



FACTS about Arkansas Community Health Centers

Arkansas's Community Health Centers, through more than 100 locations in underserved rural and urban Arkansas, provide access to quality, affordable primary care services to 163,797 Arkansans through 561,130 visits in 2013. Community Health Centers serve residents of 51 counties in Arkansas, even in the city of Little Rock.

Community Health Centers are different from other health providers because they:

- **must** serve a medically underserved area or population;
- **must** be open to all residents, regardless of age, insurance status and income level;
- **must** provide reduced cost care based on ability to pay, on a sliding fee basis;
- **must** be non-profit, independent and locally controlled;
- **must** provide access to medical, dental, mental health, pharmacy, and other social services; and
- **are** subject to many unique auditing and reporting requirements at both the state and federal levels.

Services provided through Community Health Centers **must** include: medical care, dental services, behavioral health care, pharmaceutical needs. Services are also offered that help patients access health care, such as transportation, translation, case management, health education and chronic disease management, especially diabetes. Such services can be provided through partnership referrals or directly by the staff of a Community Health Center.

- ✓ Community Health Centers serve many low-income uninsured and Medicaid patients when compared to other clinics with **57% of Community Health Center patients living under 200% poverty (which equals income of \$48,500 for a family of 4).**
- ✓ Over the past five years, total Community Health Center usage has grown by 16% in patients served; **uninsured patients continue to be a significant part of the patient population of our Community Health Centers even with the availability of insurance coverage.**
- ✓ **24% of Community Health Center patients were uninsured during 2014, down from the 40% of the previous year. Community Health Centers provided \$19 million in discounts to these patients in 2013, and \$11.9 million in discounts to these patients in 2014.**
- ✓ **While federal grants for Community Health Centers' operational support make up 28% of a health center's overall budget, patient revenue (48%) is a critical component of the funding stream for a Community Health Center's operation.**

Studies show that Community Health Centers save Medicaid 30% on each Medicaid recipient (from "*The Effects of Community Health Centers on Healthcare Spending & Utilization*"). Community Health Centers reduce inappropriate usage of ERs, prevent unnecessary hospitalizations, reduce the need for specialty care and are experts at keeping underserved patients healthy. Community Health Centers are cost effective:

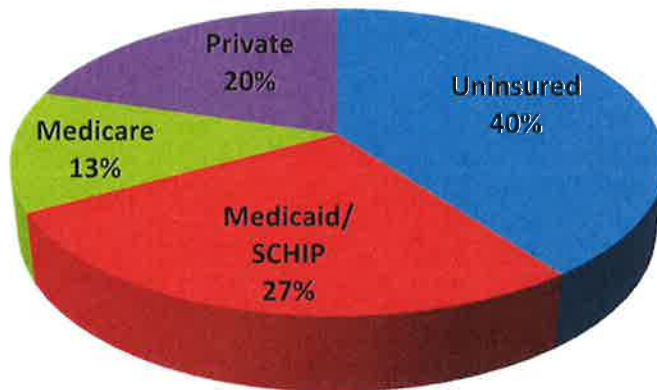
| | ARKANSAS HEALTH CTR AVG | NATIONAL AVG |
|-----------------------------------|----------------------------|-----------------|
| Total Cost/Patient | \$631.39 | \$720.89 |
| Medical Cost/Patient | \$421.96 | \$492.48 |
| Dental Cost/Patient | \$468.72 | \$425.24 |
| Mental Health Cost/Patient | \$ 99.73 | \$722.57 |



Community Health Centers of Arkansas, Inc.
ARKANSAS PRIMARY CARE ASSOCIATION

2013 By the Numbers

2013 CHC Patient Payment Mix



Source: UDS 2013

561,130

Visits by

163,797

Patients

446,971

Primary Care Visits

61,037

Oral Health Visits

42,474

Behavioral Health
Visits



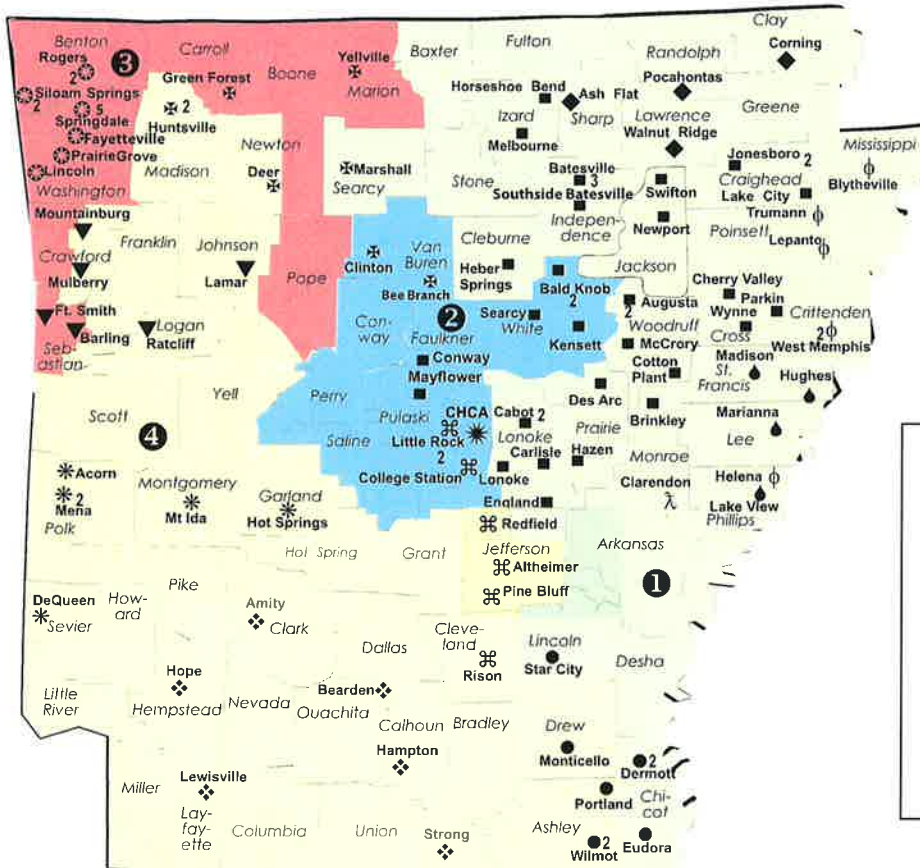
Community Health Centers of Arkansas, Inc.

ARKANSAS PRIMARY CARE ASSOCIATION

Statewide Look at Arkansas Community Health Centers

| Community Health Center | Total Patients | Private | % Private | Uninsured | % Uninsured | Medicaid | % Medicaid | Medicare | % Medicare | Total Encounters |
|--|----------------|---------|-----------|-----------|-------------|----------|------------|----------|------------|------------------|
| 1st Choice Healthcare, Inc. | 13,465 | 3707 | 27.53% | 4702 | 34.92% | 2812 | 20.88% | 2244 | 16.67% | 59220 |
| ARcare, Inc. | 40,442 | 7757 | 19.18% | 16870 | 41.71% | 10052 | 24.86% | 5763 | 14.25% | 128001 |
| Boston Mountain Rural Health Centers, Inc. | 14,967 | 4950 | 33.07% | 3628 | 24.24% | 3310 | 22.12% | 3079 | 20.57% | 48433 |
| CABUN Rural Health Services, Inc. | 8,234 | 1749 | 21.24% | 3097 | 37.61% | 1650 | 20.04% | 1738 | 21.11% | 34808 |
| Community Clinic | 27,238 | 2447 | 8.98% | 10670 | 39.17% | 13631 | 50.04% | 490 | 1.80% | 90970 |
| East Arkansas Family Health Center, Inc. | 12,596 | 2636 | 20.93% | 6207 | 49.28% | 2248 | 17.85% | 1505 | 11.95% | 43926 |
| Healthy Connections, Inc. | 5,384 | 1135 | 21.08% | 1881 | 34.94% | 1140 | 21.17% | 1228 | 22.81% | 19621 |
| Jefferson Comprehensive Care System, Inc. | 11,414 | 1874 | 16.42% | 6118 | 53.60% | 2481 | 21.74% | 941 | 8.24% | 37443 |
| Lee County Cooperative Clinic, Inc. | 4,427 | 1207 | 27.26% | 2323 | 52.47% | 653 | 14.75% | 244 | 5.51% | 14595 |
| Mainline Health Systems, Inc. | 8,755 | 1631 | 18.63% | 4018 | 45.89% | 1931 | 22.06% | 1175 | 13.42% | 29222 |
| Mid-Delta Health Systems, Inc. | 3,318 | 649 | 19.56% | 1639 | 49.40% | 664 | 20.01% | 366 | 11.03% | 10557 |
| River Valley Primary Care Services, Inc. | 13,557 | 3594 | 26.51% | 4209 | 31.05% | 3805 | 28.07% | 1949 | 14.38% | 44334 |

Source: 2013 UDS



FQHC Legend

- ◆ 1st Choice Healthcare, Inc.
- ARcare
- ✱ Boston Mountain Rural Health Center, Inc.
- ✱ CABUN Rural Health Services, Inc.
- ⊙ Community Clinic
- ⊙ East Arkansas Family Health Center, Inc.
- ✱ Healthy Connections, Inc.
- ⊙ Jefferson Comprehensive Care System, Inc.
- ◆ Lee County Cooperative Clinic, Inc.
- Mainline Health Systems, Inc.
- λ Mid-Delta Health Systems, Inc.
- ▼ River Valley Primary Care Services, Inc.

Arkansas Community Health Centers

SLIDING FEE DISCOUNTS

- **Community Health Centers are not free clinics.** All Community Health Centers use a sliding fee discount on normal charges to a patient. The amount of the sliding fee discount is based on income and family size and applies only to individuals earning at or below 200 percent of the Federal poverty guidelines (\$48,500 for a family of 4). Community Health Centers are even required to charge a minimum fee for patients at 100 percent and below the Federal poverty guidelines (\$24,250 for a family of 4). Proof of income is required for patients seeking a sliding fee discount.
- Sliding fee discount must be based on most recent Federal poverty guidelines, and there must be a consistent procedure for documentation of sliding fee eligibility. **Sliding fee discount may also be applied to patient deductibles, coinsurances, etc.**
- A Community Health Center's charge structure, which is the amount charged to patients for services provided, must be updated annually and approximate the center's cost of providing the services. And, such charges must be consistent with the prevailing and customary charges for similar services within the local community.
- Patient payments impact a Community Health Center and a constant focus on maximizing revenue from patient services is essential to the long-term financial well-being of a health center. Essential to a Community Health Center is an adequate and competitive fee schedule, corresponding schedule of discounts and related billings, and **timely follow-up on all uncollected amounts.** Specifically, the Community Health Center programmatic authorization statute says, *"the center has prepared a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation and has prepared a corresponding schedule of discounts to be applied to the payment of such fees or payments, which discounts are adjusted on the basis of the patient's ability to pay; the center has made and will continue to make every reasonable effort – to secure from patients payment for services in accordance with such schedules."* This also means that each Community Health Center must attempt to **verify a patient's income status** by requiring documentation such as a W-2 form or most recent paycheck stub.
- Community Health Centers are subject to many unique auditing and report requirements which include the review of the above procedures, such as:
 - Bureau of Primary Health Care
 - Office of Performance Review
 - Medicaid/Medicare
 - Independent Audits
 - Office of Inspector General (OIG)
 - Internal Revenue Services
 - OMB Circular A-110, A-122, A-133

2013 Uninsured Patients: 65,362
2014 Uninsured Patients: 42,015

2013 Sliding Fees: \$19M
2014 Sliding Fees: \$11.9M

2013 Collected Fees: \$11.4M
2014 Collected Fees: \$10.6M

ARKANSAS COMMUNITY HEALTH CENTERS

COST OF SELF-PAY PATIENT CARE

BASED ON PRELIMINARY 2014 EXPERIENCE DATA AND 2013 UDS REPORTED DATA

Community Health Centers are required to provide high quality health care for every patient that enters our clinics in underserved communities across Arkansas, regardless of ability to pay. The terminology of "uncompensated care" does not adequately reflect the cost of caring for our patients. So, for purposes of this review, the Community Health Centers of Arkansas has gathered preliminary data from 2014 (in contrast with 2013) for patients deemed as "Self Pay".

| | 2013 | | 2014 | |
|---------------------------------|--------------|-------------------|--------------|-------------------|
| | | % to Full Charges | | % to Full Charges |
| Number of Uninsured Patients | 65,362 | | 42,015 | |
| Full Charges | \$35,165,668 | | \$26,502,085 | |
| Per Uninsured Patient | \$538.01 | | \$630.78 | |
| Charges Collected | \$11,355,383 | 32.3% | \$10,575,391 | 39.9% |
| Per Uninsured Patient | \$173.73 | | \$251.71 | |
| Charges Discounted-Sliding Fee* | \$19,026,101 | 54.1% | \$11,892,698 | 44.9% |
| Per Uninsured Patient | \$291.09 | | \$283.06 | |
| Unpaid Balance of Charges* | \$4,784,184 | 13.6% | \$4,033,996 | 15.2% |
| Per Uninsured Patient | \$73.20 | | \$96.01 | |

To summarize, Community Health Centers provided more than \$23.8 million in sliding fee discounts* and unpaid charges* for healthcare services to Arkansas's underserved citizens during 2013, and more than \$15.9 million in 2014.

NOTE: Additionally, Community Health Centers provide sliding fee discounts for patient care for those that are under-insured, and often unable to meet deductibles or co-pays.



ARKANSAS COMMUNITY HEALTH CENTERS

IMPACT OF INSURANCE COVERAGE

BASED ON PRELIMINARY 2014 EXPERIENCE DATA

Overall, Community Health Centers have seen a 36% reduction in uninsured patient population, though the uninsured patient population continues to comprise almost 1/4 of the total patient population (42,015 of 177,225 patients)

Privately insured patients have increased 44%; Medicaid has increased 41%; Medicare has increased 21%

| Breakdown of coverage: | 2013 | 2014 |
|------------------------|------|------|
| Privately insured: | 20% | 27% |
| Uninsured: | 40% | 24% |
| Medicaid: | 27% | 35% |
| Medicare: | 13% | 14% |

Each Community Health Center has had a unique experience in the first year, such as:

→Lee County Cooperative Clinic (Marianna area) has seen a 58% decrease in uninsured patients, with a gain of 122% in Medicare and only a 12% gain in Medicaid coverage

→Mainline Health Systems (Dermott area) - has seen a 27% reduction in uninsured patients, with a large gain - 80% - in Medicaid

→Community Clinic (Northwest Arkansas) - has seen an almost 4% **increase** in uninsured patients and a 20% increase in Medicaid

→Boston Mountain Rural Health (Marshall area) - has seen a 54% reduction in privately insured, shifting over to a 47% increase in Medicaid and a 29% increase in Medicare

→East Arkansas Family Health Center (West Memphis area) - has also seen a 34% reduction in privately insured, shifting over to a 136% increase in Medicaid and a 77% increase in Medicare

