Federally Qualified Health Centers (FQHCs) and other safety-net clinics are locally-controlled, non-profit organizations that offer a range of quality services, including primary care, behavioral health, dental and vision. In 2015, California health centers contributed over $8 billion in total economic impact and over 59,000 jobs. These health centers served 20% of the Medi-Cal population, but received only 2.8% of total Medi-Cal expenditures.

Coalition of Orange County Health Centers Provides...

- **8,798 TOTAL JOBS**
  - 4,508 HEALTH CENTER JOBS
  - 4,290 OTHER JOBS IN THE COMMUNITY

- **$1,258,926,373 TOTAL ECONOMIC IMPACT** of current operations
  - $595,591,361 DIRECT HEALTH CENTER SPENDING
  - $663,335,012 COMMUNITY SPENDING

- **22% LOWER COSTS FOR HEALTH CENTER MEDI-CAL PATIENTS** compared to other providers
  - $598 Million SAVINGS TO MEDI-CAL

- **$814 Million SAVINGS TO OVERALL HEALTH SYSTEM**

- **445,597 PATIENTS SERVED**
  - 156,701 patients are CHILDREN AND ADOLESCENTS
  - 92% of patients are LOW-INCOME (Below 200% of the Federal Poverty Level)
  - 60% of patients identify as an ETHNIC OR RACIAL MINORITY

- **Since 2012:**
  - 150,768 Additional patients covered by MEDI-CAL
  - 24% decline in UNINSURED PATIENTS
  - 50% of total health center patients COVERED BY MEDI-CAL
If Congress and the new President agree to roll back Medicaid eligibility to pre-Affordable Care Act levels, eliminate subsidies for insurance plans offered through the exchanges, and reduce health centers’ federal operating support by 70%, the health center of tomorrow will look dramatically different than it does today. Health centers would rapidly destabilize financially, with cascading negative impacts to employees, patients, and the communities they serve. The state of California would experience a $3.8 billion economic reduction and a loss of over 27,000 jobs from just the Health Center Program.

Potential future impacts specific to Coalition of Orange County Health Centers Health Centers are highlighted below:

- **1,488** TOTAL JOBS LOST
- **$196,721,355** DECLINE IN TOTAL ECONOMIC IMPACT of current operations
- **$93,067,825** DIRECT HEALTH CENTER SPENDING
- **$103,653,530** COMMUNITY SPENDING
- **174,109** former health center patients SEEK CARE ELSEWHERE or DELAY CARE and end up with COSTLY HEALTH PROBLEMS
- **$353 Million** HIGHER COSTS TO THE HEALTH SYSTEM than if health center doors remained open
- **39% DECLINE IN PATIENTS**
- **145,241** fewer patients covered by MEDI-CAL
REFERENCES AND DATA SOURCES

1. Economic and Employment Impacts: Calculated by Capital Link using 2015 IMPLAN Online.


5. Fewer Jobs and Negative Impacts: Calculated by Capital Link using 2015 IMPLAN Online with the assumptions listed in #6.

6. Higher Costs and Barriers to Care: Calculated by Capital Link using the difference between pre-ACA levels and 2015 levels to derive the change in payer mix, operating revenue and expenses. Estimates are also based on HRSA’s calculation of the national impact of a 70% loss to 330 funding. In December, 2016, HRSA estimated in a response to a request from Congress that a 70% cut to Section 330 funding would lead to 9 million patients losing access to care, 51,000 jobs lost, 2,800 sites closed, and nearly $7.5 billion in reduced overall health center revenues. Capital Link’s estimate further assumes that these losses would be spread on a pro rata basis, according to the 2015 “share” of patients, FTEs and revenues of grantees.

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**Summary of 2015 Economic Activity**

<table>
<thead>
<tr>
<th>Community Impact</th>
<th>Economic Impact</th>
<th>Employment (# of FTEs*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$595,591,361</td>
<td>4,508</td>
</tr>
<tr>
<td>Indirect</td>
<td>$224,025,358</td>
<td>1,374</td>
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<tr>
<td>Induced</td>
<td>$439,309,654</td>
<td>2,916</td>
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<tr>
<td>Total</td>
<td>$1,258,926,373</td>
<td>8,798</td>
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</tbody>
</table>

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**Summary of Projected Economic Losses**

<table>
<thead>
<tr>
<th>Community Impact</th>
<th>Economic Impact</th>
<th>Employment (# of FTEs*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>$93,067,825</td>
<td>818</td>
</tr>
<tr>
<td>Indirect</td>
<td>$35,006,473</td>
<td>215</td>
</tr>
<tr>
<td>Induced</td>
<td>$68,647,057</td>
<td>456</td>
</tr>
<tr>
<td>Total</td>
<td>$196,721,355</td>
<td>1,488</td>
</tr>
</tbody>
</table>

*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).
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 2015 IMPLAN Online.

WHAT ARE DIRECT AND COMMUNITY IMPACTS?

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

Community impacts can be indirect, resulting from purchases of local goods and services, and jobs in other industries.

Community impacts can be induced, resulting 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.

These purchases are direct economic impacts of the health center’s operations.

These purchases are indirect economic impacts of the health center’s operations.

These purchases are induced economic impacts because they are the result of a ripple effect through the entire community.
Value of Health Centers
Coalition of Orange County Health Centers

COMMUNITY HEALTH CENTERS
INCLUDED IN THIS ANALYSIS

AltaMed Medical Group
Camino Health Center
Center for Inherited Blood Disorders (CIBD)
Central City Community Health Center
CHOC Children’s Health Center
Families Together of Orange County
Friends of Family Health Center
HOPE Clinic
Hurtt Family Health Clinic
Korean Community Services Health Center
Laguna Beach Community Clinic
Lestonnac Free Clinic
Livingstone CDC
Nhan Hoa Comprehensive Health Care Clinic
North Orange County Regional Health Foundation
Obria Medical Clinics
Providence Speech and Hearing Center
Serve The People Community Health Center
Share Our Selves Community Health Center
Sierra Health Center
St. Jude Neighborhood Health Centers
University of California, Irvine (UCI) Family Health Center
Vietnamese Community of Orange County
Vista Community Clinic: The Gary Center

This report was developed by Capital Link, a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 18 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.