



The State of the Safety Net

A Snapshot of America's Nonprofit Community Clinics, Free Clinics, and Community Health Centers

Preview Copy – to be released 06/16/2011



**8,000 sites, 50 states,
21 million patients**
» **1/3 lack insurance**

Introduction // The State of the Healthcare Safety Net

This report summarizes national information about the activities at America's nonprofit community-based clinics and health centers from 2006 to 2009. Collectively, these independently run nonprofit organizations operate over **8,000 community-based facilities in all 50 states** and provide primary health care and referral services to over **21 million people, approximately 38% of whom lack health insurance and 71% of whom have incomes less than \$22,000 a year for a family of four.**

Because these facilities provide care regardless of a person's insurance status, income, or ability to pay, they serve as an integral component of the healthcare safety net in the United States for people who otherwise have limited options to access needed care.

While this summary focuses on America's extensive network of nonprofit clinics and health centers and refers to them as the healthcare safety net, we recognize that hospitals (particularly emergency rooms) and a wide array of government, other nonprofit, and religious institutions also are essential components of a broader network of health and social services in the country.

MAJOR FINDINGS// P. 6

» The total **NUMBER OF PATIENTS** receiving services **CONTINUES TO RISE.**

» **A LARGER RATE OF INCREASE IN TOTAL PATIENTS** receiving services occurred from 2008 to 2009 than was seen in previous years.

» The number of **PATIENTS WITHOUT INSURANCE** **CONTINUES TO RISE.**

» Uninsured patients decreased as a proportion of all patients treated at FQHCs, but the proportion of **MEDICAID PATIENTS INCREASED.**

» **RATES OF CHRONIC DISEASES**, particularly diabetes, hypertension and asthma, are **INCREASING AMONG PATIENTS** that are treated at safety net facilities.

Introduction // The Role of the Healthcare Safety Net

50 MILLION
PEOPLE
LACK HEALTH
INSURANCE
AND 53 MILLION
PEOPLE RELY
ON MEDICAID.

>> HEALTH INSURANCE AND HEALTH CARE

Health insurance programs, whether private or governmental, are, fundamentally, payment programs. The more insurance coverage (or money) a patient has, the greater access to healthcare services exist because providers understand they will be paid for their services. Conversely, people with low incomes and no insurance have fewer options to access services. Without demonstrated ability to pay, such patients' access is limited to facilities that are either obligated to provide care (such as hospital-based emergency rooms or government-run clinics) or do so as part of a charitable mission.

In 2011, the Census Bureau estimated that more than 50 million people under the age of 65 lack health insurance and the Centers for Medicare and Medicaid Services estimated that an additional 53 million people rely on Medicaid for their health coverage. Both of these numbers have continued to increase annually, while reimbursement rates for services have decreased and medical costs have increased. The result is an increasingly difficult situation to finance and provide access and care for low-income patients. The nonprofit healthcare safety net referred to and examined in this report is the nationwide patchwork of independently run healthcare facilities. These facilities aim to provide a medical home for vulnerable people where their health care can be managed.



>> AN OUNCE OF PREVENTION IS WORTH A POUND OF CURE

It is axiomatic that preventing a health emergency is better, as well as much less expensive, than treating it. In providing healthcare access to people who otherwise lack it because of insurance or income status, the ounce of prevention that America's nonprofit safety net facilities provide to 21 million people is worth more than the pound of cure that would otherwise be required. Moreover, the broad presence and healthcare expertise within these facilities have proven repeatedly to be essential in response to emergency situations. From the perspectives of an individual patient's health, public health generally, emergency preparedness and response, and optimal use of financial resources, these facilities play an essential role.

>> ACCESS FOR VULNERABLE POPULATIONS

In addition to removing barriers to primary health services raised by a person's low income and un- or under-insured status, America's nonprofit safety net facilities also address obstacles often caused by cultural, linguistic, and geographic factors. Low-income persons without access to care are more vulnerable to having preventable health problems escalate to major health crises. These providers strive to meet the needs of their patients in communities throughout the country on a daily basis and specialize in reaching at-risk communities.

Direct Relief's first annual snapshot looks at overall trends in patient loads, insurance status, and chronic diseases of patients that receive care annually through this particular group in the safety net – nonprofit federally qualified health centers (FQHCs), free clinics, and community-based clinics.



PHOTO: WILLIAM VAZQUEZ FOR ABBOTT FUND



PHOTO: ROB WANG, ROB WANG.COM

Terminology //

>> COMMUNITY CLINIC – a nonprofit provider agency that treats anyone regardless of ability to pay, but generally charges patients on a sliding fee scale.

>> DIRECT RELIEF CLINIC PARTNER – a community clinic, Federally Qualified Health Center, or free clinic that was vetted and approved to be part of the Direct Relief Clinic Partner Network.

>> DIRECT RELIEF CLINIC PARTNER NETWORK – the network of more than 1,000 community clinics, Federally Qualified Health Centers, or free clinics that Direct Relief currently supports with free medicines and medical supplies.

>> FEDERALLY QUALIFIED HEALTH CENTER (FQHC) – public and private nonprofit healthcare organizations located in a medically underserved area that treat anyone regardless of their ability to pay, and meet certain federal criteria under the

Health Center Consolidation Act (Section 330 of the Public Health Service Act). There were 1,131 grantees in 2009 that treated 18.7 million people across the United States.

>> FREE CLINIC – a nonprofit, volunteer-based provider agency that treats anyone regardless of ability to pay, that typically sees patients free of charge, or with a nominal donation for services. There are an estimated 1,200 free clinics across the United States.

>> SAFETY NET – the network of nonprofit provider agencies that deliver health services to vulnerable populations experiencing financial, cultural, linguistic, geographic or other obstacles to accessing adequate health care. The nation's healthcare safety net includes more than 8,000 clinical sites providing comprehensive, culturally competent health services to more than 21 million people regardless of their ability to pay.



Findings // An Overview

- >> Through Direct Relief's work supporting safety net providers with donations of medicine, medical supplies, and medical equipment, feedback indicates that **significantly greater numbers of people are seeking care through these facilities.**
- >> This report documents the increased pressures on safety net providers and the critical issues that face this group of providers. The report was compiled through analysis of data from FQHCs in addition to data captured through **Direct Relief's interactions with the more than 1,000 clinics and health centers it supports on an annual basis.**
- >> Analysis from Direct Relief's work, as well as federal data, shows overall numbers of patients, uninsured patients, and those with chronic conditions have risen each year for the past three years. The result is **an increasingly stretched safety net creating a continuing strain to meet the growing needs of its patients.**

Findings //

An Overview

THE NUMBER OF PEOPLE TREATED AT FQHCs GREW FROM 15 MILLION TO 18.7 MILLION BETWEEN 2006-2009.

>> MORE PATIENTS. In each of the past three years, the number of people that utilize the safety net for health services has grown. In 2006, the number of people treated at FQHCs was 15 million people. **In 2009, the year for which the most current data is available, there were 18.7 million patients.** It should be said that the growth in total numbers of patients has been accompanied with growth in the number of clinic sites; in 2006 there were 1,002 FQHC grantees, in 2009 there were 1,131.

>> ACCELERATING DEMAND. In addition to an aggregate increase, **the rate of increase of those seeking care at FQHCs was larger from 2008 to 2009 than in previous years.** That impact resulted in 470,000 more people in addition to the projected increase of 1.1 million individuals seen at FQHCs.

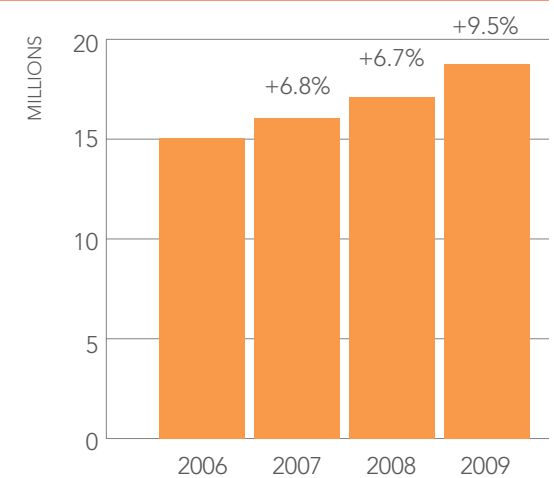
>> HIGHER NUMBER OF UNINSURED PATIENTS. During the course of the last three years, the number of patients who lacked health insurance also increased at safety net facilities. Direct Relief's surveying, in addition to analysis of federal data, show that **in 2009 there were more than seven million patients lacking health insurance that received care at FQHCs.** Similar rates hold true for patients using free clinics and community-based clinics.

>> INCREASING PERCENTAGE OF MEDICAID PATIENTS. Another clear trend in the data is the change in proportion of patients using Medicaid for their coverage. **Increasingly, a large portion of patients attending FQHCs use Medicaid relative to other forms of insurance (37.1%).** This trend is important for two reasons: one, because of the central role that Medicaid plays within healthcare reform legislation; and two, because over the past several years many states have reduced Medicaid reimbursement rates, thereby making it difficult for private providers to continue to care for these individuals. Since no patient is turned away due to their inability to pay at safety net facilities, they become the default medical home not only for the uninsured, but will likely become the most viable places to seek care for those covered by Medicaid.

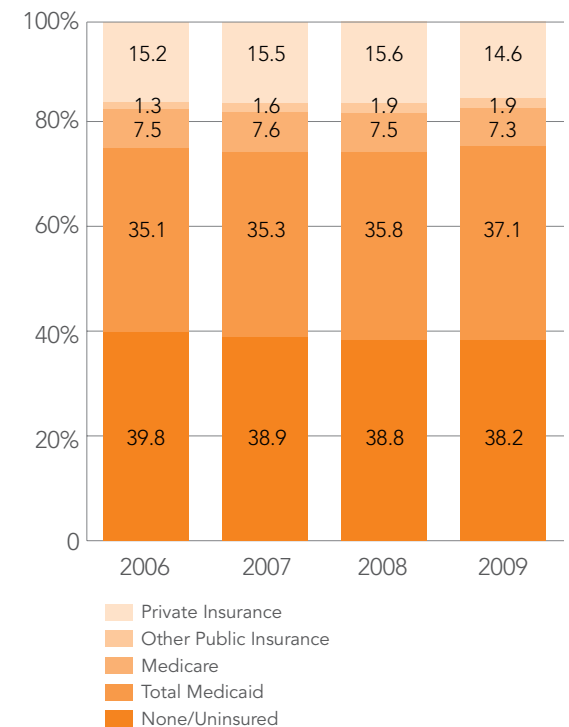
>> MORE PATIENTS WITH CHRONIC CONDITIONS. Finally, the data show that patients receiving care are being treated in growing numbers for chronic conditions. Particularly, diagnosis rates for diabetes and hypertension are occurring at greater **rates than that of the rate of patient increase.** The management of these conditions for the providers is extremely intensive in both time and money, and creates additional strain on providers to meet the needs of their patients in a difficult economy.

>> What follows is a snapshot of these trends through data analyzed at national, state, and metropolitan levels. This snapshot attempts to provide insight into the key issues that impact the scope, scale, and significance of the role played by this network as an essential component of the country's ability to care for its most vulnerable citizens.

FQHC TOTAL PATIENT LOAD



INSURANCE TYPES SEEN AT FQHCs



Background // Direct Relief USA

THE LARGEST
NONPROFIT
PROVIDER
OF DONATED
MEDICINE IN
THE U.S.

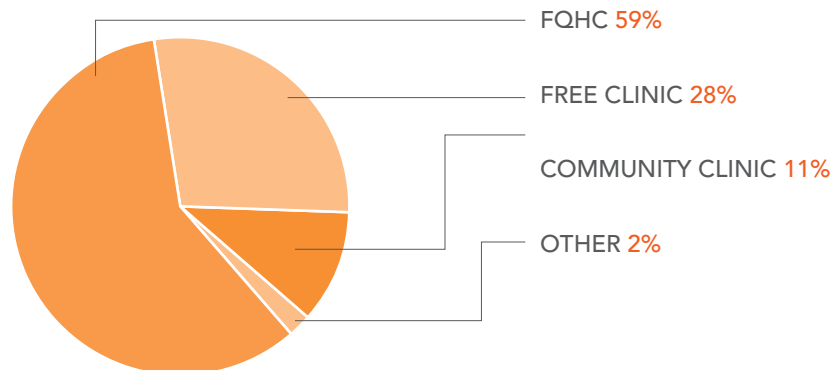
>> Since 1948, Direct Relief International has provided medical assistance to improve the health and quality of life of people affected by poverty and disaster throughout the world. **Direct Relief strengthens the in-country health efforts of partners by providing them with essential material resources – medicines, supplies and equipment.**

>> Direct Relief USA is the nation’s leading provider of donated medicine to community clinics, free clinics, and community health centers for patients who are uninsured and low-income. **It is the largest nonprofit provider of its kind in the United States, with more than \$50 million (wholesale) in donations provided annually and over \$250 million since 2004.**

>> **Direct Relief USA works with of a network of over 1,000 clinics and health centers that provide care to millions of low-income, uninsured patients.** Their network of providers serves patients in all 50 states and the District of Columbia and treats all patients, regardless of their ability to pay.

>> **Direct Relief has been recognized for fiscal strength, accountability, and efficiency** and has consistently achieved top rankings from Charity Navigator (including “Top Notch Charity” and 4-stars), *Forbes*, the Better Business Bureau, and *Consumers Digest*. Direct Relief received a perfect score of 100 percent in fundraising efficiency from *Forbes* in November 2010, which continues a nine-year period during which Direct Relief s earned a fundraising efficiency score of 99 percent or better.

DIRECT RELIEF’S PARTNER NETWORK



DONOR COMPANIES



DIRECT RELIEF
CLINIC PARTNERS

A Look at the FQHC Patient Population //

>> The majority (58.3%) of patients are at 100% of or below the federal poverty level. (100% of the federal poverty level is \$10,890 for an individual and \$22,350 for a family of four.)

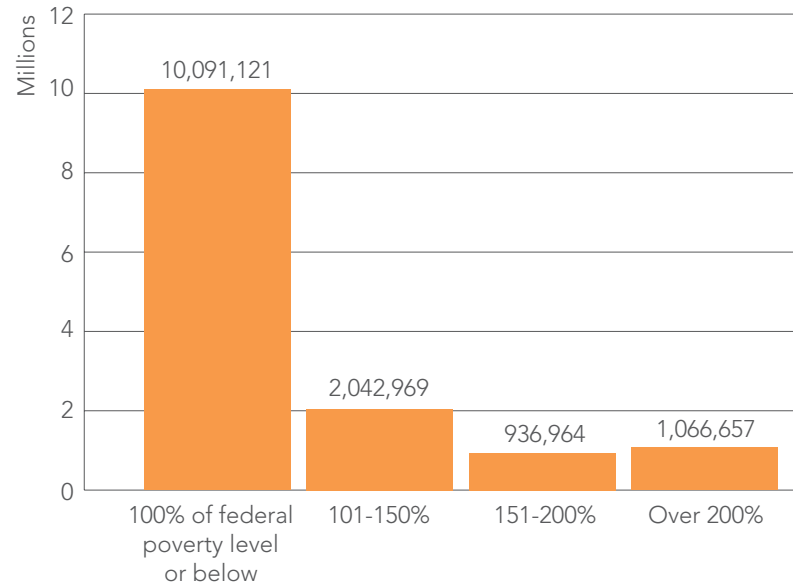
>> 51.5% or 9.6 million FQHC patients are under age 30.

>> Children represent the largest portion of the total patient population, and the number of elderly patients is growing year over year. Children and seniors are vulnerable to particular health risks, and these data show the extensive service provided to these populations.

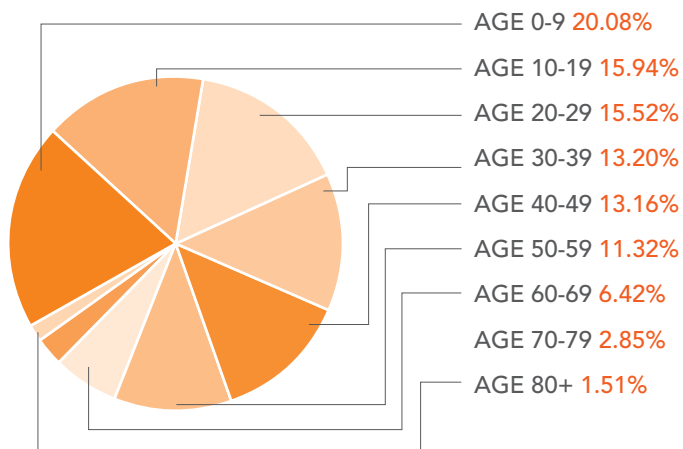
>> Federal poverty income levels have remained constant within the FQHC population over the past three years.

>> Racial makeup of patient populations has also remained unchanged since 2006.

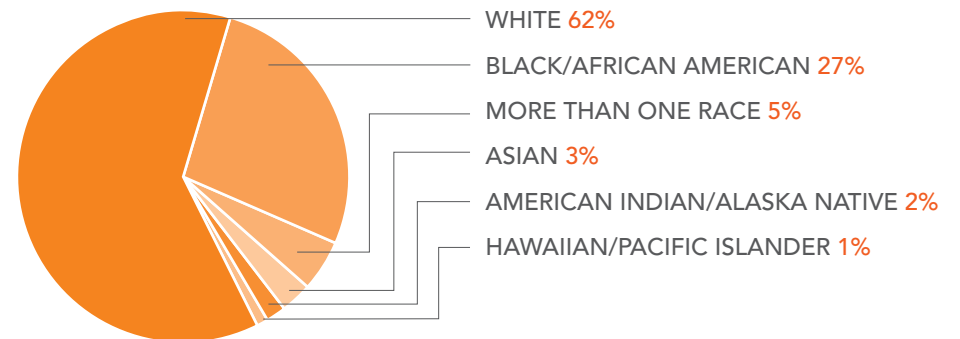
NUMBER OF INDIVIDUALS USING FQHC SERVICES BY INCOME LEVEL



AGE OF INDIVIDUALS USING FQHC SERVICES



RACE OF INDIVIDUALS USING FQHC SERVICES



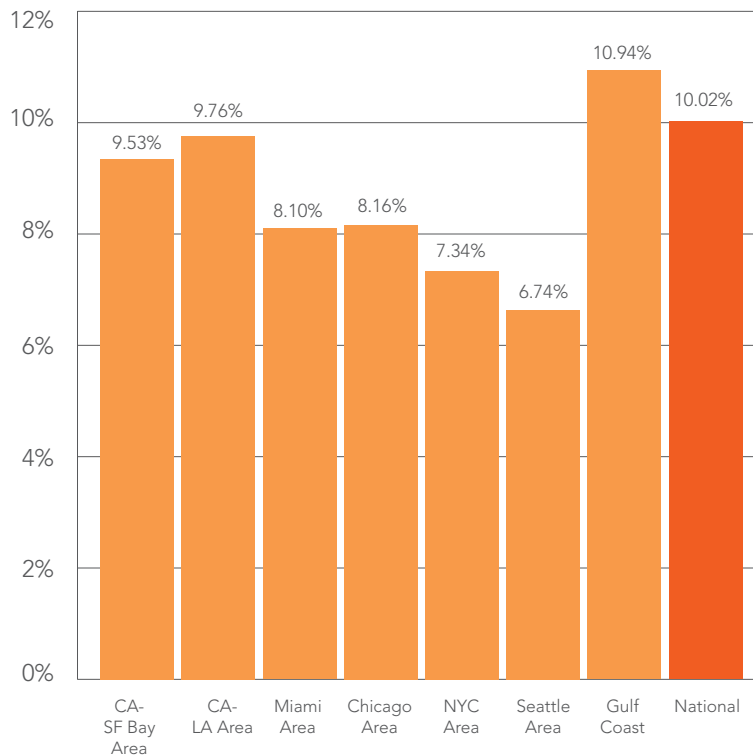
Chronic Diseases Among the FQHC Patient Population //

>> Prevalence of chronic conditions are increasing, and increasing at growing rates annually.

>> These conditions result in a large percentage of total services provided.

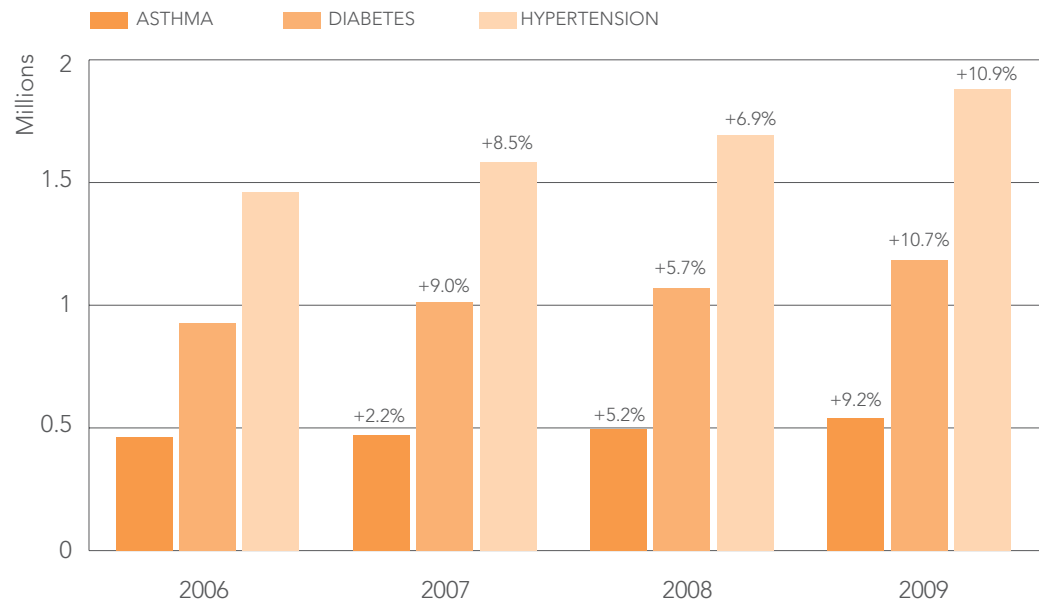
>> Chronic conditions tend to require more services over a longer period of time, thereby adding disproportionate stress on budgets.

HYPERTENSION DIAGNOSIS RATES BY REGION

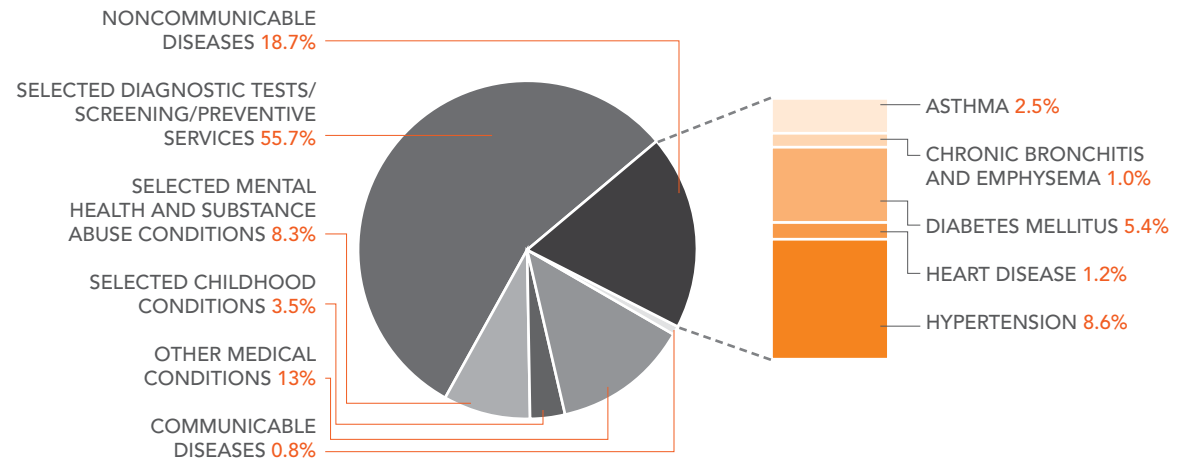


>> Rates of diagnosis can vary depending on geographic location, mission of particular clinic, clinic outreach services and available clinic health programs, and does not necessarily correlate to the community in which it is located.

NUMBER OF CHRONIC DISEASE DIAGNOSES



PERCENTAGE OF PATIENTS WITH PRIMARY DIAGNOSIS



Diabetes and Insurance Trends in the Direct Relief USA Network //

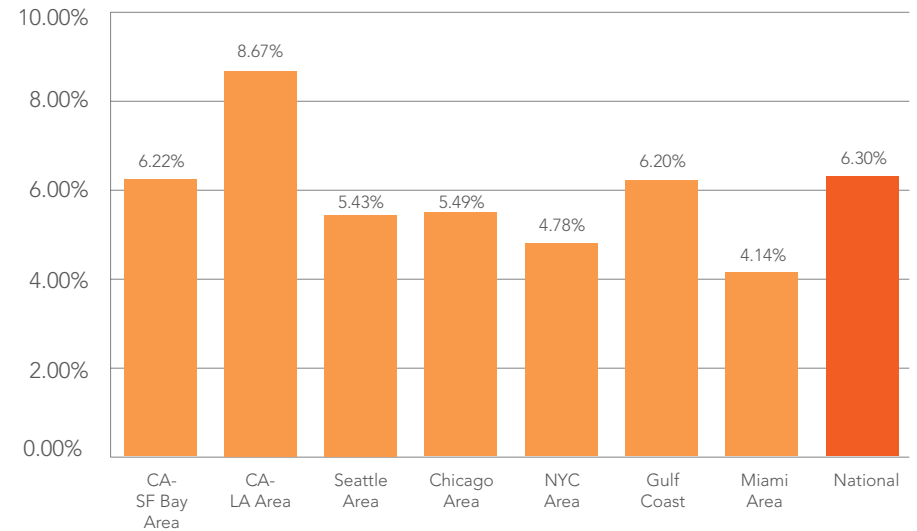
>> A survey by Direct Relief of 562 clinics and health centers, resulting in the allocation of 5 million needles and syringes, found **overall total increases in the number of patients and the number of patients with diabetes**. However, roughly 5% of Direct Relief’s partners reported seeing fewer patients during the first six months of 2009 compared to 2008. **For facilities that reported a decline in overall patients, the overwhelmingly consistent explanation was a reduction of clinical hours caused by the clinic’s economic circumstances**, for example, the need to close one day a week to control costs.

>> Direct Relief’s data suggest that survey results showing an overall increase in patient visits during the first six months of 2009 **fail to capture the full extent of increased demand for services** that may have existed during this period among people seeking care at safety net facilities.

>> In general, the data confirm that **the economic recession resulted in more patients seeking and receiving care** at nonprofit safety net facilities. Among the increased number of patients, a higher percentage than previously reported have diabetes.

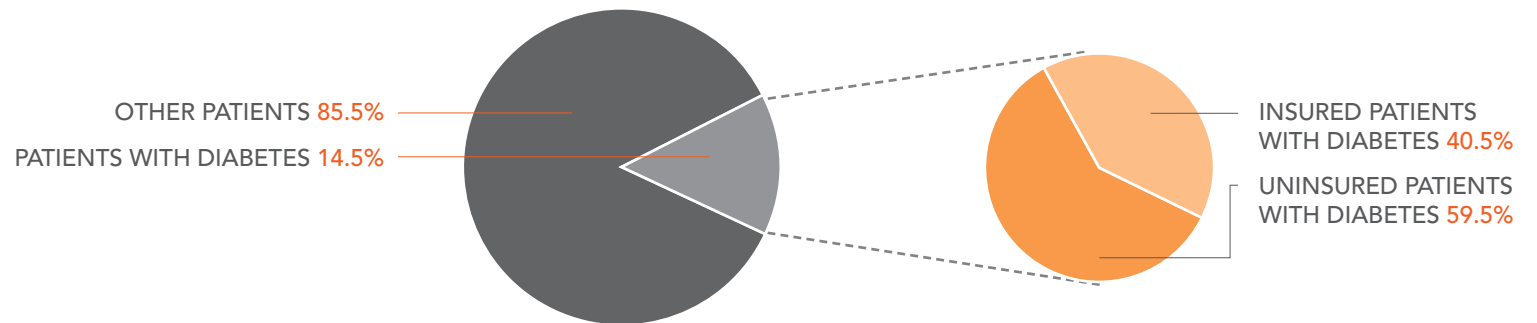
>> Among uninsured patients in the Direct Relief Clinic Partner Network, there is an over-representation of diabetes. This is reflected in the fact that 59.5% of patients with diabetes are uninsured.

DIABETES DIAGNOSIS RATES BY REGION



AMONG THE INCREASED NUMBER OF PATIENTS, A HIGHER PERCENTAGE THAN PREVIOUSLY REPORTED HAVE DIABETES.

PATIENTS WITH DIABETES BY INSURANCE STATUS WITHIN DIRECT RELIEF’S PARTNER NETWORK, 2009



Asthma Diagnosis and Direct Relief's Assistance //



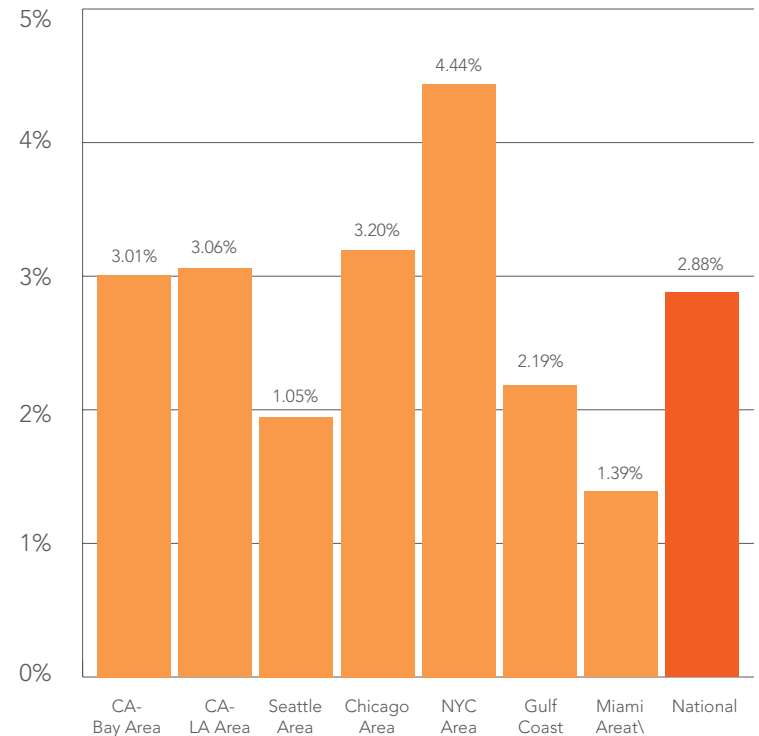
TWO OUT OF EVERY FIVE PEOPLE WITHOUT INSURANCE AND DIAGNOSED WITH ASTHMA WERE UNABLE TO AFFORD MEDICATION TO TREAT THEIR CONDITION.

>> Asthma diagnoses increased at FQHCs (see chart "Number of Chronic Disease Diagnoses" on Page 9), with the rate of increase almost doubling every year since 2006.

>> Additional need of inhalers was prompted due to 2005 U.S. Food and Drug Administration and Environmental Protection Agency policy that banned the use of CFC (chlorofluorocarbon-based) inhalers, which contained ozone-depleting substances. This required the transition to environmentally friendly HFA (hydrofluoroalkane-based) inhalers, resulting in a strain on safety net providers and their patients due to the higher cost of HFA inhalers compared to CFC inhalers.

>> Insurance coverage matters greatly – two out of every five people without insurance and diagnosed with asthma were unable to afford medication to treat their condition, compared to one in every nine people with insurance (CDC Vital Signs, May 2011).

ASTHMA DIAGNOSIS RATES BY REGION



Influenza and Prevention //

>> **Prevention of disease is a way to reduce economic strain** in communities through avoiding future costs of treating an illness.

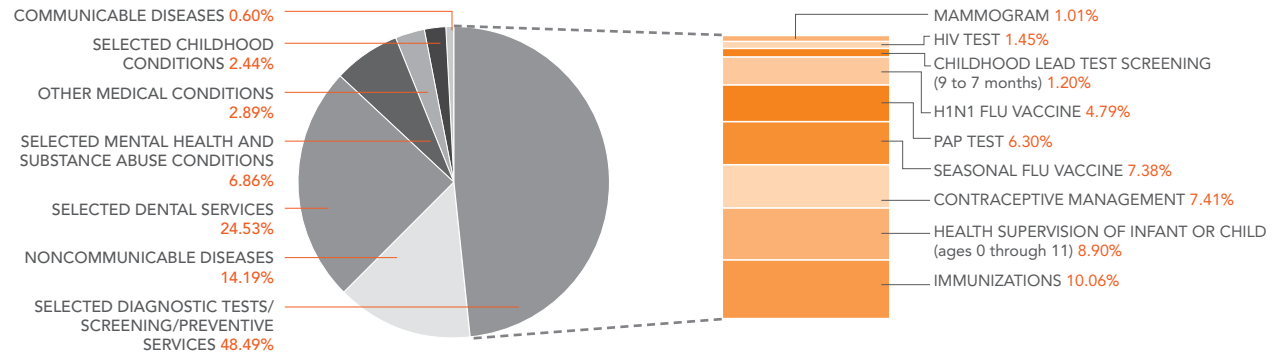
>> **Diagnostic/screening and preventive services make up 54% of FQHC services nationally;** of these services, 16% are seasonal flu vaccines.

>> **Flu deaths disproportionately affect the very young and the old.** The largest and the fastest growing age groups within FQHCs are the young and old respectively, underscoring the importance of these safety net providers.

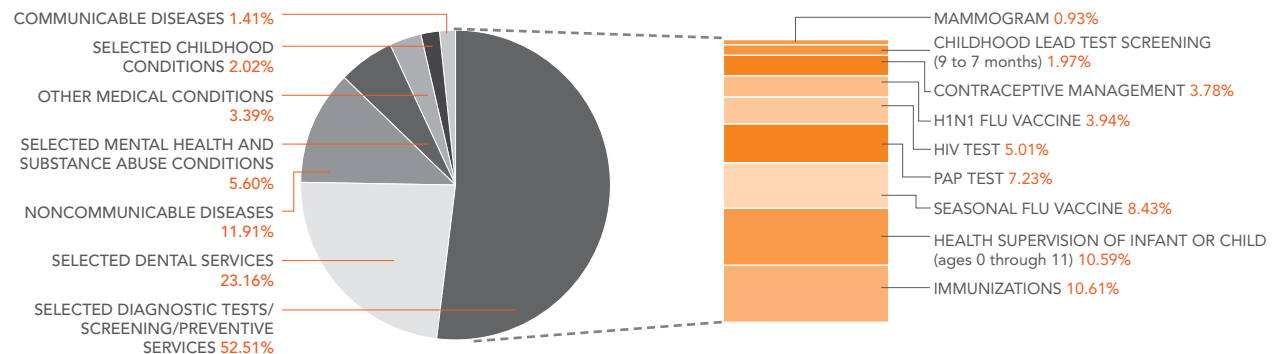
>> Through Direct Relief's CVS flu vaccine initiative, a survey identified 386 partner facilities, which represent 3.6 million patients and 1.9 million uninsured patients. **These patients received an estimated 673,000 flu vaccines in 2009,** illustrating the key roles these providers play in delivering services.

FLU DEATHS DISPROPORTIONATELY AFFECT THE VERY YOUNG AND THE OLD, THE LARGEST AND FASTEST GROWING AGE GROUPS AT FQHCs RESPECTIVELY.

SAN FRANCISCO BAY AREA – PERCENTAGE OF PATIENTS WITH PRIMARY DIAGNOSIS



NEW YORK CITY AREA – PERCENTAGE OF PATIENTS WITH PRIMARY DIAGNOSIS



DIRECT RELIEF CLINIC PARTNER NETWORK



Methodology // >> The State of the Safety Net Report combines Direct Relief's survey data from its interaction with more than 1,000 nonprofit clinics and health centers with analysis of clinical data from the Uniform Data System (UDS) from Health Resources and Services Administration (HRSA), an agency of Health and Human Services.

>> Surveys to Direct Relief's partner network were performed through Direct Relief's SAP Enterprise Portal, which in addition to data collection, serves as an ordering platform for donated medicines, medical supplies, and equipment. Information from respondents was compared with federally audited data from the UDS from HRSA and validated to ensure accuracy.

>> The 2009 and 2010 survey information included responses from more than 1,128 clinics and health centers that were located in all 50 states and the District of Columbia.

Methodology // Data Sources

Health Resources and Services Administration

UNIFORM DATA SURVEY

The information presented here applies to those entities from which the U.S. Department of Health and Human Services' Health Resources and Services Administration collect data through the Uniform Data System. These are grantees of the following HRSA primary care programs: Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care providers. Grantees can be found in all 50 states, the District of Columbia, and U.S. territories. The reported data should not be extrapolated to any other population as it is representative only of those individuals who utilize services of FQHC grantees.

It is also to be noted that when looking across states, regions and clinics that rates of diagnoses, insurance levels, demographics, etc. are measurements to provide a context, not for comparison. For example, a particular health center might show a high percentage of their patient population as homeless individuals. This does not necessarily mean the area in which they function has a high rate of homelessness. Instead, the clinic may have specific programs and outreach aimed at bringing health care to homeless individuals. This program in turn would skew their patient population numbers not only away from the norm of their service area, but also from levels seen at other FQHCs.

Specific regions were identified for analysis – the San Francisco Bay Area and Los Angeles regions in CA, Seattle area, Chicago area, New York City area, Miami area, and the Gulf Coast Region. For San Francisco Bay Area, Los Angeles, Seattle, Chicago, New York City, and Miami the center of the city was geolocated and a 40-mile radius was drawn to identify all FQHCs falling within those bounds. For the Gulf Coast Region a 100-mile buffer from the Gulf of Mexico was used to identify all FQHCs in the area. The identified FQHCs and their corresponding UDS surveys were then aggregated to provide regional data.

Direct Relief Partner Survey Data

DIABETES DATA

The survey was transmitted electronically to all FQHCs, community clinics, and free clinics in the United States for which Direct Relief had contact information and in partnership with the National Association of Community Health Centers and the National Association of Free Clinics. Survey respondents were not preselected. However, survey data cannot be described as truly random because this survey was conducted in conjunction with an offer of donated BD needles and syringes aimed at ameliorating conditions for low-income and uninsured patients with diabetes at safety net facilities. Therefore, inference to the entire U.S. safety-net clinic and health center population should be approached with due caution. Sources of sampling bias inhibiting inferential analysis are such factors as relative need for the product and prior frequency of response to product offers. Nevertheless, the size and scope of the clinical sample and of the reported patient population lend significant credence to the descriptive value of this data as a snapshot of critical patient trends.

562 clinics and health centers responded to the survey, resulting in the delivery of 5 million needles and syringes. These 562 respondents, including a significant number of providers representing multiple clinical service delivery sites, spanned across all 50 states, the District of Columbia, and Puerto Rico.

ASTHMA DATA

The survey was transmitted electronically to all FQHCs, community clinics, and free clinics in the United States for which Direct Relief had contact information and in partnership with the National Association of Community Health Centers and the National Association of Free Clinics. Survey respondents were not preselected. However, survey data cannot be described as truly random because this survey was conducted in conjunction with an offer of donated inhalers aimed at providing treatment to millions of uninsured patients with asthma. Therefore, inference to the entire U.S. safety net clinic and health center population should be approached with due caution. Sources of sampling bias inhibiting inferential analysis are such factors as relative need for the product and prior frequency of response to product offers. Nevertheless, the size and scope of the clinical sample and of the reported patient population lend significant credence to the descriptive value of this data as a snapshot of critical patient trends.

857 clinics and health centers responded to the survey, resulting in the delivery of 500,000 HFA inhalers. These 857 respondents, including a significant number of providers representing multiple clinical service delivery sites, spanned across all 50 states, the District of Columbia, and Puerto Rico.

INFLUENZA DATA

The survey was transmitted electronically to all FQHCs, community clinics, and free clinics in the states where CVS/Pharmacy locations existed and for which Direct Relief had contact information and in partnership with the National Association of Community Health Centers and the national Association of Free Clinics. Survey respondents were not preselected. However, survey data cannot be described as truly random because this survey was conducted in conjunction with an offer of \$5 million worth of CVS donated flu vaccine vouchers aimed at preventing influenza for low-income and uninsured patients at safety net facilities. Therefore, inference to the entire U.S. safety net clinic and health center population should be approached with due caution. Sources of sampling bias inhibiting inferential analysis are such factors as relative need for the product and prior frequency of response to product offers. Nevertheless, the size and scope of the clinical sample and of the reported patient population lend significant credence to the descriptive value of this data as a snapshot of critical patient trends.

386 clinics and health centers responded to the survey and requested flu vouchers for their uninsured patient populations, resulting in the distribution of nearly \$5 million worth of donated flu vaccines. These 386 respondents, including a significant number of providers representing multiple clinical service delivery sites, spanned across 38 states and the District of Columbia.

More Information //

>> **EXPLORE THE DATA//** View the data, understand demographic, payment, and disease trends. Understand your community.

>> **SHARE INFORMATION//** Share the data with your colleagues or report findings in a newsletter. Inform local healthcare and advocacy groups. Share the report with you local editorial boards and news rooms.

>> **MAKE A DONATION//** Direct Relief depends on the generous support of companies and individuals who understand the need to improve health care worldwide. Every dollar donated goes to programs. Each dollar leverages more than \$26 in medical aid.

>> **TO LEARN MORE** about making a donation to Direct Relief, go to DirectRelief.org, or call (805) 964-4767.

>> **FOR INFORMATION** on Direct Relief, contact Damon Taugher at (805) 964-4767 x112, or by email at dtaugher@directrelief.org.

>> **FOR MEDIA INQUIRIES**, contact Kelley Kaufman at (805) 964-4767 x143, or by email at kkaufman@directrelief.org.

COVER PHOTOS: Andrew Fletcher, Margaret Molloy, Damon Taugher, Rob Wang – robwang.com

Explore the data >> data.DirectRelief.org

Direct Relief INTERNATIONAL

BETTER HEALTH THROUGH OPEN DATA

Direct Relief International provides **medical assistance to improve the quality of life** for people affected by poverty, disaster, and civil unrest at home and throughout the world. Direct Relief provides essential material resources — medicines, supplies and equipment — to over 70 countries globally and 1,000 clinics and health centers in the United States.

Direct Relief International Dataset
This dataset contains approximately 50,000 records of shipments made by DRI to agencies world-wide. [View Data](#)

EXPLORE THE DATASET

Health Resources and Services Administration Dataset
The Health Resources and Services Administration (HRSA), an agency of the U.S. Department of Health and Human Services, focuses on improving access to health care services for people who are uninsured, isolated or medically vulnerable. This dataset contains approximately 700,000 records of service delivery statistics reported by federally qualified health centers. [View Data](#)

EXPLORE THE DATASET

WHAT IS DATA.DIRECTRELIEF.ORG?
A Source for Understanding Health Data Sets
Search, analyze, and understand a variety of federal, state, and local government data.

A Web-based Toolkit
Use the provided tools to filter, sort, summarize, map, graph, and export data.

A Resource for Citizens and Government
Interact with data specialists and share useful information with other agencies and the community.

WHAT ARE THE GOALS?
Maximize Human Resources
Empower intelligent, creative and analytical people by giving them access to the best available tools to work with data.

Support Fact-Based Management
Help agencies to make better and faster decisions that are based on the most complete and current data available.

Achieve Transparency
Lead the nation by modeling government transparency that includes everyone, inspires greater levels of efficiency, and promotes meaningful interaction between government and its citizens.

>> **DIRECT RELIEF INTERNATIONAL**

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INTERNATIONAL
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