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A History of Community Health Centers¹

Health centers owe their existence to a remarkable turn of events in U.S. history, and to a few determined community health and civil rights activists working in low-income communities during the 1960s. Millions of Americans, living in inner-city neighborhoods and rural areas throughout the country suffered from deep poverty and a desperate need for health care. Among those who were determined to change those conditions was H. Jack Geiger, then a young doctor and civil rights activist. Geiger had studied in South Africa and witnessed how a pioneering community health model had wrought astonishing improvements in the health of the Zulus, a population ravaged by apartheid. In the 1960s, as President Johnson's declared "War on Poverty" began to ripple through America, the first proposal for the U.S. version of a community health center sprung to life at the Office of Economic Opportunity. Funding was approved in 1965 for the first two neighborhood health center demonstration projects, one in Boston, Massachusetts, and the other in Mound Bayou, Mississippi.

Congress also helped stake out this new direction in health care by passing several pieces of legislation. First, the Social Security Act was amended with the passage of the Kerr-Mills measure (1960), which provided states with grant money for the medically indigent. Two years later, after the plight of America's migrant farm workers made national news, the Migrant Health Act was signed into law to create rural clinics where migrant workers could find health care as they moved from place to place, harvesting the nation's food. But it was the passage of the landmark *Economic Opportunity Act of 1964* that marked the birth of America's Community Health Centers. The health center model that emerged targeted the roots of poverty by combining the resources of local communities with federal funds to establish neighborhood clinics in both rural and urban areas around America. It was a formula that not only empowered communities, but also generated compelling proof that affordable and accessible health care produced compounding benefits. Studies showed that the health center model reduced health disparities, lowered infant mortality rates, and reduced chronic disease. Health centers created jobs and other investments in hard-

"It is therefore the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this nation by opening, to everyone, the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity."

**- Preamble, 1964
Economic
Opportunity Act**

¹ Adopted from the *National Association of Community Health Centers* webpage.



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pressed communities, and produced cost-savings for the health care system by reducing the need for acute care at hospital emergency rooms.

The passage of Medicare and Medicaid in 1965 also provided much needed benefits to the elderly, disabled, and families living in poverty. In 1975, Congress permanently authorized neighborhood health centers as "community and migrant health centers," and in later years added primary health care programs for residents of public housing and the homeless to the portfolio of programs. The Health Centers Consolidation Act of 1996 combined these authorities under Section 330 of the Public Health Service Act (PHSA) to create the consolidated health centers program and what is now known as Community, Migrant, Public Housing and Homeless Health Centers. The Health Resources and Services Administration (HRSA), Bureau of Primary Health Care (BPHC) currently administers the program, within the U.S. Department of Health and Human Services (HHS).

Governance

Health centers now constitute an integral part of the nation's health delivery system. It is the only health care system controlled in partnership with patients. Every Federally Qualified Health Center (FQHC), as these centers are now known, is governed by a community board with a patient majority – *a patient democracy*. The beauty of this system, which is unique in America's health care landscape, is that patients do not just pay for their health care, they also "have a say" in how their health care is delivered through their patient representatives on the center's governing board. The patient-majority governing board is among the five core statutory requirements that every health center must meet in order to receive federal funding. The other requirements are:

- *Location in a federally designated medically underserved area.*
- *Have nonprofit, public, or tax exempt status.*
- *Provide comprehensive primary health care services, referrals and other services needed to facilitate access to care, such as case management, translation, and transportation.*
- *Provide services to all in their service area, regardless of ability to pay, and offer a sliding fee schedule that adjusts charges for care according to family income.*



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Today, almost forty years after they started out as a neighborhood demonstration project, America's health centers are helping communities meet escalating health needs and address costly and devastating health problems, from prenatal and infant health development to chronic illness (like diabetes and asthma), to mental health, substance addiction, homelessness, domestic violence and HIV/AIDS. Health centers and their innovative programs in primary care and prevention span urban and rural communities across the nation, serving as the family doctor and health care home for more than 15 million people. Their remarkable success has earned them broad bipartisan support among federal, state, and local policy-makers.

What are Health Centers?

Community health centers are local, non-profit, community-owned health care providers serving low income and medically underserved communities. For nearly 40 years, the national network of health centers has provided high-quality, affordable primary care and preventive services, and often provide on-site dental, pharmaceutical, and mental health and substance abuse services. Also known as Federally-Qualified Health Centers (FQHCs), they are located in areas where care is needed but scarce, and improve access to care for millions of Americans regardless of their insurance status or ability to pay. Their costs of care rank among the lowest, and they reduce the need for more expensive in-patient and specialty care, saving billions of dollars for taxpayers. Currently, over 1,000 community, migrant and homeless health centers serve 3,600 urban and rural communities in every state and territory.

Whom Do Health Centers Serve?

Health centers serve as the medical home and family physician to 15 million people nationally – a number that is quickly growing. Health center patients are among the nation's most vulnerable populations – people who even if insured would nonetheless remain isolated from traditional forms of medical care because of where they live, who they are, the language they speak, and their higher levels of complex health care needs.

About half of health center patients reside in rural areas, while the other half tend to live in economically depressed inner city communities. Health centers serve one in five low income children. As Figure 1 demonstrates, nearly 70% of health center patients have family incomes at or below poverty (\$15,206 annual income for a family of three in 2003). Moreover, as shown in Figure 2,



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nearly 40% of health center patients are uninsured and another 36% depend on Medicaid, much higher than the national rates of 12% and 15%, respectively (not shown). Two-thirds of health center patients are members of racial and ethnic minorities, as shown in Figure 3.

How Do Health Centers Overcome Barriers To Care?

Health centers remove common barriers to care by serving communities who otherwise confront financial, geographic, language/cultural and other barriers, making them different from most private, office-based physicians. They:

- *are located in high-need areas identified by the federal government as having elevated poverty, higher than average infant mortality, and where few physicians practice;*
- *are open to all residents, regardless of insurance status, and provide free or reduced cost care based on ability to pay;*
- *tailor their services to fit the special needs and priorities of their communities, and provide services in a linguistically and culturally appropriate setting. Nearly a third of all patients are best served in languages other than English; and*
- *offer services that help their patients access health care, such as transportation, translation, case management, health education, and home visitation.*

For many patients, the health center may be the only source of health care services available. In fact, the number of uninsured patients at health centers is rapidly growing – from around 3.9 million in 1998 to over 5.9 million today.

How Do Health Centers Make A Difference?

Key to health centers' accomplishments is patient involvement in service delivery. Governing boards – the majority of which must be patients according to grant requirements – manage health center operations. Board members serve as community representatives and make decisions on services provided. Active patient management of health centers assures responsiveness to local needs, and helps guarantee that health centers improve the quality of life for millions of patients in the following ways.



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- **Improve Access to Primary and Preventive Care.** Health centers provide preventive services to vulnerable populations that would otherwise not have access to certain services, such as immunizations, health education, mammograms, pap smears, and other screenings. Health centers have also made significant strides in preventing anemia and lead poisoning. Low income, uninsured health center users are also much more likely to have a usual source of care than the uninsured nationally.
- **Effective Management of Chronic Illness.** Health centers meet or exceed nationally accepted practice standards for treatment of chronic conditions. In fact, the Institute of Medicine (IOM) and the General Accounting Office (GAO) have recognized health centers as models for screening, diagnosing, and managing chronic conditions such as diabetes, cardiovascular disease, asthma, depression, cancer, and HIV. Health centers' efforts have led to improved health outcomes for their patients, as well as lowered the cost of treating patients with chronic illness.
- **Reduction of Health Disparities.** Because of their success in removing barriers to care, the IOM and GAO recognized health centers for reducing or even eliminating the health gaps for racial and ethnic minorities, as well as for the poor in the U.S. A recent landmark study found that health centers are associated with reducing racial and ethnic disparities in such key areas as infant mortality, prenatal care, tuberculosis case rates, and death rates. Another major study found that disparities in health status do not exist among health center users, even after controlling for socio-demographic factors, and that the absence of disparities at health centers may be related to their culturally sensitive practices and community involvement – features that other primary care settings often lack.
- **Cost-Effective Care.** Health centers provide comprehensive health care for about \$1.30 a day per patient served. In fact, medical care at health centers is around \$250 less than the average annual expenditure for an office-based medical provider. Several studies have found that health centers save the Medicaid program in annual spending for health center Medicaid beneficiaries due to reduced specialty care referrals and fewer hospital admissions, thereby producing significant savings in combined federal and state Medicaid expenditures.
- **High Quality of Care.** Studies have found that the quality of care provided at health centers is equal to or greater than the quality of care provided elsewhere. Moreover, 99% of surveyed patients report that they were satisfied with the care they receive at health centers.



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- **Fewer Infant Deaths.** Several studies have found that communities served by health centers have infant mortality rates between 10 and 40% lower than communities not served by health centers. Health centers are also linked to improvements in accessing early prenatal care and reductions in low birth weight.
- **Create Jobs and Stimulate Economic Growth.** Health centers employ 78,000 full-time positions, including many local community residents. They bolster local business and stabilize neighborhoods by stimulating community development and economic growth.

Why Is Investing In Health Centers Important?

As described above, investing in health centers produces improved health outcomes and quality of life, as well as reductions in health disparities for millions of Americans. In addition, investment also leads to reductions in national health care spending. As shown in Figure 4, health centers on average receive only 26% of their total revenue from federal grants. The largest single source of revenue is Medicaid, representing 36% of total revenue and 64% of all patient-related revenue. Another major source (13%) of revenue comes from non-federal grants and contracts, the vast majority of which comes from state and local funds. Already cited as one of the 10 most successful federal programs, a continued and expanded investment in health centers will guarantee improved health outcomes for millions more Americans and further cost savings.