

Colorado Community Health Centers

Strengthening Colorado's Health
and the Economy



Colorado Community Health Centers Contribute to the State's Overall Health and the Economy

In 2014, Colorado Community Health Centers (CHCs):

- Strengthened Colorado's economy by contributing about \$782 million in economic activity; including \$456 million in operating expenditures in local economies, and additional economic activity totaling \$326 million.
- Directly generated 4,410 full-time jobs and supported an additional 2,306 jobs in other businesses.
- Contributed approximately \$99.6 million in total tax revenue, including \$28.1 million in state and local taxes, and \$71.4 million in federal taxes.¹
- Brought \$98 million in federal grants to Colorado.²
- Delivered high quality, comprehensive primary health care to more than 1 in 8 people in Colorado, who live in 61 of the state's 64 counties.

Investing in Colorado Community Health Centers is an investment in the economic development of communities and counties across Colorado.

Colorado's 20 Community Health Centers have a plan to provide a health care home for more than one million low-income uninsured and medically underserved Coloradans. That plan is called Access for All Colorado.

The Value of CHCs to Colorado Communities: Economic Impact

In 2014, CHCs generated jobs for a total of 6,716 Colorado residents, directly employing 4,410 and supporting an additional 2,306 jobs in other businesses.³ CHCs:

- Are among the largest employers in local communities, including many of the state's most economically challenged areas.
- Directly help local economies by purchasing goods and services from local businesses. CHC employees also spend their paychecks with local businesses.
- Engage in building and remodeling projects, acting as catalysts for economic revitalization by attracting investment and other businesses to local communities.
- Attract and retain more residents, businesses, and employment by adding to the economic activity in a community.

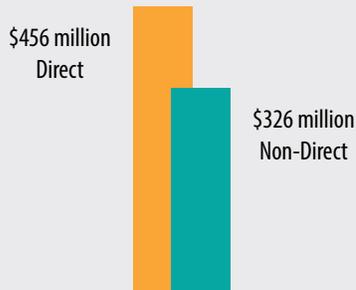
¹The tax impact values show the amount of revenue generated for governments from employee compensation, proprietor income, indirect business taxes, households, and corporations as tallied in the Capital Link economic analysis.

²2014 Uniform Data System.

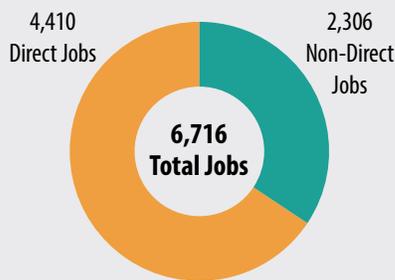
³CHCs report in the Uniform Data system the number of people as Full Time Equivalents (FTEs) employed. Full-Time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e., 50 percent time) is reported as "0.5 FTE." FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as "0.33 FTE" (four months/12 months).

Colorado Community Health Centers Economic Impact, 2014

Total Economic Impact
\$782 million
Annually*



Employment



Total Tax Revenue
\$99.6 million
Annually*



*numbers rounded



Colorado CHCs Support Other Businesses

Total economic impact includes direct, indirect, and induced impact.

- **Direct effects:** The direct effect of CHC operations on the CHC and employees (as well as contractors, etc.). Includes impact on all vendors and service organizations that provide work for the CHC.
- **Indirect effects:** Effect of businesses and organizations impacting the economy by purchasing other goods, paying employees, etc. The effect here is of CHC impact on other businesses, which in turn impact further businesses.
- **Induced effects:** Effect of CHC employees (and indirect employees) spending their incomes in the local economy.

Direct Effects: The health center makes expenditures for services (including salaries) and goods, such as purchase of chairs from a local furniture store.

Indirect Effects: The furniture store in turn purchases supplies from an office supplies store and a truck from a car dealer to make deliveries.

Induced Effects: The health center, the furniture store, the office supplies store and the car dealership all hire staff and pay them salaries to help run the various businesses. These employees spend their income on everyday purchases.



Colorado Community Health Centers

Community Impact, 2014

Patients Served

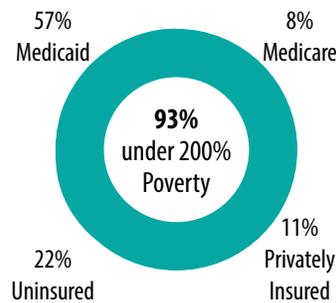


526,159
Patients

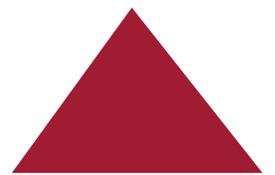


2,134,503
Patient Visits

Patient Profile



Cost Savings
\$664.5 million
Annually⁹





Summary of 2014 Total Economic Activity		
Stimulated by 18 of Colorado Community Health Centers' Operations		
	Economic Impact	Employment (Number of FTEs)
Direct	\$455,885,810	4,410
Indirect	\$109,221,816	779
Induced	\$216,856,941	1,527
Total	\$781,964,567	6,716

The Value of CHCs to Colorado Communities: Health Care

CHCs:

- Provide a health care home to more than 650,000 Coloradans.
- Are locally governed by patients of the clinic and other community members.
- Specialize in providing care to the whole family.
- Provide comprehensive primary health care, including medical, dental, behavioral health, and pharmacy.
- Help people manage chronic health conditions.
- Are actively engaged in pursuing national Patient Centered Medical Home recognition.

A study found that Colorado Medicaid clients who use CHCs are one-third less likely than Medicaid clients of other providers to have an emergency room visit, an inpatient hospitalization, or a preventable hospital admission.⁴ Another national study found that CHCs demonstrate equal or better performance on select quality measures, despite serving patients who have more chronic disease and socioeconomic complexity.⁵

Colorado CHCs Provide Care to many of the state's most vulnerable residents ⁶		
	CHC Population	State Population ⁷
Under 100% Poverty	73%	12%
Under 200% Poverty	93%	29%
Uninsured	22%	11%
Medicaid	57%	20%
Medicare	8%	12%

This analysis does not include how much CHCs save the overall health care system. For example, it does not quantify the number of emergency room (ER) visits that don't happen because CHC medical and dental staff accepted and treated patients with acute needs that could be cared for at CHCs rather than an ER. It also doesn't quantify the savings that are generated due to the CHC cost-effective model that includes extended hours, same-day appointments, open access, after-hours answering services, and more. NACHC estimates that CHCs save the health care system \$1,263 per patient per year, approximately \$24 billion nationally each year.^{8,9}

⁴Jennifer Rothkopf et al., "Medicaid Patients Seen At Federally Qualified Health Centers Use Hospital Services Less Than Those Seen By Private Providers," *Health Affairs* 30:7 (July 2011).

⁵L. Elizabeth Goldman, MD, MCR, et al., "Federally Qualified Health Centers and Private Practice Performance on Ambulatory Care Measures," *American Journal of Preventive Medicine* Vol. 43, Issue 2, pages 142-149.

⁶2014 Uniform Data System, including data for the 17 Health Center Program grantees and one Health Center Program Look-Alike operating in Colorado in 2014.

⁷The Henry J. Kaiser Family Foundation, *State Health Facts – Health Insurance Coverage of the Total Population: Colorado*, <http://kff.org/other/state-indicator/total-population/?state=CO>.

⁸Ku et al., *Strengthening Primary Care to bend the Cost Curve: The Expansion of Community Health Centers Through Health Reform*, Geiger Gibson/RCHN Community Health Foundation Research Collaborative, Policy Research Brief No. 19, June 30, 2010.

⁹NACHC, *Community Health Centers: The Local Prescription for Better Quality and Lower Costs*, page 3, March 2011, <http://www.nachc.com/client/documents/A%20Local%20Prescription%20Final%20brief%203%2022%2011.pdf>.



List of Colorado Community Health Centers Included in this Analysis

- Axis Health System
- Clinica Family Health
- Colorado Coalition for the Homeless
- Denver Health's Community Health Services
- Dove Creek Community Health Clinic
- High Plains Community Health Center
- Metro Community Provider Network
- Mountain Family Health Centers
- Northwest Colorado VNA - Community Health Center
- Peak Vista Community Health Centers
- Pueblo Community Health Center, Inc.
- River Valley Family Health Center
- Salud Family Health Centers
- Sheridan Health Services
- Summit Community Care Clinic
- Sunrise Community Health
- Uncompahgre Medical Center
- Valley-Wide Health Services, Inc.

Not included in analysis: Marillac Clinic, Inc., and Clínica Tepeyac. Both became federally qualified CHCs in 2015.

Economic Impact Definition of Terms

This analysis applies the "multiplier effect,"¹⁰ using an integrated economic modeling and planning tool called IMPLAN.¹¹

- **Output Multiplier:** Measures the increase in total output generated in a defined regional economy for each dollar spent by a given industry.
- **Value-added (Earnings) Multiplier:** Measures the earnings (purchasing power) that an industry generates, through payroll and the multiplier effect, for households employed by all industries within a defined area.
- **Employment Multiplier:** Measures the number of jobs generated across all industries by the activity within a given industry. The multiplier produces an estimate of the total number of new jobs that a local economy can support in all industries due to the dollars being injected into the community by the organization.

¹⁰Multiplier: estimated number by which the amount of investment or expenditure is multiplied to give the total amount by which the national income is increased.

¹¹(Impact analysis for PLANNing), to capture the direct, indirect, and induced economic effects of an organization's business operations. IMPLAN was developed by the US Department of Agriculture and the Minnesota IMPLAN Group (MIG) and employs multipliers, specific to each county and each industrial sector, to determine total output, employment, and earnings. This analysis was conducted using IMPLAN Version 3, Trade Flows Model.



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About CCHN

The Colorado Community Health Network (CCHN) represents Colorado's 20 Community Health Centers that together are the backbone of the primary health care safety-net in Colorado. Since its inception in 1982, CCHN has made significant strides in ensuring that Colorado's low-income residents have access to affordable, high-quality primary health care. CCHN is committed to educating policy makers and stakeholders about the unique needs of Community Health Centers (CHCs) and their patients, providing resources to ensure that CHCs are strong organizations, and supporting CHCs in maintaining the highest quality care.



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About Capital Link

Capital Link is a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 15 years to plan capital projects, finance growth and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at www.caplink.org.

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