COMMUNITY HEALTH CENTERS: HAWAIʻI'S PRIMARY HEALTH CARE NETWORK

An Overview of Community Health Centers in Hawaiʻi

Federally Qualified Health Centers (FQHCs), also called Community Health Centers (CHCs) , are a critically important part of the nation's health care system. Hawaiʻi's 13 community health centers (on five islands) cared for 107,139 people in 2007. A 14th community health center opened on Lānaʻi in August, 2008.

The Community Health Center Model

Corporate Structure:

- CHCs are non-profit corporations, a structure which supports long-term provider and program sustainability.
- A majority of their board members are patients or clients of their CHC.
- CHCs exist only in federally-designated underserved areas, where there is a shortage of appropriate providers.

Access:

- CHCs serve all patients without regard to their insurance status or ability to pay.
- They specialize in helping people overcome barriers to health care. Such barriers may be linguistic and cultural, educational, geographic, or economic.
- Most have extended hours to provide evening and weekend access.

Services:

- Mandated services are primary medical, mental health, and dental services. For CHCs, primary care includes active health management.
- Many provide in-patient care, including labor and delivery.
- Can provide discounted prescription drugs under the federal 340B program.
- Provide "enabling" services to overcome barriers. These include: language interpretation and a culturally competent approach, outreach, follow-up, transportation, assistance with Med-QUEST and other public benefit applications, counseling, education, referral management and after-hours access.
- Most offer additional programs, such as WIC nutrition, optometry, and wellness services related to their communities.

Delivery Model:

- CHCs use a team of professionals that includes physicians, dentists, psychologists, nurse practitioners, physician assistants, social workers, dentists, substance abuse counselors, outreach workers, health educators, and others, working in concert for the benefit of each patient.
- Almost all CHCs have advanced electronic medical records and billing systems to improve clinical care, reduce duplication and better manage their business systems.
- CHCs are leaders in embracing quality improvement systems and encouraging patients to be active participants in improving their own health and reducing health issues that stem from socio-economic disparities.

CHCs and the Patient-Centered Health Care Home. The "Patient-Centered Medical Home" (PCMH) concept is now being widely endorsed as the best way to improve health care and reduce costs. Community Health Centers in Hawai'i are embracing this Patient-Centered approach, which we refer to as the "Health Care" rather than the "Medical" home, in recognition of the broader range of services provided by CHCs. The hallmarks of the Health Care Home are:

- There is a continuous relationship between the patient and his/her primary care provider.
- The practice has a whole person orientation.
- Care is integrated and coordinated.
- Quality and safety are of central importance. Ideally, an EHR and other technology are employed to support clinical decision making, measure performance, provide patient education, and enhance communication between providers and patients.
- Enhanced access is available; including evening and weekend hours and more provider availability.
- Payment for services reflects the added value of the PCMH and the importance of activities not confined to the typical patient visit.

Studies show that the Health Care Home approach leads to better clinical outcomes and saves money because the sustained relationship between provider and patient results in:

- Better recognition of health problems (specialists tend to see the things they're looking for and order a lot of tests related to those conditions).
- More accurate and earlier diagnoses due to regular communication between patient and provider.
- More appointments kept and increased adherence to treatment regimens.
- Less emergency room use.
- Fewer hospitalizations.
- More complete preventive services.
- Better health status monitoring.
- Decreased need for prescription drugs.

People Served by FQHCs in Hawai'i

FQHCs serve 8% of the total state population but a very large percentage of the underserved, including 55% of all residents who are below poverty, 39% of the uninsured, and 21% of all Med-QUEST enrollees. FQHCs also took care of 11,558 homeless people over the course of 2007, while the state's point-in-time count of homeless individuals was 6,061.

Of FQHC patients in 2007:

- 72% were below poverty;
- 29% were uninsured;
- 40% were covered by Med-QUEST;
- 27% were Native Hawaiian;
- 12% were Pacific Islanders;
- 16% required language interpretation service..

Community Health Center Growth Trends

Hawai'i's FQHCs' growth between 2001 and 2007 has been significant. Some of the highlights include:

- 44% more Community Health Center Entities.

- 59% more patients served overall
  - 97% growth on Neighbor Islands
  - 40% growth on O‘ahu
- 150% increase in dental clients
  - 2480% growth on Neighbor Islands
  - 74% growth on O‘ahu
- 281% increase in mental health clients
  - 652% growth on Neighbor Islands
  - 221% growth on O‘ahu

Other growth trends include:
- 102% increase in clients living in poverty
- 80% increase in Med-QUEST clients
- 264% increase in homeless clients
- 154% increase in Pacific Islander clients

On the other end of the spectrum, CHCs also show strong growth in reaching out to populations not usually considered underserved:
- 130% increase in patients with private insurance
  - 144% growth on Neighbor Islands
  - 116% growth on O‘ahu
- 69% increase in patients with Medicare
  - 77% growth on Neighbor Islands
  - 69% growth on O‘ahu
- 195% increase in clients above 200% of poverty
  - 238% growth on Neighbor Islands
  - 195% growth on O‘ahu

Community health centers continue to add sites and services. Some of the recently completed or planned new sites and services for CHCs include:
- Hawai‘i County:
  - New sites: Kapa‘au, Pahoa, Kealakekua.
  - New dental services: Honoka‘a, Ka‘u, Kealakekua.
  - New OB-GYN services: Pahoa.
  - Expanded mental health services: Kea‘au, Pahoa, Ka‘u.
- Maui County:
  - New sites: Wailuku, Lana‘i City, Kaunakakai.
  - New dental services: Wailuku, Lana‘i City.
- Honolulu County:
  - New sites: Hau’ula, Wai‘anae, Chinatown, Kalihi Valley, Kapahulu.
  - New dental services: Kahuku, Waimanalo, Kalihi Valley.
  - New pharmacy services: Kalihi/Chinatown.

Charts detailing CHC growth trends are attached.

Community Benefits

Services. The most obvious benefit of having a CHC is health care in underserved communities. Hawai‘i’s rural areas are increasingly becoming “underserved” as private practice clinicians find it economically challenging to maintain their practices. Fortunately, FQHCs are already well placed to grow in those areas and

provide comprehensive primary care to all members of the community. There are other, less obvious benefits to having a CHC in the neighborhood.

System Cost Savings.* Community Health Centers save Hawai'i's health care system millions of dollars every year. The CHC model emphasizes prevention, comprehensive primary care, and integration of services, all of which result in healthier people and a savings to the health care system as a whole. Savings are due to reducing referrals to specialists, duplicate diagnostic tests, emergency room use, and the need for hospital admissions.

A study prepared by the Robert Graham Center using Medical Expenditure Panel Survey (MEPS) data for 2004 shows that, nationally, CHCs save an average of $1,810 per patient per year when compared to the private practice system. Savings are greatest for poor, non-elderly adults who are most likely to start showing the effects of chronic conditions and who are the most likely in our society to be uninsured. The following table shows the Graham Center findings and their extrapolation to Hawai'i CHCs, based on 2007 patient usage.

		Mean Total Medical Expenditures			Cost Savings Extrapolated to HI	
		Non-CHC	CHC	Difference	HI CHC Patients	Savings
Poverty:	**Not Poor**	$4,292	$2,429	$1,863	16,087	**$29,970,081**
	Poor	$5,060	$2,858	$2,202	74,600	**$164,269,200**
Insurance:	**Medicaid**	$3,128	$2,132	$ 996	43,122	**$42,949,512**
	No Insurance	$2,138	$1,216	$ 922	31,557	**$29,095,554**
	Private Insurance	$3,370	$1,456	$1,914	24,364	**$46,632,696**
Age:	**0-17**	$1,416	$1,217	$ 199	30,764	**$6,122,036**
	18-34	$2,753	$ 954	$1,799	28,872	**$51,940,728**
	35-64	$5,130	$3,108	$2,022	39,002	**$78,862,044**

**See attached detail for savings by county.*

Economic Engines.* Community Health Centers are essential to their communities, not just as health care providers but because they attract funding, provide jobs and opportunities for advancement. Because of the availability of health care and jobs, they help make their communities more livable and more sustainable.

- About 40% of the funding that supports Community Health Centers came from federal grants and payments for public insurance (Medicaid and Medicare) in 2007.
- Collectively, health centers in Hawai'i spent $93.5 million in 2007 with an economic ripple effect of double that amount.
- CHCs employed 1,124 people and supported a further 1,900 jobs.
- The economic contributions of health centers are especially important in rural communities where, in 2007, CHCs were responsible for $135 million in economic activity and 1,387 jobs..

Community Health Centers also contribute by attracting and retaining clinicians. In 2007, 172.22 FTE clinicians were employed by FQHCs in the following categories:

- 84.55 FTE physicians
- 36.83 FTE nurse practitioners, nurse midwives, and physician assistants
- 20.22 FTE dentists
- 4.40 FTE dental hygienists
- 26.22 FTE mental health clinicians.

**See attached detail, "Community Health Centers as Economic Engines."*

Workforce Development.

- Physician Training. Wai'anae Coast Comprehensive Health Center (WCCHC) is pioneering a new medical education initiative with A.T. Still University's new osteopathic medical school in Arizona. The school is dedicated to training future doctors who will go into primary care and treat those living in underserved communities. The Health Center is one of eleven "Hub Sites" around the country where the medical students will learn. Students' first year of medical school is spent at ATSU in Arizona. Years two, three and four will be at the hub sites so the medical students will learn and train with community health center doctors and staff, while taking care of members of the community who they will serve in the future. In September 2008, WCCHC welcomed ten second-year ATSU students and is working with other CHCs to provide training opportunities as well. To learn more about A.T. Still University, go to www.atsu.edu.
- Dentist Training. Kokua Kalihi Valley (KKV) leads the way in dental professional training. KKV brought Lutheran Medical Center's (Brooklyn, NY) accredited general dentistry residency program to Hawaii in July 2002. Under the supervision of Dr. Sam Ishimura, the program is expanding to a number of CHC sites. Between 2002 and 2008, 27 dental residents completed the training and 11 remained in Hawaii and are employed by CHCs. The program is working to add a 2-year pediatric specialty residency.
- Other Health Professions Training. CHCs routinely participate in training students from local universities in medicine, nursing, social work, and psychology. CHCs also provide exemplary settings for medical residency rotations. Many CHCs participate in medical assistant, community health worker, and other clinical support training programs.
- Management Training. The Hawai'i Primary Care Association (HPCA) provides targeted training for staff from CHCs and Native Hawaiian Health Care Systems on management basics. Most of this program's participants are staff who have been promoted to supervisory roles but have little formal training for their new responsibilities. HPCA also supports training and technical assistance for CHC staff through peer networks, workshops, conferences, and on-site technical assistance.

FQHC Advantages

- **Federal Funding**. FQHCs get on-going grants from the federal Bureau of Primary Health Care (Health Resources & Services Administration, DHHS), ranging from several hundred thousand to over one million dollars. These federal grants, often referred to as Section 330 grants, are for operating subsidies. Periodically, FQHCs are able to apply for expanded 330 funding for special populations, new sites, or additional services, such as dental, mental health, or pharmacy services. FQHCs may also apply for Health IT or other kinds of network grants.
- **Tort Claims Coverage**. FQHCs don't have to purchase significant medical malpractice insurance policies because their providers are covered under the Federal Tort Claims Act (FTCA), which provides their defense and any compensation in the event of a claim against an FQHC. FTCA coverage is available for all primary care and related clinical services, such as labor and delivery and inpatient coverage.
- **Enhanced Public Insurance Reimbursement**.
  - **Medicaid (QUEST)**. FQHCs are paid on a prospective payment system (PPS) basis for Med-QUEST services. Each FQHC has a unique PPS rate based on its overall costs, which is adjusted annually in accordance with the Medicare Economic Index. Other rate adjustments are made when an FQHC adds, subtracts, or changes a service or location that results in a substantial change in cost.
  - **Medicare**. FQHCs are paid a per visit rate based on cost, which is capped at about $115 for urban FQHCs and $100 for rural centers.
- **340B Prescription Drugs**. FQHCs are entitled to purchase and provide prescription drugs for their patients at substantial discounts, established under the federal 340B Federal Drug Pricing Program.

- **National Health Service Corps (NHSC)**. This federal Health Resources and Services Administration Program provides loan repayments for physicians, dentists, nurse practitioners, physician assistants and other health professionals who then work in federally designated Health Professional Shortage Areas (HPSA). Every FQHC is automatically a HPSA although the availability of loan repayment opportunities varies for Hawai'i's health centers. Funding for loan repayment is prioritized to FQHCs in the most isolated and underserved places. Unfortunately, the national ranking system doesn't take into consideration some of the more prominent economic and cultural aspects of Hawai'i so many of Hawai'i's FQHCs are not in the top priority ranks and so find that NHSC resources are not available when NHSC has funding shortfalls. The NHSC also has a modest budget that provides scholarships to students of the health professions who then have an obligation to serve in a HPSA for specified number of years.
- **State Funding**.
  - **General Funds**. FQHCs have long benefited from state subsidies and purchase-of-service contracts. Currently, FQHCs receive about $3.3 million to care for the uninsured, $1.5 million for emergency services in Wai'anae, $1.1 million as an operating subsidy in Hana, and assorted other contracts to provide family planning, perinatal care, WIC nutrition, and care for immigrants. Over the years, legislative grants-in-aid have also contributed to health center projects, especially for those related to facility needs.
  - **Cigarette Tax Receipts.** In 2006, the legislature imposed a new cigarette tax and designated some of the revenue for FQHCs. Beginning in September 2008, a portion of these tax receipts were deposited to the FQHC special fund, and the money will be available for the health centers in FY 2010. The cigarette tax funds were intended to support the growth and stability of FQHCs and pay for capital and infrastructure not otherwise available through state contracts.
- **AlohaCare.** The nonprofit Medicaid and Medicare health plan AlohaCare is another significant contributor to the stability and growth of FQHCs in Hawaii. AlohaCare was founded by Community Health Centers in Hawai'i in 1994 in response to the advent of the QUEST Medicaid managed care program and the State's waiver of its obligation to provide cost-based reimbursement for FQHCs. AlohaCare benefits FQHCs by providing leverage in Med-QUEST plan negotiations and helping the health centers develop managed care expertise. AlohaCare has also provided millions of dollars in grants and loans to FQHCs to expand capacity, focus on quality improvement, and provide more cultural /linguistic support services and transportation to improve access. A majority of AlohaCare's board continues to be representatives of Hawai'i's CHCs .

Future Roles

In 2007, FQHCs were serving 60% more people than in 2001 with the most rapid increases on Neighbor Islands. At the same time we recognize a need for much greater expansion due to decreasing access to medical, dental, and mental health services in both the private and public sectors across the state. Major challenges to CHC growth have been:

- Access to capital for facility expansion;
- Workforce availability at all levels from clinical professionals to support staff;
- Operating support for service expansion and to ensure excellence in clinical and business systems .

Fortunately, the **American Recovery and Reinvestment Act of 2009** includes a number of provisions that improve health care quality and access, many of which directly support FQHC expansion:

- $1.5 billion for FQHC infrastructure (construction, renovation, IT, equipment).
- $500 million for FQHC operating support.
- $500 million for workforce funding, including loan repayment through the National Health Service Corps.
- Increased funding to states for Medicaid federal matching (FMAP).

- Federal match for increased SCHIP eligibility including federal match for immigrant children and pregnant women. SCHIP also funds additional outreach/eligibility assistance with 100% federal funds.
- Medicaid and Medicare incentives and support for HIT.
- $1.1 billion for research into health care quality and effective delivery systems.

It is unknown at this time, how much additional federal money may become available to FQHCs through direct funding.

Where are Community Health Centers in Hawai‘i?

Hawai‘i Island:	**Bay Clinic, Hāmākua Health Center, and West Hawai‘i Community Health Center serve Hilo, Kea‘au, Puna, Ka‘ū, Honoka‘a, North Kohala, and Kailua, Kona.**
Maui:	**Community Clinic of Maui and Hāna Community Health Center serve Kahului, Wailuku, Lāhaina, and Hāna.**
Moloka‘i:	**Moloka‘i ‘Ohana Health Care serves the island of Moloka‘i.**
Lāna‘i:	**Lāna‘i Community Health Center serves all of Lāna‘i.**
O‘ahu:	**Kalihi-Pālama Health Center, Kōkua Kalihi Valley, Ko‘olauloa Community Health & Wellness Center, Wai‘anae Coast Comprehensive Health Center, Waikīkī Health Center, Waimānalo Health Center serve Waimānalo, urban Honolulu, Waipahu, Kapolei, the Wai‘anae coast, and the North Shore.**
Kaua‘i:	**Ho‘ōla Lāhui Hawai‘i (Kaua‘i Community Health Center) serves all of Kaua‘i.**

The Hawai'i Primary Care Association (HPCA) is a nonprofit organization, funded in part by the Bureau of Primary Health Care. Our mission is to improve the health of communities in need by advocating for, expanding access to, and sustaining high quality care through our statewide network of Community Health Centers.

Among the activities of the HPCA are training, technical assistance, and peer networking; telehealth and health care technology; and health center workforce training. HPCA serves as an advocate for Community Health Centers and the underserved, and is the administrative home of Hawai‘i Covering Kids.

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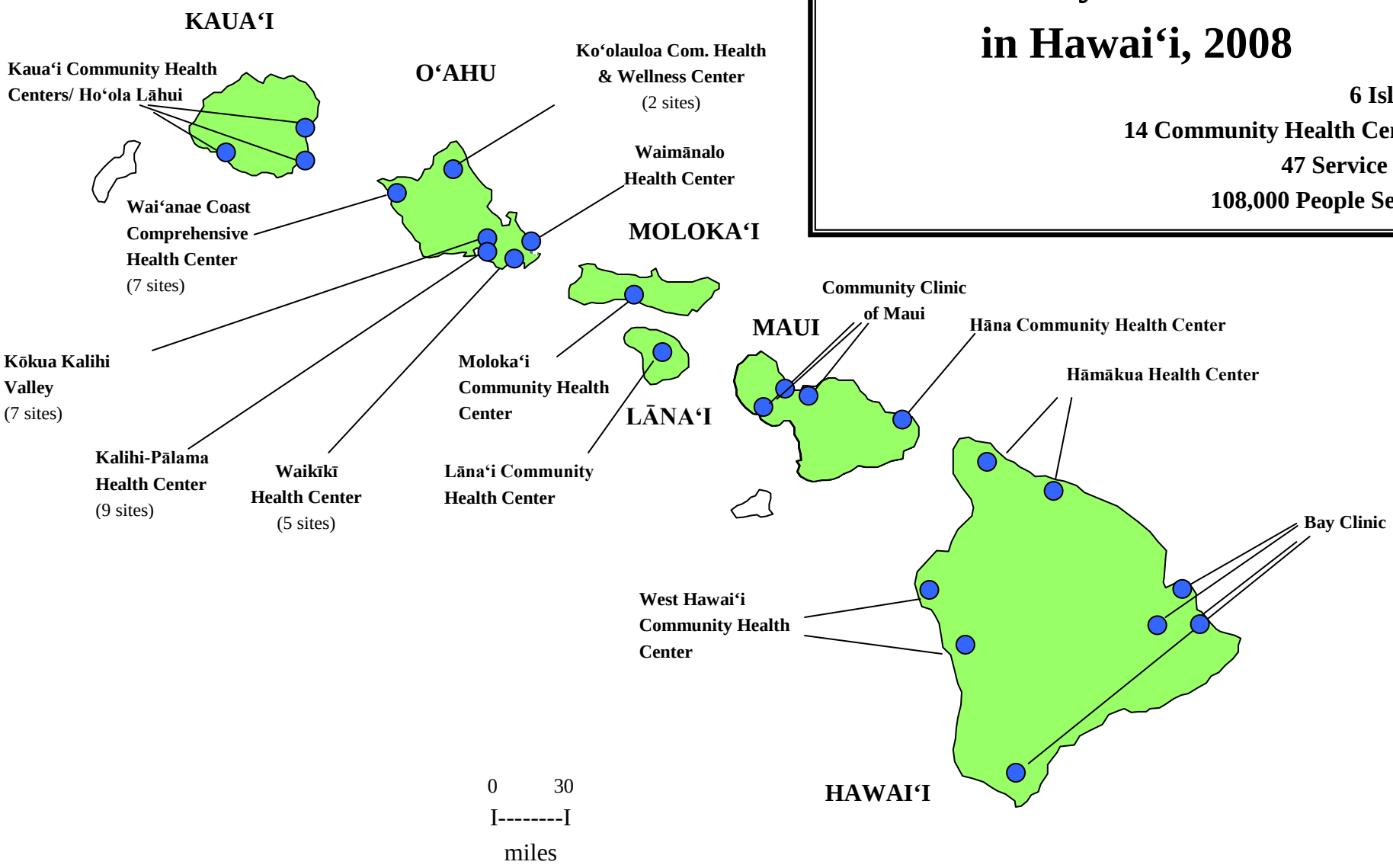
Community Health Centers in Hawai‘i, 2008

6 Islands
14 Community Health Centers
47 Service Sites
108,000 People Served



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Comparison of State of Hawaii Population and People Served by Community Health Centers

State of Hawaii: Population Estimates	State of Hawai'i	
Total Population (2006 est.)	1,285,498	100%
Population below 100% of poverty (2006 US Census Est.)	140,420	11%
Medically uninsured adults (2006 Kaiser Foundation based on 10% of adult pop.)	80,600	6%
Dentally un/under-insured*	455,899	35%
Population w/MedQUEST coverage (12/2007)	202,980	16%
Population with Medicare coverage (2007)	188,856	15%
Limited English Speakers (2000 census)	143,461	11%
Native Hawaiian Population (2000 census)	265,320	21%
Estimated Homeless Population (Public Housing Point in Time survey 2007)	6,061	0%
Failed to see MD because of cost (2007 BRFSS)	51,923	4%
Have no Personal Physician (2007 BRFSS)	94,642	7%
Last MD visit 2 or more years ago (2007 BRFSS)	154,508	12%
Poor Mental Health at least 7 days in past 30 (2007 BRFSS)	105,246	8%

Community Health Center Patients (per Federal Reports for CY 2007)	CHC Patients	
All CHC Patients	107,139	100%
Patients below 100% of poverty:	76,819	72%
Uninsured Patients	31,600	29%
MedQUEST Patients	43,122	40%
Medicare Patients	8,053	8%
Privately Insured Patients	24,364	23%
Patients with Interpreter Needs	17,166	16%
Native Hawaiian Patients	29,380	27%
Homeless Patients	11,558	11%
Patients who Received Medical Care	88,520	83%
Patients who Received Dental Care	19,879	19%
Patients who Received Mental Health Care	5,798	5%
Patients with Chronic Medical Diagnoses*	21,807	20%
Perinatal Patients	2,508	2%

* HIV, Asthma, Bronchitis & Emphysema, Diabetes, Heart Disease, Hypertension.

CHC Patients as a Percent of State Total	
% of total pop. served by CHCs	8%
% of pop. < 100% of poverty served by CHCs	55%
% of medically uninsured served by CHCs	39%
% of dentally underserved by CHCs^	4%
% of MedQUEST enrollees served by CHCs	21%
% of Medicare enrollees served by CHCs	4%
% of pop. with interpreter needs served by CHCs	12%
% of Native Hawaiian pop. served by CHCs	11%
% of homeless pop. served by CHCs	191%

^ Dentally under/uninsured estimate by HPCA includes 100% of Med-QUEST Enrollees, 100% of adults with no medical insurance, 1/2 of Medicare enrollees, and 1/8 of privately insured individuals.

Hawai'i Community Health Center Growth Trends, 2001 - 2007

Growth in Number of Health Centers and in Patients by Service Type

	Number of Community Health Centers	All CHC Patients	Patients Who Got Medical Care	Patients Who Got Dental Care	Patients Who Got Mental Health Care	Patients Who Got Enabling Services
Neighbor Islands						
2001	4	22,377	22,166	250	213	87
2007	7	43,987	38,601	6,451	1,602	1,892
Growth Rate	75%	97%	74%	2480%	652%	2075%
O'ahu						
2001	5	45,099	35,883	7,709	1,308	10,155
2007	6	63,152	49,919	13,428	4,196	17,260
Growth Rate	20%	40%	39%	74%	221%	70%
TOTAL						
2001	9	67,476	58,049	7,959	1,521	10,242
2007	13	107,139	88,520	19,879	5,798	19,152
Growth Rate	44%	59%	52%	150%	281%	87%

Growth in Underserved Populations Using Community Health Centers

Growth in Other Clients Using Community Health Centers

	Uninsured	Medicaid/ QUEST	Homeless	Need Language Assistance	Native Hawaiian	Pacific Islander	< 100% Poverty	Private Insurance	Medicare	Above 200% of Poverty
Neighbor Islands										
2001	8,193	5,864	363	3,929	4,290	1,411	11,695	5,812	3,490	3,033
2007	13,111	14,204	1,076	6,694	10,849	2,414	27,393	14,200	6,172	10,251
Growth Rate	60%	142%	196%	70%	153%	71%	134%	144%	77%	238%
O'ahu										
2001	14,873	18,150	2,809	7,977	14,127	3,844	26,328	5,909	2,164	2,747
2007	18,489	28,918	10,482	10,472	18,531	10,958	49,426	12,739	3,652	8,117
Growth Rate	24%	59%	273%	31%	31%	185%	88%	116%	69%	195%
TOTAL										
2001	23,066	24,014	3,172	11,906	18,417	5,255	38,023	11,721	5,654	5,780
2007	31,600	43,122	11,558	17,166	29,380	13,372	76,819	26,939	9,824	18,368
Growth Rate	37%	80%	264%	44%	60%	154%	102%	130%	74%	218%

Estimated Community Health Center Cost Savings

Data prepared by the Robert Graham Center using Medical Expenditure Panel Survey (MEPS) data for 2004.

Study Data applied to Hawai'i.

	Mean Total Medical Expenditures Non-CHC	CHC	Difference	Cost Savings Applied to HI	2007 CHC Data	Statewide
Poverty						
Not Poor	$ 4,292	$ 2,429	**$ 1,863**	**$ 29,970,081**	16,087	at or above 200% FPL
Poor	$ 5,060	$ 2,858	**$ 2,202**	**$ 164,269,200**	74,600	at or below 100% FPL
Insurance						
Medicaid	$ 3,128	$ 2,132	**$ 996**	**$ 42,949,512**	43,122	Med-QUEST enrollees
No Insurance	$ 2,138	$ 1,216	**$ 922**	**$ 29,095,554**	31,557	uninsured
Private Insurance	$ 3,370	$ 1,456	**$ 1,914**	**$ 46,632,696**	24,364	privately insured
Age						
0 - 17	$ 1,416	$ 1,217	**$ 199**	**$ 6,122,036**	30,764	aged 0 - 17
18 - 34	$ 2,753	$ 954	**$ 1,799**	**$ 51,940,728**	28,872	aged 18 - 34
35 - 64	$ 5,130	$ 3,108	**$ 2,022**	**$ 78,862,044**	39,002	aged 35 - 64

	Mean Total Medical Expenditures Non-CHC	CHC	Difference	Cost Savings Applied to HI	2007 CHC Data	Hawai'i County
Poverty						
Not Poor	$ 4,292	$ 2,429	**$ 1,863**	**$ 11,198,493**	6,011	at or above 200% FPL
Poor	$ 5,060	$ 2,858	**$ 2,202**	**$ 35,194,566**	15,983	at or below 100% FPL
Insurance						
Medicaid	$ 3,128	$ 2,132	**$ 996**	**$ 9,149,256**	9,186	Med-QUEST enrollees
No Insurance	$ 2,138	$ 1,216	**$ 922**	**$ 5,511,716**	5,978	uninsured
Private Insurance	$ 3,370	$ 1,456	**$ 1,914**	**$ 15,601,014**	8,151	privately insured

	Mean Total Medical Expenditures Non-CHC	CHC	Difference	Cost Savings Applied to HI	2007 CHC Data	Maui County
Poverty						
Not Poor	$ 4,292	$ 2,429	**$ 1,863**	**$ 2,108,916**	1,132	at or above 200% FPL
Poor	$ 5,060	$ 2,858	**$ 2,202**	**$ 16,501,788**	7,494	at or below 100% FPL
Insurance						
Medicaid	$ 3,128	$ 2,132	**$ 996**	**$ 3,222,060**	3,235	Med-QUEST enrollees
No Insurance	$ 2,138	$ 1,216	**$ 922**	**$ 4,466,168**	4,844	uninsured
Private Insurance	$ 3,370	$ 1,456	**$ 1,914**	**$ 4,869,216**	2,544	privately insured

	Mean Total Medical Expenditures Non-CHC	CHC	Difference	Cost Savings Applied to HI	2007 CHC Data	Kaua'i County
Poverty						
Not Poor	$ 4,292	$ 2,429	**$ 1,863**	**$ 2,051,163**	1,101	at or above 200% FPL
Poor	$ 5,060	$ 2,858	**$ 2,202**	**$ 8,623,032**	3,916	at or below 100% FPL
Insurance						
Medicaid	$ 3,128	$ 2,132	**$ 996**	**$ 1,775,868**	1,783	Med-QUEST enrollees
No Insurance	$ 2,138	$ 1,216	**$ 922**	**$ 2,360,320**	2,560	uninsured
Private Insurance	$ 3,370	$ 1,456	**$ 1,914**	**$ 2,867,172**	1,498	privately insured

	Mean Total Medical Expenditures Non-CHC	CHC	Difference	Cost Savings Applied to HI	2007 CHC Data	Honolulu County
Poverty						
Not Poor	$ 4,292	$ 2,429	**$ 1,863**	**$ 14,611,509**	7,843	at or above 200% FPL
Poor	$ 5,060	$ 2,858	**$ 2,202**	**$ 107,913,414**	49,007	at or below 100% FPL
Insurance						
Medicaid	$ 3,128	$ 2,132	**$ 996**	**$ 28,802,328**	28,918	Med-QUEST enrollees
No Insurance	$ 2,138	$ 1,216	**$ 922**	**$ 16,757,350**	18,175	uninsured
Private Insurance	$ 3,370	$ 1,456	**$ 1,914**	**$ 23,295,294**	12,171	privately insured

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Community Health Centers as Economic Engines

Community health centers (CHCs) are well known as much-needed health care providers but not so widely recognized as economic engines for the low-income communities they serve, typically geographic areas most in need of such help. Forty-two years ago, when community health centers were first established by the federal government, their authorization was through the Office of Economic Opportunity. While they are now programs under the Department of Health, Human Services & Education, their origins remind us that health and economic factors are closely linked.

Attracting Funds into Underserved Communities

As nonprofit organizations, Community Health Centers annually attract substantial funds to their communities. Federal funding, amounting to more than **$37 million**, comes from grants and reimbursements for care from the federally funded portion of Medicaid and the Medicare program. Private donors and foundations contributed more than **$6 million** to CHCs in 2007. Other funds that health centers secure for their communities include private insurance reimbursements and state and local subsidies.

Skills and Jobs

Community health centers are community-owned economic assets. The majority of their board members are clients of CHC services and, through service to the CHC, develop skills to plan for and meet community health needs. The centers are important employers – often the largest – in their communities and offer entry-level jobs and career paths to people who often would otherwise have few job options. CHCs prize community, language, and cultural competencies among staff, attributes that may not be highly valued by other employers. Besides on-the-job training, community health centers pay for formal employment-enhancing education, including certificate and degree programs and those that earn continuing education credits. **CHCs are prime training sites for health care trainees such as dental and medical assistants, social workers, nurses, medical students and residents, psychologists, dentists, and students of business administration.**

Livable Communities

CHCs contribute to the livability of their communities. Because they offer an array of accessible personal health care, even people with chronic conditions can be comfortable moving to or remaining in a community that has a CHC. **The selection of services at CHCs is surprisingly comprehensive and may include WIC nutrition, exercise classes, substance abuse counseling, perinatal care, prescription drugs, mental health services, and dental care.** Of course the availability of skilled and unskilled jobs –without a long commute - is a major attraction.

Economic Multipliers

Although they operate on thin margins, CHCs are stable and resilient nonprofit businesses that develop and reinvest financial resources in their communities. From a macroeconomic perspective, dollars spent by CHCs have a greater impact when viewed in the context of the additional output and jobs they stimulate in other industries. Economists describe and measure aggregate economic impact of investments in an economy by computing and applying area and industry-specific "multipliers."

Multiplier effects vary depending on the industry and the geographic area in which funds are expended, and are calculated and reported by the U.S. Department of Commerce through the Regional Input-Output Modeling System (RIMS II).

Economic multipliers for health care activity are high in comparison to other industries, making dollars spent by CHCs among the most productive in supporting the local economy. The following charts show direct and expanded activities of CHCs by island for 2007:

	Users of Service	Direct Output (costs)	Direct Employment (FTEs)	Expanded Output	Expanded Jobs (FTEs) Supported
Island of Hawai'i	26,248	$15.2 million	163.58	$30.19 million	309.93
Maui	9,597	$7.4 million	82.54	$14.7 million	150.74
Moloka'i	1,627	$1.9 million	16.63	$3.7 million	38.44
Kaua'i	6,515	$6.4 million	69.58	$12.7 million	130.18
O'ahu	63,152	$62.7 million	791.19	$124.8 million	1,281.66
TOTAL	**107,139**	**$93.5 million**	**1,123.52**	**$186.1 million**	**1,910.96**
Total Rural	77,037	$67.9 million	752.49	$135.2 million	1,387.66
Total Urban	30,102	$25.6 million	371.03	$51.0 million	523.30

The RIMS II Expanded Output Factor is 1.9328; the Expanded Jobs Factor is cost/1,000,000 x 23.8489.

The following chart shows financial resources CHCs garnered in 2007:

	Federal Funds Incl. grants, Medicare & Federal Share of Medicaid	State & Local Funds Incl. State Share of Medicaid	Private Insurance Payments	Foundations & Fundraising
Island of Hawai'i	$6.3 million	$3.7 million	$2.1 million	$0.5 million
Maui	$3.0 million	$3.0 million	$0.5 million	$0.5 million
Moloka'i	$0.9 million	$0.2 million	$0.2 million	$0.1 million
Kaua'i	$4.2million	$0.7 million	$0.6 million	$0.1 million
O'ahu	$22.8 million	$18.5 million	$4.0 million	$4.9 million
TOTAL	**$37.2 million**	**$26.1 million**	**$7.3million**	**$6.1 million**
Total Rural	$27.4 million	$17.3 million	$6.4 million	$3.1 million
Total Urban	$9.8 million	$8.8 million	$0.9 million	$3.0 million

Community health centers in Hawai'i have grown to meet expanding needs over the past five years and have brought economic benefits with their expansion. Compare the direct and expanded output and jobs for 2000 and 2007:

	Direct Output (Costs)		Direct Employment		Expanded Output		Expanded Jobs	
	2000	2007	2000	2007	2000	2007	2000	2007
Island of Hawai'i	$5.4 mil.	$15.2 mil.	74.0	163.58	$10.5 mil.	$30.2 mil.	129.8	309.9
Maui	$4.6 mil.	$7.4 mil.	57.2	82.54	$9.0 mil.	$14.7 mil.	110.6	150.7
Moloka'i	-	$1.9 mil.	-	16.63	-	$3.7 mil.	-	38.4
Kaua'i	-	$6.4 mil.	-	69.58	-	$12.7 mil.	-	130.2
O'ahu	$33.6 mil.	$62.7 mil.	514.6	791.19	$65.0 mil.	$124.8 mil.	802.0	1,281.7
TOTAL	**$43.7 mil**	**$93.5 mil.**	**645.8**	**1,123.52**	**$84.5 mil.**	**$186.1 mil.**	**1,042.4**	**1,911.0**
Total Rural	$30.4 mil.	$67.9 mil.	435.4	752.49	$58.8 mil.	$135.1 mil.	725.2	1,388.0
Total Urban	$13.3 mil.	$25.6 mil.	210.4	371.03	$25.7 mil.	$51.0 mil.	317.2	523.3

Health centers included in this study are Bay Clinic, Hāmākua Health Center, Community Clinic of Maui, Hāna Community Health Center, Moloka'i Community Health Center, Ho'ōla Lāhui Hawai'i/Kaua'i Community Health Center, Kalihi-Pālama Health Center, Kōkua Kalihi Valley, Ko'olauloa Community Health & Wellness Center, Wai'anae Coast Comprehensive Health Center, Waikīkī Health Center, Waimānalo Health Center, and West Hawai'i Community Health Center.

Community Health Centers in Hawai'i
Clinical Staffing, 2007

The Community Health Center workforce includes an impressive number and variety of health care providers, as follows:

	Family & General Practice MDS	Internists	OB-GYNs	Pediatricians	Psychiatrists	Other Specialists	Total MDs	PAs, NPs, Midwives	Dentists	Hygienists	Licensed Mental Health Clinicians	Total Clinical Staff
Island of Hawai'i (Bay Clinic, Hamakua Health Center, West Hawai'i CHC)	13.20	1.80	-	0.93	-	-	15.93	7.82	3.50	-	3.05	30.30
Island of Maui (Community Clinic of Maui, Hana Health)	2.30	2.60	2.00	1.32	0.06	-	8.28	1.71	0.42	-	4.41	14.82
Island of Moloka'i (Moloka'i 'Ohana Health Care)	1.60	-	-	-	-	-	1.60	-	0.75	0.87	1.00	4.22
Island of Kaua'i (Ho'ola Lahui Hawai'i)	1.00	2.50	-	-	-	-	3.50	0.50	3.60	0.50	1.50	9.60
Island of O'ahu (Kalihi-Palama Health Center, Kokua Kalihi Valley, Ko'olauloa Com. Health & Wellness Ctr., Wai'anae Coast Comp. Health Ctr., Waikiki Health Center, Waimanalo Health Center)	18.38	12.58	1.77	7.62	7.20	7.69	55.24	26.80	11.95	3.03	16.26	113.28
TOTAL	**36.48**	**19.48**	**3.77**	**9.87**	**7.26**	**7.69**	**84.55**	**36.83**	**20.22**	**4.40**	**26.22**	**172.22**

CHCs in Rural Areas*	Family & General Practice MDS	Internists	OB-GYNs	Pediatricians	Psychiatrists	Other Specialists	Total MDs	PAs, NPs, Midwives	Dentists	Hygienists	Licensed Mental Health Clinicians	Total Clinical Staff
TOTAL	**32.95**	**10.09**	**2.54**	**7.54**	**1.88**	**7.26**	**62.26**	**23.31**	**12.23**	**2.31**	**17.88**	**95.70**

* Bay Clinic, Hamakua Health Center, Community Clinic of Maui, Hana Health, Ko'olauloa Com. Health & Wellness Center, Moloka'i 'Ohana Health Care, Wai'anae Coast Comprehensive Health Center, Waimanalo Health Center, Ho'ola Lahui Hawai'i/Kaua'i Community Health Center, West Hawai'i Community Health Center.

CHCs in Urban Areas*	Family & General Practice MDS	Internists	OB-GYNs	Pediatricians	Psychiatrists	Other Specialists	Total MDs	PAs, NPs, Midwives	Dentists	Hygienists	Licensed Mental Health Clinicians	Total Clinical Staff
TOTAL	**3.53**	**9.39**	**1.23**	**2.33**	**5.38**	**0.43**	**22.29**	**13.52**	**7.99**	**2.09**	**8.34**	**76.52**

* Kalihi-Palama Health Center, Kokua Kalihi Valley, Waikiki Health Center.

Training Opportunities

Community health centers also contribute to the economy and availability of jobs in their communities by providing training opportunities. Among them are residency placements for pediatricians, OB-GYNs, psychologists, nurse practitioners, dentists, social workers, community health workers, and others.

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