

GAO Highlights

Highlights of [GAO-23-106664](#), a testimony before the Committee on Health, Education, Labor and Pensions, U.S. Senate

Why GAO Did This Study

Across the U.S., nearly 1,400 health centers provided care to more than 30 million people in 2021, 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.

In order to provide these services, health centers rely on revenue from a variety of public and private sources. This revenue includes grants awarded by HRSA through its Health Center Program, including funding available through the CHCF. HRSA began awarding grants funded by the CHCF in fiscal year 2011. In more recent years, health center revenue also included funding made available through COVID-19 supplemental appropriations.

This testimony describes the Health Center Program, trends in health centers' revenues from 2010 through 2017, and the purposes for which CHCF grants were awarded. This testimony is based on [GAO-19-496](#) and selected updates. For the 2019 report, GAO analyzed revenue data reported annually by health centers to HRSA from 2010 through 2017. In addition, GAO reviewed some HRSA data from 2021 to provide selected updates to the data we previously reported.

View [GAO-23-106664](#). For more information, contact Jessica Farb at (202) 512-7114 or farbj@gao.gov.

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HEALTH CENTERS

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

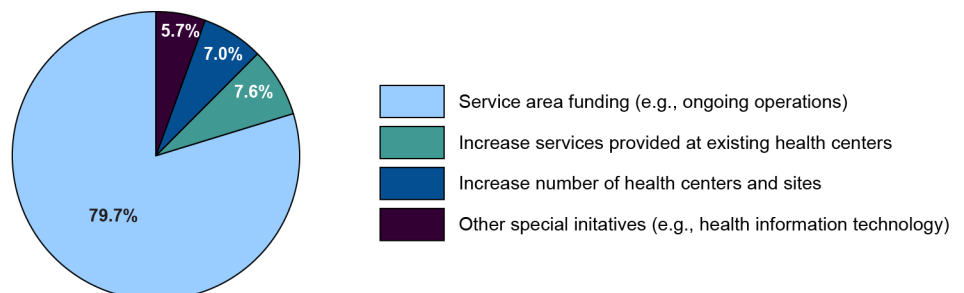
What GAO Found

The federal Health Center Program was established in the mid-1960s in an effort to help low-income individuals gain access to health care services. It is administered by the Health Resources and Services Administration (HRSA). Through this program, HRSA makes grants to four types of health centers that primarily serve low-income populations: those that serve the general population in a certain service area, and those that serve the homeless, public housing residents, and migrant workers, respectively.

Health centers' revenue more than doubled from calendar years 2010 through 2017, from about \$12.7 billion to \$26.3 billion. Over the same time period, the number of health centers increased from 1,124 centers in 2010 to 1,373 centers in 2017. Health centers' revenue comes from a variety of sources, including reimbursements from Medicaid, Medicare, private insurance, and federal and state grants, which includes grants funded by HRSA's Community Health Center Fund (CHCF). 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.

GAO's analysis of HRSA data showed that from fiscal years 2011 through 2017, health centers received approximately \$15.8 billion in federal grants funded by CHCF. Of the federal grants funded by CHCF from 2011 through 2017, 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 were used to fill the gap between what it costs to operate a health center and the amount of revenue a health center received. As such, officials explained, the awards were a primary means through which health centers provided 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 support other special initiatives, such as implementing health information technology.

Total Grant Funding from the Community Health Center Fund, Fiscal Years 2011-2017
Total amount: \$15.8 billion



Source: GAO review of Health Resources and Services Administration award information. | [GAO-23-106664](#)