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**Geiger Gibson /
RCHN Community Health Foundation Research Collaborative**

Policy Research Brief # 36

**Assessing the Potential Impact of the Affordable Care Act on
Uninsured Community Health Center Patients:
An Update**

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About the Geiger Gibson / RCHN Community Health Foundation Research Collaborative

The Geiger Gibson Program in Community Health Policy, established in 2003 and named after human rights and health center pioneers Drs. H. Jack Geiger and Count Gibson, is part of the Milken Institute School of Public Health at The George Washington University. It focuses on the history and contributions of health centers and the major policy issues that affect health centers, their communities, and the patients that they serve.

The RCHN Community Health Foundation, founded in October 2005, is a not-for-profit foundation whose mission is to support community health centers through strategic investment, outreach, education, and cutting-edge health policy research. The only foundation in the country dedicated to community health centers, the Foundation builds on health centers' 40-year commitment to the provision of accessible, high quality, community-based healthcare services for underserved and medically vulnerable populations. The Foundation's gift to the Geiger Gibson program supports health center research and scholarship.

Additional information about the Research Collaborative can be found online at <http://publichealth.gwu.edu/projects/geiger-gibson-program> or at rchnfoundation.org.

Executive Summary

This report provides updated estimates of the number of community health center patients who are expected to gain insurance coverage under health reform. Our original report that estimated the impact of the ACA on uninsured health center patients was based on 2011 Uniform Data System data, while this updated analysis uses 2012 data and includes New Hampshire among the Medicaid expansion states. We estimate that were all states to expand Medicaid, 5.2 million uninsured health center patients would gain coverage nationally. But because 24 states have not done so, nearly 1.1 million patients will remain uninsured. Health center patients living in southern states are disproportionately affected. Among health center patients denied Medicaid, approximately 71 percent live in the South. In 2014 alone, health centers in states that do not expand eligibility will forgo \$569 million in revenues, which would have been invested in health care in medically underserved communities. By contrast, health centers in expansion states will realize more than \$2.1 billion for expanded health care in 2014 as a result of the Medicaid expansion, which is projected to insure an additional 2.9 million patients.

Introduction

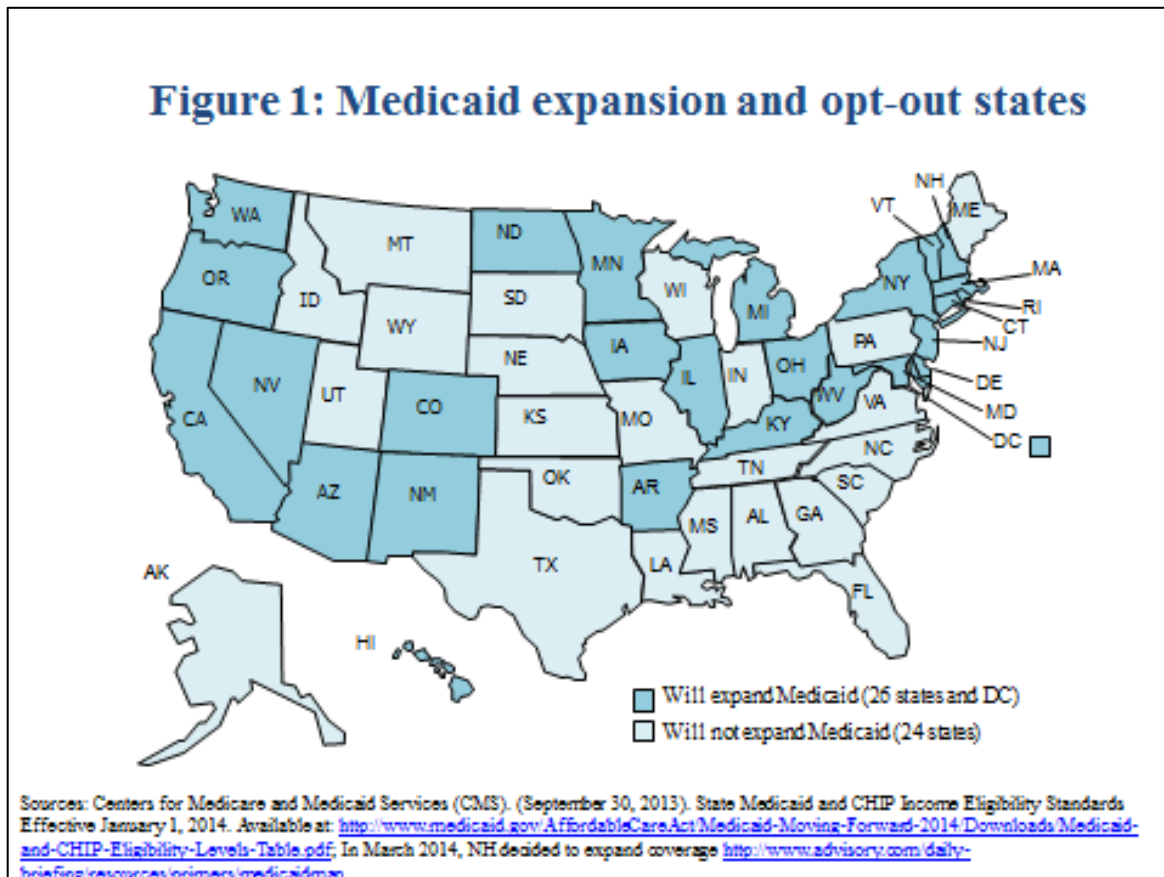
In October 2013, the Geiger Gibson/RCHN Community Health Foundation Research Collaborative published national and state estimates of how state decisions to expand Medicaid or to opt out of the ACA's adult Medicaid expansion would affect health centers and their patients.¹ The study found that two-thirds (5 million) of uninsured community health center (CHC) patients nationwide could have gained coverage under the ACA if all states had expanded Medicaid, but that states' decisions to opt out of the expansion resulted in over one million CHC patients remaining uninsured in opt-out states. This report updates those estimates using the most current data and state policy decisions.

Methods

This analysis replicates the methodology of our earlier study. It is updated to reflect an increase in the number of patients served by health centers between 2011 and 2012 as reported in the Uniform Data System, a national data system that captures information on health center patient, staffing, revenues, and quality performance. This analysis also uses updated information on average health center Medicaid revenue to calculate the potential revenues in 2014 under expansion or opting out in each state. Finally, this update includes New Hampshire among the Medicaid expansion states. New Hampshire became the latest state to opt into Medicaid as a result of its March 2014

¹ Shin, P., Sharac, J., & Rosenbaum, S. (2013). Assessing the potential impact of the Affordable Care Act on Uninsured Community Health Center Patients: A Nationwide and State-by-State Analysis. Geiger Gibson/RCHN Community Health Foundation Research Collaborative, George Washington University. Policy Research Brief No. 33. <http://www.rchnfoundation.org/?p=3703>

decision to adopt the adult Medicaid expansion. As of March 2014, 26 states and the District of Columbia either have or will extend Medicaid to all nonelderly low-income adults (Figure 1).²



Although this brief report provides updated estimates of the number of health center patients expected to gain coverage under the ACA, it should be noted that, as with the original study, these estimates likely understate both the number of patients expected to gain coverage in expansion states and the number expected to remain uninsured in opt-out states. This is because the percentage of residents expected to gain coverage in each state, as reported by the Urban Institute,³ is based upon the total state uninsured population, while our estimates are based on the uninsured health center population, which is much more likely than the general U.S. population to live in poverty, and accordingly, to qualify for coverage. Table 1 shows the distribution of uninsured health

² The Advisory Board Company. (2014). Where the states stand on Medicaid expansion.

<http://www.advisory.com/daily-briefing/resources/primers/medicaidmap>

³ Buettgens, M., Kenney, G.M., Recht, H., & Lynch, V. (2013). Eligibility for Assistance and Projected Changes in Coverage Under the ACA: Variation Across States. Robert Wood Johnson Foundation.

http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf408158

center patients by poverty level compared to the uninsured nationally. This table is based on data collected through a special 2009 survey examining the characteristics of health center patients.⁴ Table 1 shows that the proportion of uninsured health center patients living in poverty is nearly twice that of the general population.⁵

Table 1: Income Distribution of Uninsured Health Center Patients Compared to the Uninsured Population Nationally

Income range	Distribution of uninsured CHC patients (2009), by income	Distribution of the uninsured US population (2009), ⁶ by income
<100% FPL	52.7%	27.9%
100-199% FPL	31.1%	29.9%
200-399% FPL	13.0%	28.1%
≥400% FPL	3.2%	14.1%

Results

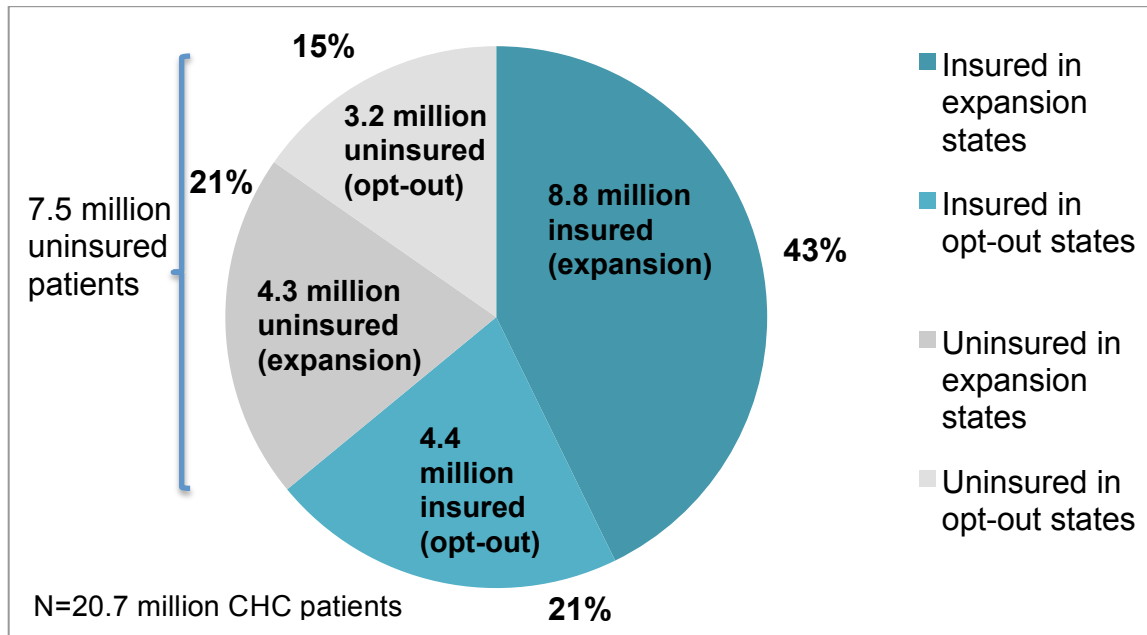
Excluding those in the U.S. territories, health centers served nearly 20.7 million patients in 2012. Of these, 13.2 million (64%) were insured and nearly 7.5 million (36%) were uninsured. Among uninsured health center patients, 4.3 million lived in Medicaid expansion states while 3.2 million lived in states that to date have opted out of the Medicaid expansion (Figure 2).

⁴ Kaiser Family Foundation (2013). *A Profile of Community Health Center Patients: Implications for Policy*. <http://kff.org/medicaid/issue-brief/a-profile-of-community-health-center-patients-implications-for-policy/>

⁵ Although the UDS reports are considered to be the most reliable (because all grantees report the data from their administrative and clinical record systems), the aggregated nature of the data do not allow for cross tabulation of income and insurance variables. The 2012 UDS data, which is reported at the grantee level, shows 36 percent of health center patients are uninsured and 72 percent of health center patients reported incomes below the federal poverty level; and the percent of patients below the poverty line falls to 55 percent if “unknowns” are included.

⁶ US Census Bureau. (2010). Current Population Survey, Annual Social and Economic Supplement. <http://www.census.gov/cps/data/cpstablecreator.html>; CHC percentages are from a GW analysis of data from the 2009 health center user survey.

Figure 2: In 2012, 36 Percent of Health Center Patients Were Uninsured



Our updated estimates indicate that of the 7.5 million uninsured health center patients, nearly 70% (5.2 million) would have been eligible for Medicaid or subsidized coverage if the Medicaid expansion was implemented nationwide. This represents an increase above our previous estimates of over 161,000 (3%) to the number of potentially coverage-eligible uninsured community health center patients. Figure 3 shows that the remaining 2.3 million would be ineligible for insurance coverage under the ACA because they fail to meet the ACA’s eligibility requirements.

Figure 3: Most Uninsured Health Center Patients Could Qualify for Either Medicaid or Subsidized Marketplace Private Insurance

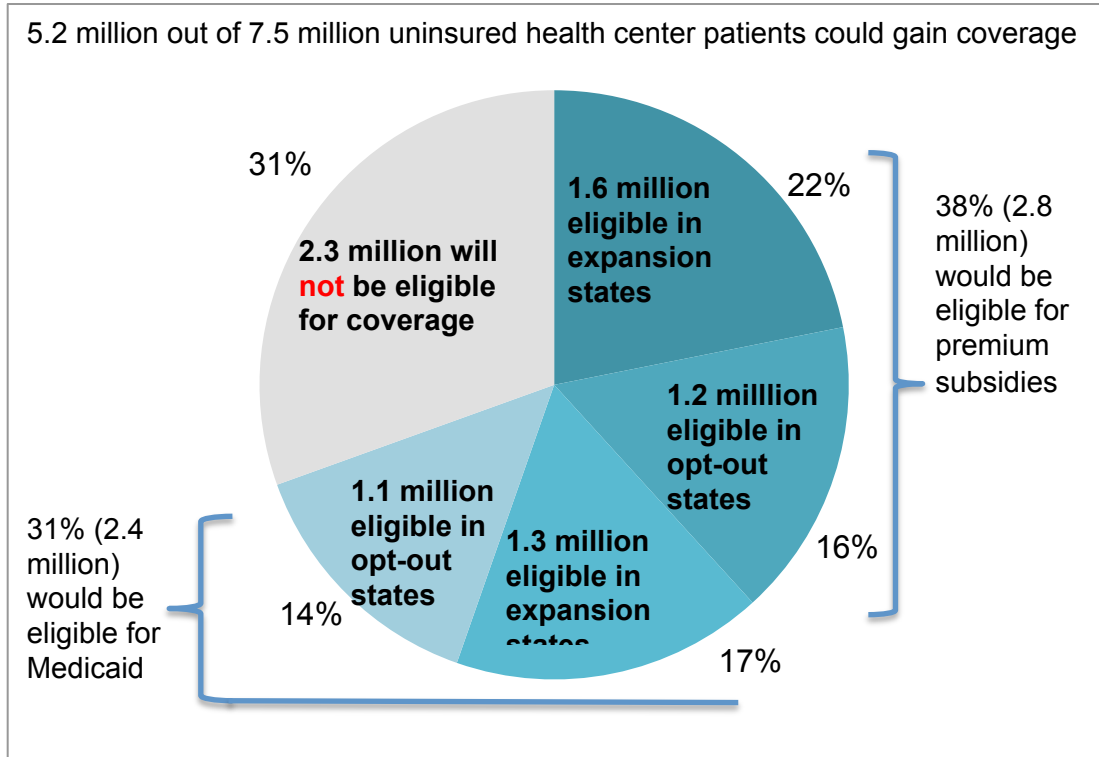
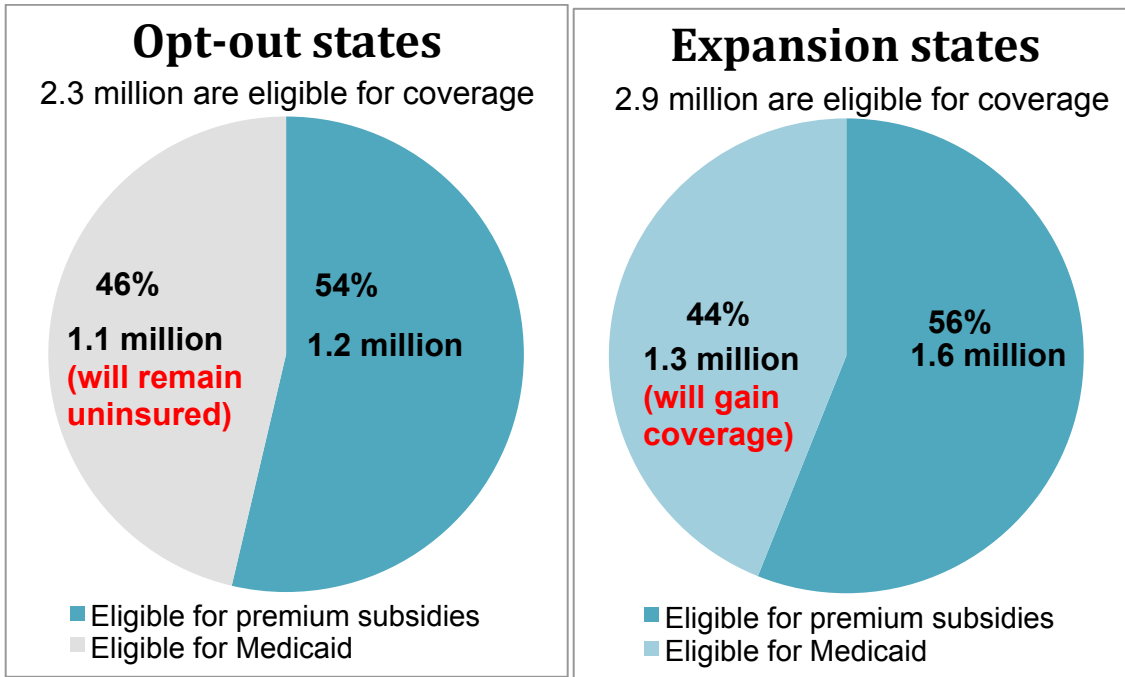


Figure 4 illustrates the eligibility distribution of the 5.2 million uninsured health center patients who could qualify for coverage under a nationwide expansion. Of this group, 2.9 million (56%) live in the Medicaid expansion states while 2.3 million (44%) live in the Medicaid opt out states. Within the expansion states, 1.6 million would be eligible for premium subsidies and 1.3 million would be eligible for Medicaid. In the opt out states, 1.2 million would be eligible for premium subsidies and 1.1 million would be eligible for Medicaid. However, because these states have opted out of Medicaid, this group of 1.1 million patients will remain uninsured. In other words, 1 in 5 uninsured health center patients (1.1 million out of 5.2 million patients) who would have been eligible under a nationwide expansion will remain uninsured because of the decision by 24 states to opt out of the expansion.

Figure 4: Over 1 million of the 5.2 million health center patients eligible for coverage will remain uninsured because states opted out of the Medicaid expansion



Updated results for opt-out states are presented in Table 2. The 544 CHCs in the opt-out states served a total of 7.6 million patients in 2012, of whom slightly fewer than 3.2 million were uninsured; these numbers represent an increase of nearly 250,000 total patients served and over 106,000 uninsured patients served compared to 2011. Based on our estimates, approximately 72% of uninsured patients in opt-out states in 2012 could have gained coverage under the ACA if the states expanded Medicaid.

We estimate 1.1 million patients (an increase of over 34,000 from the estimate that used 2011 UDS data) who would have qualified for Medicaid coverage will remain uninsured in states that have elected not to expand Medicaid. This group falls into the “coverage gap” between traditional Medicaid eligibility (which is often limited to very low incomes and in most cases excludes childless adults without disabilities) and the lower limit of income eligibility for premium subsidies (100% of the federal poverty level)⁷ through the state Exchanges. Approximately 71% of this group lives in 11 southern states (AL, FL, GA, LA, MS, NC, OK, SC, TN, TX, VA). The decision not to expand Medicaid is estimated to also result in approximately \$569 million in forgone revenue of Medicaid payments to CHCs in 2014 (compared to nearly \$555 million using 2011 UDS data).

⁷ The 2014 federal poverty level for one person is \$11,670 and is \$19,790 for a family of three. <http://aspe.hhs.gov/poverty/14poverty.cfm>

Table 2: Estimated Impact on Uninsured Patients and Health Center Revenues in the 24 States that Opt Out of Medicaid

State	# CHCs 2012	Total patients 2012	Uninsured patients 2012	Patients eligible with expansion	Patients eligible without expansion	Revenue with expansion (2014)	Revenue without expansion (2014)
Alabama	15	329,381	156,899	125,428	59,578	\$59,925,540	\$28,464,488
Alaska	25	98,568	36,598	27,427	15,725	\$42,344,854	\$24,278,004
Florida	49	1,136,458	496,062	336,937	183,334	\$149,968,424	\$81,600,747
Georgia	29	321,210	170,163	119,169	59,584	\$45,798,685	\$22,899,150
Idaho	11	130,399	67,319	50,465	28,260	\$44,289,614	\$24,801,833
Indiana	20	285,940	113,686	88,767	48,936	\$51,096,161	\$28,168,596
Kansas	16	156,576	78,773	56,706	32,291	\$25,344,781	\$14,432,482
Louisiana	26	251,438	102,767	78,157	40,107	\$34,401,251	\$17,653,326
Maine	18	181,467	26,847	21,217	14,234	\$15,022,381	\$10,078,172
Mississippi	21	303,079	128,003	101,040	46,044	\$35,902,257	\$16,360,684
Missouri	23	438,406	152,050	120,180	63,893	\$81,346,898	\$43,247,606
Montana	17	98,730	49,085	39,746	23,062	\$24,626,597	\$14,289,201
Nebraska	6	62,589	31,684	22,802	12,985	\$9,508,661	\$5,414,874
North Carolina	32	430,885	222,035	153,115	84,324	\$77,985,400	\$42,948,378
Oklahoma	18	147,779	58,280	41,922	23,872	\$30,159,381	\$17,173,912
Pennsylvania	40	671,139	180,287	139,013	77,630	\$66,571,066	\$37,175,745
South Carolina	20	315,107	114,894	87,411	44,855	\$45,921,091	\$23,564,432
South Dakota	6	55,948	20,351	16,292	8,146	\$8,915,252	\$4,457,626
Tennessee	26	384,109	156,476	118,812	64,096	\$50,930,544	\$27,475,711
Texas	69	1,085,199	558,099	351,409	189,649	\$214,942,889	\$116,000,740
Utah	11	115,410	65,968	44,890	26,406	\$39,558,403	\$23,269,752
Virginia	24	283,906	111,707	76,987	41,283	\$39,137,008	\$20,986,570
Wisconsin	17	299,068	75,163	57,050	32,278	\$44,138,557	\$24,972,907
Wyoming	5	16,055	7,635	5,426	3,362	\$2,245,095	\$1,391,082
Total opt-out states	544	7,598,846	3,180,831	2,280,368	1,223,934	\$1,240,080,789	\$671,106,019

Results for expansion states are presented in Table 3. The 625 CHCs in the 26 expansion states and DC served nearly 13.1 million total patients and just under 4.3 million uninsured people in 2012; since 2011, the total number served increased by over 630,000 and the uninsured served increased by over 130,000. Approximately 2.9 million uninsured patients in expansion states are expected to gain insurance coverage, which

will generate potential revenues in excess of \$2.1 billion in 2014. If the states had not implemented the Medicaid expansion, nearly 1.3 million uninsured patients (compared to 1.2 million using 2011 UDS data) would have remained ineligible for Medicaid and thus uninsured and CHCs would have forgone nearly \$933 million in Medicaid revenues (compared to \$893 million using 2011 UDS data) in 2014.

Table 3: Estimated Impact on Patients and Health Center Revenues in the 26 States and D.C. Expanding Medicaid

State	# CHCs 2012	Total patients 2012	Uninsured patients 2012	Patients eligible with expansion	Patients eligible without expansion	Revenue with expansion (2014)	Revenue without expansion (2014)
Arizona	16	423,160	115,273	71,469	39,193	\$57,601,826	\$31,588,098
Arkansas	12	164,560	66,181	49,636	26,472	\$26,024,463	\$13,879,714
California	129	3,261,720	1,357,487	868,792	475,120	\$738,657,887	\$403,953,532
Colorado	17	494,081	188,564	124,452	71,654	\$76,275,833	\$43,916,388
Connecticut	13	329,009	75,559	49,113	28,712	\$39,993,425	\$23,380,771
Delaware	3	39,401	14,696	10,140	6,172	\$5,349,460	\$3,256,193
District of Columbia	5	141,877	19,187	12,663	5,948	\$7,753,714	\$3,641,896
Hawaii	14	144,427	34,588	26,633	12,106	\$21,738,127	\$9,880,967
Illinois	42	1,142,381	342,852	226,282	116,570	\$104,002,169	\$53,576,875
Iowa	14	181,781	59,737	45,400	25,090	\$23,422,215	\$12,943,856
Kentucky	21	291,266	112,785	91,356	46,242	\$51,173,871	\$25,902,824
Maryland	16	291,579	73,916	47,306	25,871	\$40,988,468	\$22,415,568
Massachusetts	36	638,623	126,334	82,117	82,117	\$63,487,286	\$63,487,286
Michigan	32	570,009	181,448	146,973	74,394	\$105,078,134	\$53,187,697
Minnesota	16	181,389	67,309	48,462	28,943	\$33,704,168	\$20,128,878
Nevada	2	62,284	30,334	19,414	10,617	\$7,546,228	\$4,126,843
New Hampshire	10	67,194	19,939	15,154	9,770	\$10,296,020	\$6,638,224
New Jersey	20	467,913	202,368	119,397	70,829	\$60,152,774	\$35,683,849
New Mexico	15	284,246	119,589	82,516	41,856	\$46,862,342	\$23,770,753
New York	57	1,588,439	363,837	240,132	138,258	\$199,847,446	\$115,063,681
North Dakota	4	31,435	8,497	6,713	4,079	\$3,842,958	\$2,334,962
Ohio	34	495,432	162,233	131,409	68,138	\$58,291,012	\$30,224,969
Oregon	29	311,298	114,535	83,611	48,105	\$85,304,586	\$49,079,351
Rhode Island	8	134,905	42,683	28,598	17,073	\$23,051,165	\$13,761,889
Vermont	8	130,659	13,599	10,199	6,935	\$8,521,718	\$5,794,768
Washington	25	818,777	288,351	201,846	115,340	\$200,111,650	\$114,349,514
West Virginia	27	382,182	90,798	73,546	38,135	\$41,350,568	\$21,441,035
Total expansion states	625	13,070,027	4,292,679	2,913,330	1,633,739	\$2,140,429,513	\$1,207,410,383

Conclusion

Between 2011 and 2012, the number of uninsured patients served by health centers increased by 237,492 patients (3.3 percent). As a result, the estimated number of patients who would have been eligible for coverage under a nationwide expansion also increased from approximately 5.0 million to 5.2 million patients. While New Hampshire recently decided to expand Medicaid, 1.1 million eligible patients in the 24 remaining opt-out states are expected to remain without access to affordable coverage.

These revised estimates (based on more recent 2012 average Medicaid revenues) also show that health centers in the opt-out states will likely forgo over half a billion dollars (\$569 million) in revenue that they would have received under the expansion. The loss of potential revenue presents significant challenges as the number of uninsured in the opt-out states who rely on health centers increases: the number of uninsured CHC patients in the opt-out states (including N.H. as an opt-out state as it was categorized in the original report) grew by 4.1 percent from 2011 to 2012 compared to an increase of 2.7 percent in CHC uninsured patient volume in the expansion states.⁸ Health centers in the non-expansion states are unlikely to have the capacity for growth given their reduced revenues and, as a result, access problems are likely to increase as the number of uninsured patients who seek care at health centers increases.⁹

Health center patients living in the South remain disproportionately affected; of the health center patients denied coverage due to states' refusals to expand Medicaid, approximately 71 percent live in the South, which as a region ranks poorly in health care access and quality. Alabama, Florida, Georgia, Indiana, Louisiana, Mississippi, Oklahoma, Tennessee, and Texas were recently ranked in the bottom quartile of health system performance in the US.¹⁰ More notably, 35 percent of uninsured CHC patients with forgone coverage live in the Deep South (Alabama, Florida, Georgia, Louisiana, and Mississippi), where differences in mortality attributable to health care disparities between blacks and whites remain particularly wide.¹¹ A recent RAND study suggests the Medicaid expansion would have led to significant improvements in access to quality care, health outcomes, including decreased mortality, and cost-savings.¹²

⁸ If N.H. is moved back into the expansion category, the percent increase in the number of uninsured CHC patients served in opt-out states still outpaces those in the expansion states (3.5% vs. 3.1%).

⁹ Barnes, J. (April 28, 2014). "Popular community health centers face closings." *Washington Post*. http://www.washingtonpost.com/local/popular-community-health-centers-face-closings/2014/04/28/a0842c74-ccb-11e3-93eb-6c0037d2ad_story.html

¹⁰ Radley, D.C., McCarthy, D., Lippa, J.A., Hayes, S.L. & Schoen, C. (2014). *Aiming Higher: Results from a Scorecard on State Health System Performance*. The Commonwealth Fund. <http://www.commonwealthfund.org/Publications/Fund-Reports/2014/Apr/2014-State-Scorecard.aspx>

¹¹ Ibid.

¹²Price, C.C. & Eibner, C. (2013). For states that opt out of Medicaid Expansion: 3.6 million fewer insured and \$8.4 billion less in federal payments. *Health Affairs*, 32(6):1030-1036.

However, the decision by these states not to expand Medicaid is predicted to further worsen the health status of state residents, since it threatens the positive link between Medicaid and access to care and treatment for serious health care conditions that can compromise life and health. In effect, the uninsured patients who would have been eligible under health reform will continue to forgo or delay care and remain at increased risk for more costly health problems that could have been prevented or treated earlier.

The lack of coverage options for the working poor and the refusal of federal Medicaid funding also have significant economic implications. In addition to forgoing the major gains in overall cost savings from greater access to preventive services, these states will also forgo gains in job creation, labor income and productivity, and related tax revenues. Numerous studies indicate that expansion and the infusion of federal Medicaid funding generates net economic and cost-savings gains.¹³ However, the decision to opt out of the Medicaid expansion ensures greater spending on uncompensated care and lower federal payments compared to those received in expansion states. In 14 opt-out states alone, uncompensated care costs are expected to increase by \$1 billion and \$8.4 billion less in federal funding will be received.¹⁴ As a result, these states will continue to struggle to address disparities in health care access and outcomes and to generate budget savings associated with cost-effective care.

¹³ Dorn, S., Holohan, J., Carroll, C., & Grath, M.M. (2013). *Medicaid Expansion Under the ACA: How States Analyze the Fiscal and Economic Trade-offs*. Urban Institute. <http://www.urban.org/UploadedPDF/412840-Medicaid-Expansion-Under-the-ACA.pdf>;

Rosenbaum, S. & Shin, P. (2011). *Community health centers and the economy: Assessing centers' role in immediate job creation efforts*. Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 25. <http://www.rchnfoundation.org/?p=901> ; Shin, P., Bruen, B., Jones, E., Ku, L., & Rosenbaum, S. (2010). *The economic stimulus: Gauging the early effects of ARRA funding on health centers and medically underserved populations and communities*. Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 17. <http://www.rchnfoundation.org/?p=884>; Rosenbaum, S., Jones, E., Shin, P., & Ku, L. (2009). *National health reform: How will medically underserved communities fare?* Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 10. <http://www.rchnfoundation.org/?p=864>; Shin, P., Ku, L., Mauery, D. R., Finnegan, B., & Rosenbaum, S. (2009). *Estimating the economic gains for states as a result of Medicaid coverage expansions for adults*. Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 15. <http://www.rchnfoundation.org/?p=874>; Dor, A., Richard, P., Tan, E., Rosenbaum, S., Shin, P., & Repasch, L. (2009). *Community health centers in Indiana: State investments and returns*. Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 12. <http://www.rchnfoundation.org/?p=868>; Shin, P., Finnegan, B., & Rosenbaum, S. (2008). *How does investment in community health centers affect the economy?* Geiger Gibson/RCHN Community Health Foundation Research Collaborative Policy Research Brief No. 1. <http://www.rchnfoundation.org/?p=843>

¹⁴ Price, C.C. & Eibner, C. (2013). For states that opt out of Medicaid Expansion: 3.6 million fewer insured and \$8.4 billion less in federal payments. *Health Affairs*, 32(6):1030-1036. Also available at: http://www.rand.org/content/dam/rand/pubs/research_briefs/RB9700/RB9706/RAND_RB9706.pdf