The Economic Impact of Colorado Coalition for the Homeless

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Colorado Coalition for the Homeless

Economic Impact

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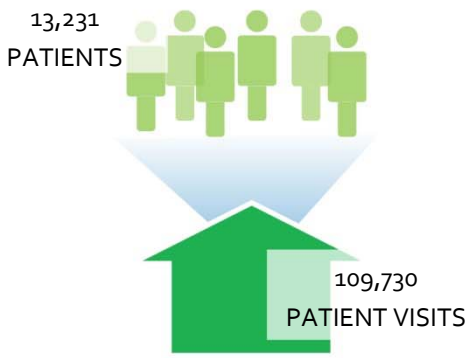
For more than 50 years, U.S. health centers have delivered comprehensive, high-quality preventive and primary health care to patients regardless of their ability to pay, becoming one of the largest safety net systems in the country.

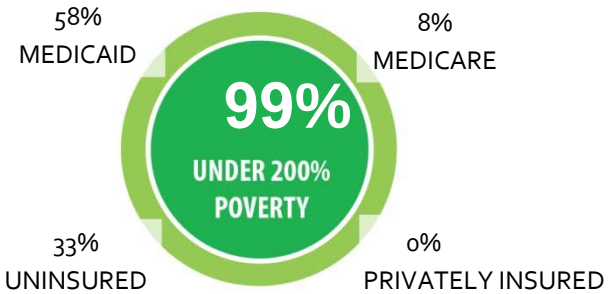
Colorado Coalition for the Homeless has been no exception. In 2014, Colorado Coalition for the Homeless provided care to many of the most underserved members of its community. In addition to providing quality care, Colorado Coalition for the Homeless generated positive economic impacts, including jobs, tax revenues and savings to the health care system.

COMMUNITY IMPACT

Patients Served



Patient Profile



Cost Savings

$16.7 Million

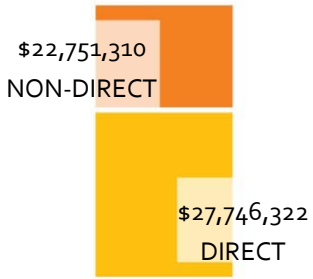
ANNUALLY

ECONOMIC IMPACT

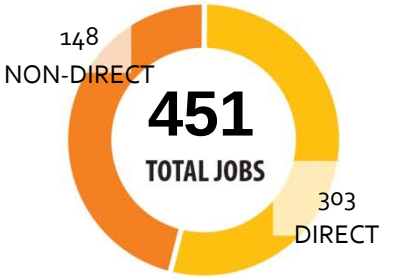
Total Economic Impact

$50,497,632

ANNUALLY



Employment



Total Tax Revenue

$6.3 Million

ANNUALLY

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COMMUNITY IMPACT

Community health centers provide high quality, cost-effective, patient-centered care to working families in communities that would otherwise not have adequate access to health care services. In 2014, Colorado CHCs provided a health care home for more than one in eight people in the state. Two-thirds of Colorado CHC patients are members of racial or ethnic minorities, which places CHCs at the center of the effort to reduce racial disparities in health care.[1]

Recent studies show that, on average, each patient receiving care at a health center saved the health care system 24%, annually.[4] With 13,231 patients served by Colorado Coalition for the Homeless in 2014, the estimated annual savings is $16.7 million at $1,263 saved per patient.[5, 6]

Distribution of Population

	CHC Population	National Population [2, 3]
Under 100% Poverty	93%	71%
Under 200% Poverty	99%	92%
Uninsured	33%	28%
Medicaid	58%	46%
Medicare	8%	9%
Privately Insured	%	16%

ECONOMIC IMPACT

As health centers expand, their expenditures and corresponding economic impact also grow. In 2014 alone, Colorado Coalition for the Homeless contributed about $50.5 million dollars. The table to the right summarizes economic impact and employment.

The tax impacts of Colorado Coalition for the Homeless are divided into state/local governments and Federal government agencies.

Tax revenue is generated through employee compensation, proprietor income, indirect business taxes, households, and corporations based on the modeled impact.

Summary of 2014 Total Economic Activity

Stimulated by Current Operations of Colorado Coalition for the Homeless

		Economic Impact	Employment (# of FTEs*)
	Direct	$ 27,746,322	303
Non-Direct	Indirect	$ 7,512,728	49
Non-Direct	Induced	$ 15,238,582	99
	Total	**$ 50,497,632**	**451**

Direct # of FTEs (employment) based on HRSA 2014 UDS state level data for FQHCs.

Summary of 2014 Tax Revenue

		Federal	State/Local
	Direct	$2,795,031	$573,850
Non-Direct	Indirect	$641,485	$317,162
Non-Direct	Induced	$1,205,568	$847,031
	Total	**$4,642,084**	**$1,738,043**
	Total Tax Impact	**$6,380,127**	

*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" (4 months/12 months).

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HOW ECONOMIC IMPACT IS MEASURED

Using IMPLAN, integrated economic modeling software, this analysis applies the "multiplier effect" to capture the direct, indirect, and induced economic effects of health center business operations and capital project plans. IMPLAN generates multipliers by geographic region and by industry combined with a county/state database. It is widely used by economists, state and city planners, universities and others to estimate the impact of projects and expenditures on the local economy. This analysis was conducted using **IMPLAN Version 3, Trade Flows Model.**

WHAT ARE DIRECT, INDIRECT AND INDUCED IMPACTS?

Direct impacts result from ***health center expenditures associated with expanded operations, new facilities, and hiring.***

A health center purchases medical devices from a local medical supply store.

This purchase is a ***direct*** economic impact of the health centers expanded operations.

Indirect impacts result from ***purchases of local goods and services, and jobs in other industries.***

The medical supply store purchases paper from an office supply store to print receipts and hires a local delivery service to transport the medical devices.

These purchases are ***indirect*** economic impacts of the health centers expanded operations.

Induced impacts result from ***purchases of local goods and services at a household level made by employees of the health center and suppliers.***

As local industries grow and household income increases, employees of the health center, medical supply store, office supply store, and delivery service spend their salaries in the community.

These purchases are ***induced*** economic impacts because they are the result of growth of the entire community.

REFERENCES

1. NACHC, *A Sketch of Community Health Centers*, 2013. Includes patients of federally-funded health centers, non-federally funded health centers, and expected patient growth for 2013.

2. Based on Bureau of Primary Health Care, HRSA, DHHS, 2012 Uniform Data System. U.S.: Kaiser Family Foundation, State Health Facts Online, www.statehealthfacts.org. Based on Census Bureau's March 2012 and 2013 Current Population Survey (CPS: Annual Social and Economic Supplements).

3. Based on Centers for Medicare & Medicaid Services: www.cms.gov. Medicare Enrollment – All Beneficiaries: as of July 2012.

4. Richard et al. *Cost Savings Associated with the Use of Community Health Centers.* Journal of Ambulatory Care Management, Vol. 35, No. 1, pp. 50–59, January/March 2012.

5. Ku et al. *Strengthening Primary Care to Bend the Cost Curve: The Expansion of Community Health Centers Through Health Reform.* Geiger Gibson/RCHN. Community Health Foundation Research Collaborative. Policy Research Brief No. 19. June 30, 2010.

6. NACHC. *Community Health Centers: The Local Prescription for Better Quality and Lower Costs.* Includes cost savings per patient. March 2011

ABOUT CAPITAL LINK

Capital Link is a non-profit organization that has worked with hundreds of health centers and Primary Care Associations for over 15 years to plan capital projects, finance growth and identify ways to improve performance. We provide innovative consulting services and extensive technical assistance with the goal of supporting and expanding community-based health care. For more information, visit us online at www.caplink.org.

SOURCES

This report was created with the FY14 financial statement and the 2014 UDS report from Colorado Coalition for the Homelessin cooperation with CCHN.