

NACHC P&I Forum 2025 Spending Freeze Talking Points

January 2025



- We are relieved to see that a federal judge has temporarily halted the Administration's freeze on the distribution of federal funding, but lawmakers must understand the impact of barring health centers from accessing federal funds.
- Every day without funding is a day closer to health centers in rural and underserved communities nationwide having to close their doors.
 - In a flash poll of California health centers,
 - 26% of clinics would have **service disruption** in less than 14 days under a federal grant freeze.
 - 13% of clinics would be forced to **close their doors** in less than 14 days under a federal grant freeze.
 - 20% of clinics would have **difficulty making payroll** in less than 14 days under a federal grant freeze.
- Federally qualified health centers are non-profit primary care providers that operate efficiently and effectively, accounting for every dollar through their system by law. Research has shown repeatedly that health centers save the health system money by providing high quality primary care that prevents costly visits to the emergency department and other high-cost care settings.
- In some cases, this funding freeze could be the final blow and doors may shutter, patients will lose access, and many will lose their jobs in rural and underserved communities that cannot afford these losses.
 - Under a federal funding freeze to the 330 grant, **California health centers lose \$18.9M every week.**
 - If California clinics cannot cover the costs during a grant freeze, there will be close to **105,000 patients who may lose access to care every week.** That is **over 572,000 visits to health centers across California a week in jeopardy.**
 - California health centers use Sec. 330 grants to support 40,000 jobs, should health centers lose access to grant funding, **40,000 Californians jobs are in jeopardy.**
- Health Centers are already facing a number of dire financial circumstances including the ongoing erosion of 340B program savings, increasing patient populations, unstable federal funding, workforce strains, and exceedingly small budget margins.
- This is particularly true in rural, remote, and underserved communities, whose economies and livelihoods depend on health centers as employers and economic drivers as well as for local health care and community services.
- California's community health centers maintain our commitment to serve everyone, regardless of their ability to pay. We are the foundation of the state's safety net which serves millions of historically disadvantaged, vulnerable communities.

- Barring specific communities, such as undocumented immigrants, from accessing primary care does not eliminate the commonly held need for healthcare– it just shifts where and when these services are accessed, pushing care into more costly emergency settings.
- CHCs are critical primary care providers, saving the health care system money by helping reduce visits to ERs, managing chronic conditions and providing preventative services. CHCs saved \$25.3B in taxpayer dollars in 2021 for Medicare and Medicaid programs. Under Medicare, CHCs patient costs are 10%-30% lower than other patients. For Medicaid, CHCs save 24% per patient compared to other providers.