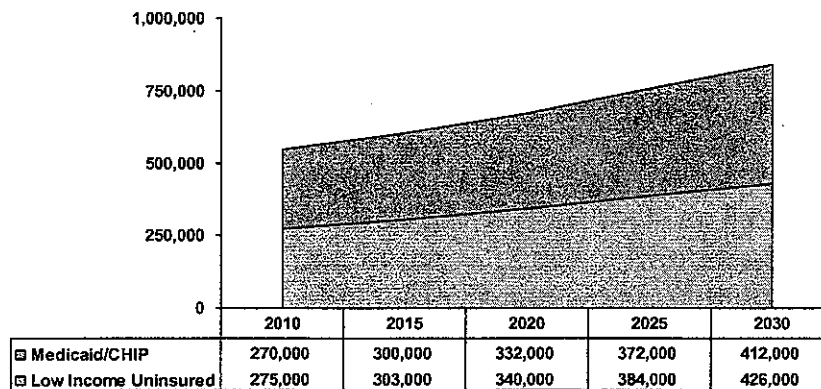
Access for All Colorado (AAC) Plan

- ACC is CCHN and Colorado CHCs' plan to double the number of people in Colorado over the next 20 years who are able to have their primary health care needs met because they have access to a CHC.
- With increased funding CHCs will be able serve as the health care home to one million Coloradans, approximately half of them uninsured.
- ARRA investments, with help from The Colorado Health Foundation are helping "jump start" the plan.

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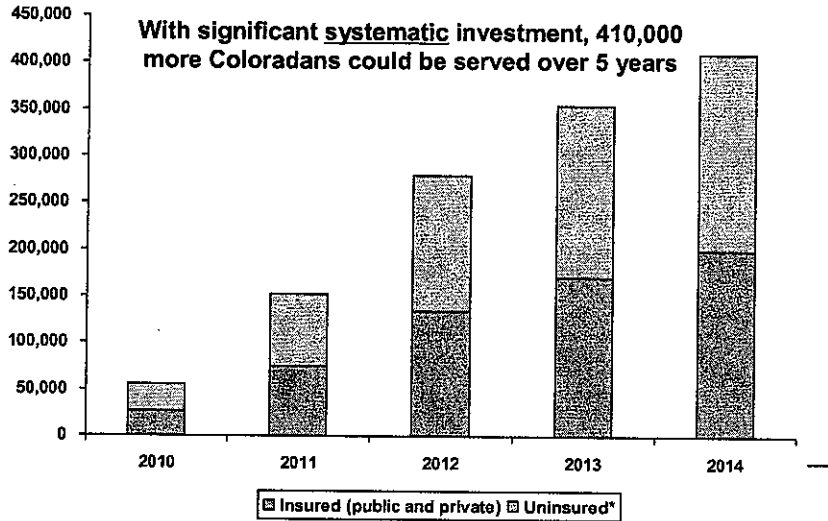
What is the Need?

Projected growth in number of medically underserved without CHC expansion*



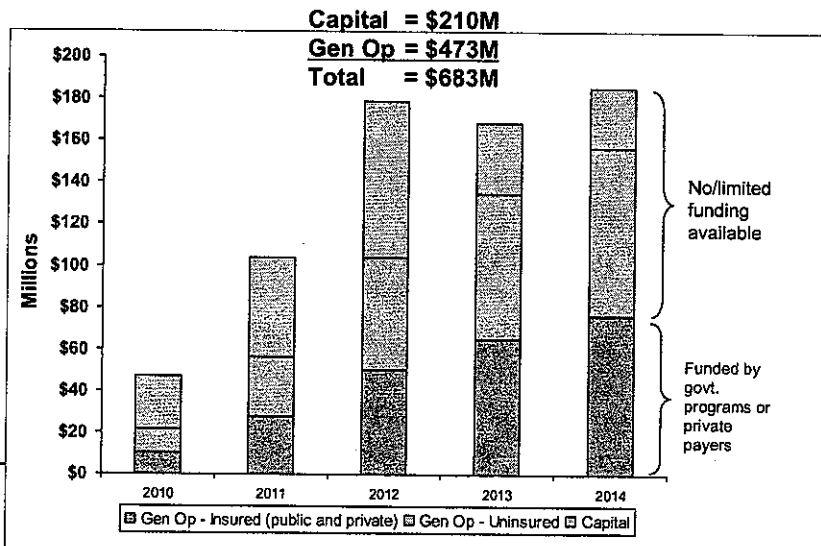
*Data comes from the 2008 Uniform Data System reports for Colorado CHCs, the required reporting system of the federal CHC program, and a Colorado marketplace analysis conducted by Capital Link.

How Can the Need be Met?



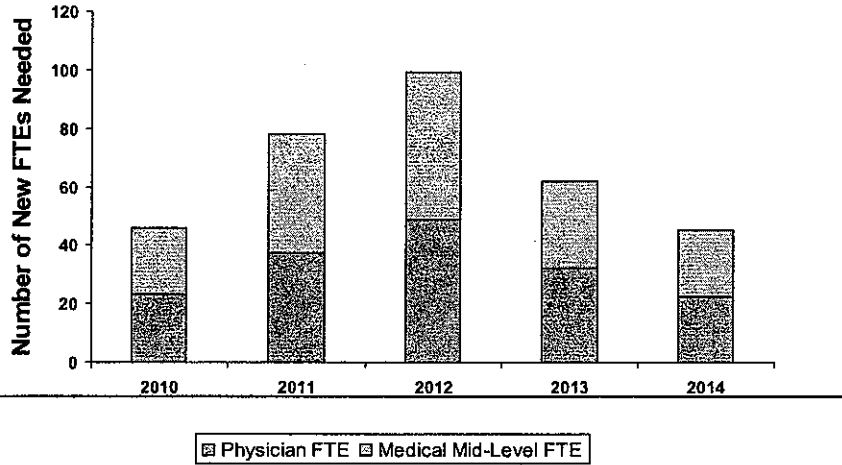
Uninsured are new patients who are both uninsured and have incomes below 250 percent of the Federal Poverty Level.

What Would it Cost?



Who Would it Take?

To meet the need, additional Physicians and Medical Mid-level* Full Time Equivalents (FTEs) will be necessary



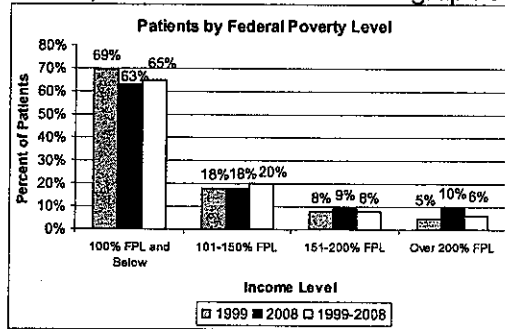
Proven Track Record Patient Growth Over the Last 10 Years

- In 2008, CHCs provided primary health care services to 419,514 unduplicated patients.
 - This is an increase of almost 20,000 patients from 2007 and a 55% percent increase from the number of patients served in 1999.

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Proven Track Record Income Level of Patients Served

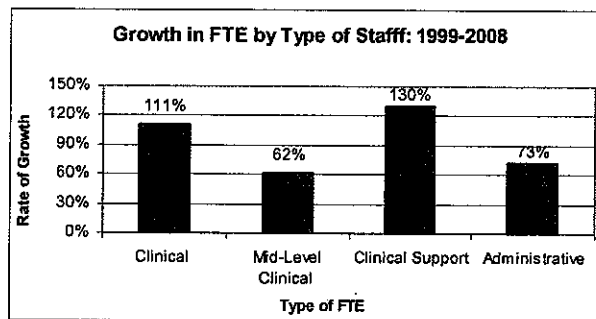
- In 2008, 90% of CHC patients lived at or below 200% of the Federal Poverty Level (\$42,400 per year for a family of four in 2008). The breakdown of patients by income level has remained consistent over the past decade, as is demonstrated in the graph below.



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Proven Track Record Staff Growth Over the Last 10 Years

- In 2008, CHCs employed 3,057 Full Time Equivalents (FTEs), which is a 99 percent increase from the 1,533 FTEs employed in 1999. The graph below shows the percentage growth of FTEs for each of the four categories of staff.



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Importance of Maintained State Funding

- We are working now to grow and strengthen Health Centers so that more Coloradans have a regular source of care.
- ARRA and TCHF funding gives CHCs a jump start on bricks and mortar to meet our Access for All Colorado plan. However, maintaining current state funding is critical in providing the ongoing operation support needed.
- Health Centers are an excellent public investment that generates substantial benefits for patients, communities, businesses, insurers and government. Investment today in the growth of Health Centers is a smart choice for a healthier Colorado tomorrow.

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Questions?

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NEWS RELEASE
FOR IMMEDIATE RELEASE
July 1, 2009

**Community Health Centers Receive Funding for Urgent Capital Improvement
*Economic Stimulus Dollars to Help Local Colorado Communities***

DENVER— Colorado's 15 Federally Qualified Community Health Centers (CHCs) have received economic stimulus funding from the American Recovery and Reinvestment Act (ARRA) from the Capital Improvement Program (CIP). These one-time grants are intended to help CHCs address pressing capital improvement needs such as construction, repair, renovation, and equipment purchases, including health information technology systems, as well as to create employment opportunities in medically underserved communities. The use of these funds supports activities that will improve CHC effectiveness, quality of care, and patient outcomes.

Colorado CHCs provide a health care home to more than 500,000 of their community members – one in 10 people in the state. They employ more than 3,000 people in high-need communities.

Funding allocations were determined based on the patient information submitted by each CHC through the 2008 Uniform Data System (UDS). Across the country, each CHC with a qualifying application received the base amount of \$250,000 with an additional \$35 for every patient served, according to the UDS data, up to the award ceiling of \$2.5 million. Projects funded by these grants must be consistent with the Community Health Center Program's mission: to provide comprehensive, culturally competent, quality primary health care services to medically underserved communities and vulnerable populations. The grants are for two years only, for the period ending June 30, 2011.

The awards made to Colorado's CHCs are:

Name of CHC	Headquartered in	CIP grant amount	Purpose
Clinica Family Health Services, Inc.	Lafayette	\$1,448,995	For efficiency renovation, in an environmentally sustainable way, of Pecos Clinic call center, pharmacy, financial screening, and areas used for behavioral and physical health group visits; and for upgrading equipment.
Colorado Coalition for the Homeless	Denver	\$680,255	For purchase of electronic health record, Stout Street Clinic renovation, and renovation of community resources/outreach space at 2111 Champa Street.
Denver Health's Community Health Services	Denver	\$2,500,000	For expansion of Montbello Family Health Center and purchase of equipment.
Dove Creek Community Health Clinic	Dove Creek	\$300,785	For renovation to expand behavioral health services.
High Plains Community Health Center	Lamar	\$544,245	For building an adult health care center that will specialize in serving the needs of senior citizens, adults with chronic conditions such as diabetes and high blood pressure, and veterans.
Metro Community Provider Network	Englewood	\$1,650,000	For purchase of health information technology, medical equipment, and dental equipment; and facility upgrade, including purchase of solar panels to reduce energy costs.
Mountain Family Health	Glenwood Springs	\$554,290	For building new facility in Rifle.

Centers			
Northwest Colorado Community Health Center	Craig	\$298,195	For expanding the number of exam rooms to be able to see more patients.
Peak Vista Community Health Centers	Colorado Springs	\$1,880,000	For purchase of health information technology, replacement of clinical and office equipment, and making repairs to two facilities.
Plains Medical Center, Inc.	Limon	\$546,730	For renovation of the Strasburg Clinic.
Pueblo Community Health Center	Pueblo	\$943,630	For purchase of equipment and furnishings at several Pueblo CHC locations, including a new medical clinic being built at Routt and Colorado Avenues
Salud Family Health Centers	Ft. Lupton	\$2,500,000	For building a new clinic in Fort Morgan – more than twice the size of current facility.
Sunrise Community Health, Inc.	Greeley	\$1,100,000	For expanding electronic health record system to enable local family medicine residency training program, community behavioral health agencies, and Sunrise's dental services to join this shared database.
Uncompahgre Medical Center	Norwood	\$317,060	For construction of dental and administration areas, including doubling square footage for dental services and space to expand health information technology hardware.
Valley-Wide Health Systems, Inc.	Alamosa	\$1,568,000	For purchase of health information technology equipment to support implementation of an electronic health record for 14 medical clinics, six dental clinics, and related services; and renovation of clinics in two high-poverty service areas.

CHCs must continue to comply with the usual reporting requirements of the Federally Qualified Health Center program, in addition to specific ARRA reporting requirements.

These federal dollars are essential to the continued work of CHCs in Colorado's communities. Demand for CHC services is growing at the same time that CHCs are losing an estimated \$6.35 million in state funding. Colorado CHCs are facing financial challenges as demand for services is increasing as low- and middle-income Coloradans lose their jobs and health insurance. In 2008, CHCs cared for nearly 18,000 more patients than in 2007.

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For more information about how Colorado Community Health Centers are working to assure access to primary health care for all Coloradans, please go to www.cchn.org, or contact Maureen Maxwell at (303) 861-5165, Ext. 259, cell (303)913-9078, or maureen@cchn.org.

For information about the ARRA grants for the Health Center Program, please visit the Web site of the U.S. Department of Health and Human Services at <http://bphc.hrsa.gov/recovery/>.

The Colorado Community Health Network (CCHN) is the collective voice for Colorado's 15 Community Health Centers (CHCs) and their patients. CHCs provide a health care home to more than 500,000 of their community members - one in 10 people in Colorado - from 55 of the state's 64 counties. Without CHCs, hundreds of thousands of Colorado's low-income families and individuals would have no regular source of health care. CCHN's mission is to increase access to high quality health care for people in need in Colorado. For more information about CCHN, please visit www.cchn.org.

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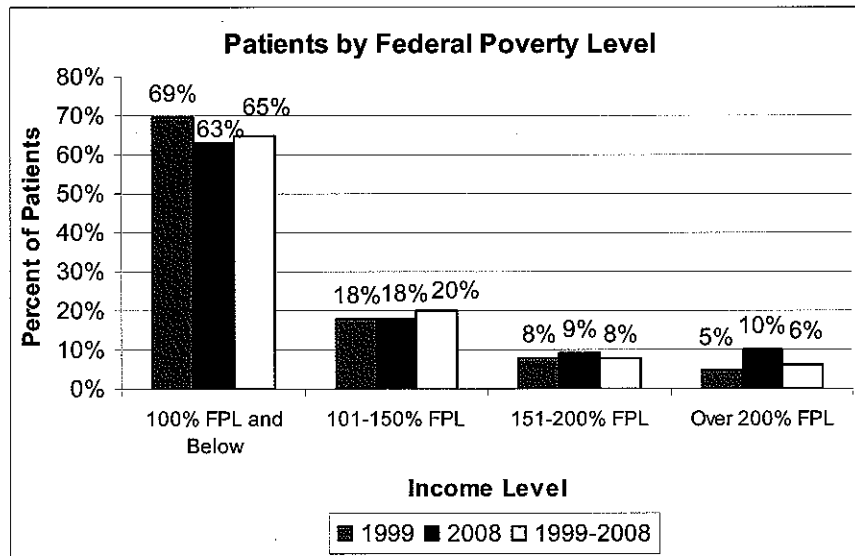
**Colorado Community Health Centers over the Past Ten Years
 1999-2008**

Colorado's Community Health Centers (CHCs) currently provide a medical home to more than 500,000 community members - one in 10 people in Colorado - including more than one third of our state's low-income uninsured, one third of Medicaid enrollees and one third of CHP+ enrollees. The 15 CHCs operate more than 138 community, migrant, homeless and school-based clinics across the state, serving individuals from 55 of Colorado's 64 counties. All CHCs across the nation submit Uniform Data System (UDS) data each spring for the previous calendar year. The following UDS data represents the CHCs that were in operation at some point during the previous ten years.

Profile of Patients Served by CHCs

In 2008, Colorado CHCs provided primary health care services to 419,514 **unduplicated patients**. This is an increase of almost 20,000 patients from 2007 and a 55 percent increase from the number of patients served in 1999.

In 2008, 90 percent of CHC patients lived at or below 200 percent of the Federal Poverty Level. The breakdown of patients by income level has remained consistent over the past decade, as is demonstrated in the chart below.



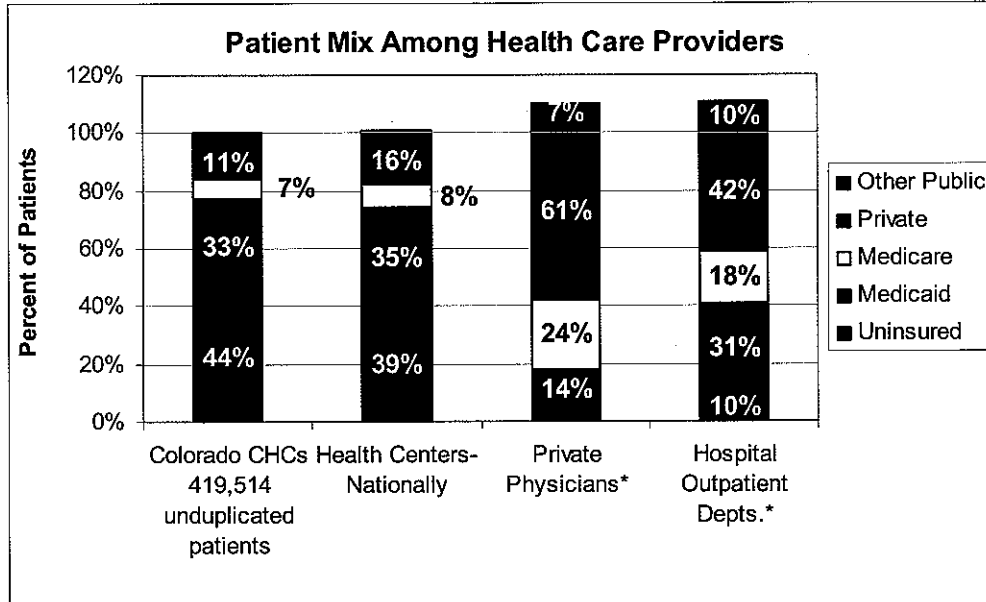
Patients by Payer Type

The largest group of Colorado CHC patients by payer type has consistently been the uninsured. This is consistent with the unique patient mix of CHCs nationwide. However, uninsured individuals comprise only four percent of private physician's patients and 10 percent of those

This report is based on Uniform Data System (UDS) data submitted by Colorado CHCs to the Colorado Community Health Network between 1999-2008, zip code analysis and analysis of CHC patients seen over the last 10 years. The Colorado Community Health Network (CCHN) is the membership association for Colorado's 15 Community Health Centers.

Colorado Community Health Centers over the Past Ten Years

seen at hospital outpatient departments. Nationally, 39 percent of CHC patients are uninsured. Among Colorado CHCs, that rate was 44 percent in 2008.

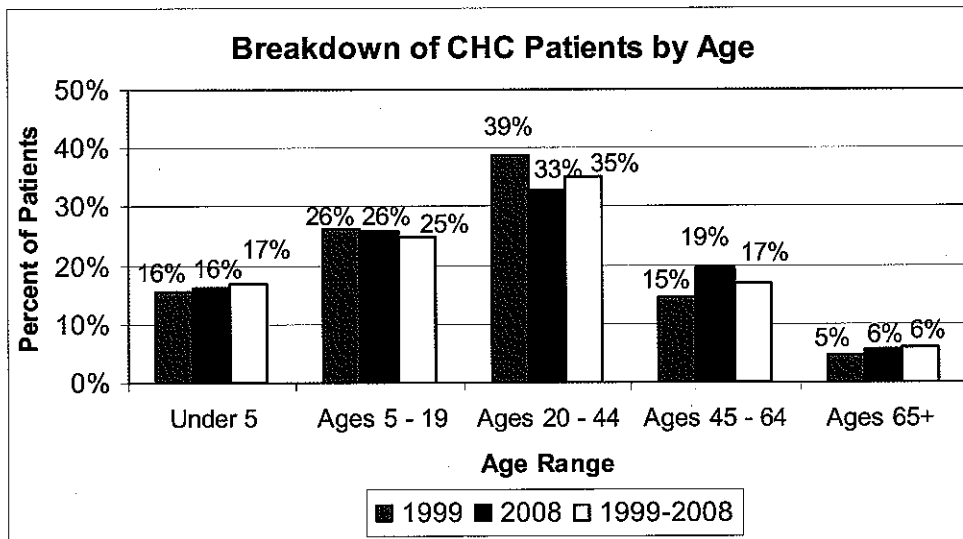


Notes: Colorado CHC's data are from 2008 Uniform Data System. Health Center's (Nationally) data are from 2007, private physician and hospital outpatient data are from 2006 courtesy of the National Association of Community Health Centers (NACHC).

* Combined total of individual sources exceeds "All visits" because more than one may be reported per visit. NACHC Sources: Based on the Bureau of Primary Health Care, HRSA, DHHS, 2006 Uniform Data System. Private Physicians from 2006 NAMCS (CDC National Center for Health Statistics, 2008). Hospital Outpatient from 2006 NHAMCS (CDC National Center for Health Statistics, 2008).

Age of Patients at CHCs

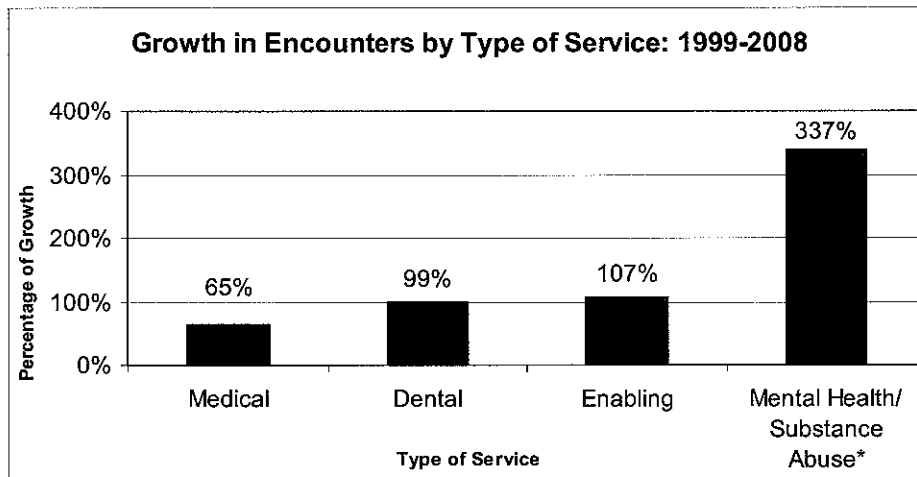
CHCs serve patients of all ages, from birth to over 65 years of age. The breakdown of patients by age has remained consistent over the past decade, with patients under 45 years of age making up approximately 77 percent of total patients and those 45 years of age and older making up 23 percent of total CHC patients.



Colorado Community Health Centers over the Past Ten Years

CHC Encounters

In 1999, there were 1,002,640 patient encounters at CHCs. In the decade that followed, the number of encounters grew by 71 percent to 1,713,070 patient encounters at CHCs in 2008. Over the past decade, CHCs have experienced a significant increase in encounters for all types of services. The graph below illustrates the rate of growth, over the past 10 years, in four types of services.



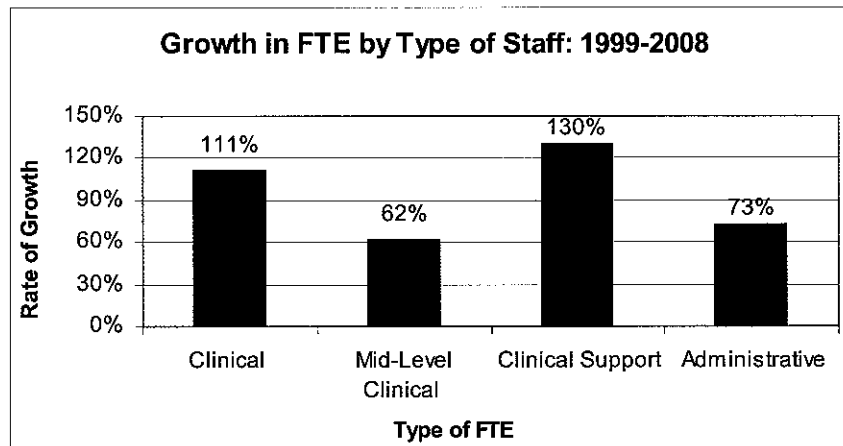
*The majority of the growth (68%) in mental health encounters was driven by Denver Health's Community Health Services, Metro Community Provider Network, Peak Vista Community Health Centers, and Salud Family Health Centers.

While the total number of encounters has grown significantly, the breakdown of encounters by type of service has remained relatively consistent. The average breakdown is as follows:

- 80 percent medical
- 9 percent dental
- 7 percent enabling services
- 3 percent were mental health services (includes substance abuse services)
- 1 percent were other professional services

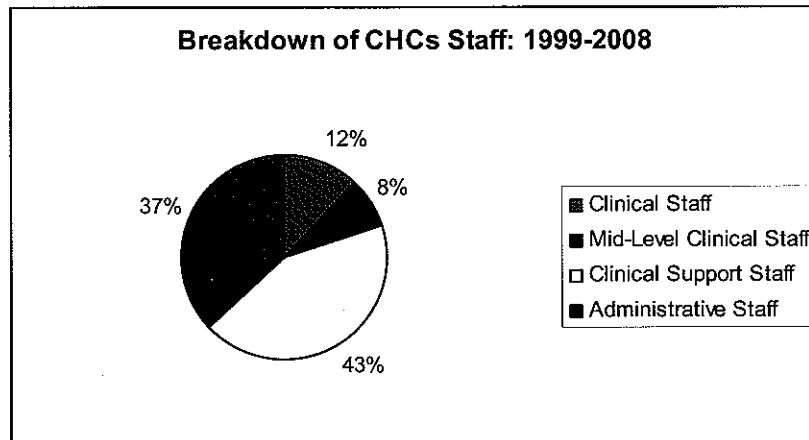
CHC Staff

In 2008, CHCs employed 3,057 Full Time Equivalents (FTEs), which is a 99 percent increase from the 1,533 FTEs employed in 1999. The graph below shows the percentage growth of FTEs for each of the four categories of staff.



Colorado Community Health Centers over the Past Ten Years

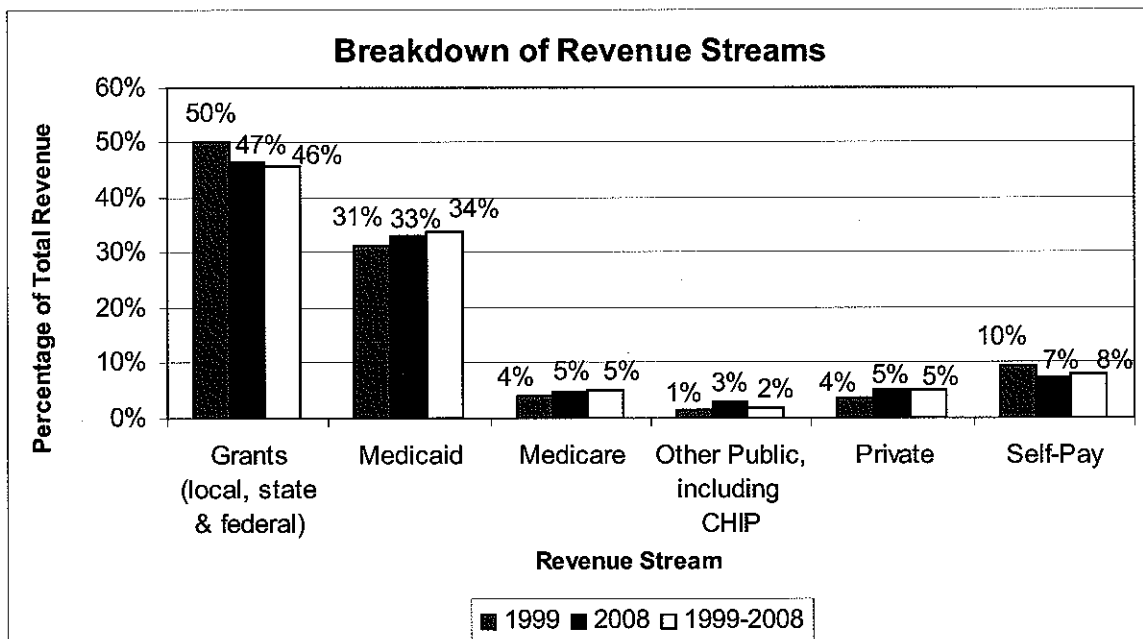
Like encounters, while the total number of FTE has grown, the breakdown by type of staff has remained consistent over the past decade.



***Clinical staff** include: All Physicians, All Specialists, Dentists, Psychiatrists, Psychologists and Pharmacists. **Clinical Mid-Level Staff** include: Physician Assistants, Nurse Practitioners, Certified Nurse Midwives, and Dental Hygienists. **Clinical Support Staff** include: Nurses, Dental Assistants, Technicians, Lab Personnel, Other Medical Support Personnel, Case Managers, Health Educators, Outreach Workers, Other Enabling Services Personnel, etc. **Administrative Staff** include: Executive Staff, Management Staff, Administrators Front Desk Personnel, Billing Personnel, Registration Personnel, Eligibility Personnel, Facility Staff, Medical Records Staff, Administrative Assistants, Intake Staff, Data Entry, Custodians, Cashiers, etc.

CHC Revenues

CHCs have experienced tremendous growth in revenues over the past decade, increasing by 181 percent from 1999 to 2008. Throughout this time, 46 percent of revenues have been from grants. The proportion of grant revenue to total revenue has dropped slightly over the past 10 years; from 50 percent in 1999 to 47 percent in 2008. The chart below illustrates the breakdown of revenue streams over the past 10 years.



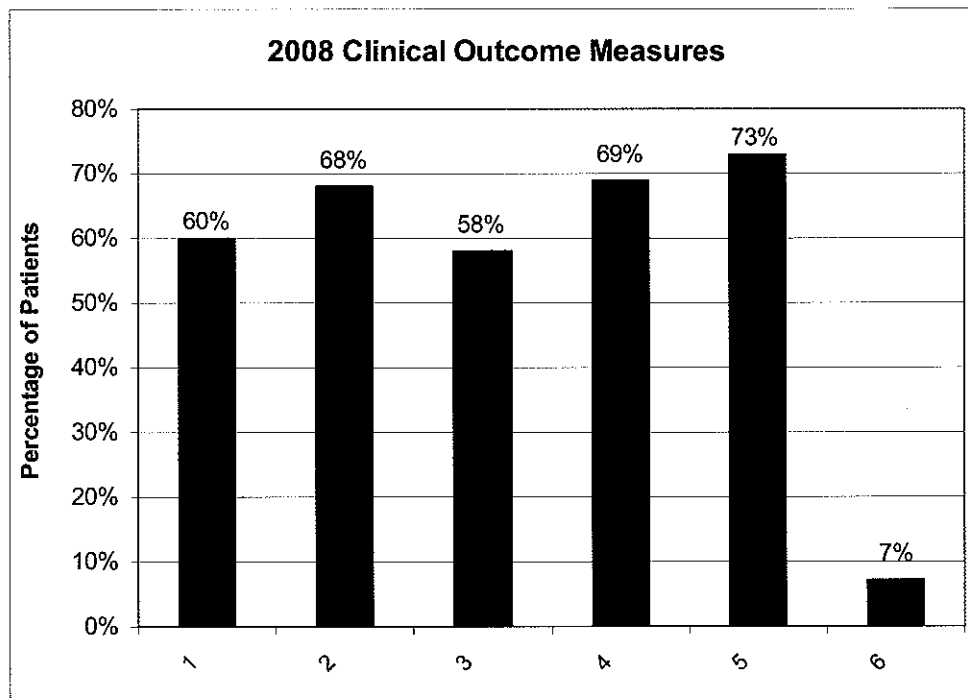
Colorado Community Health Centers over the Past Ten Years

Quality of Care at CHCs in Colorado

CHCs have historically reported the number of patients with select diagnoses. CHCs began reporting health outcomes data in 2008. The following measures are now reported by every CHC in the nation:

1. Percent of pregnant women beginning prenatal care in the first trimester;
2. Percent of children with second birthday during the measurement year with appropriate immunizations;
3. Percent of women 21-64 years of age who received one or more Pap tests during the measurement year or during the two years prior to the measurement year;
4. Percent of diabetic patients whose HbA1c levels are less than or equally to nine percent;
5. Percent of adult patients 18 years and older with diagnosed hypertension whose most recent blood pressure was less than 140/90; and
6. Percent of births less than 2,500 grams to health center patients.

The chart below shows the data the CHCs reported for 2008. This establishes a baseline for each of the measures.



NOTE: Because the label for each of the measures is lengthy, the numbers used along the bottom of the chart correspond with the numbered list above.

Quality Care at CHCs as reported by the National Association of Community Health Centers

Nationwide when compared to Medicaid patients treated elsewhere, CHC Medicaid patients are between 11 percent and 22 percent less likely to be hospitalized for avoidable conditions, and are 19 percent less likely to use the emergency room for avoidable conditions. Furthermore Medicaid patients treated at CHCs have lower hospital admission rates, lower lengths of hospital stays, less costly admissions, and lower outpatient and other care costs; saving 30-33 percent in total costs per Medicaid beneficiary. *Source: NACHC, Chart Book 2009*
[http://www.nachc.org/client/documents/Chartbook Update 20091.pdf](http://www.nachc.org/client/documents/Chartbook%20Update%2020091.pdf)

