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Health Center Budget Cuts Translate into a Loss of \$15 Billion in Cost Savings
Budget cuts hinder health capacity as demand for care increases

WASHINGTON and NEW YORK - A new policy research brief released today by the Geiger Gibson/RCHN Community Health Foundation Research Collaborative at The George Washington University School of Public Health and Health Services evaluates the consequences of the proposed reductions in federal health center funding for access and cost savings.

The brief, titled “The Health Care Access and Cost Consequences of Reducing Health Center Funding,” estimates that the \$1.3 billion reduction in FY 2011 health center funding approved by the U.S. House of Representatives on February 20, 2011 would translate into a loss of approximately \$15 billion in cost savings. Each dollar withdrawn from health center funding reductions, equates to a loss of \$11.50 in potential savings. Because of their location and emphasis on comprehensive patient centered health care, community health centers have had a positive impact on outcomes, while also reducing costs. Without access to health center services, millions of patients with ongoing health needs are likely to forgo or delay care, and ultimately seek care in more costly settings. Although the spending bill was rejected by the U.S. Senate on March 10, 2011, final measures for health centers are yet to be determined.

“Federal investments in health centers strengthen and expand primary care capacity,” said Peter Shin, Associate Professor in the Department of Health Policy and co-author of the study. “Reducing health center funding not only jeopardizes their ability to expand access to quality care for vulnerable populations, but also reduces their positive impact on racial and ethnic health disparities, birth outcomes, local economies, and federal and state health care costs.”

The analysis builds on prior impact analyses of both the American Recovery and Reinvestment Act (ARRA) and the Affordable Care Act’s (ACA), which substantially expanded the reach of health centers in medically underserved communities. The researchers conclude that the proposed funding cuts would significantly reduce health center capacity, eliminating access for between 10 and 12 million patients. The analysis shows further that the withdrawal of ARRA funds can be expected to lead to immediate service reductions and closures, restricting access for over 3 million patients over the next few months. Additionally, amid concerns over continuing threats to funding, health centers are likely to reconsider planned expansion efforts, leaving them unable to meet increasing demand for care, particularly as coverage is increased.

“The proposed health center funding reductions will cut deep into the heart of the program and our communities,” said Julio Bellber, president and CEO of the RCHN Community Health Foundation.

“Continued and enhanced federal investment is necessary if we are to maintain the positive impact of the health center program in urban and rural communities across the country for over 45 years.”

To access the policy research brief, click here:

http://www.gwumc.edu/sphhs/departments/healthpolicy/dhp_publications/pub_uploads/dhpPublication_B4FD331D-5056-9D20-3DEFF1D54B246805.pdf

About the Geiger Gibson / RCHN Community Health Foundation Research Collaborative

The Geiger Gibson Program in Community Health Policy, established in 2003 and named after human rights and health center pioneers Drs. H. Jack Geiger and Count Gibson, is part of the School of Public Health and Health Services at The George Washington University. It focuses on the history and contributions of health centers and the major policy issues that affect health centers, their communities, and the patients that they serve.

The RCHN Community Health Foundation, founded in October 2005, is a not-for-profit foundation whose mission is to support community health centers through strategic investment, outreach, education, and cutting-edge health policy research. The only foundation in the country dedicated to community health centers, the Foundation builds on health centers’ 40-year commitment to the provision of accessible, high quality, community-based healthcare services for underserved and medically vulnerable populations. The Foundation’s gift to the Geiger Gibson program supports health center research and scholarship.

Additional information about the Research Collaborative can be found online at gwumc.edu/sphhs/departments/healthpolicy/ggprogram or at rchnfoundation.org.

About The George Washington University Medical Center

The George Washington University Medical Center is an internationally recognized interdisciplinary academic health center that has consistently provided high-quality medical care in the Washington, D.C. metropolitan area since 1824. The Medical Center comprises the School of Medicine and Health Sciences, the 11th oldest medical school in the country; the School of Public Health and Health Services, the only such school in the nation’s capital; GW School of Nursing; GW Hospital, and The GW Medical Faculty Associates. For more information on GWUMC, visit www.gwumc.edu.