Oral Testimony
to be presented by
Nicole Lamoureux Busby, Executive Director
National Association of Free and Charitable Clinics
in her capacity as Executive Director,
representing the Association, its membership and
the nation's 1,200 Free and Charitable Clinics
before the
House Committee on Ways and Means
on
February 14, 2013

Chairman Camp, Ranking Member Levin and members of this committee, my name is Nicole Lamoureux Busby and I am the Executive Director of the National Association of Free and Charitable Clinics.

On behalf of the NAFC Board of Directors, our membership and the 1,200 Free and Charitable Clinics in the United States, I want to thank you very much for the opportunity to share a few thoughts about how limiting the charitable deduction will dramatically impact our ability to provide quality, affordable health care to those who need it most, the uninsured and underserved.

The mission of the National Association of Free and Charitable Clinics is to broaden access to affordable health care for the medically underserved by increasing public awareness, promoting volunteerism, and supporting and advocating for the nation's safety net of Free and Charitable Clinics. However, I find it is our larger vision that motivates the amazingly dedicated donors, volunteers, and communities around the country to join our cause, as we work together to build a healthy America, one patient at a time. Within our Association, we value volunteerism, generosity, collaboration and human dignity.

Many people do not realize that there are approximately 1,200 Free and Charitable Clinics throughout the nation who since the 1960's have been filling in the gap for those who "fall through the cracks" in our broken health care system. Our clinics believe in giving people a hand up not a hand out, and we activate at the grassroots level, not at the government level. Our clinics receive little to no state or federal funding, we do not receive HRSA 330 funds and we are not Federally Qualified Health Centers or Rural Health Centers. Therefore, our clinics rely heavily on the generosity of individual donors, foundations and grants as funding sources and we are urging the Committee to leave the Charitable Deduction intact so our generous donors can continue to support us as we provide much needed health care to those who lack access.

Some interesting facts about our donors, clinics and patients are:

- Our donors are equally spilt between men and women
- The majority of the our donors are giving between \$5 \$100 to our cause
- It should be noted that almost all our donors ask for a receipt of their donation to be reflected on their taxes

- An initial survey of our members indicates that we could lose 40% of our donors if the deduction was limited or taken away
- Currently, according to our most recent membership survey, across the country our members are seeing a 40% increase in patient demand and a 20-25% decrease in donations.
- For every dollar donated to a Free or Charitable Clinic, a minimum of \$5 in services are given to the patients.
- 83% of the individuals who receive health care at a Free or Charitable Clinic come from a working household
- 44% of our clinics have an operating budget of under \$100,000.
- According to a recent Penn State study, those patients who receive health care at a Free or Charitable Clinic utilize emergency rooms less than other uninsured individuals.²

Free and Charitable Clinics are safety-net health care organizations that utilize a volunteer/staff model to provide a range of medical, dental, pharmacy, vision and/or behavioral health services to economically disadvantaged individuals. Such clinics are 501(c)(3) tax-exempt organizations, or operate as a program component or affiliate of a 501(c)(3) organization.

Entities that otherwise meet the above definition, but charge a nominal/sliding fee to patients, may still be considered Free or Charitable Clinics provided essential services are delivered regardless of the patient's ability to pay. Free or Charitable Clinics restrict eligibility for their services to individuals who are uninsured, underinsured and/or have limited or no access to primary, specialty or prescription health care.³

One of the most common misconceptions about how the United States will look after the full implementation of the Affordable Care Act (ACA) is that there will no longer be a need for our clinics to continue to provide charity care as a member of the safety net. In fact, many are surprised to hear that even after full implementation of the ACA, according to the Congressional Budget Office, there may be as many as 29 million people, including documented, undocumented and those who are eligible for Medicaid but reside in states that are not going to expand this program, who are still without access to health insurance. 4

In the upcoming months and years, doctors, hospitals, navigators, states, clinics and patients will be addressing the needs of the underserved with respect to affordability, accessibility and portability of primary, specialty, dental care and medication access.

Free and Charitable Clinics will remain an important part of the country's safety net, even after the implementation of the Affordable Care Act. Given this, our clinics will continue to rely on the generosity of their donors in order to continue their important work of responding to the health care needs of their community. It is critical to our membership and association that the

¹ Darnell, J.S. Free clinics in the United States: A nationwide survey. (2010). Archives of Internal Medicine, 170, 11, 946-953.

² Hwang, Liao, Griffin, and Foley Do Free Clinics Reduce Unnecessary Emergency Department Visits? The Virginian Experience Journal of Health Care for the Poor and Underserved 23 (2012): 1189–1204

What is a Free or Charitable Clinic? The National Association of Free and Charitable Clinics, http://nafcclinics.org/about-

us/what-is-free-charitable-clinic

⁴ Congress of the United States Congressional Budget Office, *The Budget and Economic Outlook: Fiscal Years 2013 To 2023*, February 2013

Charitable Tax Deduction remains intact for those who donate to help us continue giving critical health care to the Nation's medically underserved.

We understand the challenges you, as members of this committee, and on a larger scale our country, face with respect to budgetary ceilings, impacts and cuts. However, we ask you NOT to put a limit on the generosity of the American people.

We urge you to leave the Charitable Deduction intact and we invite you to join us as we build a healthy America, one patient at a time.