



Colorado Community Health Centers

Strengthening Colorado's Health
and the Economy

colorado
communityhealth
network

Colorado Community Health Centers Contribute to the State's Overall Health and the Economy

In 2011, Colorado Community Health Centers:

- Strengthened Colorado's economy by contributing \$735 million in economic activity; including \$396 million in operating expenditures in local economies, and additional economic activity totaling \$339 million.
- Directly generated 3,621 full-time jobs and supported an additional 2,404 jobs in other businesses.
- Contributed approximately \$95 million in total tax revenue, including \$31 million in state and local taxes, and \$64 million in federal taxes.¹
- Brought \$72.6 million in federal grants to Colorado.²
- Delivered high quality, comprehensive primary health care to more than 1 in 10 people in Colorado, who live in 60 of the state's 64 counties.

Investing in Colorado Community Health Centers is an investment in the economic development of communities and counties across Colorado.

Colorado's 18 Community Health Centers have a plan to provide a health care home for more than one million low-income uninsured and medically underserved Coloradans. That plan is called Access for All Colorado.

The Value of CHCs to Colorado Communities: Economic Impact

In 2011, CHCs generated jobs for a total of 6,025 Colorado residents, directly employing 3,621 and supporting an additional 2,404 jobs in other businesses.³ CHCs:

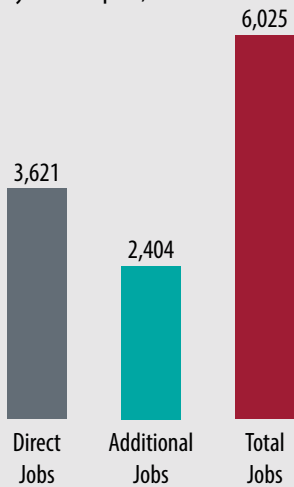
- Are among the largest employers in local communities, including many of the state's most economically challenged areas.
- Directly help local economies by purchasing goods and services from local businesses. CHC employees also spend their paychecks with local businesses.
- Engage in building and remodeling projects, acting as catalysts for economic revitalization by attracting investment and other businesses to local communities.
- Attract and retain more residents, businesses, and employment by adding to the economic activity in a community.

¹The tax impact values show the amount of revenue generated for governments from employee compensation, proprietor income, indirect business taxes, households, and corporations as tallied in the Capital Link economic analysis.

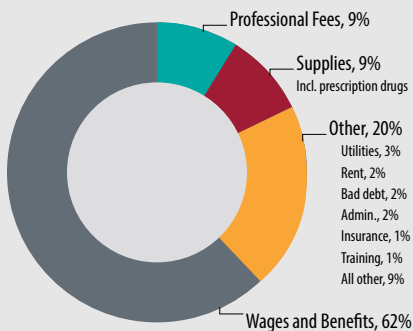
²2011 Uniform Data System.

³CHCs report in the Uniform Data system the number of people as Full Time Equivalents (FTEs) employed. Full-Time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e., 50 percent time) is reported as "0.5 FTE. FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as "0.33 FTE" (four months/12 months).

Colorado Community Health Centers
Employment Impact, 2011



Community Health Centers
Operating Expenditures, 2011





Top 10 Industries Affected	Total Economic Impact*
All health care providers	\$409.5
Real estate establishments	\$37.2
Economic activity related to home ownership	\$27.3
Insurance carriers	\$21.7
Wholesale trade businesses	\$17.8
Food services	\$15.9
Telecommunications	\$13.1
Economic activity related to banks and banking establishments	\$10.8
Service charges and fees related to credit cards, ATM usage, and document payment fees associated with credit intermediation	\$10.8
Management of companies and enterprises	\$5.8
As a result of CHC Expenditures (in millions) Colorado, 2011	

Colorado CHCs Support Other Businesses

Total economic impact includes direct, indirect, and induced impact.

- **Direct effects:** The direct effect of CHC operations on the CHC and employees (as well as contractors, etc.). Includes impact on all vendors and service organizations that provide work for the CHC.
- **Indirect effects:** Effect of businesses and organizations impacting the economy by purchasing other goods, paying employees, etc. The effect here is of CHC impact on other businesses, which in turn impact further businesses.
- **Induced effects:** Effect of CHC employees (and indirect employees) spending their incomes in the local economy.

Direct Effects: The health center makes expenditures for services (including salaries) and goods, such as purchase of chairs from a local furniture store.

Indirect Effects: The furniture store in turn purchases supplies from an office supplies store and a truck from a car dealer to make deliveries.

Induced Effects: The health center, the furniture store, the office supplies store and the car dealership all hire staff and pay them salaries to help run the various businesses. These employees spend their income on everyday purchases.



*The "Top 10 Industries Affected" refers to the economic activity generated in those industries as a result of CHC activities and expenditures. For example, in the case of private hospitals, the figure listed is the amount of total economic activity generated by the hospitals due to CHC activities such as referrals. As a result of referrals from CHCs, the private hospitals hire a related number of staff, perform procedures and make related expenditures. The figure is not the entire economic impact of the private hospitals, just the portion that is based on the presence and activities of CHCs.



Summary of FY 2011 Total Economic Activity Stimulated by 16 of 18 Colorado Community Health Centers Current Operations			
	Economic Impact (Including Value-Added)	Value-Added (Including personal income)	Employment (Number of FTEs)
Direct	\$396,359,887	\$239,126,341	3,621
Indirect	\$125,082,918	\$78,169,685	811
Induced	\$213,955,126	\$132,267,828	1,593
Total	\$735,397,931	\$449,563,854	6,025

The Value of CHCs to Colorado Communities: Health Care

CHCs:

- Provide a health care home to more than 600,000 Coloradans.
- Are locally governed by patients of the clinic and other community members.
- Specialize in providing care to the whole family.
- Provide comprehensive primary health care, including medical, dental, behavioral health, and pharmacy.
- Help people manage chronic health conditions.
- Are actively engaged in pursuing national Patient Centered Medical Home recognition.

A recent study found that Colorado Medicaid clients who use CHCs are one-third less likely than Medicaid clients of other providers to have an emergency room visit, an inpatient hospitalization, or a preventable hospital admission.⁵ Another national study found that CHCs demonstrate equal or better performance on select quality measures, despite serving patients who have more chronic disease and socioeconomic complexity.⁶

Colorado CHCs Provide Care to many of the state's most vulnerable residents ⁷		
	CHC Population	State Population ⁸
Under 100% Poverty	75%	16%
Under 200% Poverty	95%	32%
Uninsured	40%	14%
Medicaid	40%	13%
Medicare	7%	11%

This analysis does not include how much CHCs save the overall health care system. For example, it does not quantify the number of emergency room (ER) visits that don't happen because CHC medical and dental staff accepted and treated patients with acute needs that could be cared for at CHCs rather than an ER. It also doesn't quantify the savings that are generated due to the CHC cost-effective model that includes extended hours, same-day appointments, open access, after-hours answering services, and more. NACHC estimates that CHCs save the health care system \$1,263 per patient per year, approximately \$24 billion nationally each year.⁹

⁵Jennifer Rothkopf et al., "Medicaid Patients Seen At Federally Qualified Health Centers Use Hospital Services Less Than Those Seen By Private Providers," *Health Affairs* 30:7 (July 2011).

⁶L. Elizabeth Goldman, MD, MCR, et.al., "Federally Qualified Health Centers and Private Practice Performance on Ambulatory Care Measures," *American Journal of Preventive Medicine* Vol. 43, Issue 2, pages 142-149.

⁷Colorado Health Center Fact Sheet 2011, based on Bureau of Primary Care 2011 Uniform Data System (UDS) ; National Association of Community Health Centers, Research and Data 2011.

⁸Shi L. The Role of Health Centers in Improving Health Care Access, Quality and Outcome for the Nation's Uninsured.

⁹National Association of Community Health Centers, Inc., *Community Health Centers: The Local Prescription for Better Quality and Lower Costs*, March 2011.



List of Colorado Community Health Centers Included in this Analysis

- Clinica Family Health Services, Inc.
- Colorado Coalition for the Homeless
- Denver Health's Community Health Services
- Dove Creek Community Health Clinic
- High Plains Community Health Center
- Metro Community Provider Network
- Mountain Family Health Centers
- Northwest Colorado VNA - Community Health Center
- Peak Vista Community Health Centers
- Plains Medical Center, Inc.
- Pueblo Community Health Center, Inc.
- Salud Family Health Centers
- Summit Community Care Clinic
- Sunrise Community Health
- Uncompahgre Medical Center
- Valley-Wide Health Services, Inc.

Not included in this analysis: Olathe Community Clinic, Inc. and Sheridan Health Services who are new federally qualified CHCs as of June 2012. Only CHCs with at least four years of audited financials were included in this analysis.

Economic Impact Definition of Terms

This analysis applies the "multiplier effect,"¹⁰ using an integrated economic modeling and planning tool called IMPLAN.¹¹

- **Output Multiplier:** Measures the increase in total output generated in a defined regional economy for each dollar spent by a given industry.
- **Value-added (Earnings) Multiplier:** Measures the earnings (purchasing power) that an industry generates, through payroll and the multiplier effect, for households employed by all industries within a defined area.
- **Employment Multiplier:** Measures the number of jobs generated across all industries by the activity within a given industry. The multiplier produces an estimate of the total number of new jobs that a local economy can support in all industries due to the dollars being injected into the community by the organization.

¹⁰Multiplier: estimated number by which the amount of investment or expenditure is multiplied to give the total amount by which the national income is increased.

¹¹(Impact analysis for PLANning), to capture the direct, indirect, and induced economic effects of an organization's business operations. IMPLAN was developed by the US Department of Agriculture and the Minnesota IMPLAN Group (MIG) and employs multipliers, specific to each county and each industrial sector, to determine total output, employment, and earnings. This analysis was conducted using IMPLAN Version 3, Trade Flows Model.



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About CCHN

The Colorado Community Health Network (CCHN) represents Colorado's 18 Community Health Centers that together are the backbone of the primary health care safety-net in Colorado. Since its inception in 1982, CCHN has made significant strides in ensuring that Colorado's low-income residents have access to affordable, high-quality primary health care. CCHN is committed to educating policy makers and stakeholders about the unique needs of Community Health Centers (CHCs) and their patients, providing resources to ensure that CHCs are strong organizations, and supporting CHCs in maintaining the highest quality care.



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About Capital Link

Since 1998, Capital Link has provided planning and capital solutions for hundreds of health center building projects. We assist health centers and primary care associations in accessing capital for building and equipment projects, and we provide extensive technical assistance throughout the entire capital development process. Additionally, Capital Link provides targeted loans to help health centers leverage other sources of capital. Capital Link works nationally out of its main office in Massachusetts and satellite offices in California, the District of Columbia, Maryland, Missouri, Washington and West Virginia.

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