

State Budget Cuts - Potential Impact on Community Health Centers and Patients

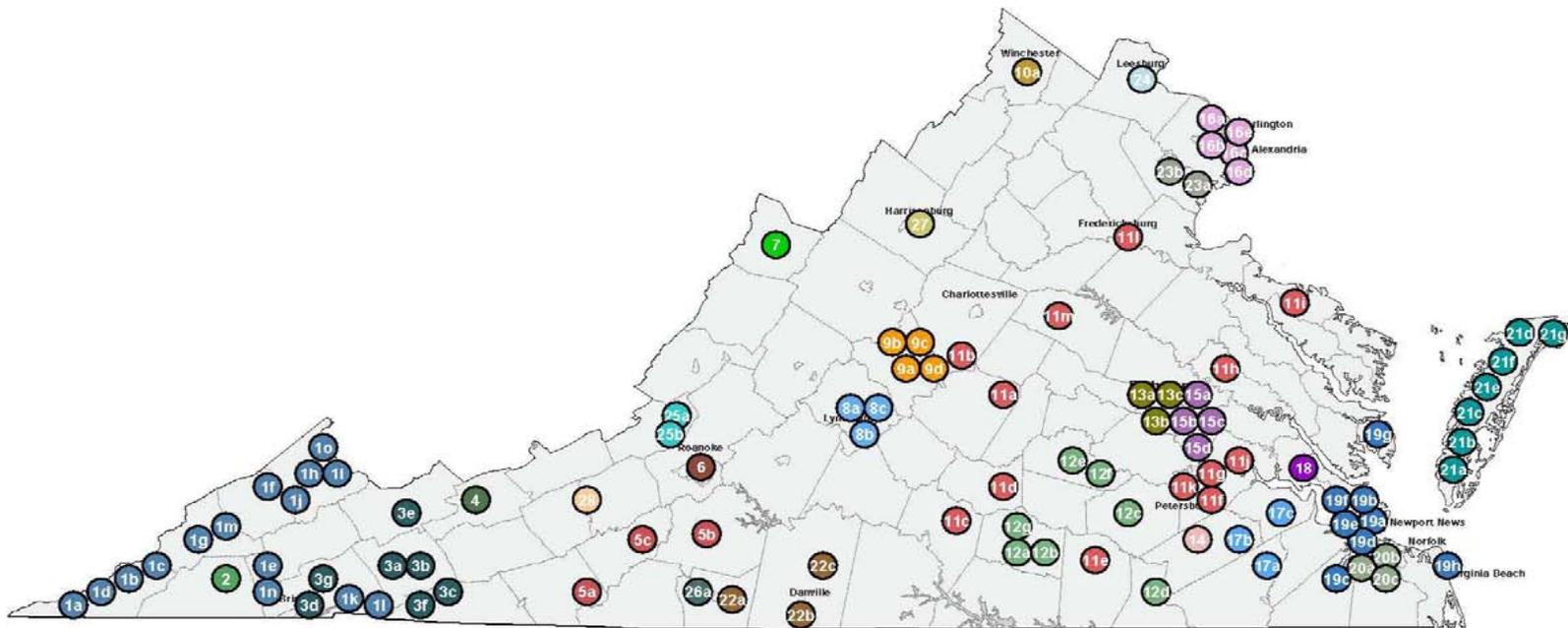
A Presentation to the
Senate Finance Health Subcommittee
February 8, 2010

R. Neal Graham, CEO
Virginia Community Healthcare Association



Community Health Centers

Creating access to health care across Virginia

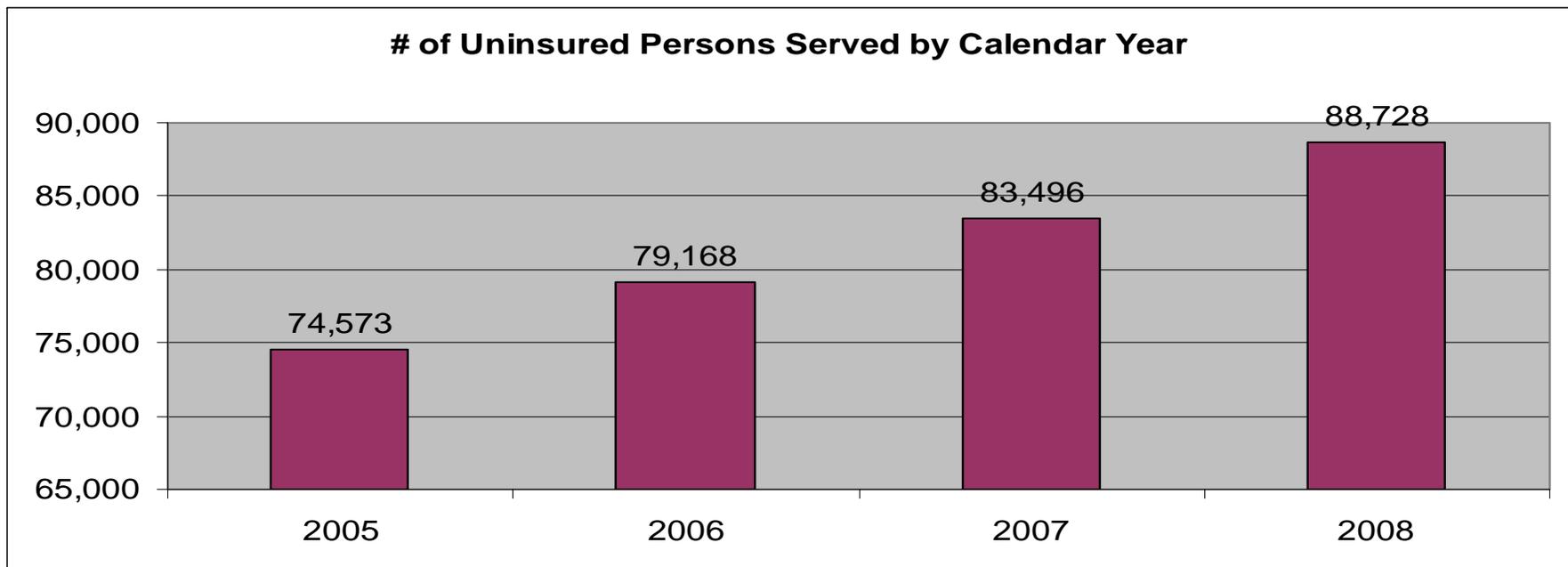


Community Health Centers 240,000+ patients 105 Health Center Sites

Medical – Dental – Pharmaceutical – Behavioral Health - Prevention

Annual Numbers

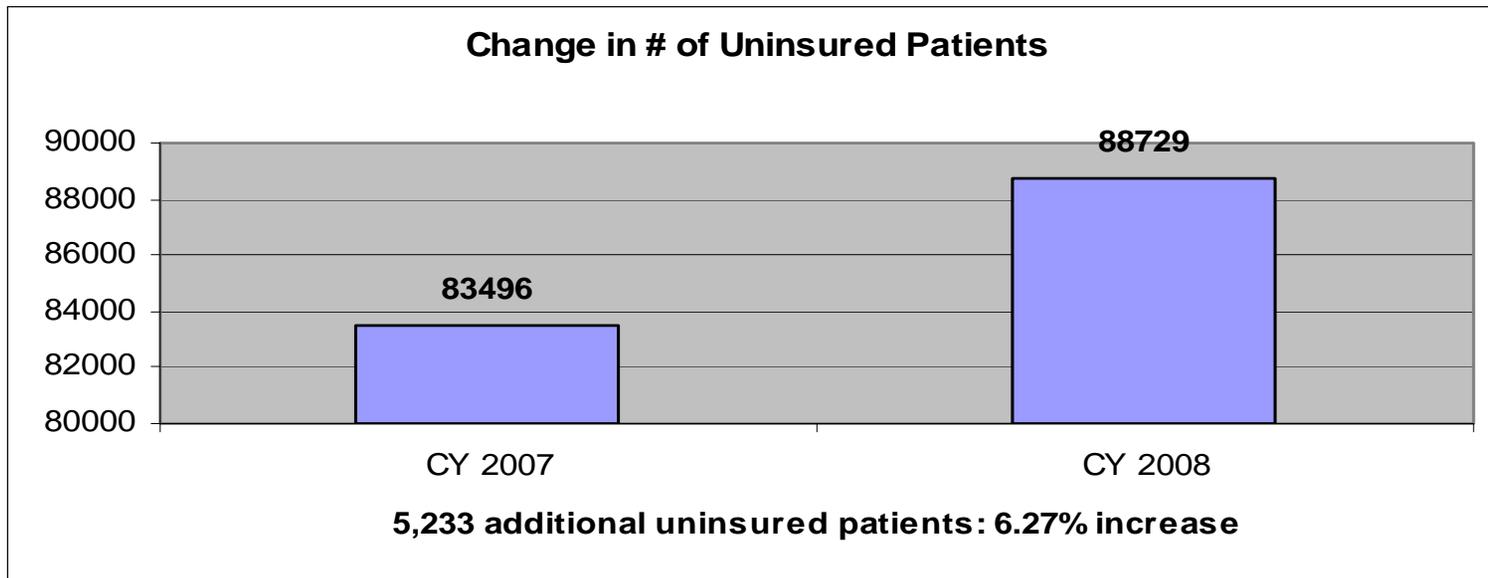
Steady Increase in # of Uninsured Persons Being served by Community Health Centers

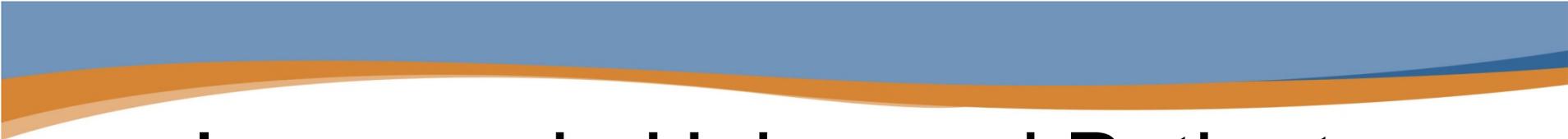


•Calendar Year 2009 Data Not Available until March

Services to the Uninsured

- Calendar Year 2007 – 83,496 uninsured patients
- *Calendar Year 2008 – 88,729 uninsured patients*
- Trending Up - An increase of 5,233 patients, 6.7% increase from CY 07 to CY 08
- Date available for CY2009 indicates significant upward trend in uninsured



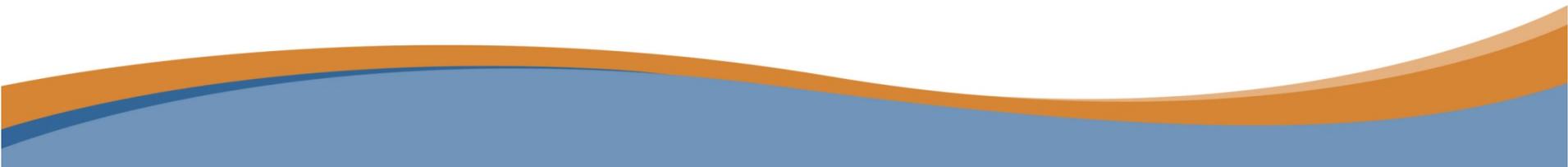


Increase in Uninsured Patients Across CHCs – Past Year

- Steady Increase in Uninsured since Jan 2009
 - 78,554 *new* patients in CY 2009
 - **Over half - 54.41%** of new patients are uninsured
 - 42,743 patients *new* uninsured patients
- 



Services to the Uninsured

- General Assembly appropriated \$1.8 million to *“support community health center costs for services provided to uninsured clients”*
 - Calendar Year 2008 – 250,542 uninsured patient medical visits
 - An increase of 27,749 uninsured patient medical visits over CY2007
 - Average of \$64.87 of each new visit was absorbed by state funding: (\$1.8 million / 27,749 new uninsured visits)
 - Without this funding, services to these patients would not have been able to be provided
- 

Potential impact of further reductions

- At Current Proposed Funding Cut of \$240,875
- Impact On Recipients
 - Minimum of 2,647 medical visits for uninsured persons will not occur
 - Minimum of 814 uninsured persons will not be able to be served
 - Anticipate those with chronic illness, disease will:
 - Not receive services, conditions would worsen, potential for increased hospitalizations, disabilities, and premature deaths
 - Go to Hospital ERs if available, at an increased cost for services
 - Primary care visit at an ER is 4x more expensive than CHC visit
 - Increased # of and costs for hospitalizations

Potential impact of further reductions

- Projected Impact On Recipients
- At Current Proposed Funding Cut of \$240,875
 - Average cost of medical visit - \$106
 - Minus sliding fee scale adjustment ($\$106 - \15) = \$91 per visit (average cost)
 - 2,647 medical visits will go unfunded

Additional Cuts

Projected Impact on Uninsured Medical Visits

Projected Budget Levels (Cuts)	Total Funding	Projected Funds Cut	Impact on # of Medical Visits Unfunded (Medical Visits that will not occur)	Minimum # of Patients Impacted (at average of 3.25 uninsured visits per pt. per year)	Max # of Patients Impacted (if only allowed 1 uninsured visit per pt. per year)
current total funding	2,408,750	0			
at proposed 90%	2,167,875	240,875	2,647	814	2,647
80%	1,927,000	481,750	5,294	1,629	5,294
75%	1,806,563	602,188	6,617	2,036	6,617
70%	1,686,125	722,625	7,941	2,443	7,941
60%	1,445,250	963,500	10,588	3,258	10,588
50%	1,204,375	1,204,375	13,235	4,072	13,235
40%	963,500	1,445,250	15,882	4,887	15,882
30%	722,625	1,686,125	18,529	5,701	18,529
20%	481,750	1,927,000	21,176	6,516	21,176
18%	433,750	1,975,000	21,703	6,678	21,703

Based on average of \$91 per visit. Assumes reductions only to funding for medical services visit to uninsured.
 \$433,750 is current funding for Pharmacy Assistance program – Impact of any cuts to Rx assistance program would be more drastic



Areas Impacted

- Central Virginia 675 medical visits
- Hampton Roads / ES 601 medical visits
- Southwest VA 413 medical visits
- Northern VA 314 medical visits
- Southside VA 279 medical visits

* Minimum at current proposed 10% cut only. Funds are allocated based on number of uninsured served. Loss of medical visits will increase proportionally with additional cuts.





Potential impact of further reductions

- **Access to care**

- **Drastic reduction in access (see prior table)**
 - **Unfunded visits = no ability to deliver services**
 - **No other funding streams to fill the void**
 - **Anticipate even longer wait times for appointments**
 - Due to lack of physicians and dentists, most centers would have to develop waiting lists
 - Wait times currently range from 3 weeks to 4 months for second appointments
 - Loss of state loan repayment program funding is having a direct impact on community health centers - reduces an incentive that attracted providers to medically underserved areas
- 



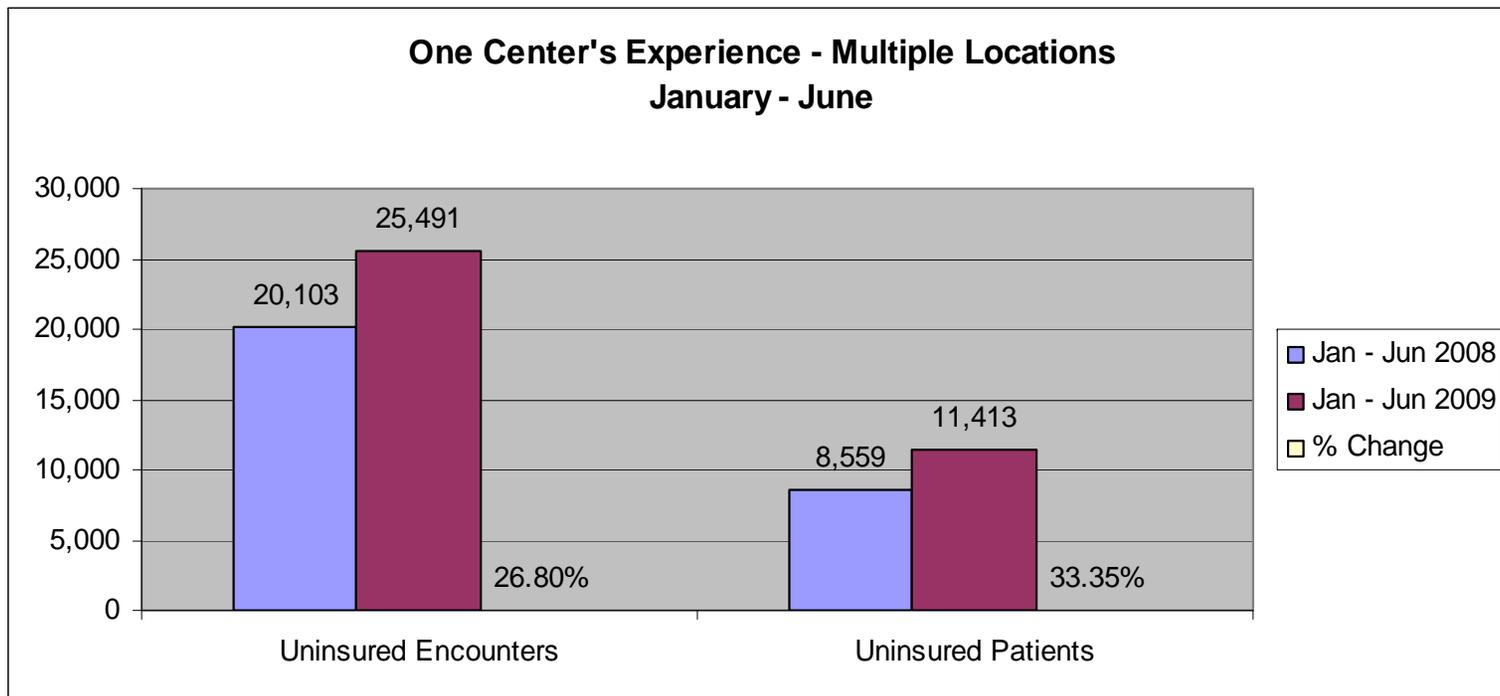
What Centers are Saying

- Insured are becoming uninsured
 - Same patients
 - Coming in after being let go, or losing insurance coverage
 - Centers are working with these patients on sliding fee, making arrangements, doing what we can to assist



What Centers are Saying

- Centers have seen increases of 30-50% in number of uninsured during the past 6-12 months





On behalf of 240,000 Virginians...

Thank You...
We need your continued support

R. Neal Graham, CEO
Virginia Community Healthcare Association
(800) 966-8272 x:18
ngraham@vacommunityhealth.org

