

Scenario Planning for Health Centers

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

Almost 1,500 HRSA National Program Grantee and Look-Alike health center members provide health care in the U.S. Two primary revenue sources to cover the cost of care include Medicaid and ACA Marketplace or Subsidized Coverage. Policy changes to these programs may have critical financial consequences; this tool is meant to help health centers analyze the impact of policy changes that will reduce ACA Medicaid Expansion Adult eligibility, and the availability of Marketplace subsidies. The analysis estimates the impact of subsidy reductions within the ACA Marketplace in both expansion and non-expansion states.

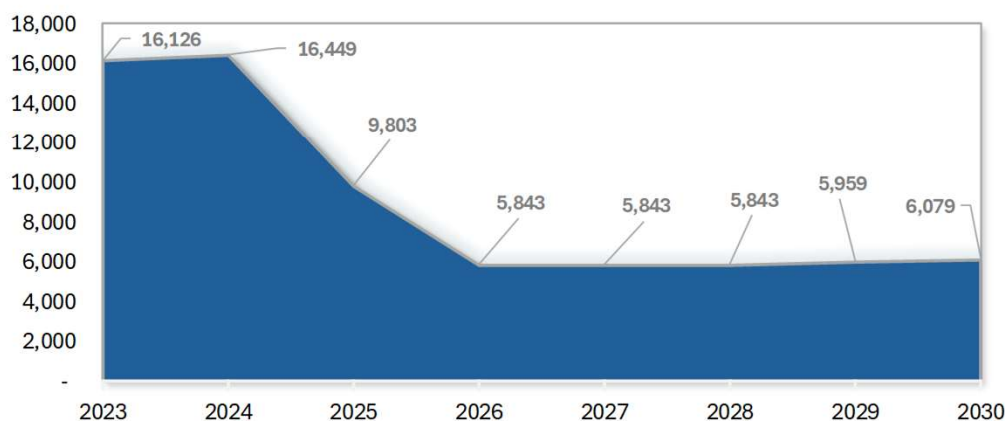
Period of reduction
starting in 2025

2 Years

Percentage of Medicaid Adults
Classified as ACA Expansion Adults

64%

Number of FQHC Medicaid Adults Ages 18 to 64



This chart demonstrates the impact of eligibility elimination of ACA Medicaid Expansion Adults at health centers.

ACA Medicaid Expansion Adults are non-elderly adults (ages 19-64) with incomes up to 138% of the Federal Poverty Level, previously ineligible for Medicaid.

A policy change that would roll back eligibility for this Adult Expansion population would result in coverage loss for this group.

Cumulative loss of ACA Medicaid Expansion
Patients Between 2025 and 2028

10,606

Revenue from FQHC-Based ACA Medicaid Patients Ages 18 to 64



Projected non-reduction rate is a normalized 2.5% increase in all payer mix collection rates and a 2% increase in expenses overall. Reduction in revenues is the result of the elimination of this ACA Medicaid expansion adults population over a four year period

The total projected loss accounts for cumulative annual shortfalls from 2025 to 2028, calculated by multiplying projected patients per year by the per capita collection rate.

Projected Loss of Revenue for ACA
Medicaid Expansion Patients Between 2025
and 2028

\$35,759,223



State Annual Per Capita Data

Collection Rates

Medicaid 0 - 17 years	\$867	Medicare	\$801	Private Insurance	\$773
Medicaid 18 - 64 years	\$867	Other Public Insurance	\$0	Uninsured / Self-pay	\$393

Visit Expense Rate Per Patient \$1,540

Payer Mix Variables

A. Percentage of ACA Medicaid Expansion Adults Losing Coverage Converting to Self-Pay/Uninsured During Reduction Period

65%

Patients

6,894

Estimated percentage of ACA Medicaid Expansion Adults that will become "Self-Pay/Uninsured" (User input)

B. Percentage of Private Insurance Patients Unable to Continue Private Insurance During Reduction Period

65%

21,915

Estimated percentage of patients that cannot afford to purchase coverage through ACA Marketplace if subsidies removed. (User input)

C. Percentage of Private Insurance Patients Losing Coverage Converting to 'Self-pay/Uninsured' During Reduction Period

65%

14,245

Estimated percentage of figure B that will convert to Self-pay/Uninsured. (User input)

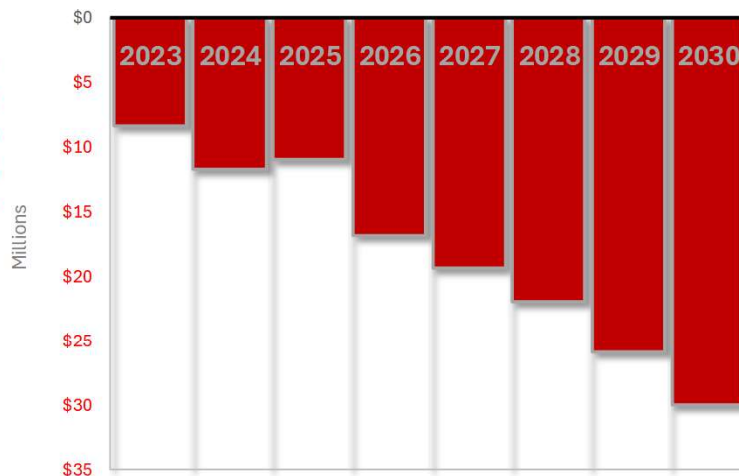
Blue filled cells are customizable fields. The percentages shown are user-entered estimates only.

Total Net Income

2023	\$8,382,751
2024	\$11,689,914
2025	\$11,001,632
2026	\$16,828,645
2027	\$19,357,906
2028	\$21,973,193
2029	\$25,898,721
2030	\$30,002,861

Number of FQHCs

10



Total net income includes expected collections by patient category (Medicaid, Medicare, Private Insurance, and expected Section 330 grant funding), and normalized patient increases, and corresponding revenue/expense changes.

Net income declines as a result of lost patients times the historical collections per capita from the respective payer.

After the reduction period, the model assumes standard growth rates for both patient numbers and patient visit collections.

Additional Assumptions

The ratio of Expansion Adults of the Total Medicaid adult population by state has been applied to UDS data to isolate the ACA Medicaid Expansion Adult patient population at health centers.

This model version does not consider the impact of potential Federal Medical Assistance Percentage (FMAP) changes.

While projections use known data, limitations exist due to unknown funding factors; Capital Link assumed no changes in other federal and state grant funding for this analysis.

The Capital Link model allows the user to choose the period over which the reduction will be implemented. This snapshot assumes the reduction implementation will start in 2025, and this reduction will take place over a 2-year period. UDS data was collected for reporting year 2023. Year 2024 data is projected UDS data based on growth assumptions.

References and Data Sources

2024 - Kaiser Family Foundation (KFF) Distribution of Full Benefit Medicaid Enrollees by Enrollment. Kaiser Family Foundation. San Francisco, California.

<https://www.kff.org/medicaid/state-indicator/distribution-of-full-benefit-medicaid-enrollees-by-enrollment-group>

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2023 - Uniform Data Service database. Department of Health and Human Services. Washington DC.

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Accessed December 9, 2024

