

CHCs Facing Funding Shortfalls

Colorado Community Health Centers (CHCs) are facing a **\$100M funding shortfall** due to:

End of American Rescue Plan Act one-time funding

An increase in uninsured patients, intensified by the **end of Medicaid Continuous Coverage**

Increased workforce costs and shortages

End of federal funding for COVID-19 testing and treatment

Federal CHC funding is also at risk.
Congress must act by September 2023 to preserve CHC funding.

The Facts

American Rescue Plan Act (ARPA) funding expires this spring. These COVID funds were used in part to help cover the rising cost of providing patient access to care statewide. CHCs project a \$57 million shortfall when these funds end.

1 in 5 Medicaid patients expected to lose coverage. Up to 315,000 Medicaid enrollees are expected to lose coverage May 2023-July 2024 with the end of continuous coverage. Some patients will move to CHP+ or Connect for Health Colorado, but many will become uninsured. CHCs project a \$41.6 million revenue loss as patients lose Medicaid coverage.¹

Staffing and other costs are rising significantly.

- From 2020 to 2022, CHCs increased wages and benefits an average of 10.5% to keep pace with the market.²
- CHC turnover costs an estimated \$52.3 million annually, not including the cost of loss revenue from reduced patient access or increased costs for temporary staff.³
- The cost to care for patients went up an estimated 10% during the pandemic and CHC Medicaid rates did not keep pace with these rising costs.⁴

In March 2022, the federal reimbursement for uninsured COVID-19 testing, vaccination and treatment ended even while care is ongoing.

Current funding for the federal CHC program runs out in September 2023 and must be renewed by Congress to sustain the health care access and system savings provided by CHCs.

Value of CHCs

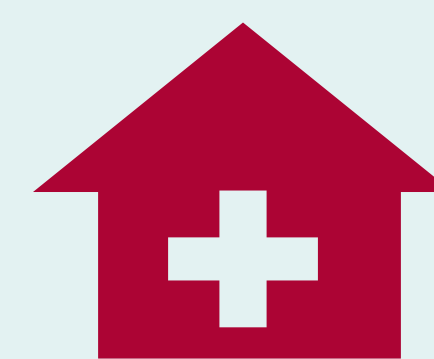
CHCs provide a high economic value to Medicaid, the health care system, and Colorado on a whole



CHCs provide **cost effective care**, accounting for just **1.9%**⁵ of HCPF's medical services spending in FY21-22. CHCs also **save Medicaid \$788M annually**.⁶



Each year, **CHCs contribute \$1.7B to Colorado's economy**,⁷ all while providing **\$1.2B in cost savings to the state's health care system**.⁸



CHCs **lower costs by 24% for health center Medicaid patients**.⁹ Thereby, reducing costs for the 33% of Medicaid enrollees attributed to CHCs¹⁰ and 22% of CHP+ enrollees.¹¹

CHCs are the backbone of Colorado's primary care system.

Failure to address CHC funding may force layoffs, service reductions and clinic closures, jeopardizing patient access and increasing costs elsewhere in the health system.

Opportunities for Impact



Invest in CHCs, funding for the uninsured and in coverage expansions

Fund existing and new health education programs, and reduce education costs so more Coloradans can enter the field

Continue to fully fund provider loan repayment through the Colorado Health Services Corps

Advocate with your CHC and CCHN for Congressional action in 2023