

Community Health Centers: Frequently Asked Questions

- [What are community health centers and who do they serve?](#)
- [What do studies say about the effect of health centers in underserved communities?](#)
- [What policies have states enacted related to health centers?](#)

What are community health centers and who do they serve?

Health centers are community-based organizations that offer essential primary and preventive care services to populations with limited access to health care. Services available can range from basic doctor's visits, immunizations, health screenings, laboratory and radiology, pharmacy, dental, and mental health services. Typically services are provided on a sliding-scale based on an individual's ability to pay.

Health centers frequently extend beyond the center's walls to better reach underserved populations. Community health centers care for 16 million people at more than 6,000 locations across the nation. Of those served at health centers, 71 percent are below 100 percent of the federal poverty guidelines and 92 percent are below 200 percent. Forty percent are uninsured while 35 percent are enrolled in Medicaid or SCHIP. Sixty percent are Hispanic, African-American or Native American and 35 percent are under the age of 20.

Funding for health centers comes from a variety of public and private sources. According to the National Association of Community Health Centers, health centers receive half of their funds from state and local sources, such as Medicaid, state and local funds, and to a small extent, the children's health insurance program. The remainder comes from federal grants, private insurance, Medicare and patients themselves.

While the term community health center is often used to describe a wide variety of providers, it officially covers three categories. Federally Qualified Health Centers are authorized public or private non-profit organizations that receive federal grants in order to serve migrant workers, homeless populations, residents of public housing and other underserved communities. Federally Qualified Health Center look-alikes meet the Centers for Medicare and Medicaid Services (CMS) definition of a health center, but do not receive grant funding through Health Center Program (Section 330 of the Public Health Service Act). Many of these are newly established and in the process of qualifying for grant funding. Finally, some facilities operated by tribal organizations also qualify as health centers.

What do studies say about the effect of health centers in underserved communities?

According to the National Association of Community Health Centers, health centers provide care for 41 percent less than equivalent care provided elsewhere and save the health care system between \$9.9 billion and \$17.6 billion each year. Much of these savings come through reduced uncompensated care and less cost to Medicaid and SCHIP programs. Health centers also provide an boost in economically deprived neighborhoods, providing 143,000 jobs and generating \$12.6 billion in economic activity. They predict that given increased funding, health centers could serve an additional 14 million people by 2015, saving the health care system \$22.6 billion to \$40.4 billion annually and generating an economic impact of \$40.7 billion and providing the equivalent of 460,000 full-time jobs.

In addition to the economic impact of health centers, health outcomes of those served by health centers are often improved relative to similar populations not served by a health center. For example, communities with health centers have 10 percent lower infant-mortality rate than similar communities not served by health centers, according to the National Association of Community Health Centers.

What policies have states enacted related to health centers?

There is a great deal of variation in the level and type of state involvement and funding for community health centers.