

The background is a dark gray field. It features a network of thin, light gray lines connecting various-sized dark gray circular nodes. Overlaid on this network are numerous cross-shaped symbols. These crosses are rendered in four colors: bright orange, light cream, medium gray, and solid black. They are scattered across the page, with some appearing larger and more prominent than others, creating a sense of depth and interconnectedness.

**COMMUNITY HEALTH
CENTERS IN HARRIS
COUNTY AND COVID:
FORCES OF
CHANGE**

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COVID may become a permanent feature of our health ecosystem. If we drop our guard and think it will just go away, we may not make the needed investments to prevent the worst of this pandemic from happening again. If we heed the lessons that this contagion is trying to teach us, we can create a system that prioritizes equity, safety, and preparedness and provides care when we need it, how we need it, and in the form that we need it in.

Kedar Mate, President & CEO,
Institute for Healthcare Improvement in IHI
blog on October 28, 2021



Executive Summary

For many of Harris County's underserved and most vulnerable residents, community health centers are an essential avenue to affordable, comprehensive, high-quality care. This is especially true for the large number of un-insured and under-insured residents, whose numbers grew during the pandemic. The purpose of this study is to provide a comprehensive snapshot of safety-net community health centers serving the un- and under-insured in Harris County. In addition, this study documents the initial impact of COVID-19 on these health centers to understand how their services and patient dynamics are changing in response to pressures of the first pandemic year.

This study provides the most comprehensive snapshot to date of community health centers serving the un- and under-insured in Harris County.

Not surprisingly, the initial impact of COVID was a decline in the number of people who utilized community health centers in 2020, when restrictions to control the spread of COVID were imposed. Taken together, these community health centers served slightly more than 600,000 patients in 2020, an 8% decline from 2019. Based on an analysis of patient demographics, it does not appear that COVID had an impact on who sought care or was served in 2020.

However, other changes spurred by the COVID pandemic appear to have more enduring, and potentially impactful, consequences. Four key changes emerged as significant that may impact community health centers in the post-pandemic environment:

The Growth and Increased Acceptance of Telehealth Services

Community health centers across Harris County embraced virtual visits as a means of serving patients during COVID. As a result: telehealth visits grew from 1% of all visits in 2019 to 29% of all visits in 2020. The nature of telehealth visits expanded as well; while telemedicine was used primarily



for mental health visits prior to COVID, physical health services represented 60% of all health center virtual visits in 2020. Expanding the use of telehealth services and other remote services offers potential to increase access to care but more needs to be done to ensure that these services maintain - if not enhance - quality of care and overall healthcare costs.

Staffing Shortages

Health care workers have faced unprecedented levels of stress during the pandemic. Between burnout due to emotional exhaustion, sickness, and staff fear, health centers are struggling with significant staff shortages. In addition, vaccine mandates and relatively low wages in a competitive wage economy are making it harder for health centers to keep staff, maintain quality, and remain financially sound. While improving wages will be part of the solution, it will likely not be sufficient. More needs to be done to prioritize staff and patient safety. Some health care experts are calling for health centers to develop resilience programs that help manage burnout and support staff retention.

The Acceleration of Pharmacies as Competitors to Health Centers

Pharmacy chains emerged as key players in the response to COVID-19, because of their convenience and multiple locations. They provided ample testing capacity, allowed patients to book appointments online, and were able to return results faster than many community health centers, while offering other services related to COVID-19 at at very little or no cost. In addition to their role as testing sites, large national and regional pharmacies are accelerating their efforts to offer primary care and care for chronic conditions in addition to the usual pharmaceutical services. As pharmacies increasingly position themselves as a convenient one-stop shop for primary care and prevention services, they represent an emerging and potentially significant threat to FQHCs and other community health centers that are reliant on CHIP/Medicaid as a funding stream. This ever-changing dynamic warrants close attention going forward.

Funding Uncertainty

While an 8% drop in patients overall is understandable in the context of COVID restrictions, at the level of the individual health center a decline like this can have serious implications for financial viability. Indeed, the continuation of COVID into a second and even a third year is creating financial hardships for some providers as 2021 patient volume did not return to pre-COVID levels at many health centers. Additionally, staff shortages due to sickness or departures for better wages are limiting capacity to serve more patients as costs mount to accommodate the need for more competitive pay. While health centers benefitted from receiving



additional federal COVID-related funds, at the same time costs were increasing. COVID-related expenses, including the cost of PPE, sanitizing clinic space, and increasing telemedicine capacity are significant. Taken together, decreasing revenues and increasing expenses create a level of uncertainty for health centers' financial strength going forward.

Conclusion

The impact of COVID and its influence on these significant drivers of change is still in play and will continue to have an impact on the primary care landscape in the region. Patient volume may take time to recover. This trend, in addition to challenges in staff recruiting and retention, mounting costs, and growing competition from pharmacies may make it increasingly difficult for some health centers to maintain financial stability. But, as Dr. Mate suggests in his insightful post, perhaps the pandemic has also left us with a significant opportunity. Identifying strategies to bolster healthcare staff and prioritize their safety in times of crisis; inventing new ways to deliver care that are equitable and patient-centric; and developing partnerships between health care entities and community organizations to improve access and possibly identify and address community conditions affecting health all can help to strengthen the safety net and perhaps forge stronger connections between health and healthcare.





Introduction

For many of Harris County's underserved and most vulnerable residents, community health centers are an essential avenue to affordable, comprehensive, high quality care. For a long time, these health centers have operated in an environment in which the rates of un- and under-insured residents were remarkably high. While the rates of the uninsured have gone down over the last 8 years, the rates have remained high and were made worse during the COVID pandemic. Harris County census data indicate that 28% of Harris County residents ages 18-64 were uninsured in 2019, prior to COVID.¹ However, a study conducted in Summer 2020 at the height of pandemic restrictions—which resulted in significant job loss and business closures—reported that 37% of Harris County residents age 18-64 were uninsured, with 10% indicating that they had lost coverage as a direct result of the pandemic.² In addition to those who are uninsured, there is a population segment that is chronically “under-insured”; these residents have limited coverage plans and may be reluctant to access healthcare for fear of unexpected or unaffordable medical bills.

In recognition of the critical role that community health centers play in achieving health equity in our region, over the past 15 years local foundations and public health officials in Harris County have made significant investments in these community providers, aimed at improving access and building their capacity to offer primary and preventative care services. To better understand the impact of these investments on healthcare providers, the services offered, and the beneficiaries they serve, several Houston-based foundations joined together to commission a multi-year landmark study aimed at tracking the community health care sector in Harris County. The first waves of this research were conducted in 2016 and 2018.³ This report discusses the third wave of this landscape assessment, conducted in 2021, which gathered data on health centers for years 2019 and 2020. Given its timing, this wave also documents the initial impact of COVID-19 on health centers, revealing how centers and their patient dynamics are changing in response to pressures of this first pandemic year.

1 U.S. Census Bureau, Small Area Health Insurance Estimates (SAHIE) (2019). SAHIE Interactive Tool. Retrieved from: https://www.census.gov/data-tools/demo/sahie/#/?s_statefips=48&s_stcou=48201&s_year=2019&s_measures=ui_snc&s_agecat=1

2 Sim, S., Simmons, J., Sutton, J., Ben-Porath, E. (2020). Texans' Views on the COVID-19 Pandemic in the Central Texas region. Retrieved from: <https://www.episcopalhealth.org/report-type/covid-19/>

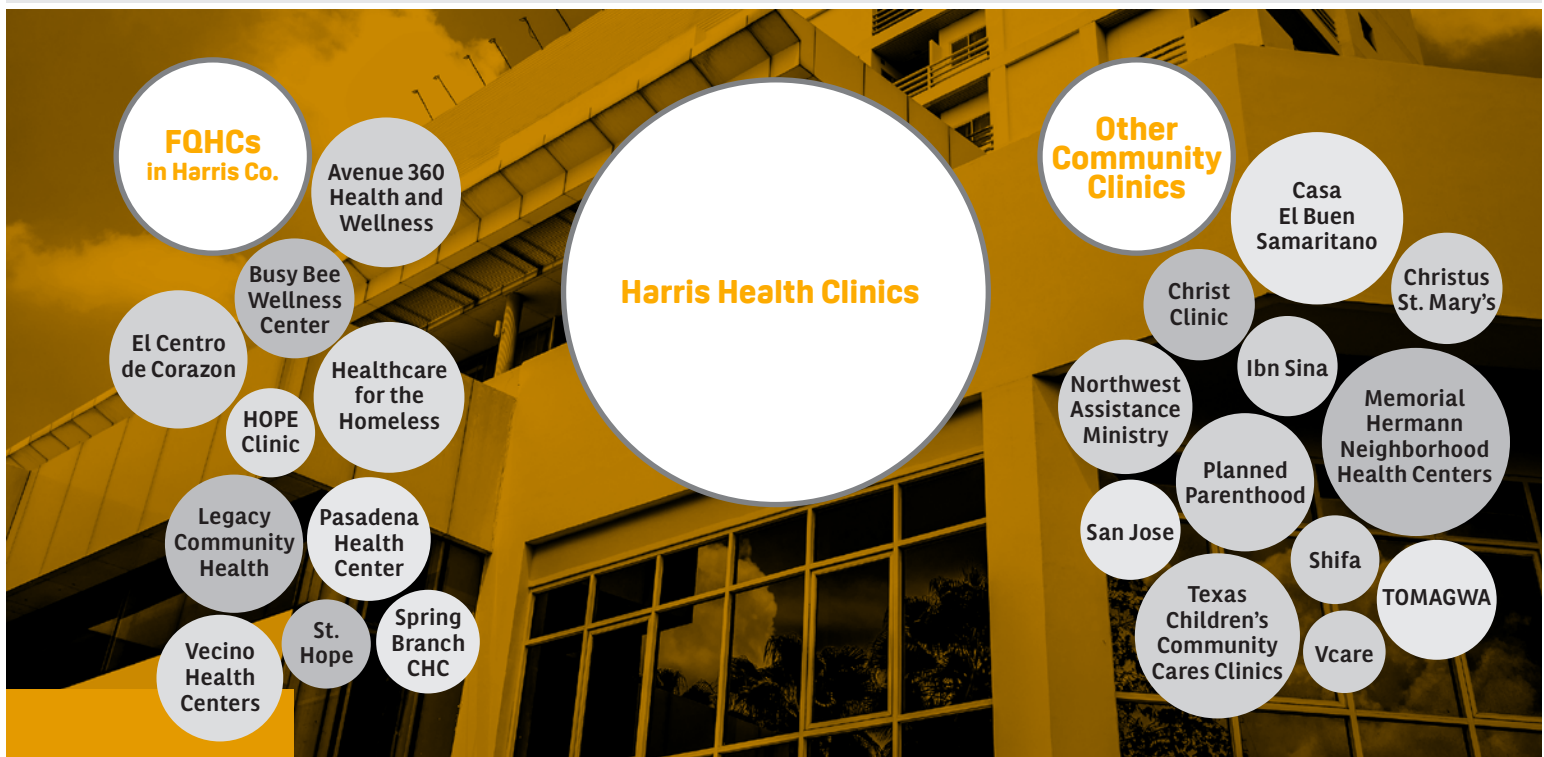
3 These studies collected data for years 2015 and 2017, respectively

Health Centers Participating in This Study

As with prior waves of the landscape assessment, three types of community health centers were included in the study: Federally Qualified Health Centers (FQHCs), community clinics operated by Harris Health, and other nonprofit health centers. Among the last group, the 2021 study included for the first time the seven nonprofit pediatric clinics operated by Texas Children's Hospital (TCH) and the three recently established Neighborhood Health Centers operated by Memorial Hermann, making it the most comprehensive snapshot of community health centers serving the un- and under-insured in Harris County.

This study includes data from 23 community health centers, including nonprofit pediatric clinics operated by Texas Children's and the new Neighborhood Health Centers operated by Memorial Hermann, that serve un- and under-insured residents in Harris County.⁴

COMMUNITY HEALTH CENTERS SERVING HARRIS COUNTY THAT PARTICIPATED IN THIS STUDY

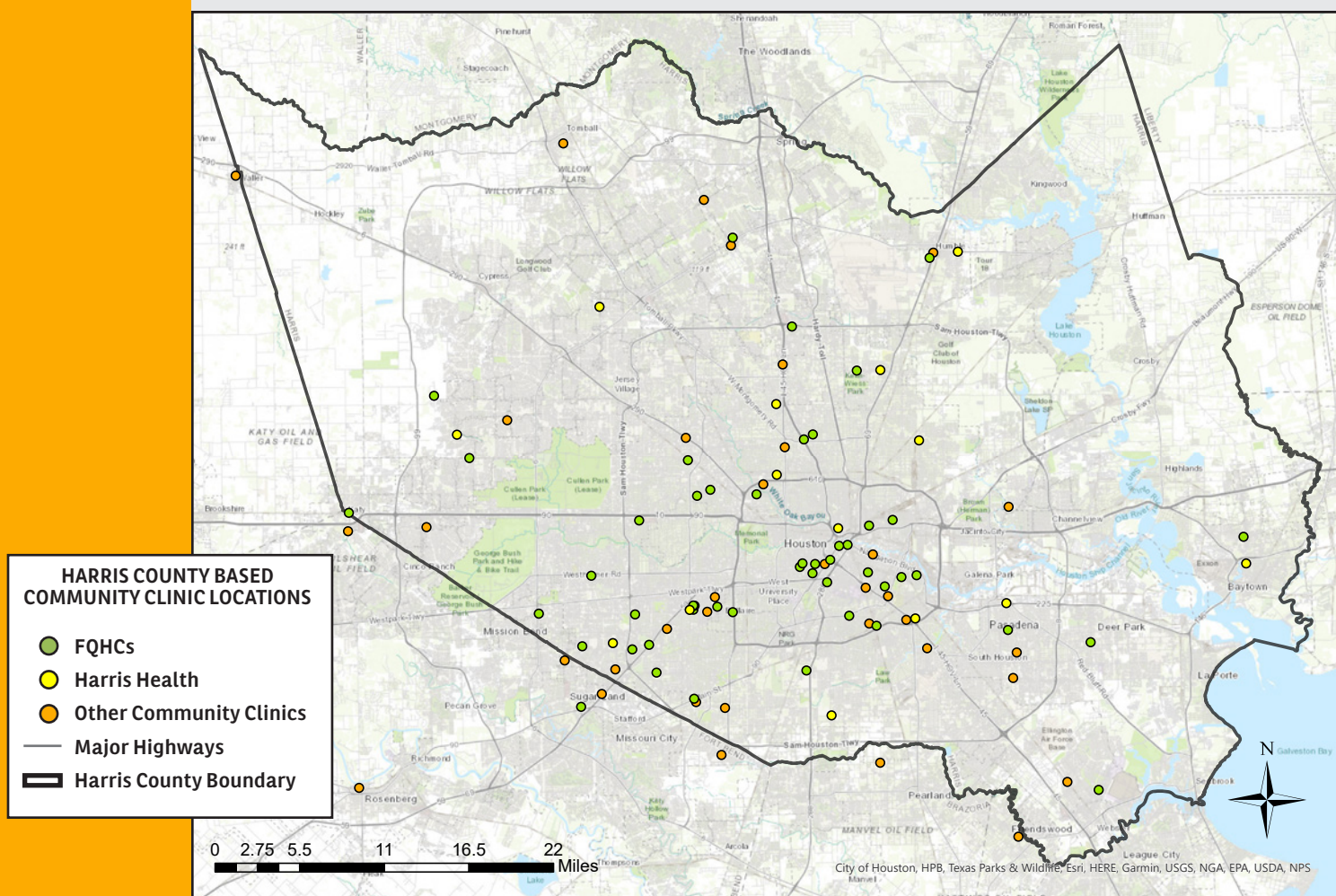


⁴ NOTE: Of the 23 health centers operating in Harris County, 83% (19) participated fully in the study. For the two FQHCs that did not participate, limited publicly available patient enrollment and financial data was gathered through the Health Resources and Services Administration (HRSA) website and included in the analysis. Two additional nonprofit clinics also did not participate, for which there is no publicly available information. However, both are small charity clinics serving limited numbers of patients and thus their absence has minimal impact on the validity of findings reported here.



The 23 participating health centers manage a total of 102 clinic locations, 92 of which are in Harris County. This represents an increase of nine clinic locations in Harris County since 2017. The map below illustrates the distribution of all health center clinic locations across Harris County. Clinic locations appear to be well located in the more densely populated communities. The lack of health center clinics in the far northwest and northeast sections of the county reflects the lighter population density of these areas.

TWENTY-THREE (23) HEALTH CENTERS MANAGE A TOTAL OF 102 CLINIC LOCATIONS, 92 OF WHICH ARE IN HARRIS COUNTY

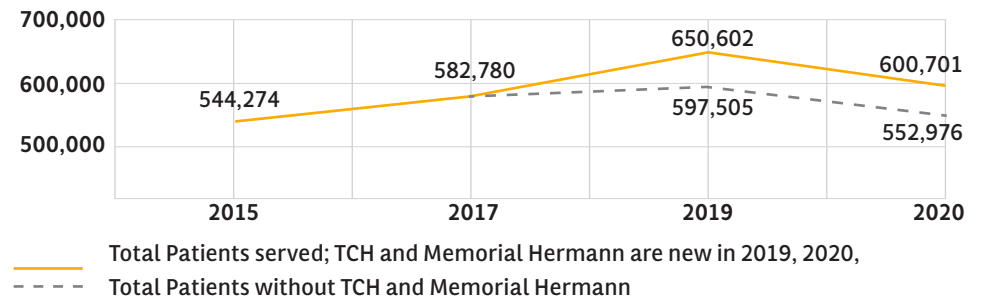




The Initial Impact of COVID on Health Centers

Not surprisingly, fewer people utilized community health centers in 2020, the first year of the pandemic, when restrictions to control the spread of COVID were imposed. Slightly more than 600,000 patients were served in 2020, an 8% decline vs. 2019. Note that 2019 and 2020 are the first years that Texas Children's and Memorial Hermann clinics were included in the analysis. If their patients are taken out of the analysis, as illustrated in the gray dotted line in the chart below, the negative impact of COVID on patients served becomes more clear: While patients served increased by 3% from 2017 to 2019, there was a decline of 8% in 2020 which dropped patients served below the total observed in 2017.

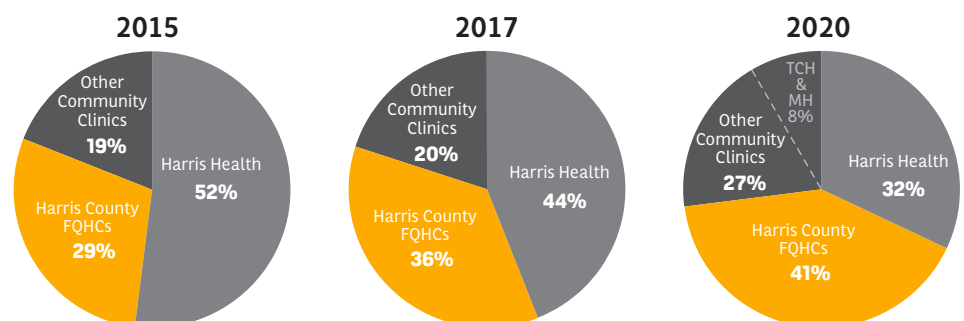
TOTAL PATIENTS SERVED 2015-2020



Just over 600,000 patients were served in 2020 – an 8% decline vs. 2019.

Perhaps more notable is the changing dynamic over the last five years in where patients are served: FQHCs have steadily increased both patient volume and their share of patient volume over time compared to Harris Health's community clinics, which have experienced declines in the number of patients served. The increase in FQHC patient volume is largely attributable to new clinic locations being opened and to targeted strategies and marketing aimed at increasing the number of children (0-18) and seniors (over 65) served.

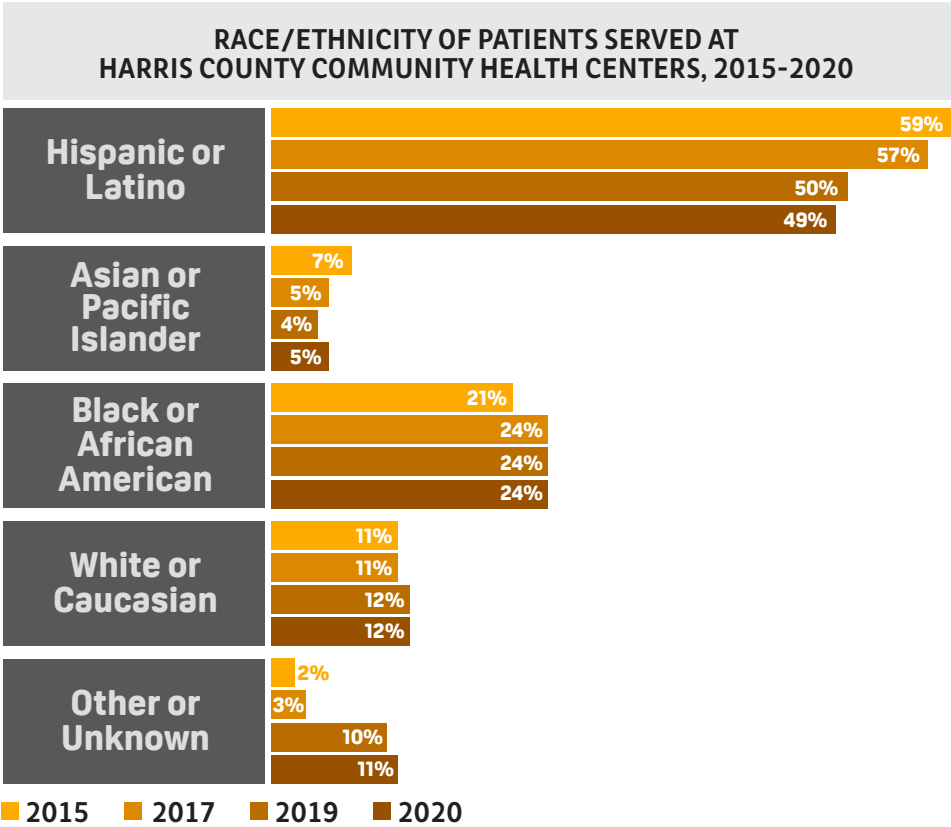
SHARE OF PATIENTS SERVED BY HEALTH CENTER TYPE 2015-2020





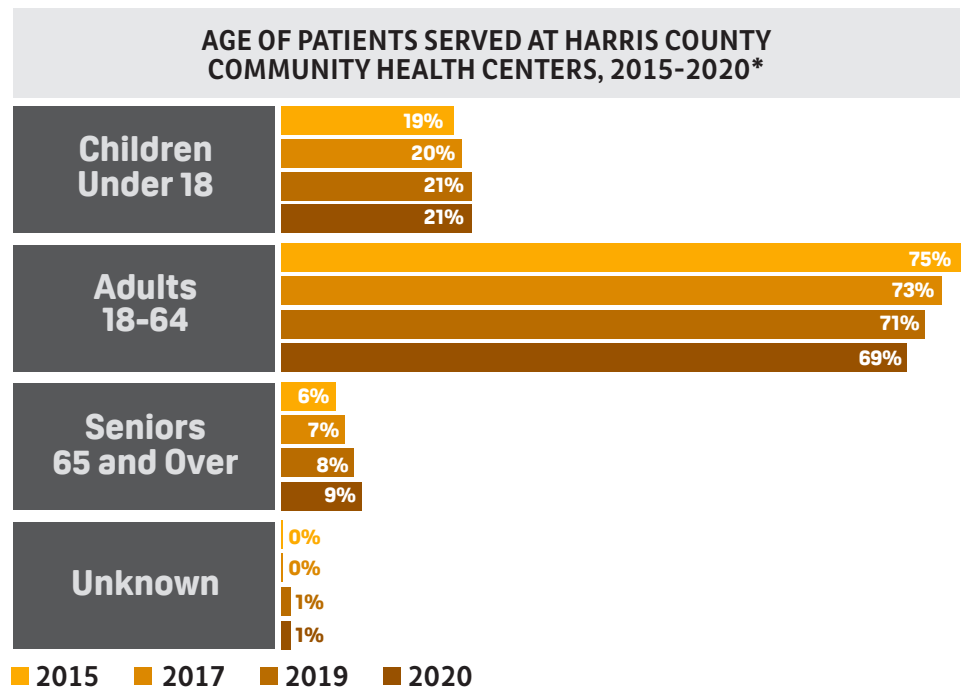
While patient share at Other Community Clinics appears to have experienced a significant increase in 2020, this increase is due entirely to the addition of the Texas Children’s and Memorial Hermann community clinics to the analysis. When these two health centers are taken out of the analysis, patient share at the remaining cash clinics and other community clinics stayed essentially the same or declined slightly from 2015 to 2020.

Based on an analysis of patient demographics, it does not appear that COVID had an impact on who sought care or was served in 2020, as illustrated in the charts below. The only notable change in the racial/ethnic make-up of patients served in 2020 is a decline of patients identifying as Hispanic and an increase in patients who did not disclose their race or ethnicity (Other/ Unknown). This change is more likely a result of how patients choose to identify their race/ethnicity upon enrollment rather than an impact of COVID.





Similarly, while health centers that manage school-based clinics saw decreases in youth being served due to school closures in 2020, across all health centers, there was not a significant change in patients under age 18 being served. Overall, the more significant decline in patients served was among adults ages 18 to 64; patients over age 65 increased slightly.

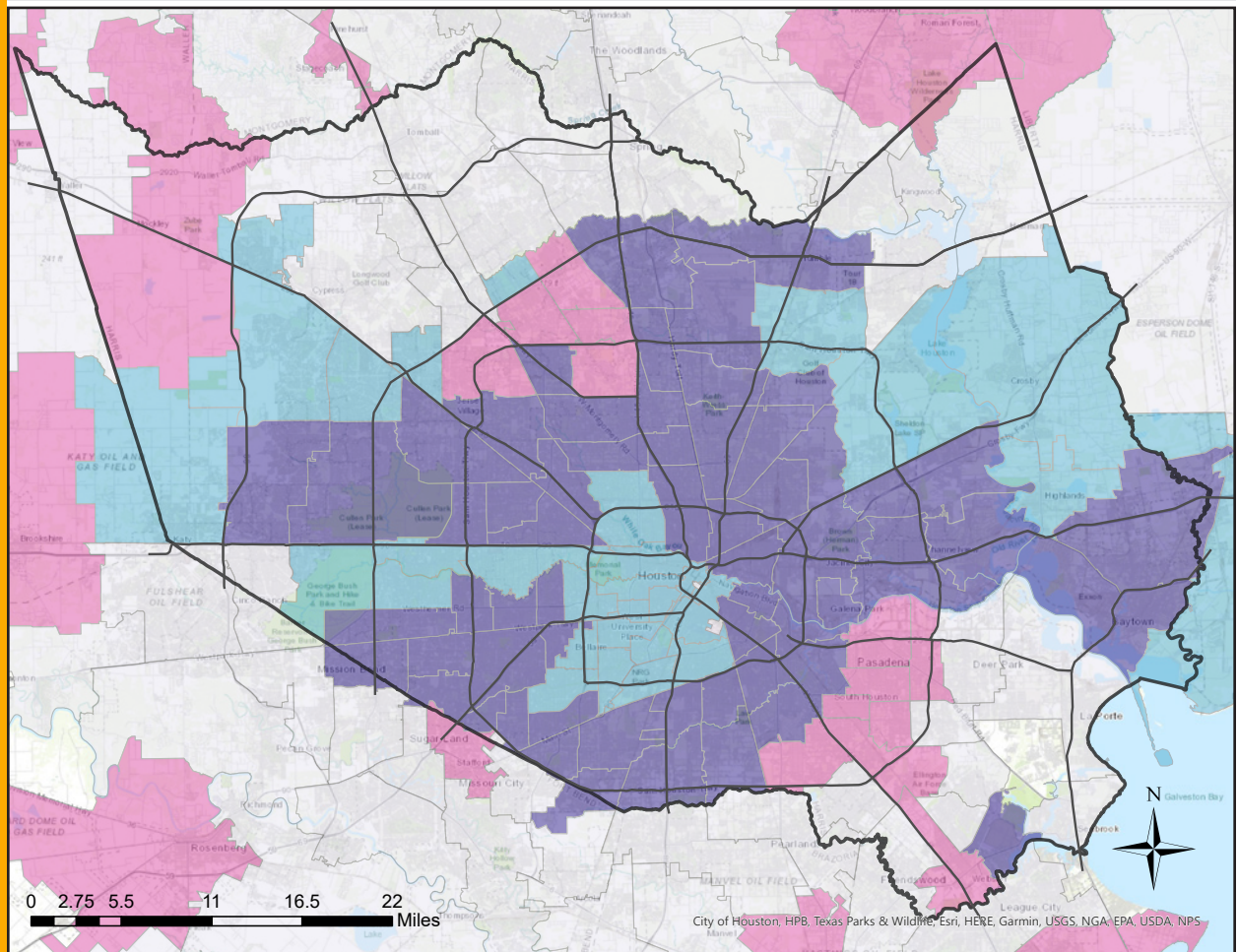


*Note: Texas Children's is not included as their inclusion would skew results for 2019 and 2020 given their mission to serve children exclusively

A penetration analysis, which measures depth of healthcare service in each zip code, helps to identify gaps in services provided by the healthcare safety net. For this analysis, the residential zip codes of all FQHC and Harris Health patients were mapped, and then overlaid with the residential zip codes of uninsured populations in Harris County. As illustrated in the map below, all shaded areas represent where FQHC and Harris Health patients live, suggesting that together, FQHC and Harris Health community clinic locations provide broad coverage across the county. In regard to depth of services, areas highlighted in purple are communities where a high percentage of uninsured residents live and are well-served by the healthcare safety net. Conversely, areas in pink indicate communities where a large percentage of uninsured residents reside but are underserved by the county's healthcare safety net.

Gaps in the healthcare safety net are greatest in the northwest and southeast corners of the county.

PENETRATION OF HEALTHCARE SAFETY NET SERVICES FOR THE UNINSURED IN HARRIS COUNTY



FQHC & Harris Health Penetration by Zip Code 2020

- High % uninsured; below avg. penetration
- High % uninsured; above avg. penetration
- Low % uninsured; above avg. penetration
- Low % uninsured; below avg. penetration
- Major Highways
- Harris County Boundary

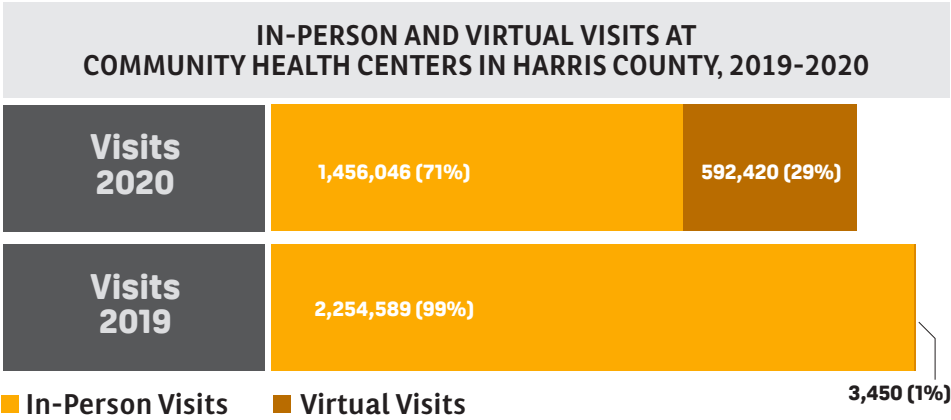


Health care workers have faced unprecedented levels of stress during the pandemic. Between burnout due to emotional exhaustion, sickness, and staff fear, health centers are struggling with significant staff shortages. While improving wages will be part of the solution, it will likely not be sufficient; resiliency programs that will reduce burnout and improve staff retention may be needed.

Longer term, and potentially significant, changes in healthcare being driven by COVID

Telehealth

The growth and increased acceptance of telehealth services is likely to be one of the most significant impacts of the pandemic. Community health clinics across Harris County embraced virtual visits as a means of serving patients during COVID, with those not initially having the capacity quickly securing the necessary hardware and software. The result: telehealth visits grew from <1% of all visits in 2019 to 29% of all visits in 2020. Importantly, the nature of telehealth visits expanded as well; while telemedicine was used primarily for mental health visits prior to COVID, physical health services represented 60% of all health center virtual visits in 2020. Expanding the use of telehealth services and other remote services offers potential to increase access to care. However, careful attention must be paid to ensure that these services maintain - if not enhance - quality of care and do not add an additional cost burden.



Staffing shortages

Health care workers have faced unprecedented levels of stress during the pandemic. Between burnout due to emotional exhaustion, sickness and staff fear, health centers are struggling with significant staff shortages. In addition, vaccine mandates and relatively low wages in a competitive wage economy are making it harder for health centers to keep staff and maintain their quality.

The situation in Harris County is only part of a larger national, indeed global, crisis in maintaining the health care workforce. The World Health

Organization estimates that by 2030, there will be a global shortfall of more than 10 million nurses, with the number of retiring nurses outpacing new nurses.⁵ While improving wages will be part of the solution, it will likely not be sufficient; health care experts are calling for health agencies to develop resilience programs that help manage burnout and support staff retention.



Pharmacies emerged as a key player in the response to COVID-19. Customers discovered the ease of getting services from pharmacies during the pandemic and chains increasingly positioned themselves as a convenient one-stop shop for primary care and prevention services.

Budding Competition

Pharmacy chains emerged as key players in the response to COVID-19, because of their convenience and multiple locations. They provided ample testing capacity, allowed patients to book appointments online, were able to return results faster than many community health centers were able to do, while offering other services related to COVID-19 at no or very little cost.

In addition to their role as testing sites (and beginning in 2021, as vaccination sites) during the pandemic, large national and regional pharmacies, such as CVS, are offering primary care (Minute Clinic) and care for chronic conditions (Health Hubs) in addition to the usual pharmaceutical services. Others are partnering with physician practices to provide full primary care services on-site, such as the partnership between Walgreens and Village Medical, a local primary care/family medicine practice that has co-located clinics in selected Walgreens locations across the Houston region.

As pharmacies increasingly position themselves as a convenient one-stop shop for primary care and prevention services—a trend that accelerated during COVID—they represent an emerging and potentially significant threat to FQHCs and other community clinics that are reliant on CHIP/Medicaid as a funding stream. Clearly, this ever-changing dynamic warrants close attention going forward.

5 Building resilience and well-being: keys to avoiding the worst of a looming shortage of health care workers. STAT magazine, September 27, 2021

Funding

While an 8% drop in patients overall is understandable in the context of COVID restrictions, at the level of the individual health center a decline like this can be momentous, with serious implications for financial viability. Indeed, the continuation of COVID into a second and even a third year is creating financial hardships for some providers as 2021 patient volume did not return to pre-COVID levels at many health centers. Additionally, staff shortages due to sickness or departures for better wages are limiting capacity to serve more patients as costs mount to accommodate the need for more competitive pay.

Certainly, health centers benefitted from receiving additional federal COVID-related funds. Taken together, community health centers received more than \$14 million through various COVID grants approved by Congress and at least another \$9 million in PPP loans.⁶ However, at the same time costs were increasing; COVID-related expenses, including the cost of PPE, sanitizing clinic space, and increasing telemedicine capacity are significant. As a result, overall revenues and expenses have increased since 2017, and between 2019 and 2020 revenues decreased while expenses increased.

Conclusion

The impact of COVID and its influence on these significant drivers of change is still in play and will continue to have an impact on the primary care landscape in the region. Patient volume may take time to recover. This trend, in addition to challenges in staff recruiting and retention, mounting costs, and growing competition from pharmacies may make it increasingly difficult for some health centers to maintain financial stability. But, as Dr. Mate suggests in his insightful post, perhaps the pandemic has also left us with a significant opportunity. Identifying strategies to bolster healthcare staff and prioritize their safety in times of crisis; inventing new ways to deliver care that are equitable and patient-centric; and developing partnerships between health care entities and community organizations to improve access and possibly improve community conditions affecting health all can help to strengthen the safety net and perhaps forge stronger connections between health and healthcare.

6 Other community clinics received a total of \$8.6 million in PPP loans. FQHCs also received PPP loans, but it is not possible to determine the exact amount of PPP funds from other funds received.