

# New report analyzes potential impact of sequestration on CHCs and underserved communities

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A new report by the Geiger Gibson/RCHN Community Health Foundation Research Collaborative at the George Washington University School of Public Health and Health Services (SPHHS) examines the potential impact of sequestration on community health centers and their patients and communities. "Assessing the Potential Impact of Sequestration on Community Health Centers, Patients, and Medically Underserved Communities" estimates that the nation's 1,200 federally funded health centers will lose \$120 million in grant funding, and that this funding drop can be expected to translate into 900,000 fewer patients served and 3 million fewer visits. Furthermore, the authors find that because of its timing, sequestration's impact will be concentrated in the second half of FY 2013, thereby necessitating dramatic and immediate programmatic reductions that in turn will affect the local economies in which health centers operate.

"Given who health centers serve and where they are located, it is not surprising that our findings reveal that the funding reductions will hit the most vulnerable patients the hardest," says lead author Peter Shin, PhD, MPH, an associate professor of health policy at SPHHS.

[Sequestration](#) is expected to affect all 8,500 health center service locations. The personnel and service cuts needed to absorb \$120 million in grant funding losses can be expected to result in an additional loss of \$230 million in third party insurance revenues needed to support

operations. The analysis shows that the cuts will disproportionately impact the poorest Americans, children, young families, and members of ethnic and racial minority groups, as well individuals with serious and chronic health care needs. Among the 900,000 patients losing access to health center services:

- 72% will have family incomes below the [federal poverty level](#) (FPL); virtually all will have family incomes below twice the FPL;
- 32% will be children under 18;
- 57% will be members of racial/ethnic minority populations;
- 26% will be residents of the Southeastern and South Central states, where poverty is the deepest and Medicaid coverage of poor adults is the most limited;
- 52% will have two or more chronic health conditions.

"Our communities rely on [health centers](#) to provide care to more than 20 million people each year, and that number was expected to increase dramatically when the Affordable Care Act took full effect, " said Julio Bellber, President and CEO of the RCHN [Community Health](#) Foundation. "The funding cuts are a real threat to the health and well-being of our medically disenfranchised communities."

**More information:** The report can be accessed by clicking here: [sphhs.gwu.edu/departments/health\\_center\\_operations/GGRCHN.pdf](http://sphhs.gwu.edu/departments/health_center_operations/GGRCHN.pdf)

Provided by George Washington University

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