

Davis Requests Support for Community Health Centers

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January 9, 2009

The Honorable Nancy Pelosi,
Speaker

United States House of Representatives

Room H-232, The Capitol

Washington, DC 20515

Dear Madam Speaker:

I write to complement you for your efforts to develop and enact legislation to jumpstart our anemic economy, which has negatively impacted the lives of millions of Americans, and to offer my support for your leadership in this matter. In that vein, I would ask you to consider and include in the upcoming stimulus package, a proposal to enhance our health care infrastructure by augmenting the operations of our nation's community health centers — an immediately cost-effective idea that produces a myriad of public benefits.

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Because of their location in predominantly low-income urban and rural communities, and their ability to rapidly translate additional funding into health care, community services, and employment, health centers represent an important means of stimulating hard hit communities while promoting access to health care for individuals and families impacted by the recent economic downturn. Health centers operate in nearly 7,000 locations across America and provide more than 18 million patients with primary and preventive health care services, regardless of their insurance status or ability to pay. Health centers are already seeing higher numbers of low-income and uninsured patients as a result and are bracing for more to come. At the same time, approximately 55 million Americans do not have access to medical care today because

of where they live – they are “medically disenfranchised”. Health centers have a robust plan to eradicate this social injustice, by almost doubling the number of people they serve to 30 million by 2015.

To achieve this goal, however, health centers must have operational support and an entree to low-cost capital to modernize existing facilities and build new ones. Specifically, health centers should be afforded the same financing tools as other health care providers. To that end, we recommend providing them with the following: one, authorization for an entity to issue tax-exempt bonds on behalf of health centers; two, an improved federal Loan Guarantee authority that can be used with tax-exempt bonds; and three, access to New Markets Tax Credits to make their financings economical. These financing tools, spurred by tax incentives, will ensure that their significant capital needs are met with private dollars, as opposed to scarce appropriated funds. Because facilities financing has been such a vexing issue for health centers, their demand for capital is immediate and growing. With these financing tools, health centers could immediately fund projects totaling \$1.6 billion.

In addition, as the attached document notes, a one-time investment of funds in the Health Centers and the National Health Service Corps programs will immediately extend care to millions in need and further their public mission. Also, one-time funding to assist health centers to fully adopt integrated Health Information Technology (HIT) systems, along with the requested capital financing tools, will address their immediate capital needs and ensure their strong position in the health care system of tomorrow.

Marrying the financing tools with the additional support for operational needs, recruitment of doctors, and HIT systems will result in mammoth public benefits for modest federal outlays. For about \$1 billion over two years, the following public benefits accrue:

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Local economies will receive a stimulus of over \$40 billion;

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Over 100,000 new jobs will be created;

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Between 3 and 4 million more Americans will have access to primary and preventive health care; and

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At least \$50 billion in savings will be produced for the health care system.

The benefits of these proposals are real, significant, and immediate – they will positively impact millions of Americans in every neighborhood across our country. Moreover, these suggestions represent good public policy. Very few policy ideas can boast of translating a one dollar investment into a fifty dollar return or package of public benefits, with longer term benefits increasing exponentially.

Your efforts to reverse the current economic downturn and improve the lives of working Americans are laudable. I hope you will review and include these much needed and warranted enhancements to our health centers in your initiative – they will further your goals and produce palpable benefits for our economy, middle and working class Americans, and our current and future health care system.

Sincerely,

Danny K. Davis,

Member of Congress

cc: The Honorable Steny H. Hoyer

The
Honorable James Clyburn

The
Honorable Charles B. Rangel

The
Honorable Henry A. Waxman

The
Honorable David R. Obey

The
Honorable John B. Larson