



# Protect Colorado's Community Health Centers

Colorado Community Health Centers (CHCs), also called Federally Qualified Health Centers (FQHCs), continue to face funding shortfalls and need state investment to maintain affordable primary care access across the state.

Colorado's 20 CHCs are the primary care home for 1 in 7 Coloradans, mostly low-income Coloradans. CHCs offer high quality medical, behavioral health, and dental care at more than 240 sites across the state. Data from Colorado Medicaid shows that CHCs lower the total cost of care by reducing emergency room usage and costly hospitalizations.

**CHCs are facing the imminent closure of sites, laying off staff, and implementing wait lists for care.**

Financial stressors include:

## Rising Uninsured Rates

CHCs provide care to all regardless of insurance status, and according to 2022 counts, care for **34% of the state's uninsured**. When CHC patients lose Medicaid, they remain a CHC patient. **CHCs are incurring the cost of rising numbers of uninsured Coloradans.**

The **number of Medicaid members attributed to CHCs dropped by 148,000** between April 2023 and February 2024.

## Medicaid reimbursement challenges

While Medicaid reimbursement for CHCs is intended to cover costs, several aspects of rate-setting keep reimbursement below actual costs. It takes up to three years for the cost of new services (such as new vaccines) to be incorporated into the rate, while one-time efficiencies are reflected right away.

*CHCs are not included in the across-the-board 1% rate increases, or targeted rate increases, proposed in the Governor's budget.*

## Flat Federal Funding

Most CHCs in Colorado receive a federal grant, which accounts for 7% to 37% of their overall revenue. Unfortunately, this federal funding has been flat for 10 years even while patient volume has increased 24%.

## Inflation

CHCs are experiencing higher costs than ever before. To keep pace with the market, CHCs increased wages and benefits an average of 10.5% between 2020 and 2022, and the cost of providing care went up an estimated 10% during the pandemic.

How the General Assembly Can Help:

### Continue the \$7 million GF allocation to the Primary Care Fund

With rising uninsured, CHCs need at least \$7 million GF to be allocated to the PCF again in 2024-25. This allocation would be federally matched for a total of \$14 million in support and would be distributed based on the number of uninsured patients seen at participating clinics.

### Allocate up to \$2.1 million TF to modernize CHC rate-setting methodology

CHCs need \$1.5 - \$2.1 million allocated to update Medicaid rate-setting methodology and allow rates to better keep up with costs. This requested fix will help ensure CHCs are buffered against one year rate drops.

**These investments will support all CHCs, an essential part of Colorado's safety net system, and avoid reductions in care that will result from continued financial stress.**

## Supporting Organizations



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