# Scenario Planner Assumptions and Methodology

CHC Patients with Private Insurance at Risk of Losing Coverage

## ASSUMPTIONS

This analysis estimates the impact of the loss of Enhanced Premium Tax Credits **(**ePTCs**)** and other policy changes to Marketplace coverage on privately insured community health center (CHC) patients, who in 2024 numbered over 7 million, or nearly 22% of all CHC patients.

As a group, non-elderly adult CHC patients have distinctive characteristics, and evidence points to unique features of this population.

**Income:** CHC patients are overwhelmingly low-income, with 90 percent having incomes below 200% of the federal poverty level (FPL).

**Health status:** Compared to all low-income people in the U.S., CHC patients are disproportionately burdened by poor health and are more likely to have activity limitations and multiple chronic conditions.

Reflecting these key differences – especially the deep poverty and health vulnerabilities among CHC patients – this analysis assumes that privately insured CHC patients are largely covered by Marketplace plans. Accordingly, we assume that the entire increase in the number of privately insured CHC patients between 2020 and 2025—from six million in 2021 to a projected 7.7 million in 2025, or a 30% increase in just five years—is attributable to the availability of affordable and accessible Marketplace coverage, specifically enhanced Premium Tax Credits, during this period. In turn, based on the evidence, we project a dramatic loss of private coverage among CHC patients once affordable, subsidized Marketplace coverage ends, as CHC private insurance coverage rates will initially revert to 2020 levels, before ePTCs were introduced, and potentially to pre-ACA levels as further limits on access to Marketplace coverage are implemented.

We estimate losses in CHC patient private coverage related to the projected impact of the One Big Beautiful Bill Act (OBBBA, P.L. 119-21) and changes to Marketplace rules. In contrast to the Marketplace population generally, privately insured CHC patients are overwhelmingly low-income and have virtually no ability to absorb far greater out-of-pocket costs that will occur if ePTCs end. Such costs, combined with the end of simplified enrollment and special enrollment periods, as well as restrictions for many legal immigrant populations, will threaten coverage for low-income people. Furthermore, prior research indicates that in the ten Medicaid ACA non-expansion states, Marketplace enrollment is especially high, and heavily dependent on zero-premium plan offerings, since eligibility for Premium Tax Credits (subsidies) begins at 100% FPL rather than 138% FPL, as in expansion states. Moreover, non-expansion states have had the lowest employer coverage rates among low-income working adults.

## METHODOLOGY

### Number of CHC Patients with Private Insurance

The number of CHC patients covered by private insurance was collected from the HRSA Uniform Data System (UDS) for the years 2013 through 2024 for health center grantees, excluding those in U.S. territories. The 2013 to 2024 figures represent actual numbers reported to UDS. The 2025 value was calculated using Marketplace enrollment trends from 2021 to 2024 and applying exponential analysis to derive growth estimates, supported by KFF reporting.

The estimated percentage of CHC patients losing private coverage was calculated as the proportional decrease from the 2025 private insurance projection assuming a decline to the actual 2020, pre-enhanced PTC level. The estimates were aggregated by state and grouped by Medicaid expansion status. We see deeper decreases in non-expansion states, and without the 2013-2020 benefits available to expansion states, we assume a 5% difference between expansion and non-expansion patients in the rate of conversion to uninsured status (85% to 90%) for the calculation of net income impact.

## Health Center Private Insurance Revenue Loss

We project expected loss of revenue based on two variables: (1) expected revenue *with* policy change impact from 2026 to 2029, against (2) expected revenue 2026-2029 *without* impact. State-level revenue losses are based on the state-specific percentage of expected Marketplace patient losses. For the period from 2026 to 2029, we assumed a uniform 2% increase in revenue for consistency with previous scenario planners. However, evidence from prior years, especially 2021 to 2025, indicates that the increase in private insurance patients exceeded this 2% annual growth rate.

## Average Annual Collections Per Patient

The per capita collection rates used in the report are calculated directly from the aggregate UDS data. To calculate per capita, the total collection amount by payor category was divided by the total number of patients in the given category. There may be underlying factors in the UDS dataset that contribute to variances in expected values, including miscategorization of patients or data aggregation. The identified per capita collection rate provides a reasonable estimate but also highlights limitations of the UDS data; UDS does not have a unique identifier for Marketplace insurance compared to employer-based insurance, for example.

## Impacts on Total CHC Net Income

The net income calculation estimates expenses and revenue based on: (1) the number of patients, (2) cost of services per year, and (3) the expected annual collection rate per patient. The latest available 2024 UDS data was used as the base, and the subsequent years are projected.

For this report, the primary variable for calculating net income is the number of private insurance patients who lose Marketplace coverage, become uninsured, and convert to 'self-pay' status. We assume that loss of Marketplace coverage will occur uniformly on January 1, 2026, and as noted above, that those who lose private coverage will continue to seek care at a health center, with the vast majority becoming uninsured 'self-pay' patients during 2026. We applied the conversion rates noted above (85% in expansion states, 90% in non-expansion states) to estimate the impact on net income.

A standard annual growth rate was applied to the number of patients by payor category, the cost of services, and the annual collection rate. For the number of patients, the expected annual growth rate is 2.0% for every payor category excluding 'private insurance'. Both the collection rates and cost of services were calculated at a 2.5% annual growth rate.