

**OPENING REMARKS
FOR THE SENATE PUBLIC HEALTH AND WELFARE COMMITTEE
APRIL 15, 2008
ChesPenn Health Services**

Good Morning Mr. Chairman and members of the Committee. ChesPenn Health Services appreciates the opportunity to report on the health care services we provide and the impact we have on community health.

ChesPenn Health Services was founded in 1973 as a non-profit Health Care Organization and became a Federally Qualified Health Center in 1982, serving Chester and surrounding communities. In 2005, with core funding from the Brandywine Health Foundation and support from other individuals and foundations, the ChesPenn Family Health Center at Coatesville was opened to serve the Coatesville community and surrounding Chester County. Today, ChesPenn is a network of FQHCs serving the uninsured and underinsured residents of Delaware and Chester counties.

ChesPenn's mission is to improve the health status of all residents living in our service area by providing access to quality primary, urgent and preventive health care regardless of one's ability to pay.

CPHS is one of 42 health care organizations, also known as Community Health Centers, providing primary care and dental services to medically underserved communities in the State of Pennsylvania. Federally Qualified Health Centers are non-profit entities, which provide comprehensive primary and preventive health care, including dental care and related social services to medically underserved individuals. There are over 1,000 FQHCs nationwide who serve over 16 million individuals. The utilization of community health centers, like CPHS, help improve the quality of life for thousands of individuals and families in the following ways:

- By improving access to primary and preventive care irrespective of insurance status. Both health insurance and access to a primary care provider are necessary to impact individual and community health.
- By offering and providing cost effective care – health care received at health centers is ranked among the most cost-effective care. If avoidable visits to ERs were redirected to health centers, over \$18 billion in annual health care costs could be saved nationally (All of the national data is available at www.nachc.org).
- By provided high quality care, the actual cost of health care in a FQHC is 41% lower compared to patients seen elsewhere. And, as a result we contribute to saving the health care system between \$9.9 and \$17.6 billion a year.
- By reducing health disparities – We focus on reducing health disparities. Studies have stated that disparities in health status do not exist among health center patients, even after controlling for socio-demographic factors. This may be related to our culturally sensitive practices and community involvement.

- By creating jobs and stimulating economic growth, FQHCs generate an overall economic impact of \$12.6 billion. Collectively, the FQHCs have created 143,000 jobs in some of the country's most economically deprived neighborhoods.

CPHS is governed by a Board of Directors, which is comprised of a majority of individuals who are patients or parents of a patient at one of our health centers. Our board members serve as community representatives and make key decisions on services provided at CPHS. ChesPenn has a \$6.0 million dollar operating budget with 55 FTE staff including 11 FTE providers. In 2007, our patient profile was as follows:

- Approximately 10,000 individuals made 31,270 medical and dental visits.
- 59% of our patients are covered by medical assistance and 23% are uninsured.
- 95% of our patient population has an income less than 200% of the poverty level.
- 95% of our patient population is non-white.

A recent study in 2006 concluded that, ChesPenn furnished \$5.3 million of operating expenditures directly into the Delaware and Chester County economies. These expenditures produced additional indirect and induced economic activity of \$4.0 million for an overall impact of \$9.3 million. This economic impact clearly demonstrates that as a result of the combined effect of its multiple roles as a primary care service provider, employer, and local business, CPHS has a significant community and economic development role in its community. As we search for an answer to our growing health care challenges in Pennsylvania, the success of FQHCs today provides valuable lessons for the health care investment of tomorrow.

ChesPenn Health Services is celebrating our 35th anniversary of providing a medical home to the City of Chester this year. As we continue to execute our mission and to serve more and more uninsured and underserved individuals, certain trends pose a challenge to our future.

- There is a clear increased demand for services (i.e. CPHS experienced an 18% increase in visits over the past year). With no state funding to support FQHCs (Pennsylvania is one of 18 states that does not provide direct funding to FQHCs), we have to rely on raising funds through private foundations and individuals in an extremely competitive market place to meet the increased demand for services.
- There are insufficient alternatives to FQHC care for Medicaid and uninsured patients. The safety net provider network needs to be expanded because there are not enough primary care physicians in our communities.
- The lack of specialty health care providers to care for uninsured and underinsured patients is a real problem and creates fragmented care for subsets of our patient population.
- The instability of funding needs to be resolved. The lack of state grants and the declining federal grants are stretching our budget. The annual cost of treating a patient is \$230 more than our federal grant actually pays for the uninsured.

ChesPenn Health Services will continue to make our services available and accessible by removing geographic, language, and cultural barriers for patients who do not have a “medical” home. In order to accomplish a true “medical home”, collaboration with other health care partners is imperative. In Chester, we are fortunate to have the services of Crozer Keystone Health System in general and Crozer-Chester Medical Center in particular. CPHS has an excellent working relationship with CCMC, resulting in coordination of care for uninsured individuals seen in the Emergency Department and the availability of select specialty care for our patients at CCMC. The level and coordination of services in Chester is not usually available for other FQHCs, and its patients.

In conclusion, and on behalf of ChesPenn Health Services, the FQHCs are an excellent public investment that generates substantial benefits for patients, communities, insurers, governments and taxpayers. In contemplating health care system reform, the inclusion of FQHCs as an integral part of the health care delivery system makes sense on many levels.

Thank you for your time and the opportunity to address the committee on the importance of community health centers. I will be happy to answer any questions.