For nearly 50 years, U.S. health centers have delivered comprehensive, high-quality preventive and primary health care to patients regardless of their ability to pay, becoming one of the largest safety net systems in the country.

Community Health Connection has been no exception. In 2015, Community Health Connection provided care to many of the most underserved members of its community. In addition to providing quality care, Community Health Connection generated positive economic impacts, including jobs, tax revenues and savings to the health care system.

Total Economic Impact
$23,000,000

Cost Savings
$13.2 Million
ANNUALLY

Total Tax Revenue
$1.1 Million
ANNUALLY

Economic Impact

Total Economic Impact
$8,694,298
ANNUALLY

$3,706,766
NON-DIRECT

$4,987,532
DIRECT

Patient Profile

29% MEDICAID
3% MEDICARE
99% UNDER 200% POVERTY
59% UNINSURED
9% PRIVATELY INSURED

Employment

82 TOTAL JOBS

27 NON-DIRECT

55 DIRECT

Total Tax Revenue

$0.3 MILLION
STATE & LOCAL

$0.8 MILLION
FEDERAL
COMMUNITY IMPACT

Community health centers provide high quality, cost-effective, patient-centered care to vulnerable populations. Health centers serve 1 in 7 Medicaid beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons. Nationally, two-thirds of health center patients are members of racial or ethnic minorities, which places health centers at the center of the national effort to reduce racial disparities in health care. Recent studies show that, on average, each patient receiving care at a health center saved the health care system 24%, annually. With 10,454 patients served by Community Health Connection in 2015, the estimated annual savings is $13.2 million at $1,263 saved per patient.

ECONOMIC IMPACT

As health centers expand, their expenditures and corresponding economic impact also grow. In 2015 alone, Community Health Connection contributed about $8.7 million dollars. The table to the right summarizes economic impact and employment.

The tax impacts of Community Health Connection are divided into state/local governments and Federal government agencies.

Tax revenue is generated through employee compensation, proprietor income, indirect business taxes, households, and corporations based on the modeled impact.

Summary of 2015 Total Economic Activity

<table>
<thead>
<tr>
<th>Economic Impact</th>
<th>Employment (# of FTEs*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$4,987,532</td>
</tr>
<tr>
<td>Indirect</td>
<td>$1,055,565</td>
</tr>
<tr>
<td>Non-Direct Induced</td>
<td>$2,651,201</td>
</tr>
<tr>
<td>Total</td>
<td>$8,694,298</td>
</tr>
</tbody>
</table>

Direct # of FTEs (employment) based on HRSA 2015 UDS state level data for FQHCs.

Summary of 2015 Tax Revenue

<table>
<thead>
<tr>
<th>Tax Revenue</th>
<th>Federal</th>
<th>State/Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$521,424</td>
<td>$103,974</td>
</tr>
<tr>
<td>Indirect</td>
<td>$83,926</td>
<td>$49,929</td>
</tr>
<tr>
<td>Non-Direct Induced</td>
<td>$194,858</td>
<td>$154,202</td>
</tr>
<tr>
<td>Total</td>
<td>$800,208</td>
<td>$308,105</td>
</tr>
</tbody>
</table>

Total Tax Impact $1,108,313

*Full-time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e. 50 percent time) is reported as “0.5 FTE.” FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as “0.33 FTE” (4 months/12 months).
Community Health Connection

Economic Impact

HOW ECONOMIC IMPACT IS MEASURED

Using IMPLAN, integrated economic modeling software, this analysis applies the “multiplier effect” to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using IMPLAN Version 3, Trade Flows Model.

WHAT ARE DIRECT, INDIRECT AND INDUCED IMPACTS?

Direct impacts result from health center expenditures associated with expanded operations, new facilities, and hiring.

Indirect impacts result from purchases of local goods and services, and jobs in other industries.

Induced impacts result from purchases of local goods and services at a household level made by employees of the health center and suppliers.

A health center purchases medical devices from a local medical supply store.

The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices.

As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community.

This purchase is a direct economic impact of the health centers expanded operations.

These purchases are indirect economic impacts of the health centers expanded operations.

These purchases are induced economic impacts because they are the result of growth of the entire community.
REFERENCES


ABOUT CAPITAL LINK

Capital Link is a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 15 years to plan capital projects, finance growth and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at www.caplink.org.

SOURCES

This report was created with the FY15 the financial statement and the 2015 UDS report from Community Health Connection in cooperation with.