

The Statewide Economic Impact of Massachusetts Health Centers



Massachusetts League
of Community Health Centers

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CAPITAL LINK

Massachusetts Health Centers

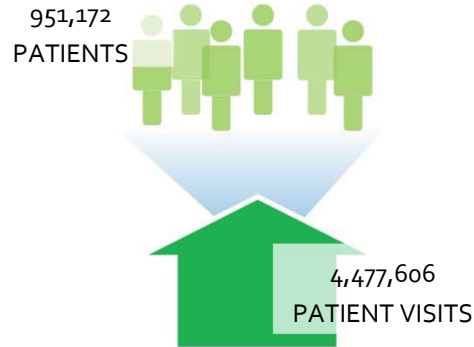
Economic Impact

COMMUNITY IMPACT

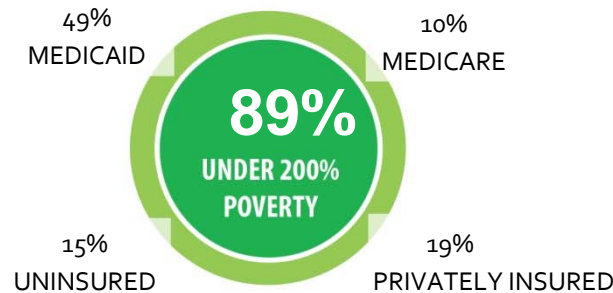
For over 50 years, U.S. health centers have delivered comprehensive, high-quality preventive and primary health care to patients regardless of their ability to pay, becoming one of the largest safety net systems in the country.

Massachusetts health centers have been no exception. In 2014, 49 Massachusetts health center organizations provided care to many of the most underserved members of their communities through almost 300 sites. In addition to providing quality care, Massachusetts health centers generated positive economic impacts, including jobs, tax revenues and savings to the health care system.

Patients Served



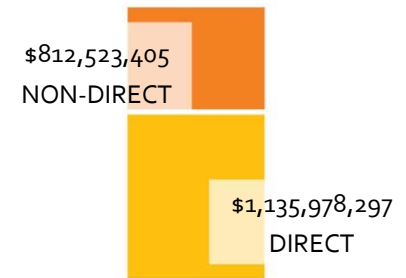
Patient Profile



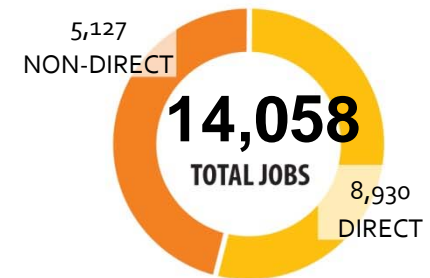
ECONOMIC IMPACT

Total Economic Impact
\$1,948,501,702

ANNUALLY



Employment

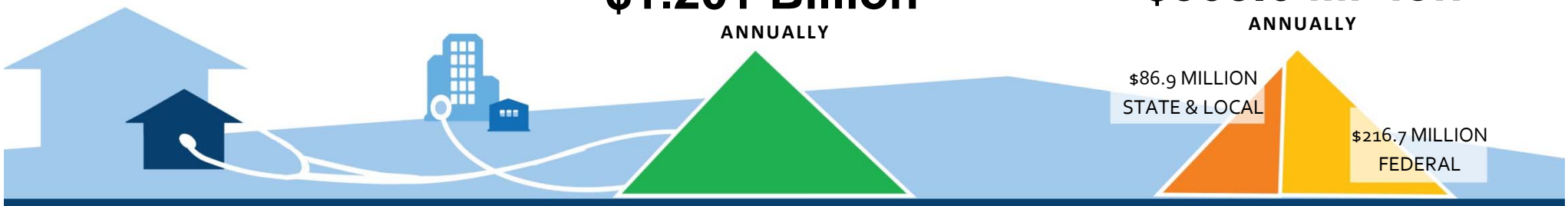


Cost Savings

\$1.201 Billion
ANNUALLY

Total Tax Revenue

\$303.6 Million
ANNUALLY



COMMUNITY IMPACT

Community health centers provide high quality, cost-effective, patient-centered care to vulnerable populations. Health centers serve 1 in 7 Medicaid beneficiaries, almost 1 in 3 individuals in poverty, and 1 in 5 low-income, uninsured persons. Nationally, 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.¹

Recent studies show that, on average, each patient receiving care at a health center saved the health care system 24%, annually.⁴ With 951,172 patients served by community health centers in Massachusetts in 2014, the estimated annual savings is \$1.201 billion at \$1,263 saved per patient.⁵

ECONOMIC IMPACT

As health centers expand, their expenditures and corresponding economic impact also grow. In 2014 alone, Massachusetts health centers contributed about \$1.948 billion dollars. The table to the right summarizes economic impact and employment.

The tax impacts of Massachusetts health centers are divided into state/local governments and Federal government agencies.

Tax revenue is generated through employee compensation, proprietor income, indirect business taxes, households, and corporations based on the modeled impact.

Distribution of Population

	Massachusetts HCs Population	National Population ^{2,3}
Under 100% Poverty	67%	71%
Under 200% Poverty	89%	92%
Uninsured	15%	28%
Medicaid	49%	47%
Medicare	10%	9%
Privately Insured	19%	16%

Summary of 2014 Total Economic Activity

Stimulated by 49 of Massachusetts Health Centers' Current Operations

	Economic Impact	Employment (# of FTEs*)
Direct	\$1,135,978,297	8,930
Indirect	\$ 261,509,488	1,527
Induced	\$ 551,013,917	3,600
Total	\$1,948,501,702	14,058

Direct # of FTEs (employment) based on HRSA 2014 UDS state level data for FQHCs and FQHC Look-Alike and MLCHC Fact Sheet data for hospital-licensed health centers

Summary of Massachusetts HCs' 2014 Tax Revenue

	Federal	State/Local
Direct	\$138,708,030	\$36,331,339
Indirect	\$25,852,316	\$13,336,781
Induced	\$52,114,076	\$52,114,076
Total	\$216,674,422	\$86,893,229
Total Tax Impact	\$303,567,651	

*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 **IMPLAN Version 3, Trade Flows Model**.

WHAT ARE DIRECT, INDIRECT AND INDUCED IMPACTS?

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

Indirect impacts result from **purchases of local goods and services, and jobs in other industries.**

Induced impacts result 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.



49 MASSACHUSETTS HEALTH CENTER ORGANIZATIONS INCLUDED IN ANALYSIS

Baystate Medical Center Health Centers
Boston Health Care for the Homeless Program
Bowdoin Street Health Center
Brockton Neighborhood Health Center
Brookside Community Health Center
Cambridge Health Alliance Health Centers
Caring Health Center
Charles River Community Health
Codman Square Health Center
Community Health Center of Cape Cod
Community Health Center of Franklin County
Community Health Connections
Community Health Programs
Community Healthlink
Connecticut River Valley Farmworker Health Program *a program of the *Mass League of CHCs*
Dimock Community Health Center
DotHouse Health
Duffy Health Center
East Boston Neighborhood Health Center
Edward M. Kennedy Community Health Center - Framingham
Edward M. Kennedy Community Health Center - Worcester, Clinton, Milford
Family Health Center of Worcester
Fenway Community Health Center
Geiger Gibson Community Health Center
Greater Lawrence Family Health Center
Greater New Bedford Community Health Center
Greater Roslindale Medical and Dental Center
Harbor Community Health Center
Harvard Street Neighborhood Health Center
HealthFirst Family Care Center
Hilltown Community Health Center
Holyoke Health Center
Island Health Care
Lowell Community Health Center
Lynn Community Health Center
Manet Community Health Center
Mattapan Community Health Center
MGH Community Health Associates Health Centers
Neponset Health Center
North End Waterfront Health
North Shore Community Health
Outer Cape Health Services
South Boston Community Health Center
South Cove Community Health Center
South End Community Health Center
Southern Jamaican Health Center
Springfield Health Services for the Homeless Health Center
The Family HealthCare Center at SSTAR
Upham's Corner Health Center
Whittier Street Health Center

REFERENCES

1. NACHC, *A Sketch of Community Health Centers*, 2013. Includes patients of federally-funded health centers, non-federally funded health centers, and expected patient growth for 2013.
2. Based on Bureau of Primary Health Care, HRSA, DHHS, 2014 Uniform Data System. U.S.: Kaiser Family Foundation, State Health Facts Online, www.statehealthfacts.org. Based on Census Bureau's March 2012 and 2013 Current Population Survey (CPS: Annual Social and Economic Supplements).
3. Based on Centers for Medicare & Medicaid Services: www.cms.gov. Medicare Enrollment – All Beneficiaries: as of July 2012.
4. Richard et al. *Cost Savings Associated with the Use of Community Health Centers*. *Journal of Ambulatory Care Management*, Vol. 35, No. 1, pp. 50–59, January/March 2012.
5. Ku et al. *Strengthening Primary Care to Bend the Cost Curve: The Expansion of Community Health Centers Through Health Reform*. Geiger Gibson/RCHN. Community Health Foundation Research Collaborative. Policy Research Brief No. 19. June 30, 2010.

SOURCES

This report was created with FY14 financial data, 2014 UDS Files and MLCHC Fact Sheet data in cooperation with the Massachusetts League of Community Health Centers.

ABOUT CAPITAL LINK

Capital Link is a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 15 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.