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New Report: Community Health Centers Generate Tremendous Economic Impact in Louisiana

Numbers indicate positive economic impact, including job creation, tax revenues and generated savings for the entire health care system.

A new report released by Capital Link, a Boston based consulting group, shows that Louisiana's 34 Federally Qualified Health Center (FQHC) organizations, also known as Community Health Centers, generate a significant economic impact in their respective communities. While FQHCs are known for providing high quality preventive and primary health care to patients, they also work to stimulate economic growth and generate cost savings for both urban and rural communities across Louisiana.

Among the report's findings:

- In 2015, Louisiana's 34 FQHC organizations stimulated a total annual economic impact of \$504.9 million. As health centers continue to expand, their expenditures and corresponding economic impact will also grow.
- By emphasizing the importance of preventive care and steering patients away from the Emergency Room, Louisiana's FQHCs are instrumental in driving down the cost of patient care. In 2015, Louisiana FQHCs served over 344,000 patients, resulting in an estimated annual savings of \$434.9 million at \$1,263 saved per patient.
- Louisiana's FQHCs generated 4,032 jobs in 2015 (2,300 direct jobs and an additional 1,732 non-direct jobs). In fact, in some rural communities across Louisiana, the local FQHC is the largest employer.
- FQHCs generated \$48.7 million in federal tax revenue and \$9 million in state tax revenue.

According to Capital Link, the report measured economic impact using IMPLAN, integrated economic modeling software. 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. The report was created with FY15 financial data and 2015 Uniform Data System files in cooperation with the Louisiana Primary Care Association.

"This report confirms what Louisiana's FQHCs already knew," said Gerelda Davis, Executive Director of the Louisiana Primary Care Association. "Health centers bring enormous value to Louisiana's healthcare system. Louisiana's FQHCs not only provide primary care services to Louisiana's most vulnerable populations, but they serve as economic engines and save taxpayer money in the process."

The statistics outlined in the report are comparable to FQHC statistics in other states. Nationally, health centers serve 1 in 7 Medicaid beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons. Two-thirds of health center patients are members of racial or ethnic minorities, which places health centers at the center of the national effort to reduce racial disparities in health care.

Additionally, the report shows that Louisiana Community Health Centers serve 13.4% of the total Medicaid population and account for only .8% of the state's total Medicaid expenditures. Dr. Rebekah Gee, Secretary of the Louisiana Department of Health says that is a tremendous return on investment for Louisiana.

"Primary care is the foundation of better health. Early diagnosis is critical to improving health outcomes which result in better health for our residents and reduced health care expenses for our state budget," said Dr. Gee. "Louisiana's Community Health Centers are truly a great deal for our state as they provide care to patients at a lower cost while adhering to the most stringent clinical requirements in their commitment to offer the highest quality of patient care and safety."

"What is most exciting is that this is just the beginning," said Dr. Shondra Williams, CEO of Jefferson Community Health Care Centers. "Next year's report will include FQHC data that takes into account Louisiana's Medicaid expansion. These impressive economic numbers will only continue to grow."

[The entire report can be found here.](#)

About the Louisiana Primary Care Association

The Louisiana Primary Care Association (LPCA) represents 34 federally funded, private, non-profit and public Community Health Centers across Louisiana that serve more than 344,000 patients annually. LPCA promotes community-based health services through advocacy, education, and collaboration with community partners. Our goal is to ensure that every Louisianan has access to affordable, quality, primary care services. For more information, visit www.LPCA.net.

About Capital Link

Capital Link is 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. They provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit www.caplink.org.

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