Montana

September 26, 2025

Scenario Planning for Health Centers

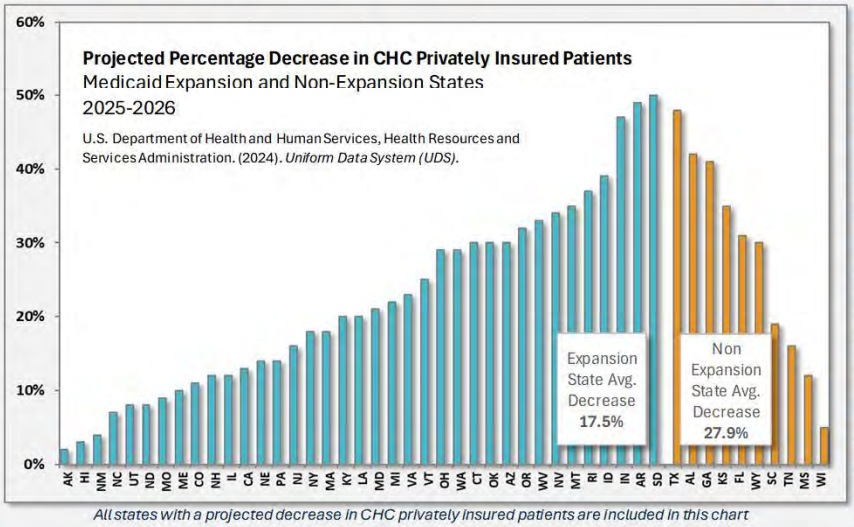
Analyzing the Impact of Potential Policy Changes on Patient Volume and Health Center Revenues

Projected CHC Patients With Private Insurance at Risk of Losing Coverage

Background: Beginning in 2014, the Affordable Care Act (ACA) health insurance exchanges ("Marketplaces") offered affordable coverage for millions of people. Bolstered by 2021 enhancements to premium tax credits (also known as subsidies) and simplified enrollment processes, Marketplace reforms expanded private insurance coverage for low-income people, dramatically reduced the number of uninsured community health center (CHC) patients, and, in turn, supported expansion of CHC capacity.

Last year CHCs served more than 32 million people nationwide in urban, rural and frontier communities across America. Subsidized Marketplace plans are an important source of coverage for low-income CHC patients, who typically work at jobs without affordable employer-based insurance. Federal data show that in 2024, in excess of 7 million CHC patients (22%) had private insurance, more than double the 3 million (14%) who had private coverage in 2013 before Marketplace plans became available. This growth in private insurance among CHC patients can be attributed to Marketplace coverage. There is no evidence that access to employer-based insurance has increased for low-income people since the implementation of the ACA. The Bureau of Labor Statistics reports that in 2022, just 26% of private industry workers in the lowest wage category were offered coverage and only 12% actually enrolled. Furthermore, the increase in private insurance coverage among health center patients parallels the surge in Marketplace enrollment among states following the adoption of enhanced tax credits and simplified enrollment policies enacted in 2021, particularly among people with incomes below 150%.

The Congressional Budget Office (CBO) estimates that, with the passage of the One Big Beautiful Bill Act (OBBBA) and the decision not to extend enhanced premium subsidies, Marketplace enrollment will fall by more than 8 million people by 2034. Losses in coverage will be especially high in states that have not adopted the ACA Medicaid expansion, since in these states eligibility for premium subsidies begins at 100% of the federal poverty level, rather than the higher 138% level used in Medicaid expansion states. CHC patients, 90% of whom have incomes at or below twice the federal poverty level, are likely to be disproportionately affected.

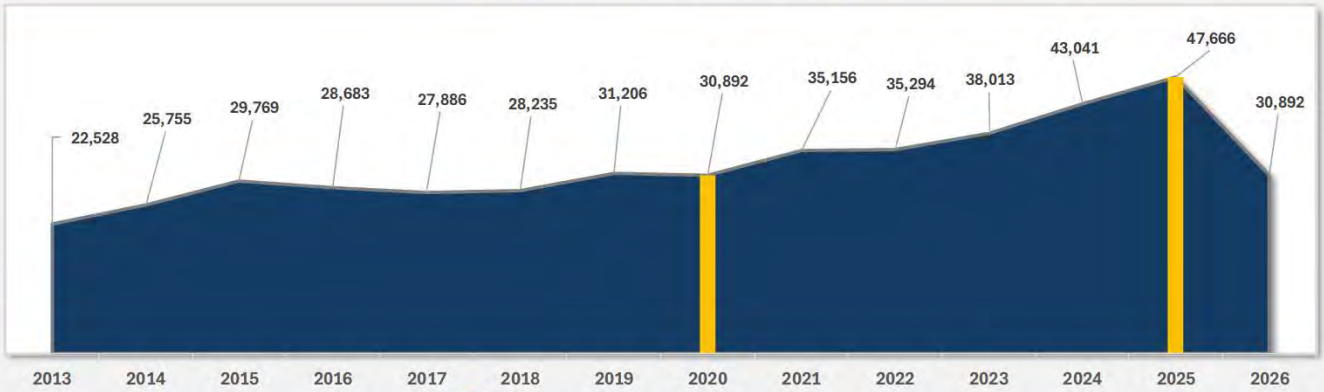


All states with a projected decrease in CHC privately insured patients are included in this chart

Analysis and Methods: This analytic tool estimates reductions in private insurance coverage among CHC patients when Marketplace policy changes go into effect in 2026, and the impact of these losses. Our analysis uses data on CHC grantee patient private coverage for 2013-2024 from HRSA's Uniform Data System (UDS), to which all health centers report annually. The analysis assumes, based on findings cited above, that the increase in private coverage among CHC patients through 2025 is attributable to the Marketplace. According to UDS, CHC grantees (excluding those in U.S. territories) served over 7 million patients with private insurance coverage in 2024 - which includes adults and children who would likely be covered under Marketplace plans as a family. Using Marketplace enrollment trends from 2021 to 2024 and growth estimates from KFF, we project 7.75 million CHC patients have private coverage in 2025. Subsequent coverage losses are projected from the 2025 estimate.

Number of CHC Patients with Private Insurance

Actual 2013-2024 and Estimated 2025-2026



Estimated Percentage of Privately Insured CHC Patients Losing Coverage

Estimated Number of Privately Insured CHC Patients Losing Coverage

16,774

We assume a coverage cliff will occur in January 2026, coincident with the implementation of Marketplace policy changes. The projected reduction in private coverage in 2026 is calculated as the difference between the projected number of CHC patients with private coverage in 2025 and the actual number in 2020; the 2020 figure reflects the premium tax credit support available prior to the enhancement reforms under the ACA, as enacted. While some who lose Marketplace coverage may be able to secure other insurance (e.g., workplace, Medicaid), the CBO estimates almost two-thirds of those losing Marketplace coverage will become uninsured nationwide. We estimate that among CHC patients who lose private coverage, 90% of those in non-expansion states and 85% of those in expansion states will become uninsured.

Health Center Private Insurance Revenue Loss

Projected total cumulative loss from annual shortfalls from 2026 to 2029

$80,472,484

The dark blue segment of this chart illustrates the projected unrealized revenue resulting from the expiration of enhanced premium tax credits.

Average Annual Collections Per Patient

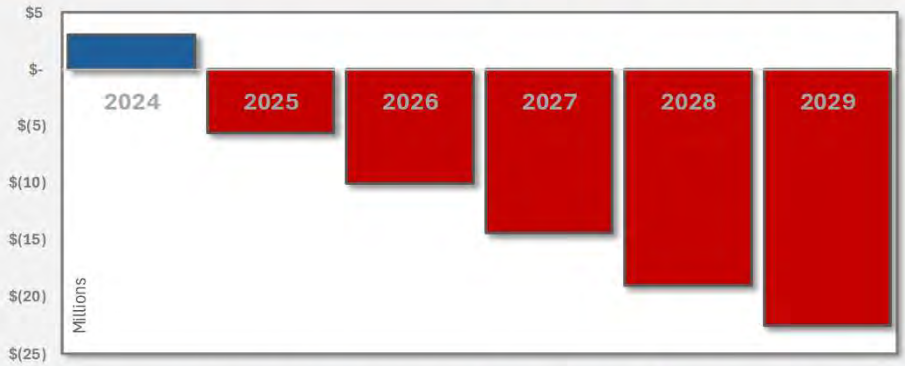
Private Insurance	**$959**	**Self-Pay**	**$719**

Payer Mix Variables

Estimated conversion rate from Private Insurance to Self Pay in 2026 **85%**

Estimated number of Private Insurance patients who become Self-Pay/Uninsured starting in 2026 **14,258**

Impacts on Total CHC Net Income



Year	Net Income
2024	$3,046,522
2025	$5,622,363
2026	$10,120,450
2027	$14,465,177
2028	$18,989,485
2029	$22,555,182

Total Number of FQHCs **15**

Total net income includes expected collections by payer (Medicaid, Medicare, Private Insurance, and Self-Pay), expected Section 330 grant funding, normalized patient increases, and corresponding revenue/expense changes. Net income declines are calculated as lost patients multiplied by historical collections per capita from the respective payer category. 2024 figures are UDS actuals and 2025-2029 are projections.

Health Center Patient Characteristics

CHC privately insured patients likely differ from the general population with Marketplace coverage. National survey data show that, compared to other low-income adults, CHC patients are more likely to: 1) have lower incomes; 2) be older; 3) be in poorer health, with serious chronic physical and mental health conditions; 4) live in isolated rural communities; and 5) include large numbers of highly vulnerable populations such as homeless individuals. This suggests that low-income CHC patients who do not qualify for Medicaid are more likely to need and seek affordable private coverage through the Marketplace, and to rely on premium tax credits benefiting the lowest income people.

Notes

These estimates are based on the One Big Beautiful Bill Act (PL 119-21) signed into law on July 4, 2025, pending regulations, and Office of Management and Budget estimates.

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CapitalLink

Capital Link is a non-profit organization that has worked with hundreds of health centers and primary care associations (PCAs) for nearly 30 years to plan for sustainability and growth, access capital, improve and optimize operations and financial management, and articulate value. Capital Link provides an extensive range of services, customized according to need, with the goal of strengthening health centers - financially and operationally - in a rapidly changing marketplace. This tool is intended to help evaluate the financial impact of changes to Federal and state policies on health centers; Capital Link does not engage in advocacy.

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