

# MORE THAN AN INSURANCE CARD

*How Medicaid expansion will increase the services of NC Community Health Centers and improve health outcomes*

## OVERVIEW

Using data from a quantitative survey and qualitative interviews with health center leaders, this Issue Brief details the impact that expanding Medicaid would have on North Carolina's Community Health Centers, also known as Federally Qualified Health Centers (FQHCs).

**“Under Medicaid expansion we would be getting an additional \$3-4 million a year in revenue from Medicaid. Those are dollars that FQHCs will reinvest into new services and new practice locations.” – Chris Vann, CommWell Health**

An average of 40% of NC FQHC patients are uninsured, many of whom would become eligible for Medicaid under expansion. As such, all NC FQHCs stand to gain significant net increases in annual revenue if expansion is passed.

On average, health centers would see an estimated 32.2% annual net increase in total reimbursements for health care services under Medicaid expansion.<sup>1</sup> As nonprofit, patient-governed health centers, FQHCs must reinvest all non-grant funds into programs that expand care access for the medically underserved.<sup>2</sup>

**Closing the coverage gap is an investment in expanding health services, recruiting health professionals to work in rural and underserved NC communities, and connecting patients to cost-effective primary care.**

## SERVICE EXPANSION IN UNDERSERVED COMMUNITIES

**Closing the coverage gap would enable FQHCs to expand their existing health care services.**

Under Medicaid expansion, FQHC leaders intend to add services that are often limited in rural and other medically underserved communities in NC, such as:

- DENTAL
- BEHAVIORAL HEALTH
- MEDICATION ASSISTED TREATMENT (MAT) for SUBSTANCE USE DISORDER
- SPECIALTY CARE
- TELEHEALTH
- TRANSPORTATION
- MOBILE SERVICES<sup>3</sup>



## Closing the Coverage Gap by Expanding Medicaid

- Increases FQHC financial stability<sup>4</sup> and total number of patients served<sup>5</sup>
- Supports and creates jobs in the FQHC health care workforce<sup>6</sup>
- Enables FQHCs to offer more behavioral health and Medication-Assisted Treatment (MAT) services<sup>4</sup>

## NORTH CAROLINA HEALTH CENTERS

*at a glance*

**42 health center organizations**

**Over 370 clinical sites in 85 counties**

**Over 685,000 patients served in 2020**



“With Medicaid expansion, we can add comprehensive specialties: cardiology, podiatry, or ophthalmology practices to support our patients with comorbid conditions that we see frequently, like hypertension, diabetes, etc. Expansion would also allow us to offer more integration and support from nutritionists, care managers, and health educators and coaches.”

- Scot McCray, Advance Community Health

## FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs)

Also known as Community Health Centers, FQHCs are non-profit, patient-governed health care providers under the federal Health Resources and Services Administration that provide services in medically underserved areas.

### FQHCs:

- Provide integrated medical, dental, pharmacy, behavioral health and enabling services on a sliding-fee scale;
- Care for patients regardless of insurance status or ability to pay; and
- Include patients as the majority of governing boards.

## STRENGTHEN THE HEALTH CARE WORKFORCE

Medicaid expansion will make health centers more competitive in recruitment and retention of qualified health care professionals.

**Every FQHC leader interviewed indicated that, under expansion, they would have the financial capacity to hire additional providers, staff, and/or increase existing salaries.<sup>3</sup>**

## CONNECTING PATIENTS TO COST-EFFECTIVE PRIMARY AND PREVENTIVE CARE

Health center leaders agree that patients are more likely to delay care when uninsured.

**Medicaid expansion will encourage patients to seek preventive care and better manage chronic conditions<sup>3</sup>, lowering overall health care costs.**

By keeping patients out of the ER and preventing hospitalizations, FQHCs help reduce health care spending by 29% per patient per year.<sup>7</sup>

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***The North Carolina General Assembly must act now to close the coverage gap, enabling FQHCs to expand health services in medically underserved communities, recruit the best health professionals to work in North Carolina, and connect patients to cost-effective primary care.***

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### References

<sup>1</sup>Estimates were generated based on data obtained from survey of fourteen FQHCs (representing 47.5% of NC FQHC patients) and from Uniform Data System (UDS) data from Health Resources and Services Administration; Figures were generated by multiplying estimated total number of patients qualifying for Medicaid under expansion by average number of visits per year, current Medicaid Prospective Payment System (PPS) Rate, offset by reduced self-pay collections.

<sup>2</sup>Public Health Service Act of 2008 § 330, 42 U.S.C. § 254b.

<sup>3</sup>Based on qualitative interviews with leaders from seven North Carolina FQHCs

<sup>4</sup>The Commonwealth Fund (2019). [The Role of Medicaid Expansion in Care Delivery at Community Health Centers](#)

<sup>5</sup>The Kaiser Family Foundation (2017). [Community Health Centers: Recent Growth and the Role of the ACA](#)

<sup>6</sup>Jiao, et al (2022). Estimating the Impact of Medicaid Expansion and Federal Funding Cuts on FQHC Staffing and Patient Capacity. The MilBank Quarterly. doi:10.1111/1468-0009.12560

<sup>7</sup>Nocon, et al (2016). Health Care Use and Spending for Medicaid Enrollees in Federally Qualified Health Centers Versus Other Primary Care Settings. American Journal of Public Health. doi: 10.2105/AJPH.2016.303341