



## Community Health Centers in Medicaid Expansion States See Improved Financial Stability, Capacity to Serve Patients

### *Health Centers in States That Expanded Medicaid Report Greater Ability to Manage Behavioral Health and Social Needs of Patients*

Community health centers in states that have expanded eligibility for Medicaid under the Affordable Care Act (ACA) report they are more financially stable, more able to provide behavioral health care and social services, and more likely to reward good-quality care through innovative payment policies, compared to community health centers in states that have not expanded Medicaid, a new Commonwealth Fund survey finds.

More than 1,300 Federally Qualified Health Centers (FQHCs) operate across the United States, providing affordable primary care to medically underserved communities, regardless of patients' insurance status or ability to pay. Research shows they save the health system money, in part by reducing the need for people to seek more expensive care in emergency departments, while also serving as a boost to the economy through job creation and the purchase of goods and services.

Key findings from the report, *The Role of Medicaid Expansion in Care Delivery at Community Health Centers*, released today:

- ▶ **Community health centers in Medicaid expansion states experience greater financial stability.** Compared to those in states that did not expand Medicaid, health centers in Medicaid expansion states are significantly more likely to have seen improvements in their financial stability (69% vs. 41%) and in their ability to provide affordable care to patients (76% vs. 52%) since the ACA took effect.
- ▶ **Health centers in Medicaid expansion states are more likely to address patients' behavioral health needs.** These centers are more likely to offer medication-assisted treatment for opioid addiction (44% vs. 25%), provide counseling and other behavioral health services, and coordinate patient care with social service providers in the community.

**EMBARGOED**

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*The Commonwealth Fund is a private, nonprofit foundation supporting independent research on health policy reform and a high-performance health system.*

- ▶ **Health centers in Medicaid expansion states are more likely to participate in “value-based” care.** Health center clinicians in Medicaid expansion states are more likely to be offered financial incentives for achieving quality-of-care targets than their counterparts in nonexpansion states (79% vs. 69%). Health centers in expansion states are also more likely to be recognized as patient-centered medical homes, which can improve health outcomes and reduce disparities in care for low-income populations.
- ▶ **Health centers in states that expanded Medicaid struggle to hire additional behavioral health and social service providers.** While health centers in expansion states are more likely to offer behavioral health and social services to their patients, they are also more likely to report having unfilled positions for mental health professionals (73% vs. 64%) and social service providers (45% vs. 36%). The researchers say this could indicate greater demand for these specialties and an insufficient supply of providers.

## From the experts:

Melinda K. Abrams, study coauthor and Vice President and Director of Health Care Delivery System Reform at the Commonwealth Fund

*“Community health centers are an essential part of the way we deliver primary care in the United States. They also play a critical role in the health care safety net by providing medical care for those with few options. Their success spurs better results across the entire health care system.”*

David Blumenthal, M.D., Commonwealth Fund President

*“The Affordable Care Act not only expanded health insurance coverage but also helped usher in a variety of reforms in the way care is delivered, including through increased funding for community health centers. This report shows that the combination of increased Medicaid revenue and federal funding appears to be helping these centers get better care to more patients.”*

## IMPLICATIONS

Increased Medicaid revenue for health centers in states that expanded Medicaid may help improve the way they deliver care. Any further weakening of the ACA could increase the number of uninsured Americans and decrease health centers’ revenue. If Congress does not renew federal funding for health centers — which is set to expire in September 2019 — their ability to provide high-quality care to patients may be at risk. This could affect the entire U.S. health care system, whose success and efficiency depend on a high-performing safety net.

## HOW WE CONDUCTED THIS STUDY

The Commonwealth Fund 2018 Survey of Federally Qualified Health Centers (FQHCs) was conducted by SSRS from May 16, 2018, through September 30, 2018, among a nationally representative sample of 694 executive directors or clinical directors at FQHCs. The survey sample was drawn from the Uniformed Data System list of all FQHCs in 2016 that have at least one site that is a community-based primary care clinic. All 1,367 FQHCs were sent the questionnaire; 694 responded, yielding a response rate of 51 percent.

## ADDITIONAL PERTINENT RESEARCH

Creating Sustained Improvement in Primary Care Infrastructure Will Require Long-Term Funding and Targeted Investments

Care for Millions at Risk as Community Health Centers Lose Billions in Funding

How Western Kentucky Leveraged Medicaid Expansion to Increase Access to Health Care

5 Reasons Why Community Health Centers Are Becoming Medical Homes

The full report will be available after the embargo lifts at:

<https://www.commonwealthfund.org/publications/issue-briefs/2019/apr/role-medicaid-expansion-care-delivery-FQHCs>