

Statement from NJPCA on Federal and State budget cuts

Earlier this week Congress published the details of the budget deal struck between the White House and Congress over the weekend. The deal would cut roughly \$38.5 billion dollars from current funding levels, including **\$600 million** from the Community Health Centers program. Unless rectified, this major reduction will – in this year alone—negate the ability to provide basic health care services to over 5 million of our most vulnerable Americans and will seriously undermine the ability of health centers to provide services to 40 million people by 2015 – a cornerstone of the health care reform bill passed last year.

In New Jersey in 2010, Federally Qualified Health Centers were the family doctor and medical home for 429,457 individuals. Over 1.3 million medical and dental visits were provided throughout the state. Our patients are assured quality and comprehensive care as well as availability of care 24 hours per day. In many cases, NJ's federally qualified health centers are the only safety net available for the provision of care for our most vulnerable populations. These cuts will jeopardize the accessibility and availability of care to populations who are at greatest risk and need.

Arguments have been made that dollars need to be saved however it is clear that savings are realized through Federally Qualified Health Centers. Nationally, the average annual cost of care through health centers is \$552 per patient or about \$1.51 per day per patient. That is ten times less than the average per capita spending on personal health care. In addition, studies have also indicated that health centers save Medicaid approximately 30% in annual spending per Medicaid beneficiary due to lower specialty care referrals, ER visits, hospital admissions and prescription drug costs.

The consequences of the recommended cuts will have a devastating effect upon our Federally Qualified Health Centers. Proposed state budget cuts will likely add patients to our rolls at the same time our health centers will be forced to cutback services. Not only will FQHCs be unable to serve new patients but their existing patients will be jeopardized. New Jersey centers stand ready to continue serving those who need care – unfortunately it appears as if services will now be at reduced capacity which is a tragedy for those New Jerseyans who really need health care.