

Why GAO Did This Study

In 2017, nearly 1,400 health centers provided care to more than 27 million people, regardless of their ability to pay. Health centers were established to increase the availability of primary and preventive health services for low-income people living in medically underserved areas. Health centers rely on revenue from a variety of public and private sources, including revenue from CHCF grants. HRSA began awarding grants funded by the CHCF in fiscal year 2011.

GAO was asked to review the sources and amounts of health center revenue. This report describes (1) trends in health centers' revenue and (2) the purposes for which CHCF grants have been awarded.

GAO analyzed HRSA data collected from health centers and compiled in its Uniform Data System to identify the sources and amounts of revenue health centers received from 2010 through 2017, the most recent data at the time of GAO's analysis. GAO also reviewed HRSA grant documentation for grants funded by the CHCF for fiscal years 2011-2017—the most recent data at the time of GAO's analysis—including information on the award amount and purpose of the grant, and reviewed published studies that described the purposes for which CHCF grants have been made. Additionally, GAO interviewed HRSA officials, authors of the published studies, and an association representing health centers.

GAO provided a draft of this report to HHS. HHS provided technical comments, which GAO incorporated as appropriate.

View [GAO-19-496](#). For more information, contact Jessica Farb at (202) 512-7114 or farbj@gao.gov.

HEALTH CENTERS

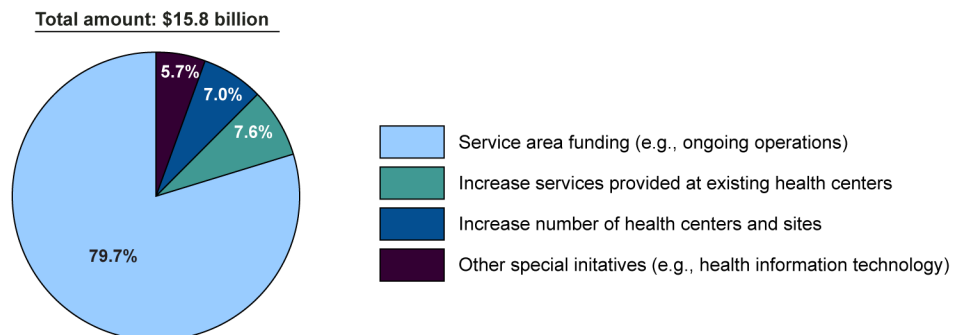
Trends in Revenue and Grants Supported by the Community Health Center Fund

What GAO Found

Health centers' revenue more than doubled from calendar years 2010 through 2017, from \$12.7 billion to \$26.3 billion. Health centers' revenue comes from a variety of sources, including reimbursements from Medicaid, Medicare, private insurance, and federal and state grants. While total health center revenue increased from 2010 through 2017, the share of revenue from each source changed in different ways. In particular, revenue from federal and state grants decreased from 38.0 percent of total revenue in 2010 to about 30.2 percent of total revenue in 2017 while reimbursements from Medicaid, Medicare, and private insurance increased. Over the same time period, the number of health centers increased from 1,124 centers in 2010 to 1,373 centers in 2017. In addition, the number of patients served over the same time period increased by 7.7 million patients, from 19.5 million to 27.2 million.

GAO's analysis of Health Resources and Services Administration (HRSA) data shows that from fiscal years 2011 through 2017, health centers received approximately \$15.8 billion in federal grants funded by the Community Health Center Fund (CHCF), which was established by the Patient Protection and Affordable Care Act in 2010. Of this total amount, 79.7 percent—or \$12.6 billion—was awarded for the purpose of maintaining operations at existing health centers (see figure). According to HRSA officials, these CHCF grants are used to fill the gap between what it costs to operate a health center and the amount of revenue a health center receives. As such, officials explained, the awards are a primary means through which health centers provide health care services that may be uncompensated, including services for uninsured patients or services not typically reimbursed by other payers, such as adult dental care. The remaining \$3.2 billion in CHCF grants were made to increase the amount of services provided at existing health centers; increase the number of health centers and sites; and other special initiatives, such as implementing health information technology.

Total Grant Funding from the Community Health Center Fund, Fiscal Years 2011–2017



Source: GAO review of Health Resources and Services Administration award information. | GAO-19-496