CapitalLink

NATIONAL HEALTH CENTER

FINANCIAL AND OPERATIONAL PERFORMANCE ANALYSIS

2021-2024

JUNE 2026

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Introduction

Developed each year with support from the Health Resources and Services Administration (HRSA), this report provides an aggregate financial and operational overview of Health Centers nationwide. (For purposes of this publication, "Health Centers" refers to HRSA Health Center Program participants, which includes funded Health Centers and Health Center Look-Alikes.) An analysis of multi-year trends provides insights into financial strengths, challenges, and benchmarks to help identify opportunities for performance improvement.

By integrating Health Center financial audit data with operational and utilization data reported by the Uniform Data System (UDS), this report examines the financial and operational performance of HRSA-funded Health Centers and Look-Alikes (LALs)—collectively referred to as Health Centers—over the four-year period of 2021 to 2024, providing comparative industry data and context. It also examines variations in performance among rural and urban Health Centers.

The following analysis focuses primarily on quartile performance results for selected performance indicators. For each metric, median performance (the midpoint where half of Health Centers rank higher and half lower) is presented. The upper and lower quartiles (e.g., the 25th and 75th percentiles) and industry-recommended benchmarks tied to long-term financial sustainability are included for specific measures where applicable.

MEDIAN HEALTH CENTER PROFILE
2023-2024

The following table below highlights the median levels of revenue, patients, visits, and full-time equivalent employees (FTEs) for Health Centers nationwide, as well as for rural and urban datasets in 2024, along with growth rates for each category from 2023 to 2024.

	Rural	Urban	National	Rural	Urban	National
	2024			2023-2024 Growth Rate		
Total Number of Health Centers	594	918	1,512	0%	2%	1%
Total Operating Revenue	$18,462,754	$30,657,127	$24,897,547	4%	9%	5%
Total Patients	10,436	15,684	13,452	5%	4%	4%
Total Visits	41,233	63,788	53,200	1%	4%	2%
Total Full-Time Equivalent Employees (FTEs)	102	154	129	4%	1%	4%

In 2024, median Health Center operating revenue reached $24.9 million nationally (+5% from 2023), with rural centers at $18.5 million (+4%) and urban centers at $30.7 million (+9%). Patient and visit trends indicate continued stabilization. The national median served 13,452 patients (+4%) and generated 53,200 visits (+2%). Rural centers reported 10,436 patients (+5%) and 41,233 visits (+1%), reflecting a rebound from prior declines, while urban centers served 15,684 patients (+4%) with 63,788 visits (+4%), maintaining steady growth.

Staffing grew unevenly across cohorts. The median rural Health Center increased to 102 FTEs (+4%), the urban median reached 154 FTEs (+1%), and the national median rose to 129 FTEs (+4%).

Overall, 2024 data suggest rural Health Centers are continuing to rebound from pandemic-era challenges, with modest but steady growth in revenue, patients, visits, and staffing. Urban centers, while benefiting from larger absolute resources, face slower proportional growth.

1 Median health center profile data derived from Capital Link's Performance Evaluation Profile (PEP) Report, based on 2024 UDS data and FY 2024 audited financial statements of community health centers.

GROWTH AND EXPANSION

NATIONAL HEALTH CENTER ORGANIZATION GROWTH AND EXPANSION (2021-2024)

	2021	2022	2023	2024	2023-2024 Growth Rate	2021-2024 Growth Rate
Organizations	1,481	1,487	1,496	1,512	1.1%	2.1%
Service Sites	14,675	15,449	16,270	17,076	5.0%	16.4%
Patients	31,148,343	31,556,324	32,499,237	33,884,238	4.3%	8.8%
Total Visits (Clinic and Telehealth)	128,059,914	131,104,304	137,610,276	145,501,337	5.7%	13.6%
Clinic Visits	101,089,179	109,387,829	119,344,670	127,069,245	6.5%	25.7%
Telehealth Visits	26,970,735	21,716,475	18,265,606	18,432,092	0.9%	-31.7%
Clinic Visit as a % of Total Visits	78.9%	83.4%	86.7%	87.3%		
Virtual Visit as a % of Total Visits	21.1%	16.6%	13.3%	12.7%		

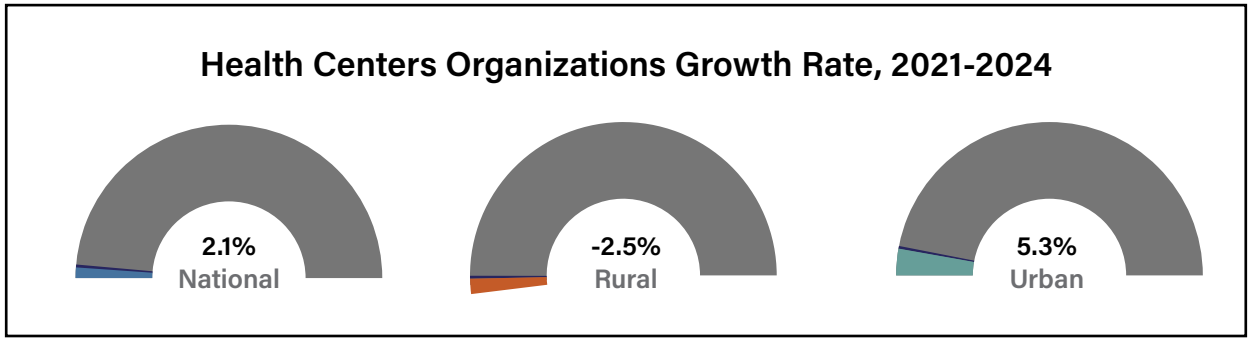
As a cornerstone of the nation's healthcare safety net, Health Centers continued to expand access to care for underserved populations. In 2024, Health Centers served 33.9 million patients across 17,076 service sites, reflecting sustained growth in both capacity and utilization.

Between 2021 and 2024:

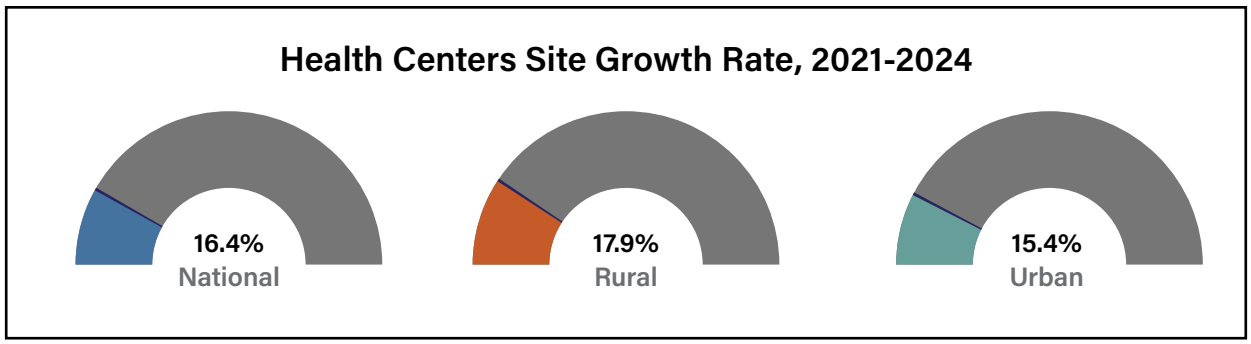
- The number of Health Center organizations increased modestly by 2.1%, reaching 1,512.
- Service sites expanded significantly by 16.4%, indicating that growth continues to be driven primarily by geographic expansion of existing organizations rather than the formation of new entities.
- Patient volume grew by 8.8%, demonstrating increasing demand for services.
- Total visits rose by 13.6%, outpacing patient growth and suggesting higher utilization per patient.

ORGANIZATIONAL AND SITE CAPACITY TRENDS(2021–2024)

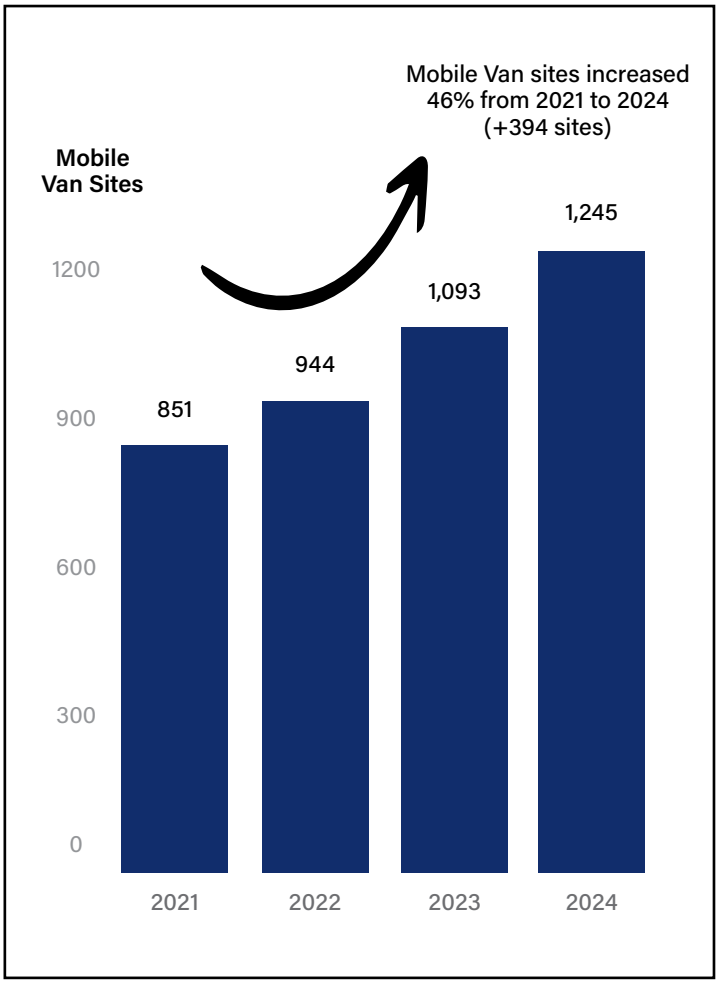
Between 2021 and 2024, Health Centers navigated a complex landscape of post-pandemic stabilization and shifting federal support, resulting in a distinct "decoupling" of organizational growth and site expansion. Nationally, the number of Health Center organizations remained nearly flat, increasing by 2.1% cumulatively. In fact, for the first time in recent years, the industry saw a slight year-over-year contraction in 2024, with the total number of awardee organizations dropping from 1,363 to 1,359 (HRSA-funded Health Centers). This stagnation in new entities suggests a sector-wide shift toward consolidation and the strengthening of existing networks rather than the entry of new players.

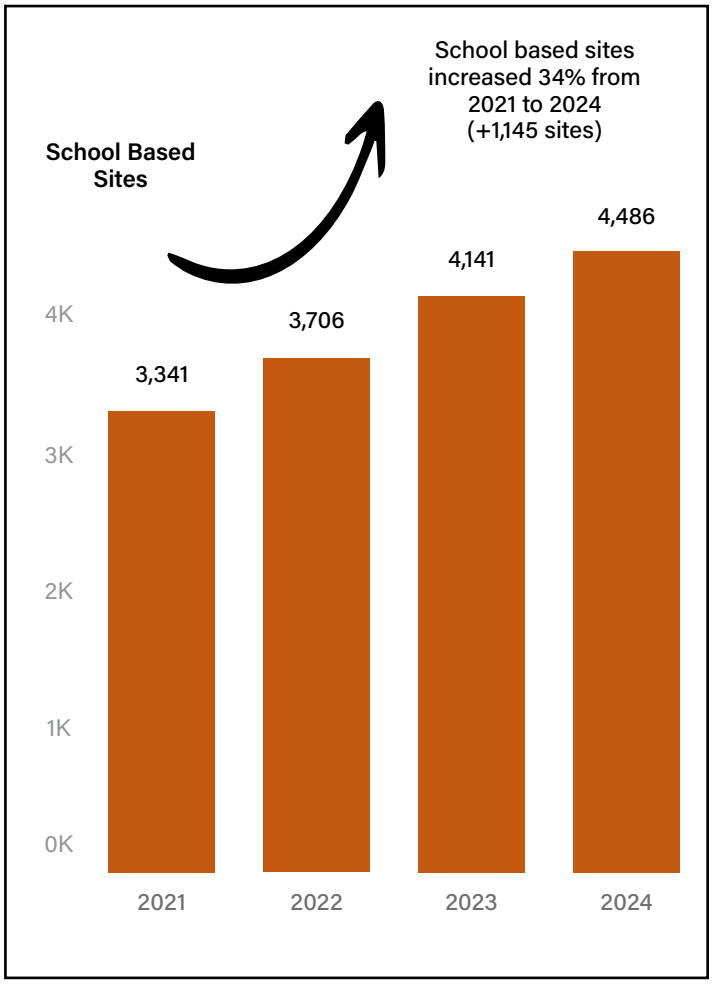


In contrast, service delivery sites continued their aggressive upward trajectory. Total sites reached a new milestone of over 17,000 by 2024, representing an estimated 16.4% increase since 2021. This growth reflects a strategic emphasis on hyper-local access points, such as school-based Health Centers and mobile units, to capture hard-to-reach populations. The widening gap between stable organizational counts and surging site numbers underscores a “hub-and-spoke” model where existing Health Centers are scaling their footprints to fill geographic gaps without the overhead of creating new administrative entities. Geographic disparities have become more pronounced during this window. Urban Health Centers continued to drive the majority of industry growth, while rural providers faced a more volatile environment. Rural organizations saw a cumulative decline of approximately 2.5% since 2021, yet they outpaced urban counterparts in site expansion percentage, growing sites at a rate of 17.9%. This suggests that while rural organizations are merging or closing at a higher frequency due to workforce shortages and aging populations, the remaining rural centers are rapidly expanding their physical reach to maintain the safety net in the face of dwindling regional resources.



MOBILE AND SCHOOL-BASED SITES GROWTH TRENDS (2021-2024)





Between 2021 and 2024, the Health Center organization demonstrated consistent growth in both mobile and school-based service delivery sites, reflecting their ongoing commitment to expanding access to care across diverse communities.

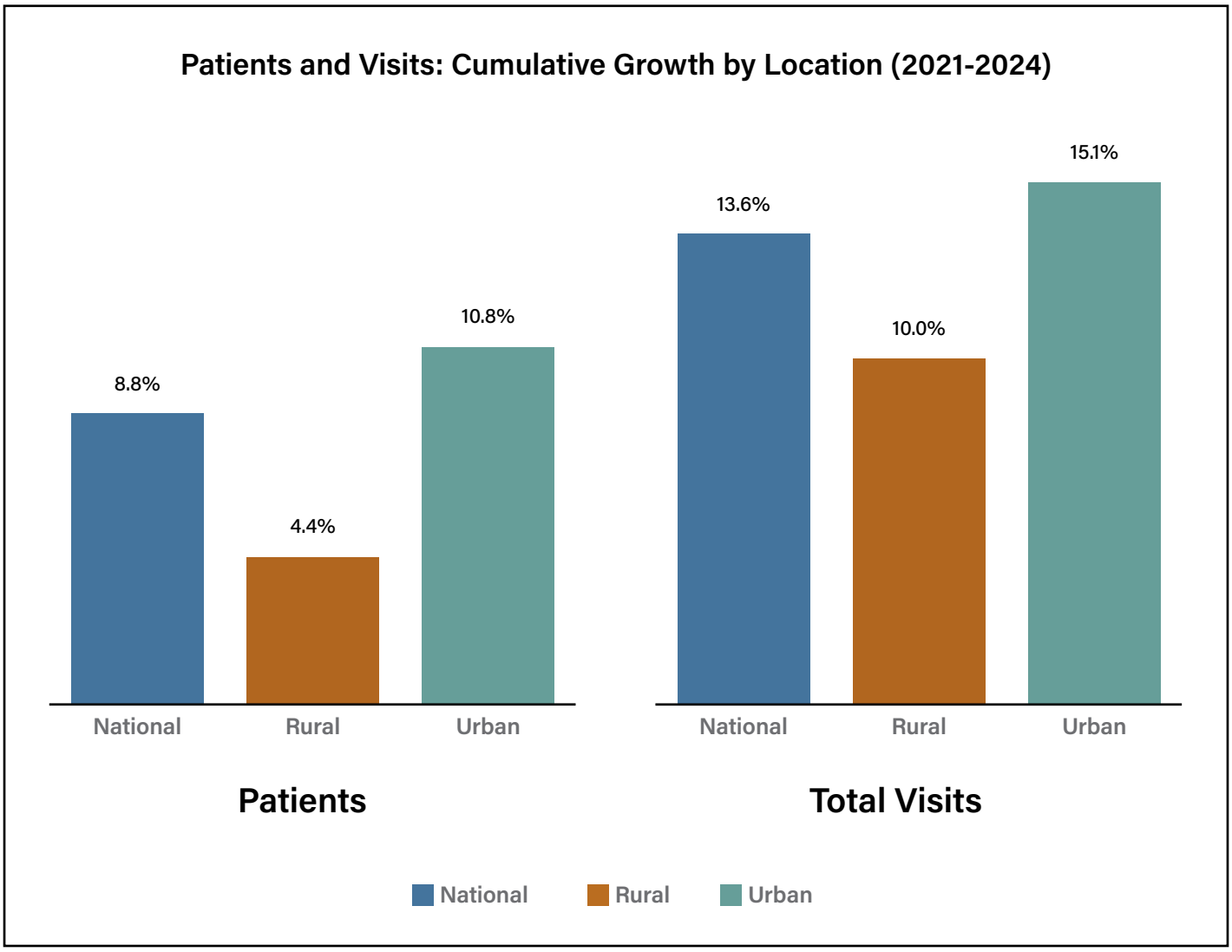
Mobile Sites: The number of mobile sites increased steadily from 851 in 2021 to 1,245 in 2024, representing a 46% growth over the review period. This expansion underscores the Health Centers' effort to reach patients in underserved or geographically dispersed areas, bringing care directly to communities that may otherwise face access barriers.

School-Based Sites: School-based sites also saw consistent growth, rising from 3,341 in 2021 to 4,486 in 2024, an overall 34% increase. This growth highlights the Health Centers' focus on improving access to health services for children and adolescents, supporting preventive care, and fostering healthier environments.

Overall Trend: Both mobile and school-based service sites have grown year-over-year, demonstrating a strategic emphasis on flexible and community-centered care models. These trends align with national priorities for increasing access to care, particularly for populations with limited healthcare access, and position community Health Center organizations as leaders in innovative service delivery.

PATIENT AND VISIT GROWTH BY LOCATION (2021–2024)

Between 2021 and 2024, the Health Center program experienced sustained growth in both patients served and total visits, reflecting expanding demand for services and increased utilization across communities.



Nationally, total patients increased by 8.8%, while total visits grew by 13.6%, indicating that visit growth outpaced patient growth and suggesting higher service utilization per patient over time.

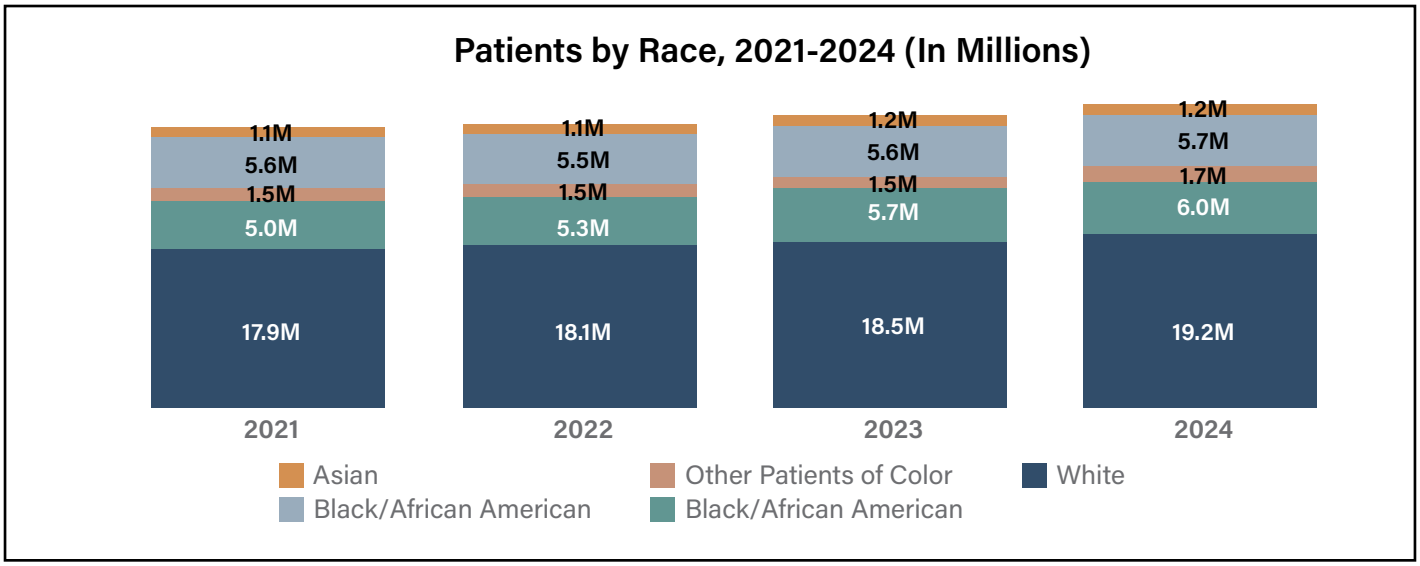
Growth patterns varied by geography. Urban Health Centers experienced the strongest expansion, with patients increasing by 10.8% and visits rising by 15.1%, reinforcing the growing role of urban centers in meeting demand in higher-density communities. Rural Health Centers also expanded, though at a slower pace, with patients increasing by 4.4% and visits rising by 10.0% over the period.

Overall, the 2021–2024 trends demonstrate broad-based growth across the Health Center program, with urban centers driving the largest gains, while rural centers continued to expand service delivery capacity despite persistent workforce and access challenges.

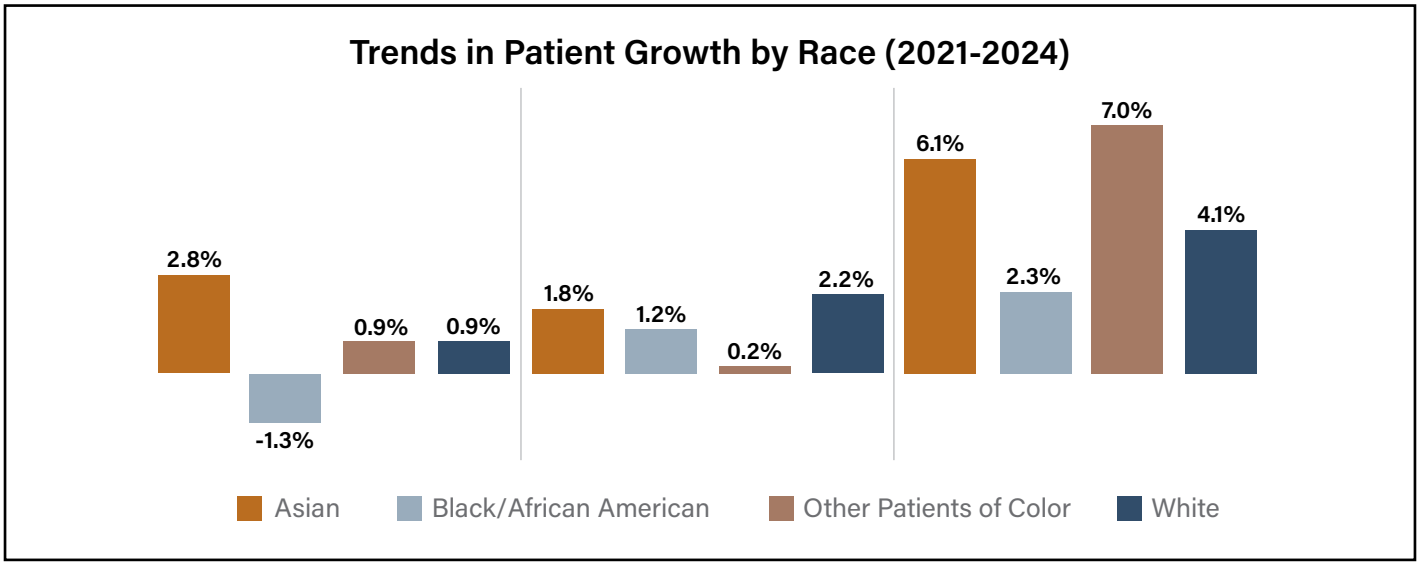
PATIENT AND PAYER MIX

TRENDS IN HEALTH CENTER PATIENTS BY RACE AND ETHNICITY (2021–2024)

Between 2021 and 2024, Health Centers experienced continued growth in patient volumes across all racial groups, reflecting expanding access to care and sustained demand for services. Nationally, patients with a known race increased from 26.1 million in 2021 to 27.9 million in 2024, while patients with unreported race grew from 5.0 million to 6.0 million, reinforcing ongoing challenges in capturing complete race data.

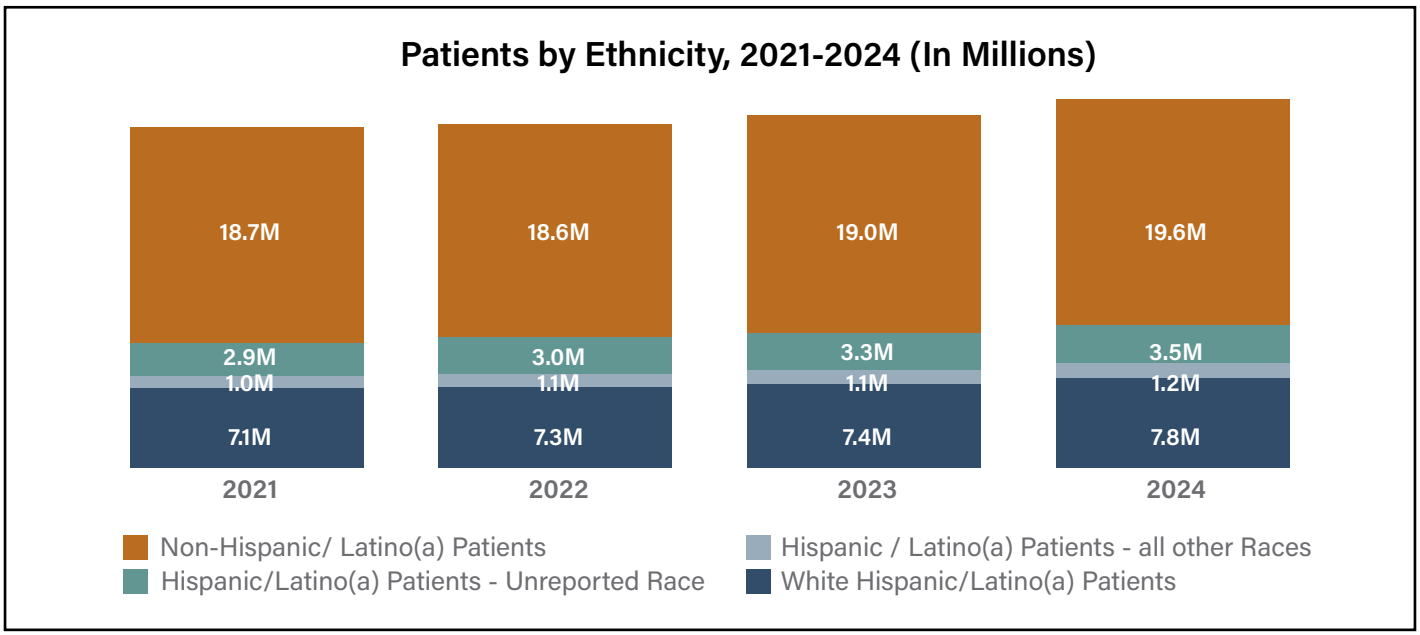


Asian patients increased steadily from 1.11 million to 1.23 million, with annual growth accelerating in 2023–2024 (+6.1%). Black/African American patients remained relatively stable, declining slightly in 2021–2022 (-1.3%) before returning to growth in subsequent years, reaching 5.72 million in 2024. Other Patients of Color grew modestly through 2023 but saw a stronger increase in 2023–2024 (+7.0%), rising to 1.66 million. White patients increased consistently each year, rising from 17.9 million in 2021 to 19.2 million in 2024, with the strongest annual growth occurring in 2023–2024 (+4.1%).

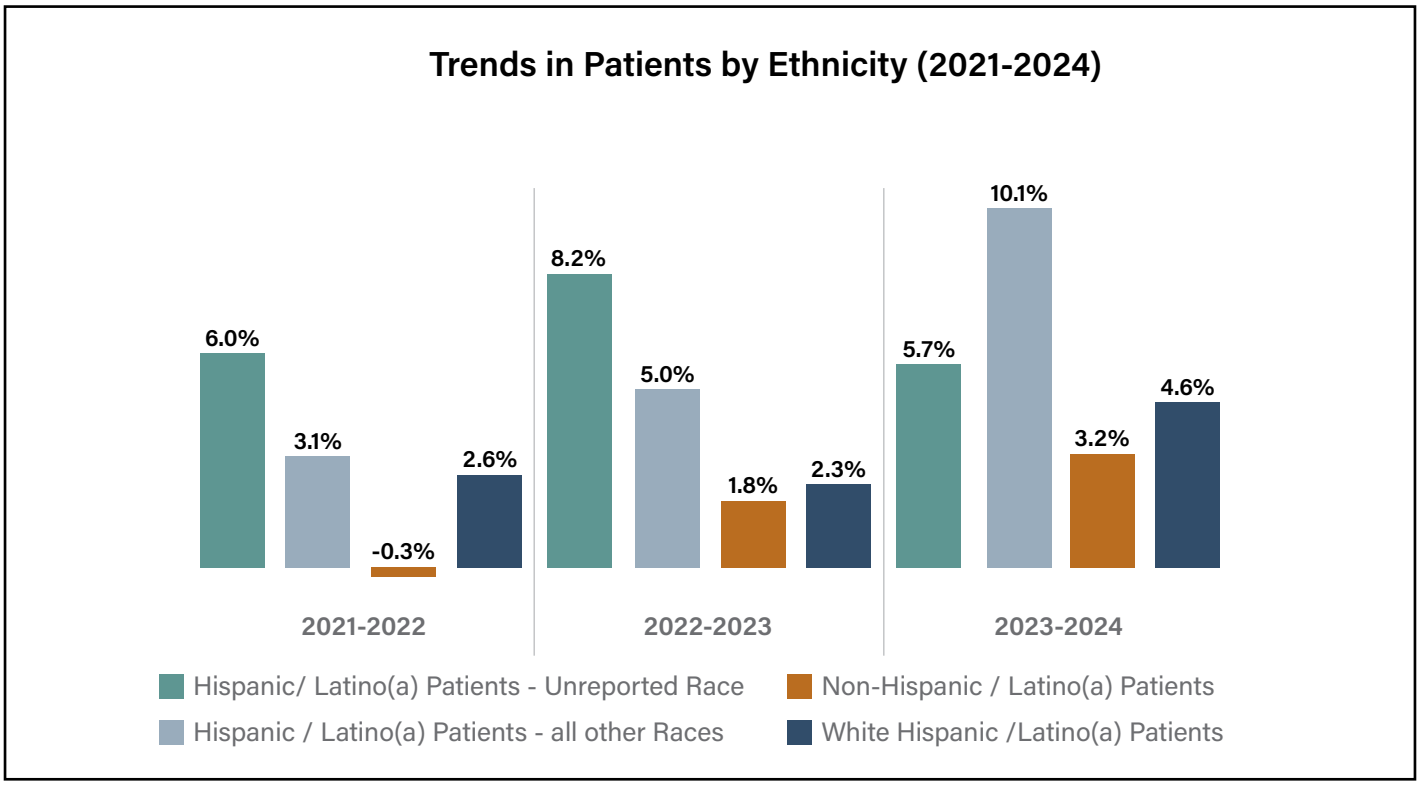


Note: Data include patients with known Ethnicity.

Overall, these trends indicate broad-based growth across racial groups, with the largest recent increases observed among Asian patients, Other Patients of Color, and White patients, alongside continued growth in the population with unreported race.



From 2021 to 2024, the total number of Hispanic/Latino(a) patients served by Health Centers increased steadily, driven by growth across all Hispanic/Latino(a) subcategories. Overall Hispanic/Latino(a) patient volume rose from 11.0 million in 2021 to 12.5 million in 2024, an increase of approximately 1.5 million patients.

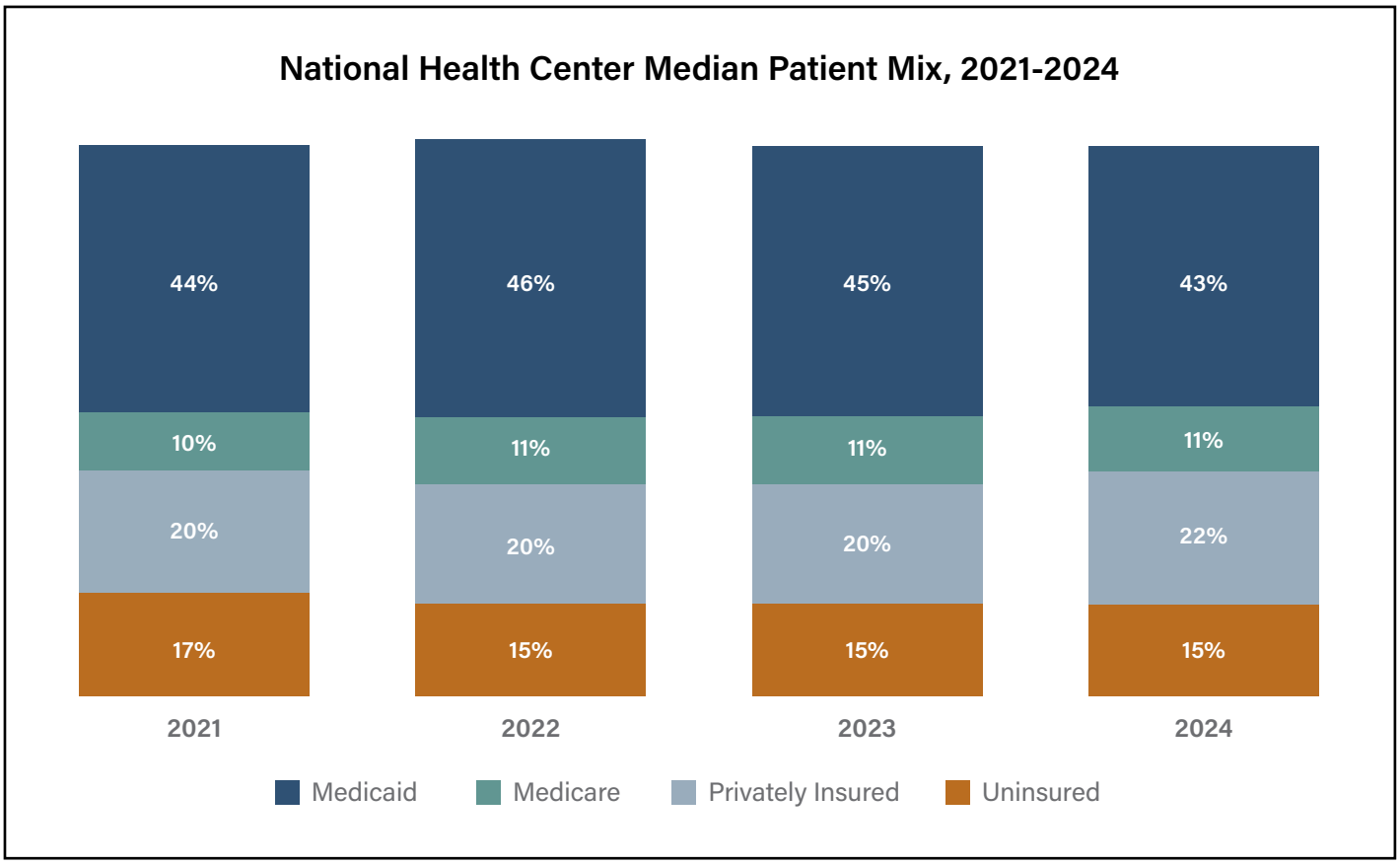


Note: Data include patients with known Ethnicity.

White Hispanic/Latino(a) patients increased from 7.1 million to 7.8 million (+0.7 million, +10.0%), with annual growth accelerating in 2023–2024 (+4.6%) after more moderate gains in prior years (+2.6% and +2.3%). Hispanic/Latino(a) patients of all other races grew from 1.03 million to 1.24 million, with the strongest expansion occurring in 2023–2024 (+10.1%), marking the fastest growth among Hispanic/Latino(a) subgroups. Hispanic/Latino(a) patients with unreported race rose from 2.86 million to 3.48 million, showing sustained increases each year, including a notable rise in 2022–2023 (+8.2%). In contrast, Non-Hispanic/Latino(a) patients remained relatively stable early in the period, declining slightly in 2021–2022 (-0.3%), before rebounding in subsequent years (+1.8% and +3.2%) to reach 19.6 million in 2024.

Overall, these trends reflect continued growth in Health Center utilization among Hispanic/Latino(a) communities, alongside persistent increases in patients with unreported race within ethnicity categories, reinforcing the need for continued focus on data completeness.

TRENDS IN HEALTH CENTER PATIENTS BY INSURANCE TYPE (2021-2024)

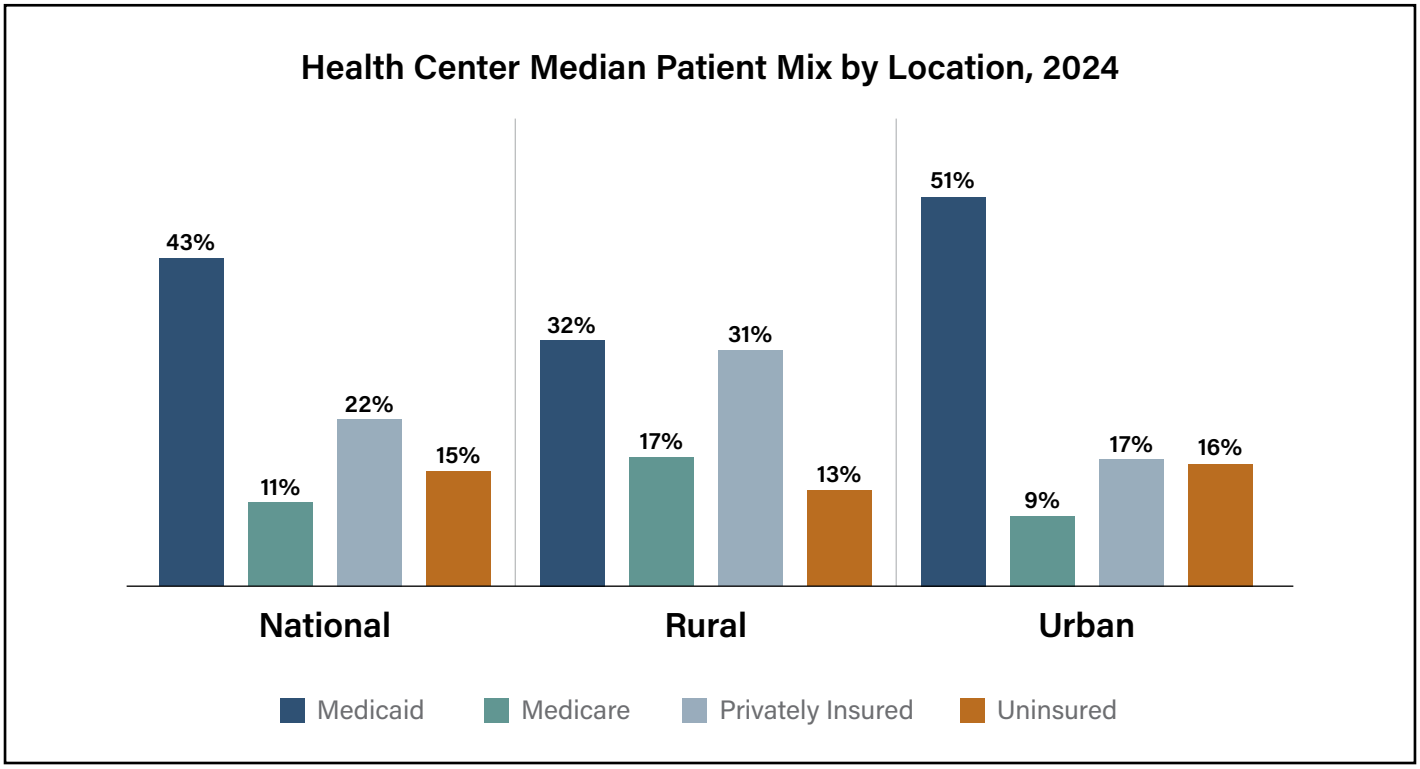


Note: Percentages represent the median result for each category and therefore do not sum to 100%

From 2021 to 2024, Health Centers continued to see meaningful shifts in payer distribution, reflecting evolving coverage dynamics as pandemic-era protections began to unwind. Overall, the median uninsured (self-pay) share declined from 17% in 2021 to 15% in 2022 and remained stable at 15% through 2024, suggesting sustained reductions in uninsured utilization compared to earlier pandemic years. During the same period, Medicaid remained the dominant payer source, rising from 44% in 2021 to a peak of 46% in 2022, before gradually declining to 45% in 2023 and 43% in 2024. This pattern likely reflects the delayed impact of Medicaid redeterminations following the end of continuous coverage provisions.

Medicare patient share increased modestly from 10% in 2021 to 11% in 2022, holding steady at 11% through 2024, indicating stable utilization among older adults and individuals with disability coverage. Privately insured patients remained flat at 20% from 2021 through 2023, but increased to 22% in 2024, suggesting improving access to employer-based coverage and/or marketplace plans as the post-pandemic economy stabilized.

Overall, payer mix trends from 2021–2024 indicate that while Medicaid continues to serve as the primary coverage source for Health Center patients, the gradual decline in Medicaid share in 2024 may reflect broader coverage transitions occurring nationwide as pandemic-era enrollment protections ended.



Note: Percentages represent the median result for each category and therefore do not sum to 100%.

Clear differences persisted between rural and urban Health Centers' payer mix in 2024, reflecting variation in patient demographics, insurance access, and local coverage environments. Urban Health Centers continued to rely heavily on Medicaid, with Medicaid accounting for a median of 51% of patients, compared to just 32% in rural Health Centers.

In contrast, rural Health Centers served a higher share of Medicare and privately insured patients, consistent with older population profiles and different insurance coverage patterns. Medicare represented 17% of rural patients, nearly double the 9% median in urban settings, while privately insured patients accounted for 31% in rural areas compared to 17% in urban centers. Uninsured patients were slightly less prevalent in rural settings (13%) than in urban Health Centers (16%), though both remained close to the national median (15%).

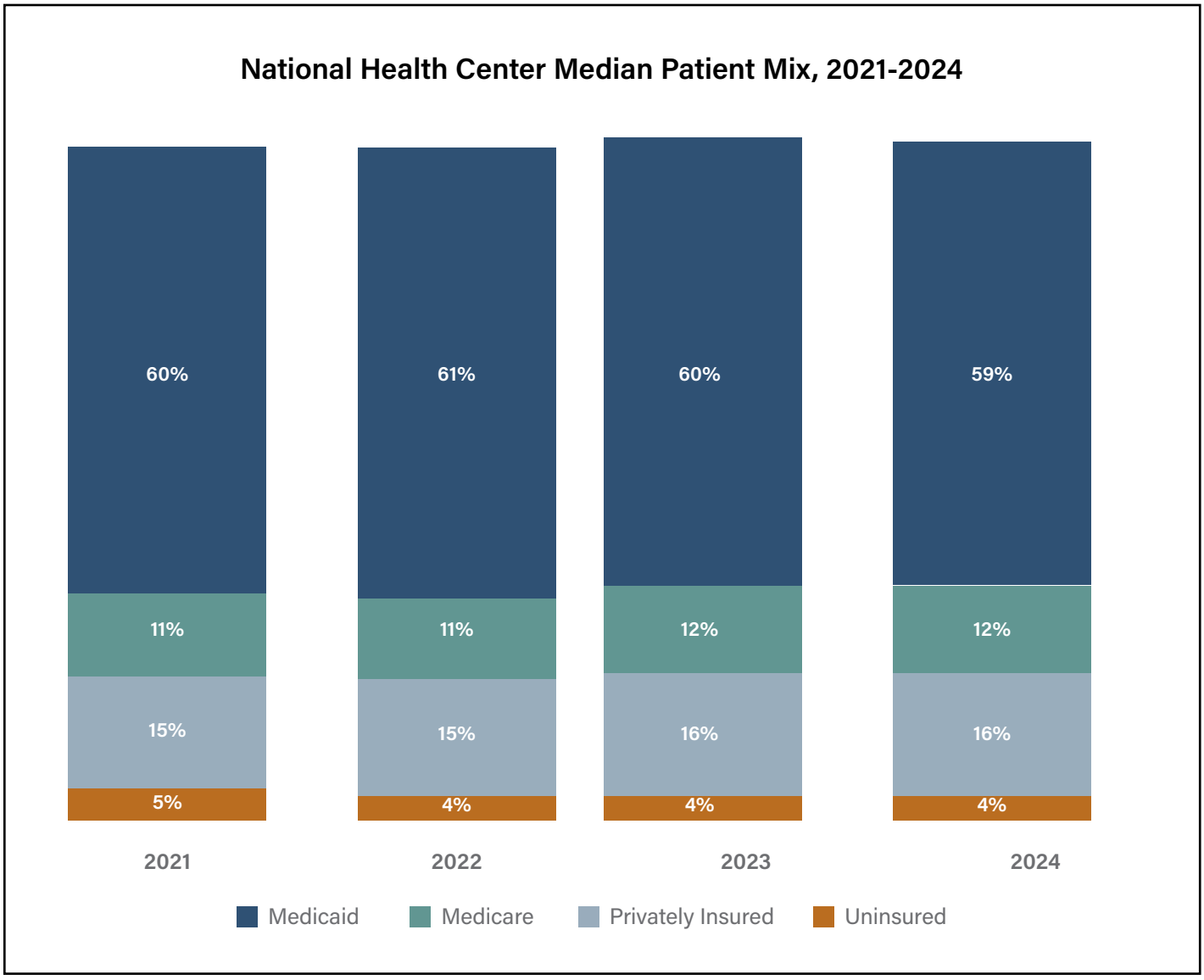
Overall, these patterns highlight Medicaid's central role in urban Health Center financing, while rural centers maintain a more mixed payer base with stronger Medicare and private insurance representation.

PAYER COLLECTION TRENDS

From 2021 to 2024, Health Center revenue collections remained heavily driven by Medicaid, which consistently represented the majority of total collections. Nationally, Medicaid collections accounted for 60% in 2021, rose slightly to 61% in 2022, and then declined modestly to 59% by 2024. This stability reinforces Medicaid's central role in sustaining Health Center operations and financing care for low-income populations.

Over the same period, self-pay (uninsured) collections declined from 5% in 2021 to 4% in 2022 and remained at 4% through 2024, reflecting continued reductions in revenue reliance on uninsured patient payments.

Medicare collections remained steady, increasing slightly from 11% in 2021–2022 to 12% in 2023–2024, while private insurance collections rose from 15% to 16%, suggesting modest growth in reimbursement from commercially insured patients.



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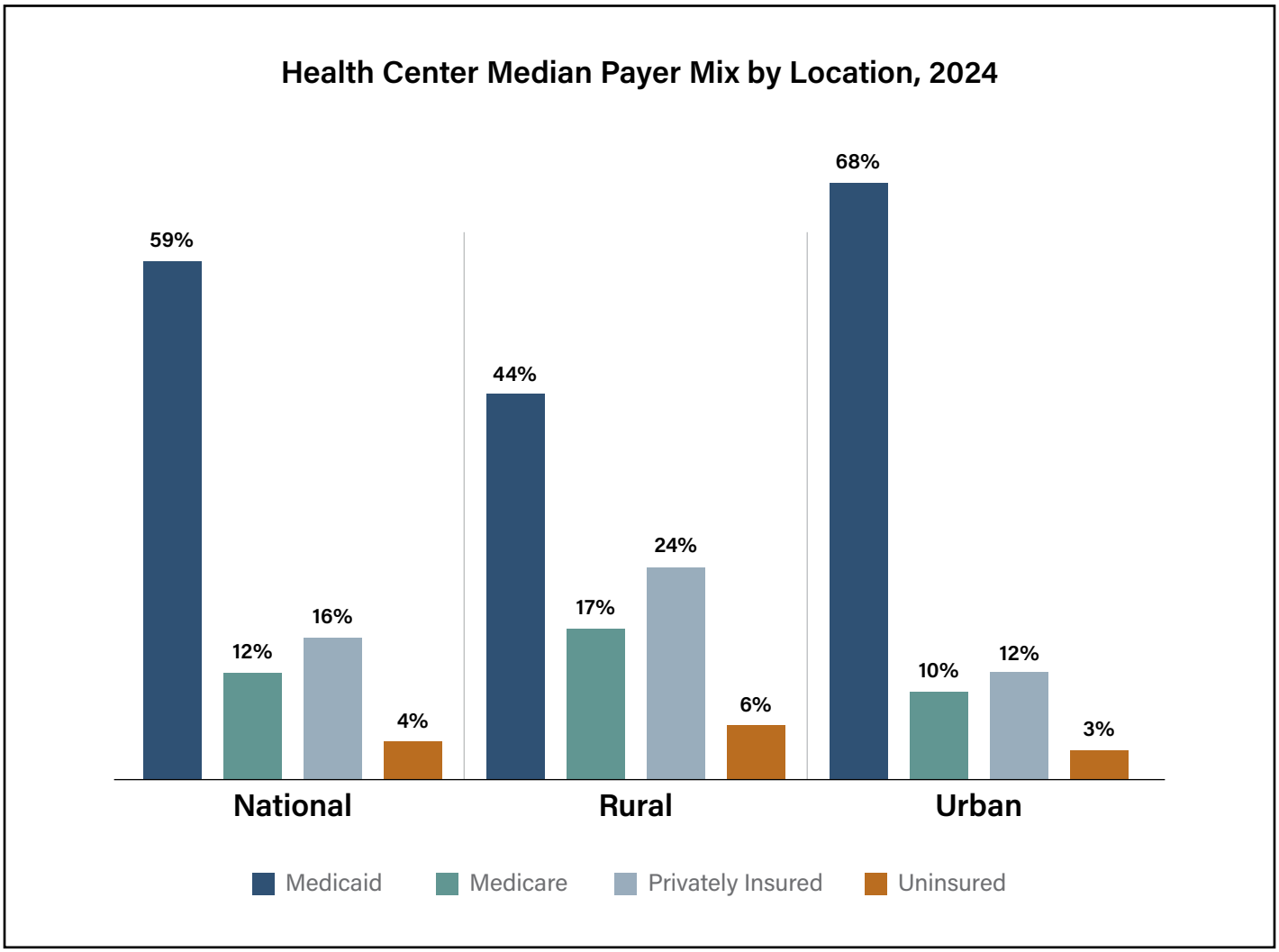
RURAL VS. URBAN COLLECTIONS MIX (2024)



Note: Percentages represent the median result for each category and therefore do not sum to 100.

In 2024, collections patterns differed significantly between rural and urban Health Centers. Urban centers relied more heavily on Medicaid, with Medicaid representing 68% of collections, compared to 44% in rural centers.

Rural Health Centers demonstrated a more diversified revenue base, collecting a higher share from Medicare (17% vs. 10%) and private insurance (24% vs. 12%), consistent with rural patient populations that tend to include a larger proportion of older adults and privately insured individuals.

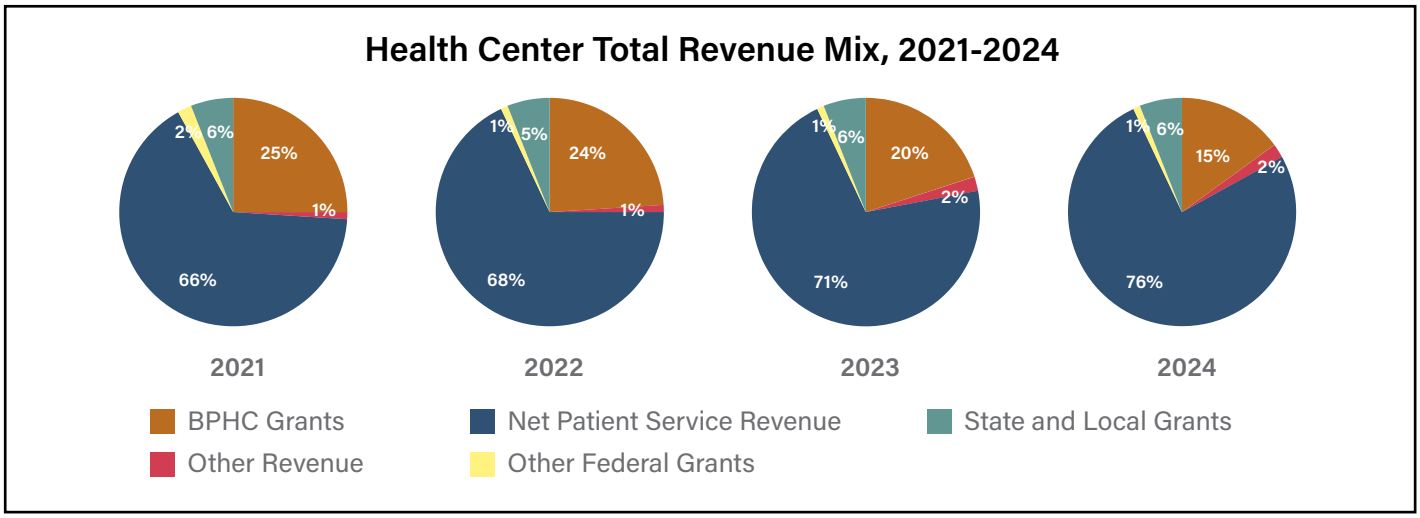
Note: Percentages represent the median result for each category and therefore do not sum to 100.

Self-pay collections were also higher in rural areas (6%) compared to urban centers (3%), although both remained relatively small compared to public payer revenue.

Overall, these trends highlight Medicaid's continued dominance in Health Center revenue nationally, while rural centers maintain greater reliance on Medicare and private insurance collections relative to urban counterparts.

REVENUE GROWTH AND MIX

REVENUE MIX TRENDS (2021–2024)



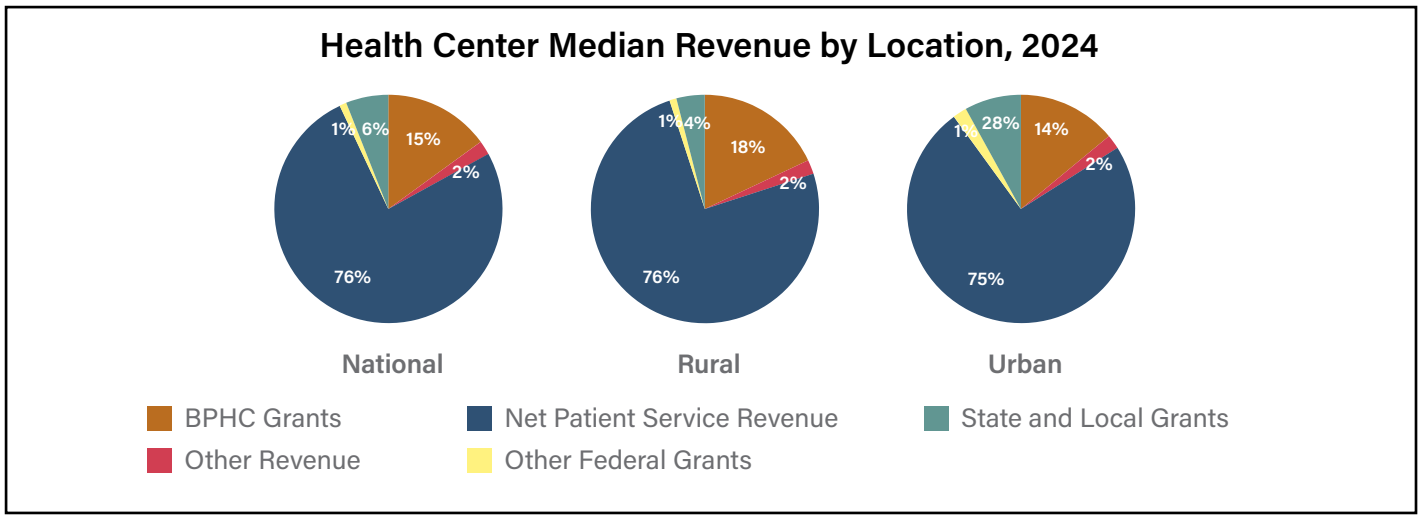
Note: Percentages represent the median result for each category and therefore do not sum to 100%.

From 2021 to 2024, Health Centers continued to see a growing share of revenue from net patient service collections, increasing nationally from 65.9% to 75.5%. This growth reflects higher service volumes and improved reimbursement performance across the Health Center program.

BPHC grant funding, which provides foundational federal support for operations and service delivery, accounted for 15.2% of total revenue in 2024, down from 25.4% in 2021. The decline in proportion reflects the increasing role of patient service revenue in supporting overall Health Center growth, while BPHC grants continue to provide critical support for Health Center operations and access to care.

Other revenue sources remained stable: state and local grants represented 6.0%, other federal grants about 1.3%, and other revenue increased modestly to 1.9%.

RURAL VS. URBAN REVENUE MIX (2024)

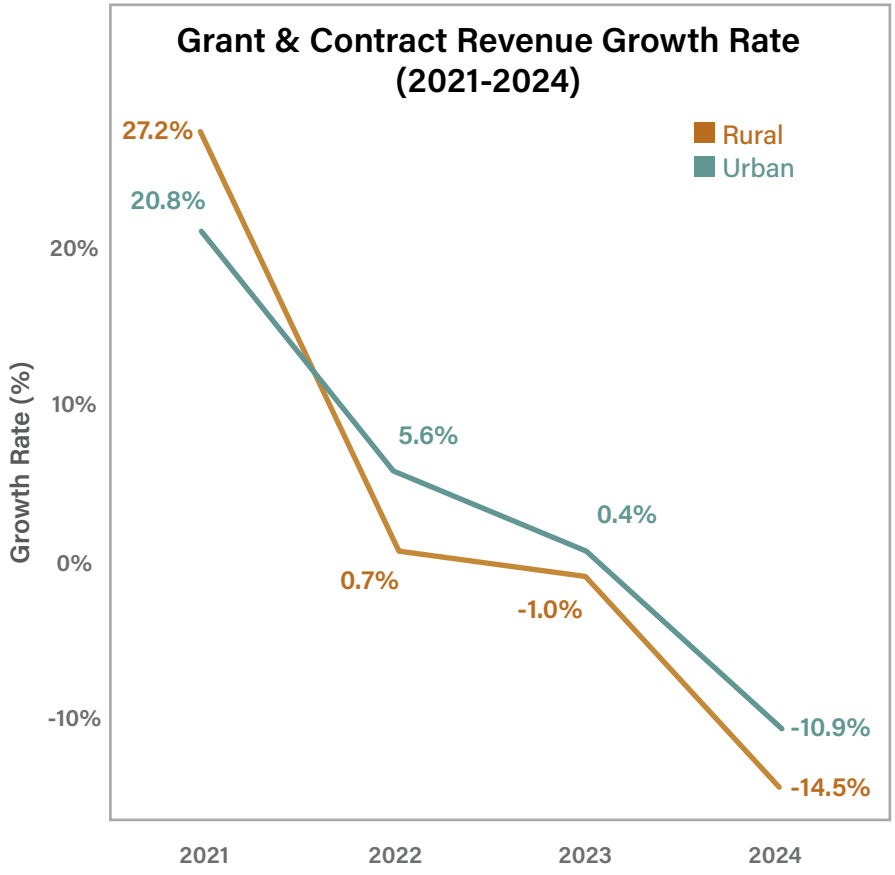


Note: Percentages represent the median result for each category and therefore do not sum to 100%.

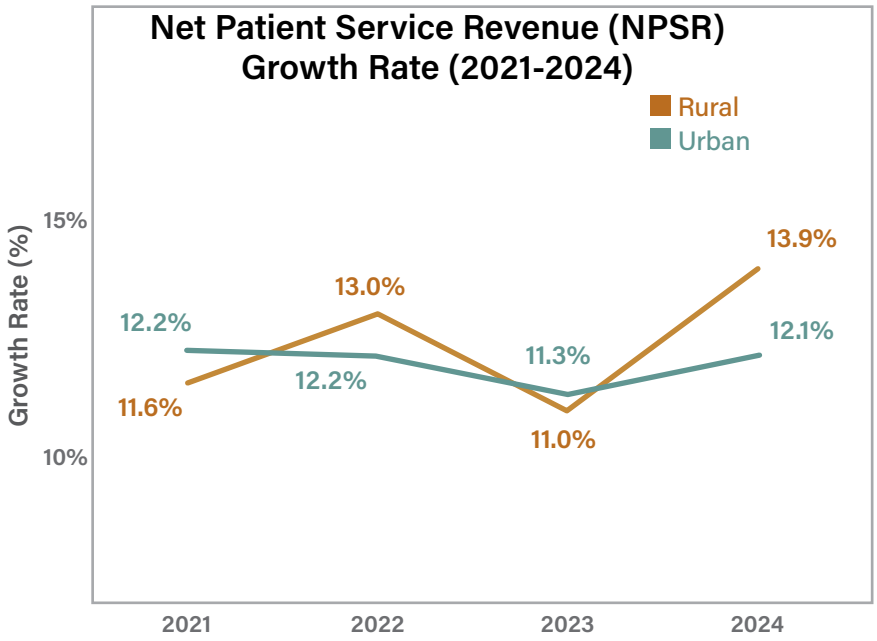
In 2024, net patient service collections were similar in rural and urban Health Centers (75.8% vs. 75.0%). BPHC grants made up a larger share in rural centers (17.9%) than urban centers (13.6%), while urban centers relied more on state and local grants (7.9% vs. 3.8% rural). Other revenue categories were roughly comparable across settings. Overall, patient service revenue is becoming an increasingly central source of Health Center funding, while BPHC grants continue to serve as essential federal support, particularly for sustaining operations and ensuring access to care in all communities.

HEALTH CENTER OPERATING REVENUE GROWTH TRENDS (2021–2024)

From 2021 to 2024, Health Centers demonstrated sustained growth in net patient service revenue (NPSR), while grant and contract revenue showed more variability, reflecting evolving funding patterns and a return to pre-pandemic operational norms. Growth trends differed across rural and urban centers, highlighting location-specific revenue dynamics.



Median grant and contract revenue growth was strong in 2021, with rural centers increasing 27.2% and urban centers 20.8%, reflecting one-time federal support and other targeted funding. However, this growth slowed sharply in subsequent years. By 2022, rural grant growth fell to 0.7% and urban growth to 5.6%, with further declines in 2023 (-1.0% rural; 0.4% urban) and 2024 (-14.5% rural; -10.9% urban). These trends highlight the proportional tapering of grant support relative to overall revenue as Health Centers relied increasingly on patient service collections to support operational growth.



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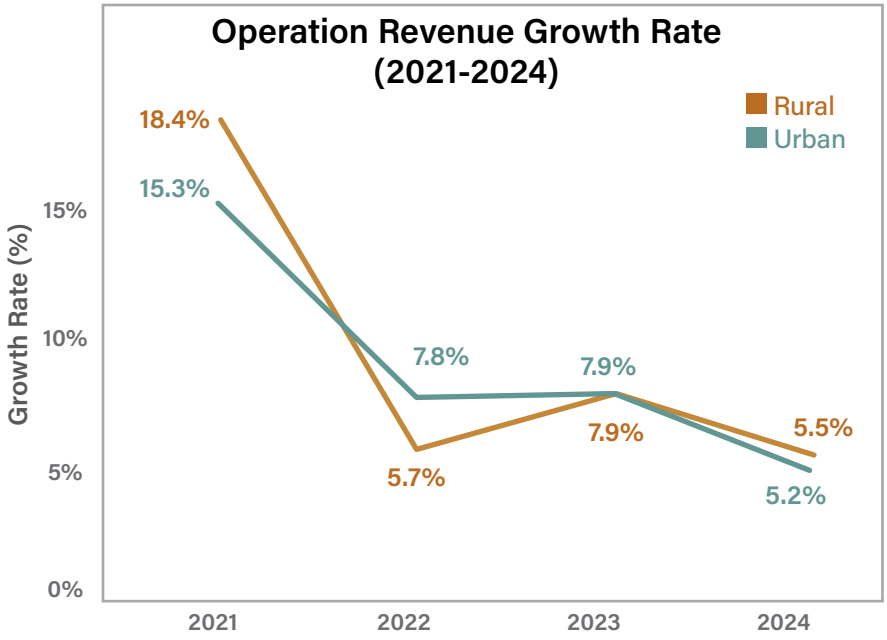

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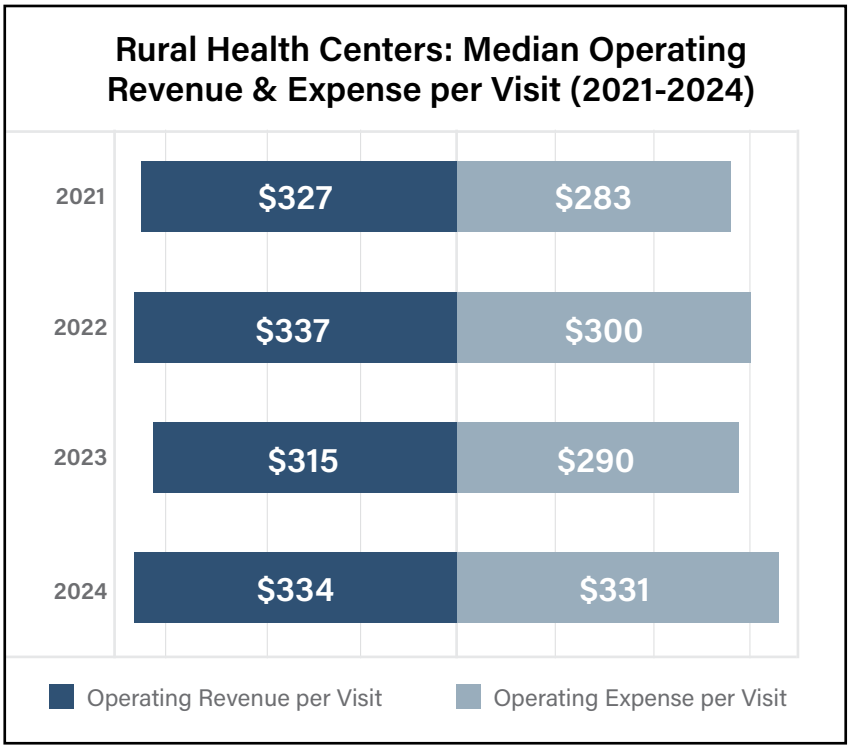
Rural vs. Urban Trends

- Rural Sustainability: Rural centers experienced higher volatility in grant revenue but demonstrated strong NPSR growth, likely due to persistent healthcare needs in underserved regions and targeted operational strategies.
- Urban Recovery: Urban centers maintained steadier growth in both NPSR and overall operating revenue, reflecting denser patient populations, diversified payer mixes, and operational scale advantages.

The trends from 2021–2024 underscore the increasing importance of patient service revenue in Health Center financial sustainability. While grant funding remains a critical support mechanism, both rural and urban centers must continue to optimize operational efficiency and maintain robust NPSR growth to ensure long-term stability in a post-pandemic funding environment.

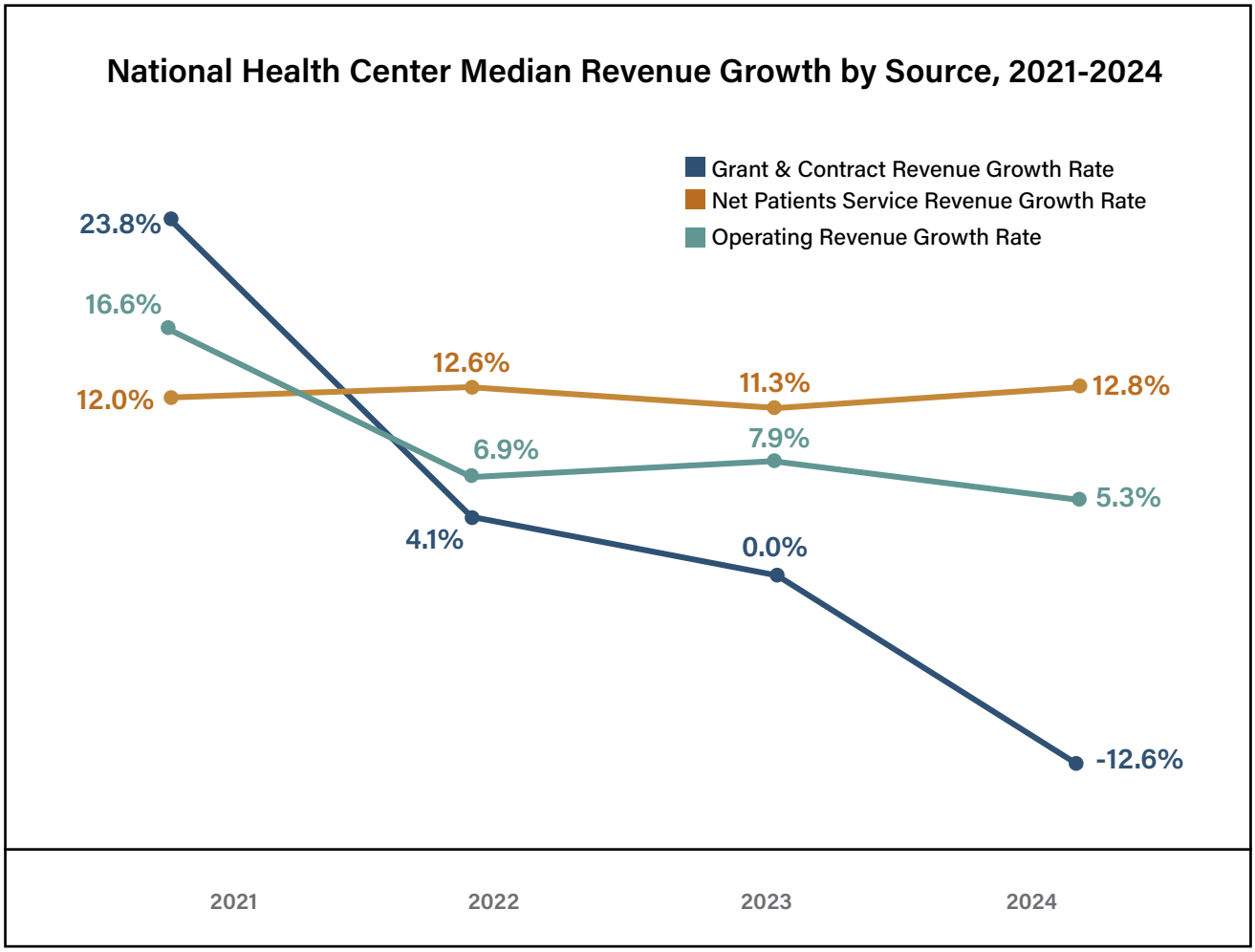
RURAL HEALTH CENTER REVENUE AND EXPENSE PER VISIT (2021–2024)



Median operating revenue per visit for rural Health Centers increased from $327 in 2021 to a peak of $337 in 2022, reflecting strong reimbursement, telehealth expansion, and other revenue growth initiatives. Revenue dipped to $315 in 2023 before rebounding to $334 in 2024, highlighting the return to more sustainable patient service–driven revenue after one-time funding fluctuations.

Operating expenses per visit showed parallel trends, rising from $283 in 2021 to $300 in 2022, driven in part by inflationary pressures, before moderating to $290 in 2023 and increasing to $331 in 2024, largely reflecting higher service volume and associated operating cost increases. The revenue-to-expense gap narrowed over the period, with a difference of $37 in 2022 to $25 per visit in 2023, before nearly closing in 2024.

NATIONAL HEALTH CENTER REVENUE GROWTH TRENDS (2021–2024)



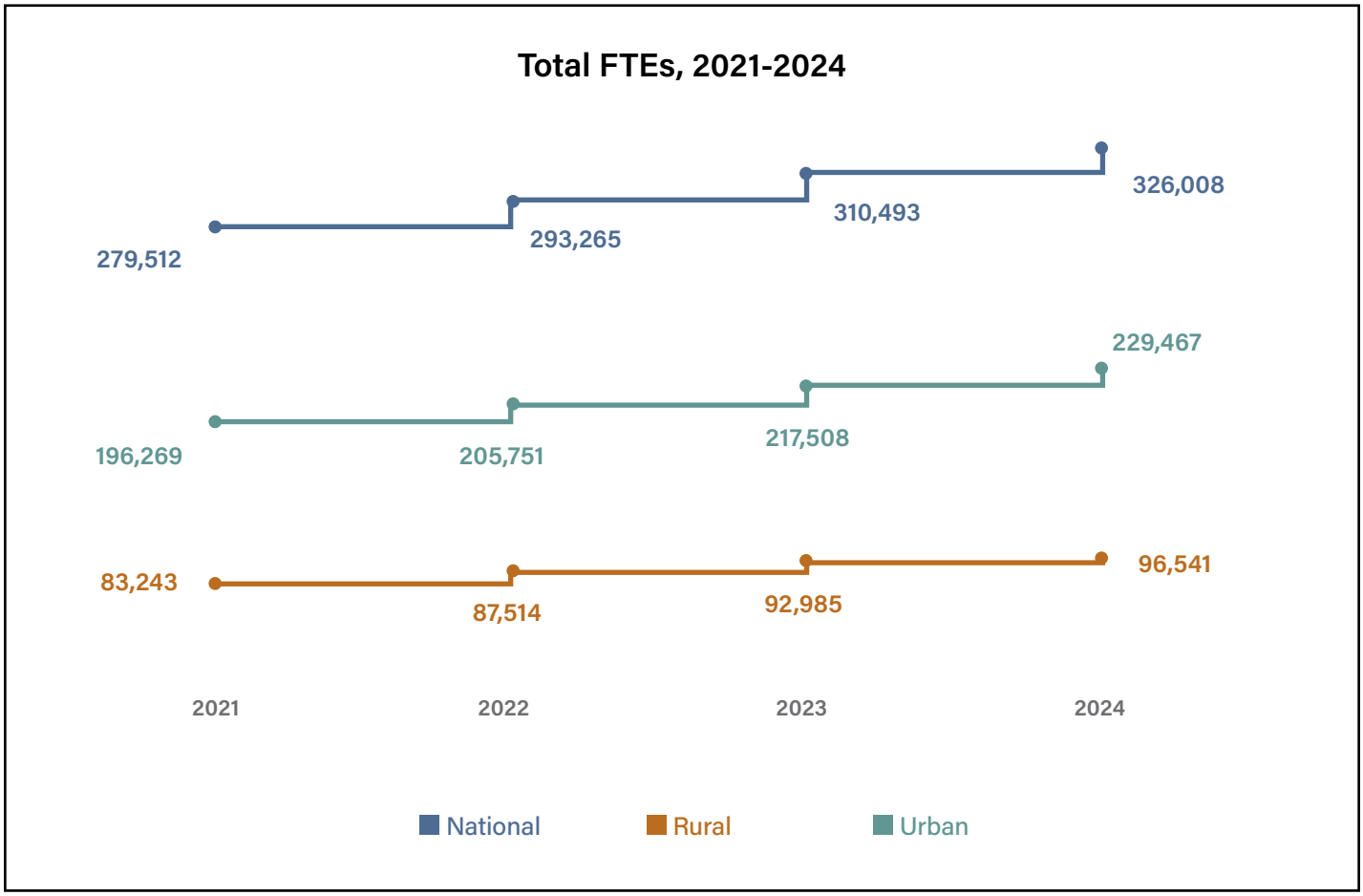
From 2021 to 2024, Health Centers across the United States experienced sustained growth in net patient service revenue (NPSR), while growth in grant and contract revenue slowed and eventually contracted, reflecting the sector's gradual shift toward patient service–driven funding.

Grant and contract revenue growth was strong in 2021, increasing 23.8%, but slowed to 4.1% in 2022, remained flat in 2023 (0.0%), and declined in 2024 (-12.6%). This trend reflects the tapering of temporary or incremental funding growth and the normalization of grant allocations over the period.

Net patient service revenue growth remained consistently robust, rising 12.0% in 2021, 12.6% in 2022, slightly moderating to 11.3% in 2023, and rebounding to 12.8% in 2024. These steady gains highlight the recovery and expansion of patient visits, payer reimbursements, and operational efficiency across Health Centers nationwide.
Overall, operating revenue growth at the national level mirrored these patterns, peaking at 16.6% in 2021, slowing to 6.9% in 2022, maintaining 7.9% in 2023, and moderating to 5.3% in 2024. The data underscore Health Centers' increasing reliance on patient service revenue as the primary driver of financial sustainability,

RURAL HEALTH CENTER REVENUE AND EXPENSE PER VISIT

HEALTH CENTER WORKFORCE TRENDS (2021–2024)



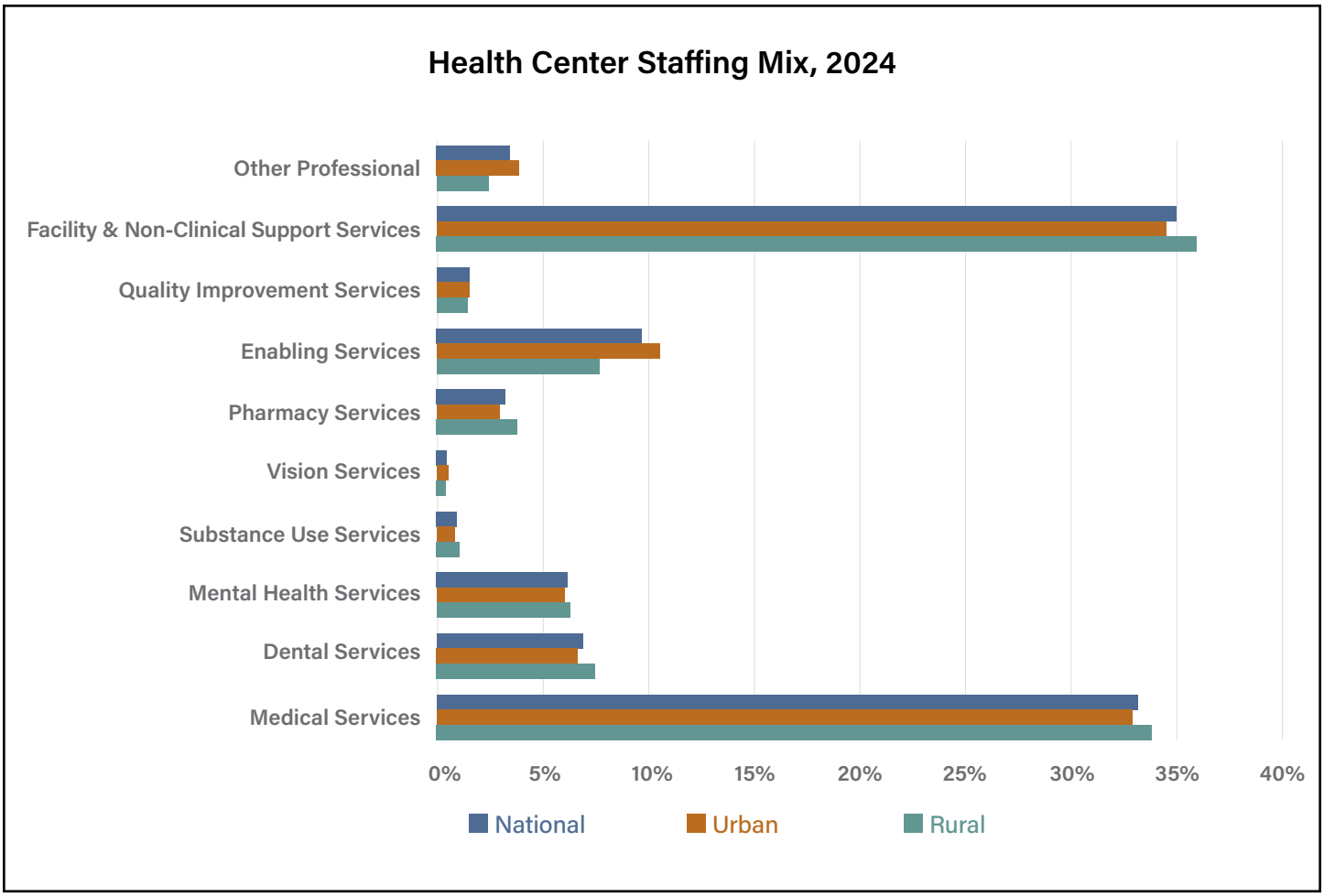
Between 2021 and 2024, the Health Center workforce expanded steadily across rural, urban, and national settings, reflecting continued growth in patient demand and service capacity.

Rural Health Centers increased total full-time equivalents (FTEs) from 83,243 in 2021 to 96,541 in 2024, representing a growth of 16% over the period. This expansion underscores rural centers' efforts to maintain access to care in underserved areas, addressing both primary care and broader health service needs.

Urban Health Centers experienced similar growth, with FTEs rising from 196,269 in 2021 to 229,467 in 2024, an increase of 17%, reflecting larger patient populations and higher service volumes in metropolitan settings.

At the national level, total Health Center FTEs grew from 279,512 in 2021 to 326,008 in 2024, a 16.6% increase, highlighting consistent workforce expansion across the Health Center program to support both urban and rural communities.

This steady growth in staffing capacity aligns with broader trends in patient visits, revenue, and service expansion, as Health Centers striveHealth Centerto respond to the growing needs of diverse patient populations across the country.

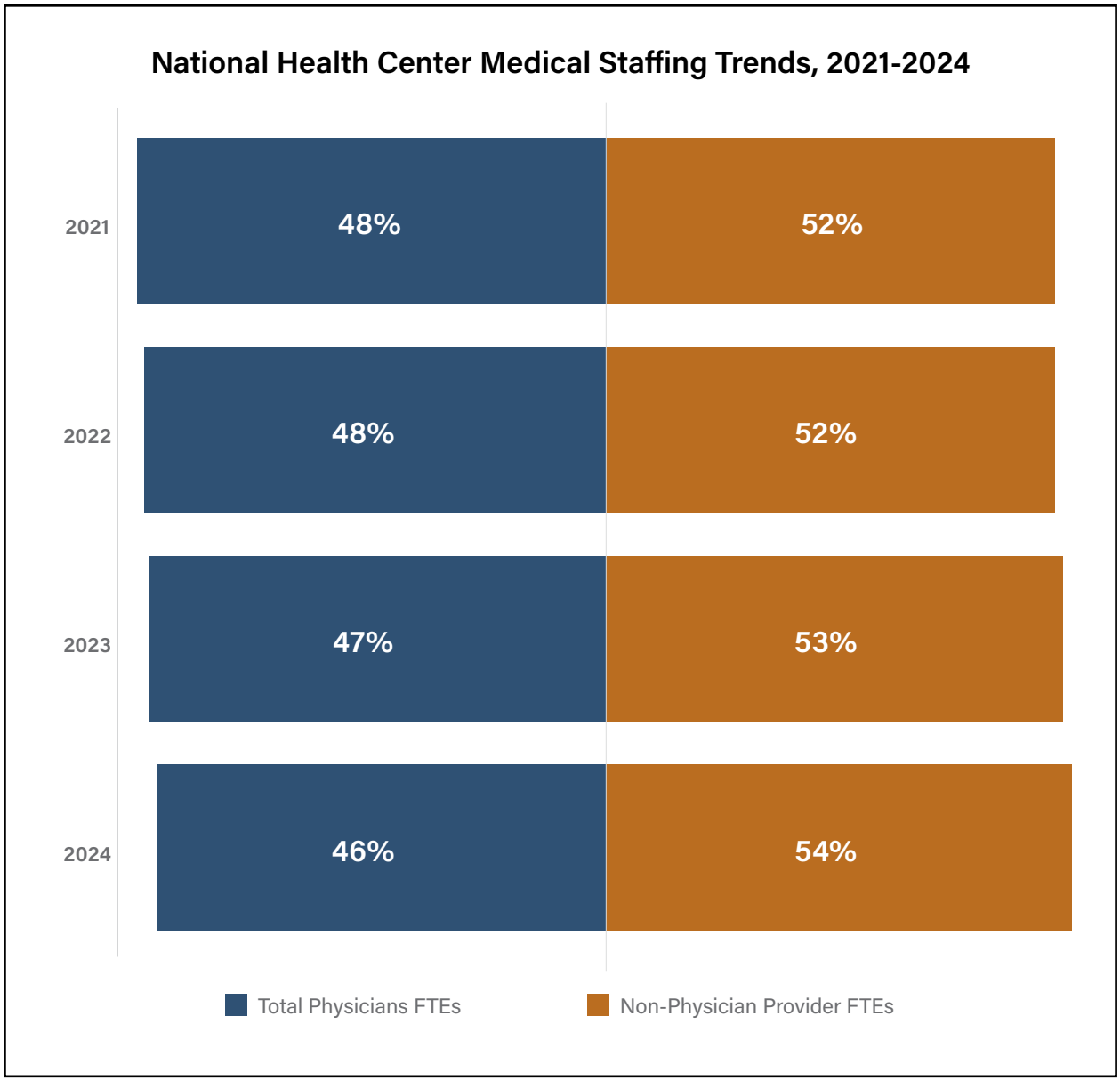


In 2024, Health Centers nationwide employed 326,008 full-time equivalents (FTEs), with urban centers accounting for 229,467 FTEs (70%) and rural centers 96,541 FTEs (30%), maintaining a similar urban-rural workforce distribution as in prior years. Facility and non-clinical support staff continued to be the largest staffing category nationally (34.9%), with rural centers dedicating 36.0% of FTEs compared to 34.4% in urban centers. Medical services remained the second-largest group, comprising 33.2% of FTEs, with rural centers allocating slightly more to primary care (33.9%) than urban centers (32.9%), reflecting rural reliance on core clinical services.

Enabling services, such as care coordination and transportation, were more prominent in urban centers (10.5%) than rural centers (7.6%), highlighting urban centers' ability to expand patient access supports. Conversely, rural centers allocated a higher share of FTEs to pharmacy services (3.8% vs. 2.9% urban), likely to offset limited local access to external pharmacies. Dental services accounted for 6.9% nationally, with rural centers slightly higher (7.4%) than urban (6.6%). Mental health services represented 6.1% of staff across all locations, and substance use services remained a smaller component (0.9% nationally). Vision services were minimal (0.4% nationally), and quality improvement staff accounted for 1.4–1.5%, reflecting standardized efforts to meet care and regulatory standards. Other professional roles comprised 3.4% nationally, slightly higher in urban centers (3.8%) than rural (2.4%).

The 2024 staffing mix may point to a continued focus of rural centers on core clinical services and operational support, while urban centers leveraged resources to expand enabling and specialty services, ensuring comprehensive, patient-centered care. Both rural and urban centers face the ongoing challenge of balancing workforce investments with evolving patient needs, particularly in mental health, chronic disease management, and care coordination.

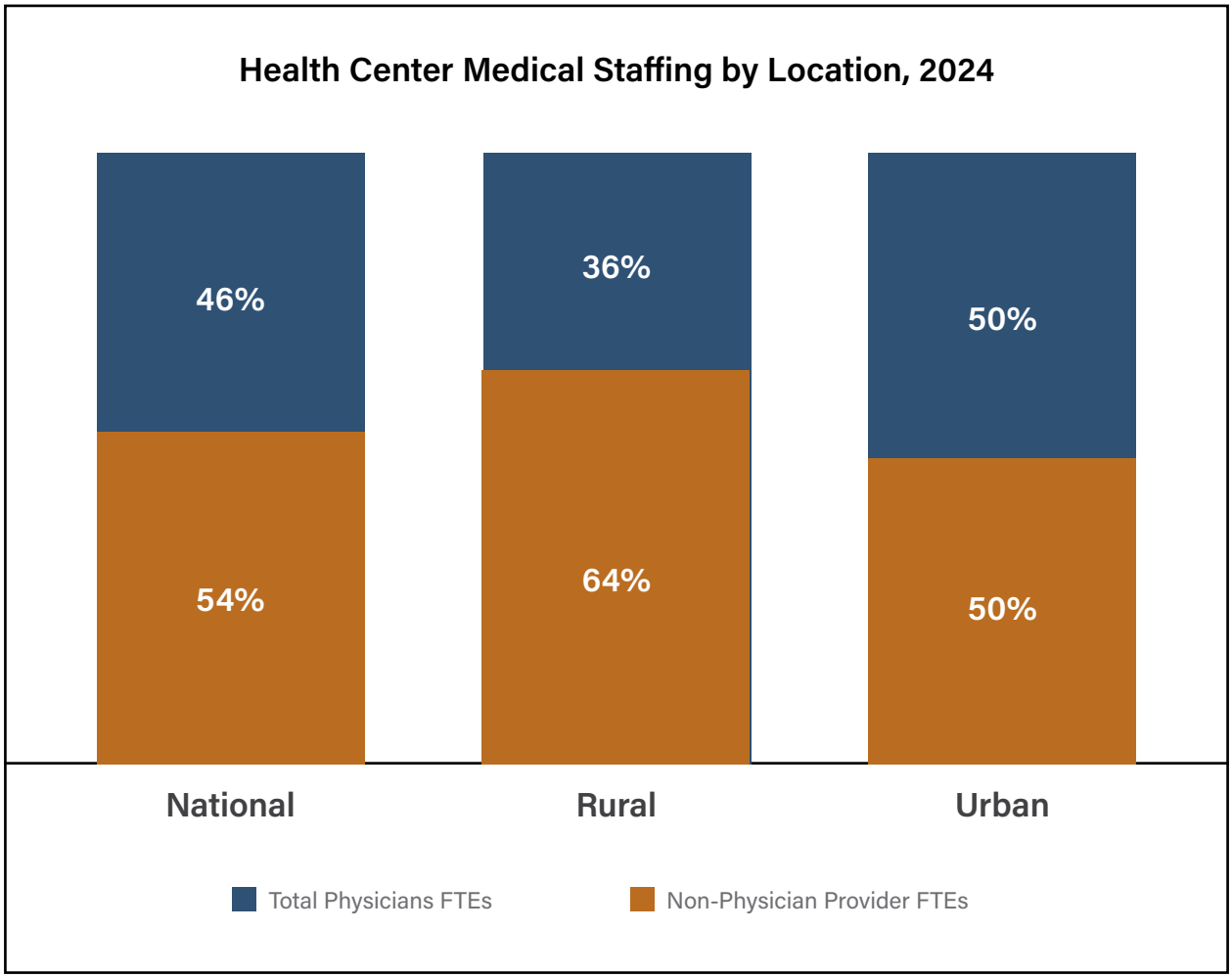
NATIONAL MEDICAL STAFFING TRENDS (2021–2024)



National Health Centers continued to expand their medical workforce while shifting the composition toward non-physician providers. From 2021 to 2024, the proportion of physician FTEs declined gradually from 48.0% in 2021 to 46.1% in 2024, while non-physician providers—including nurse practitioners and physician assistants—grew from 52.0% to 53.9% of medical staff. This trend reflects a broader, strategic reliance on non-physician providers to address primary care shortages, improve cost efficiency, and support team-based care models. The shift also responds to post-pandemic patient demand, operational scalability, and the ongoing challenge of recruiting physicians, particularly in rural and underserved areas.

Overall, the national medical staffing profile highlights Health Centers' continued commitment to maintaining access to care while optimizing the balance between physicians and non-physician providers to meet diverse patient needs.

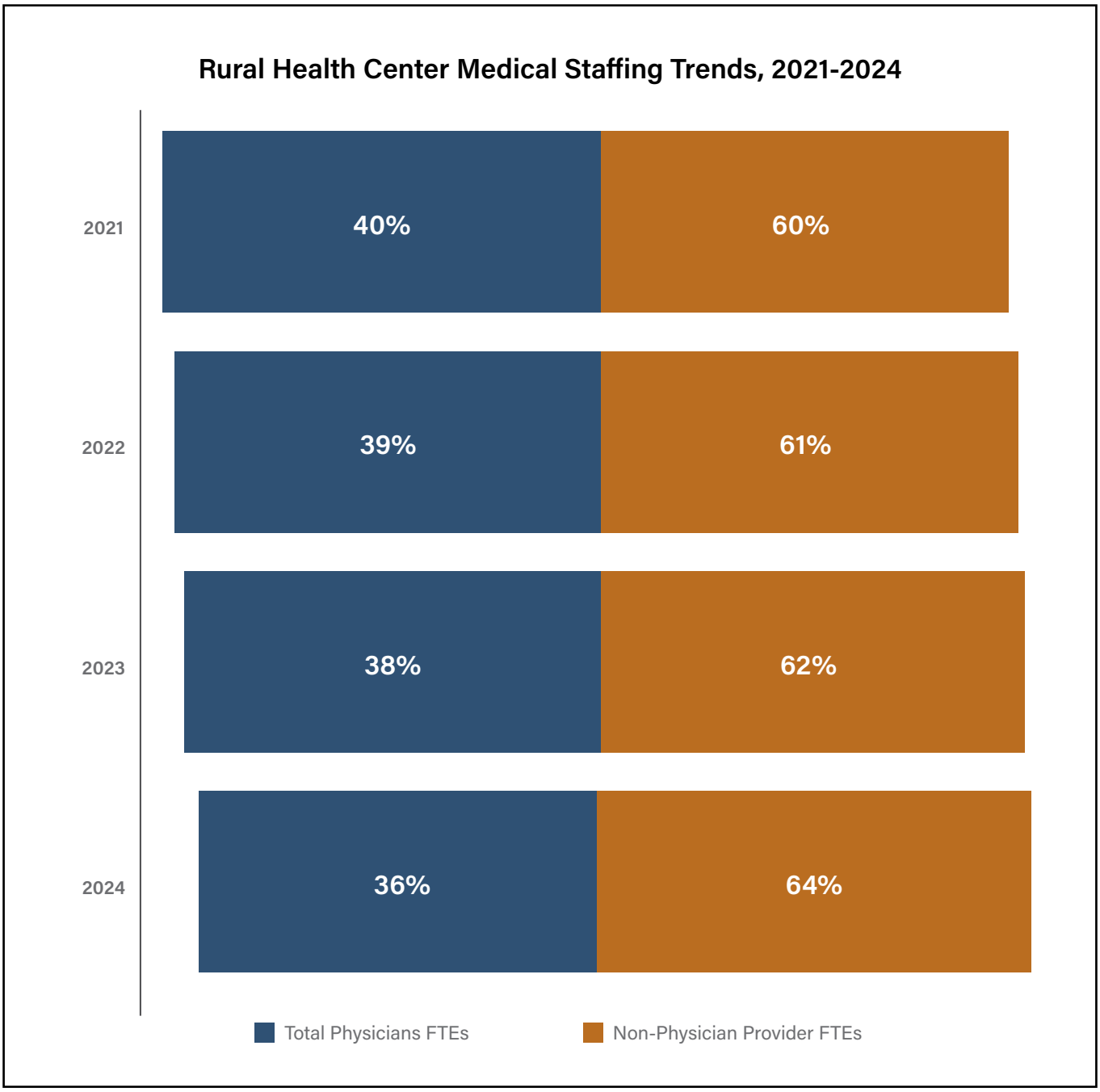
MEDICAL STAFFING COMPOSITION BY LOCATION (2024)



In 2024, Health Centers exhibited notable differences in medical staffing between rural and urban locations. Rural centers relied heavily on non-physician providers, who accounted for 63.9% of medical FTEs, while physicians comprised 36.1%. This reflects rural centers' reliance on nurse practitioners, physician assistants, and other non-physician clinicians to maintain access to care amid physician shortages and geographic staffing challenges.
Urban centers, in contrast, maintained a higher proportion of physician FTEs (50.4%), with non-physician providers representing 49.6% of medical staff. This balance aligns with urban centers' larger patient volumes, broader specialty services, and greater availability of physicians.

Nationally, non-physician providers accounted for 53.9% of medical FTEs, exceeding physician representation (46.1%) and demonstrating the Health Center program's ongoing emphasis on team-based care models, cost efficiency, and expanded access to primary care.

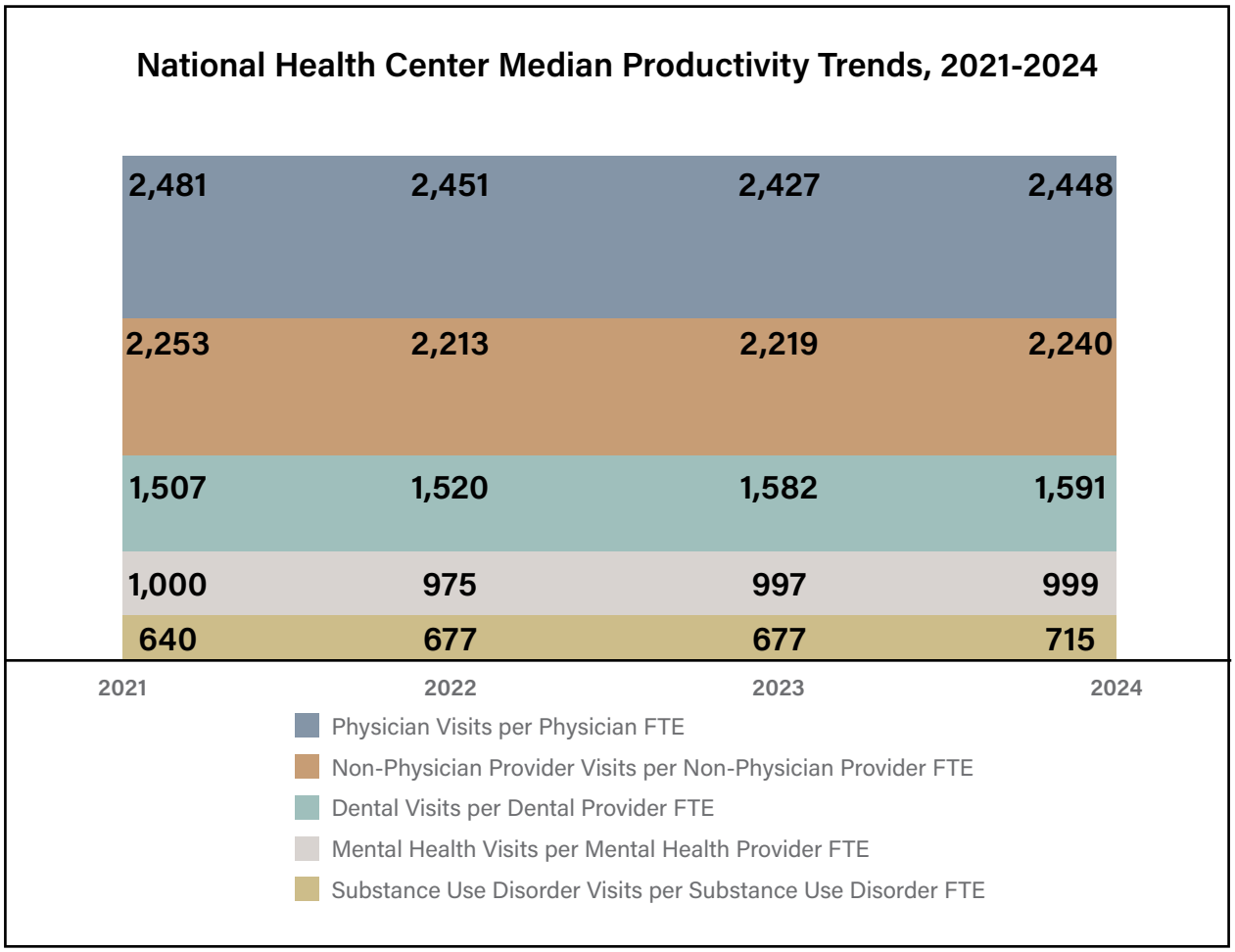
These patterns underscore the strategic role of non-physician providers in rural centers and highlight the complementary mix of medical staff across urban and rural settings to meet diverse patient needs.



Between 2021 and 2024, rural Health Centers nationwide continued to shift their medical workforce composition toward non-physician providers. The share of physician FTEs declined steadily from 39.9% in 2021 to 36.1% in 2024, while non-physician providers—including nurse practitioners, physician assistants, and other advanced practice clinicians—grew from 60.1% to 63.9% of medical staff over the same period.

Overall, these data highlight a deliberate, long-term approach to staffing that balances physician expertise with the flexibility and capacity of non-physician clinicians, ensuring that Health Centers can meet growing patient demand while maintaining high-quality, accessible care.

HEALTH CENTER PROVIDER PRODUCTIVITY TRENDS (2021–2024)



Note: Percentages represent the median result for each category and therefore do not sum to 100%.

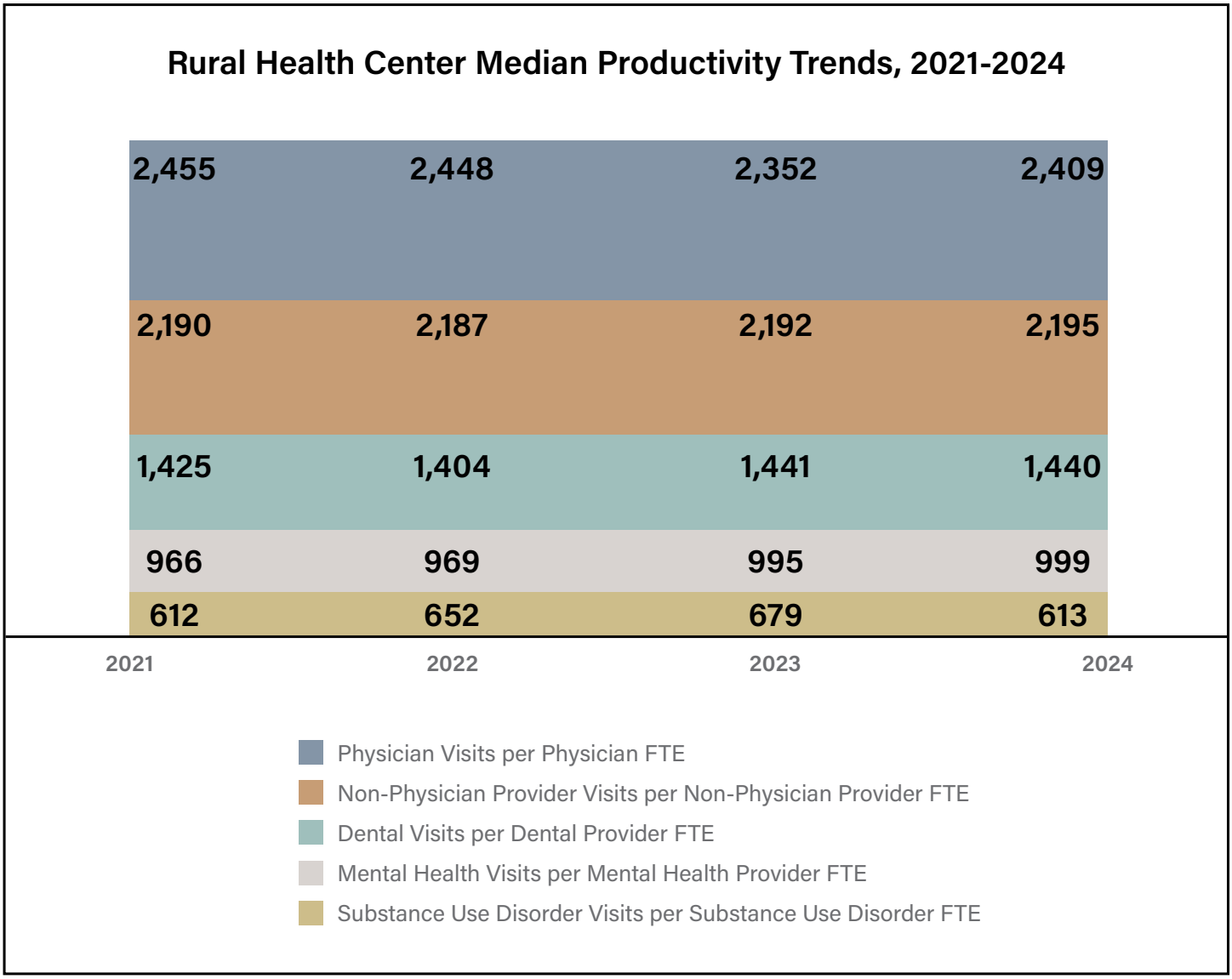
Between 2021 and 2024, Health Centers maintained stable median productivity across clinical and virtual visits, with modest fluctuations reflecting patient demand, workforce composition, and care delivery models.

Physician productivity remained relatively steady, with median visits per physician FTE slightly declining from 2,481 in 2021 to 2,427 in 2023, before rebounding to 2,448 in 2024. Similarly, non-physician providers averaged 2,253 visits per FTE in 2021, dipping to 2,213 in 2022, then gradually rising to 2,240 in 2024, reflecting their expanding role.

Dental provider productivity increased steadily over the period, from 1,507 visits per FTE in 2021 to 1,591 in 2024, indicating gradual growth in service capacity. Mental health provider visits per FTE remained largely stable, hovering around 1,000 visits. Substance use disorder (SUD) provider productivity showed notable growth, increasing from 640 visits per FTE in 2021 to 715 in 2024.

Overall, these trends demonstrate stable and gradually improving provider productivity across clinical, dental, mental health, and substance use services, supporting Health Centers' capacity to meet increasing patient needs through efficient, team-based care delivery models.

Rural Health Center Median Productivity Trends, 2021-2024

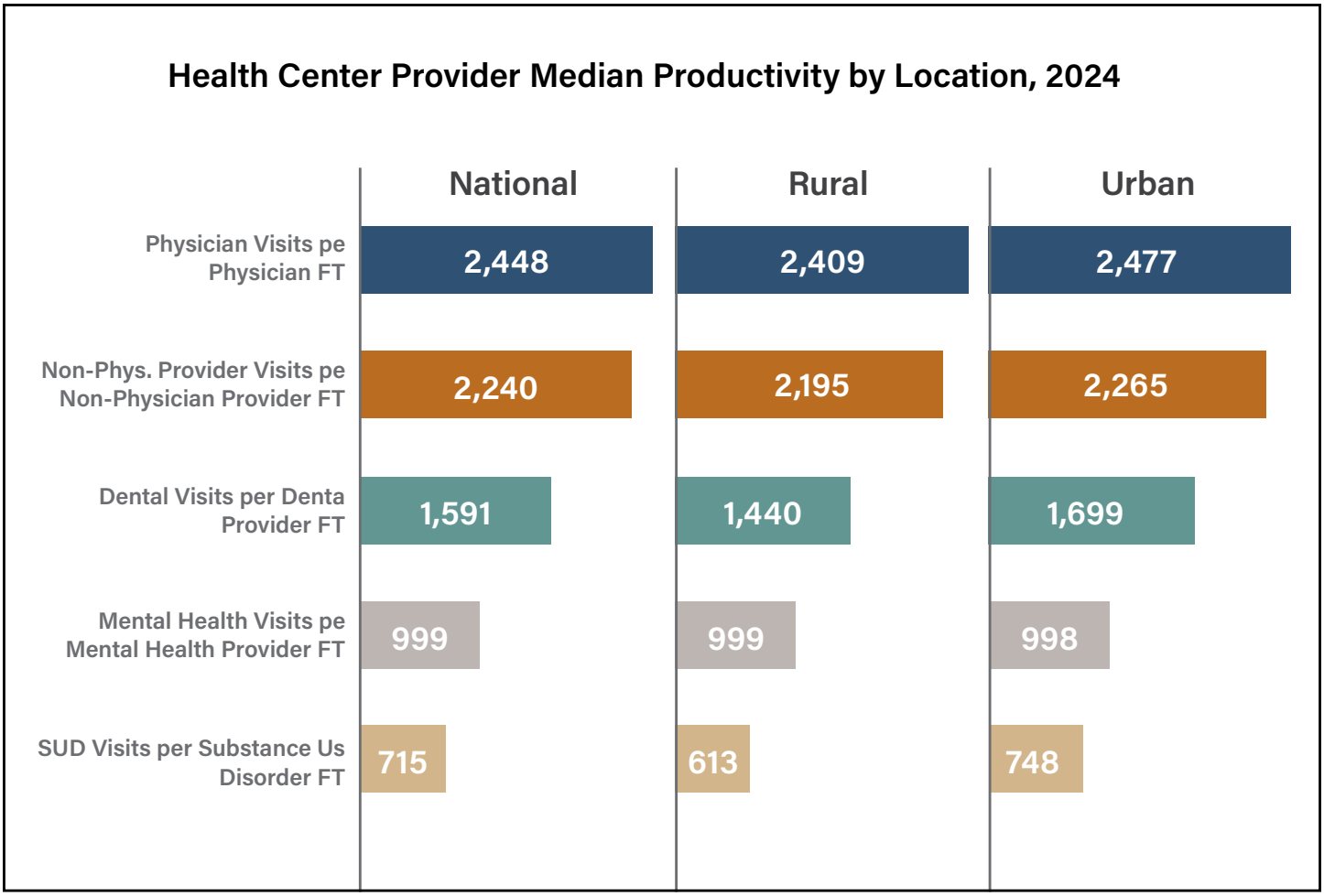


Rural Health Center physician productivity peaked at 2,455 visits per FTE in 2021, dipped to 2,352 in 2023, and rebounded slightly to 2,409 in 2024, which may reflect ongoing post-pandemic operational pressures and workforce recruitment challenges. Non-physician providers maintained relatively steady productivity, averaging 2,190 visits per FTE in 2021 and rising slightly to 2,195 in 2024, underscoring their critical role in sustaining primary care delivery in rural settings amid physician shortages.

Dental provider productivity remained stable, ranging from 1,425 visits per FTE in 2021 to 1,440 in 2024, indicating consistent recovery from earlier pandemic disruptions. Mental health provider visits per FTE increased modestly from 966 in 2021 to 999 in 2024, likely supported by continued integration of telehealth and behavioral health services in rural centers.

Substance use disorder (SUD) provider visits showed fluctuations, rising from 612 in 2021 to 679 in 2023, before declining to 613 in 2024, reflecting variable patient engagement and service delivery challenges in rural communities.

These trends highlight the need for targeted workforce support, telehealth expansion, and operational innovations to maintain and enhance care delivery in rural regions



In 2024, Health Center productivity varied modestly between rural and urban locations, reflecting differences in patient volume, workforce composition, and service access.

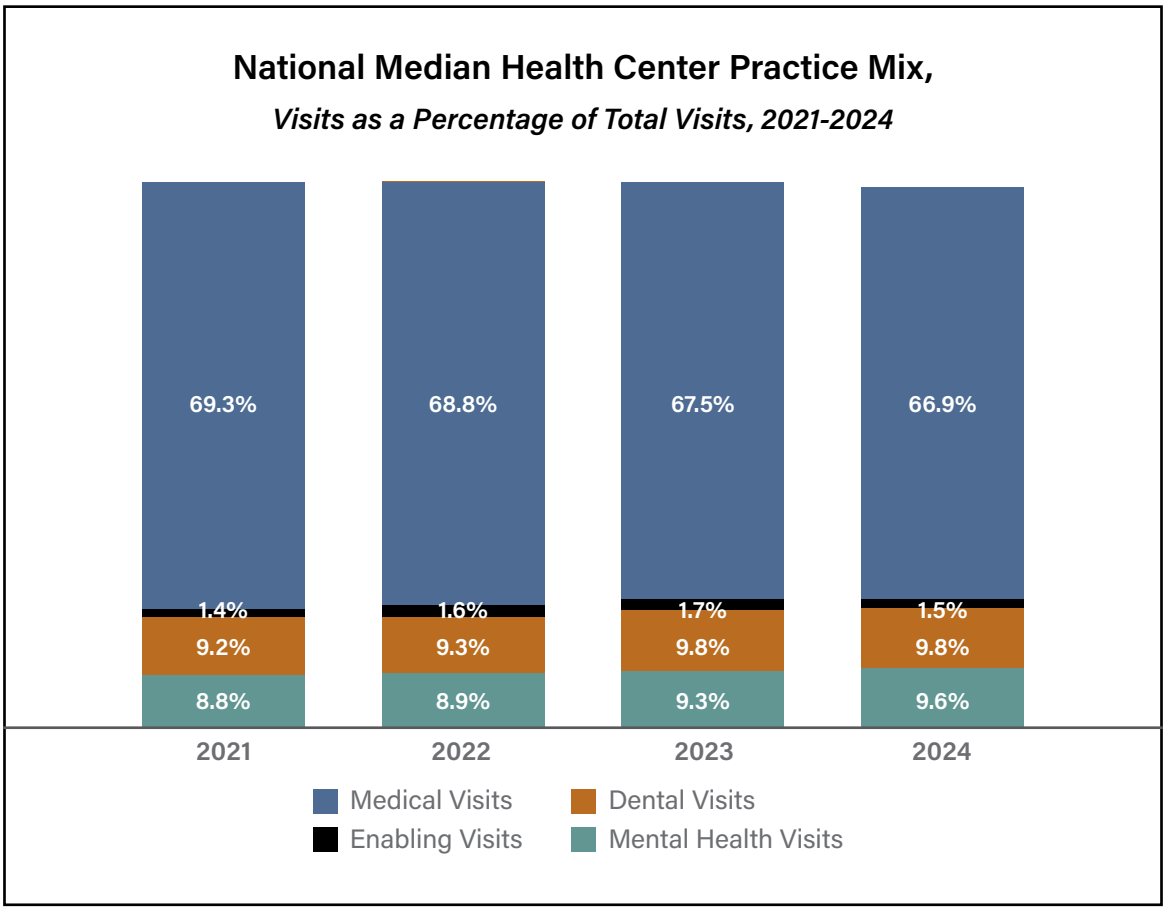
Physician productivity was slightly higher in urban centers, averaging 2,477 visits per FTE, compared with 2,409 in rural centers. Nationally, physicians averaged 2,448 visits per FTE, demonstrating consistent output across locations. Non-physician providers maintained strong productivity, with urban centers averaging 2,265 visits per FTE versus 2,195 in rural areas, contributing to the national average of 2,240. This highlights their critical role in expanding access to primary care, particularly in rural regions where physician shortages persist.

Dental provider productivity showed the largest urban-rural disparity, with urban centers averaging 1,699 visits per FTE compared with 1,440 in rural centers, driving a national median of 1,591. This reflects differences in population density, patient demand, and local service capacity. Mental health provider productivity was consistent across locations, averaging approximately 999 visits per FTE nationally, with negligible differences between rural (999) and urban (998) centers. Substance use disorder (SUD) provider productivity was higher in urban centers (748 visits per FTE) than rural centers (613), resulting in a national average of 715. This reflects both higher patient volumes and broader service integration in urban settings.

Overall, the 2024 data underscore the importance of non-physician providers in sustaining rural primary care, while urban centers leverage larger patient populations to achieve higher productivity in dental and SUD services. These trends highlight ongoing workforce and operational considerations for ensuring access to care across diverse geographic settings.

OPERATIONAL TRENDS

NATIONAL PRACTICE MIX



Between 2021 and 2024, Health Centers maintained a consistent distribution of visits across service types, with medical visits remaining the largest component of care. Medical visits accounted for 66.9% of total visits in 2024, a gradual decline from 69.3% in 2021, reflecting modest growth in other service lines.

Dental visits remained steady at 9.8% in 2023–2024, up slightly from 9.2% in 2021, indicating incremental expansion in oral health services. Mental health visits continued to grow, reaching 9.6% of total visits in 2024, up from 8.8% in 2021, highlighting the increasing integration of behavioral health services within primary care.

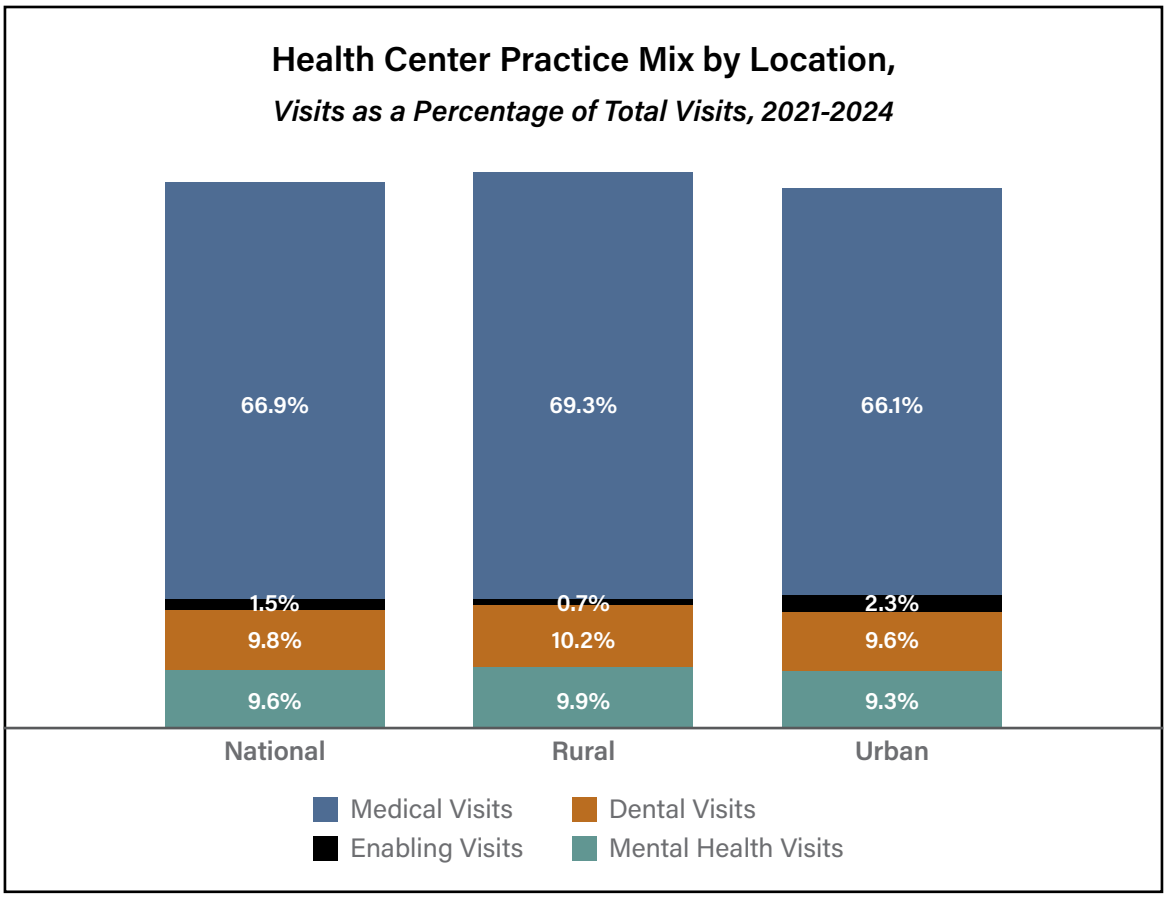
Enabling visits, which include care coordination, patient education, and other supportive services, remained a small but consistent portion of total visits, averaging 1.5% in 2024. Substance use disorder (SUD) visits were minimal and not consistently reported across years, reflecting both low overall volumes and variations in reporting practices.

Overall, the national practice mix trends demonstrate Health Centers' sustained focus on primary care, alongside gradual growth in mental health and dental services, supporting more comprehensive, integrated care for patients.

PRACTICE MIX BY LOCATION

In 2024, rural and urban Health Centers displayed modest differences in the allocation of visits across service types. Rural centers devoted a slightly larger share of visits to medical services (69.3%) compared with 66.1% in urban centers, reflecting the central role of primary care in rural settings where specialty services are more limited.

Dental visits were relatively consistent, comprising 10.2% of rural visits and 9.6% of urban visits, resulting in a national median of 9.8%, while mental health visits represented 9.9% of rural visits versus 9.3% in urban centers, underscoring continued integration of behavioral health in both settings.



Note: Percentages represent the median result for each category and therefore do not sum to 100%.

Enabling services—including care coordination, patient education, and other supportive activities—accounted for a larger proportion in urban centers (2.3%) than in rural centers (0.7%), reflecting the greater capacity of urban sites to provide non-clinical support services.

Overall, the 2024 data indicate that while rural centers emphasize core medical and mental health services, urban centers leverage their broader resources to support enabling services and care coordination, resulting in a nationally consistent practice mix across Health Center types.

PRACTICE MIX- RURAL

In 2024, rural and urban Health Centers displayed modest differences in the allocation of visits across service types. Rural centers devoted a slightly larger share of visits to medical services (69.3%) compared with 66.1% in urban centers, reflecting the central role of primary care in rural settings where specialty services are more limited.

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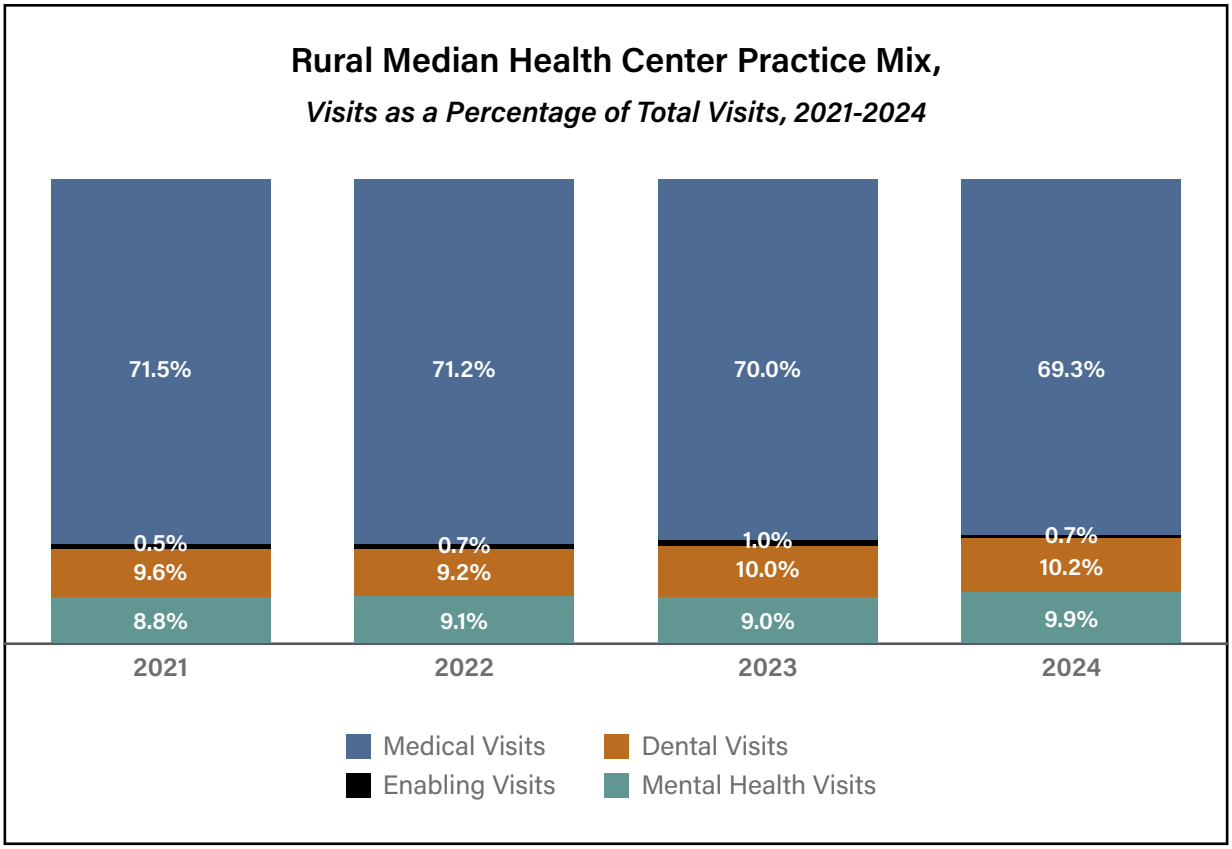


Note: Percentages represent the median result for each category and therefore do not sum to 100%.

Between 2021 and 2024, rural Health Centers maintained a consistent focus on medical services, though the share of total visits gradually declined from 71.5% in 2021 to 69.3% in 2024.

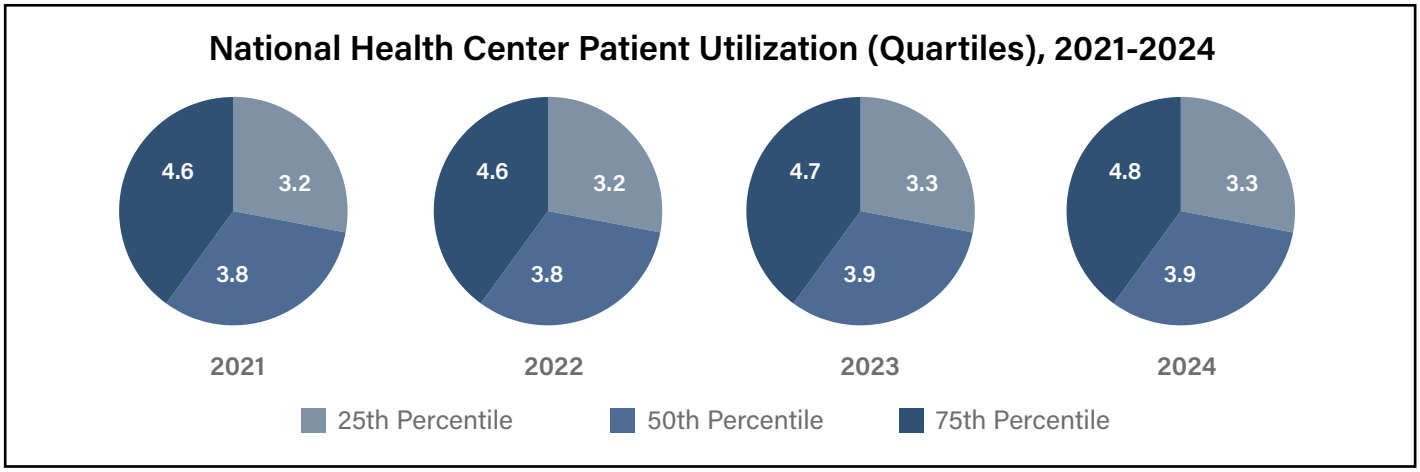
- Dental visits increased modestly from 9.6% to 10.2%, reflecting a steady emphasis on oral health services.
- Mental health visits grew from 8.8% to 9.9%, highlighting ongoing integration of behavioral health into rural primary care.
- Enabling visits remained a small portion, peaking at 1.0% in 2023 before stabilizing at 0.7% in 2024.
- Substance use disorder visits were negligible or not reported, likely addressed within primary care or mental health services.

Overall, rural centers prioritize core medical and mental health services, with modest growth in dental care and limited enabling services, reflecting resource constraints and workforce distribution in rural areas.

PATIENT UTILIZATION (NATIONAL TRENDS, 2021–2024)

Between 2021 and 2024, the median number of visits per patient remained relatively stable, with modest increases across percentiles:

- 75th percentile: Increased from 4.6 visits in 2021 to 4.8 in 2024, reflecting higher utilization among frequent users.
- 50th percentile (median): Rose slightly from 3.8 to 3.9 visits, indicating consistent average patient engagement.
- 25th percentile: Grew from 3.2 to 3.3 visits, showing modest increases among lower-utilization patients.

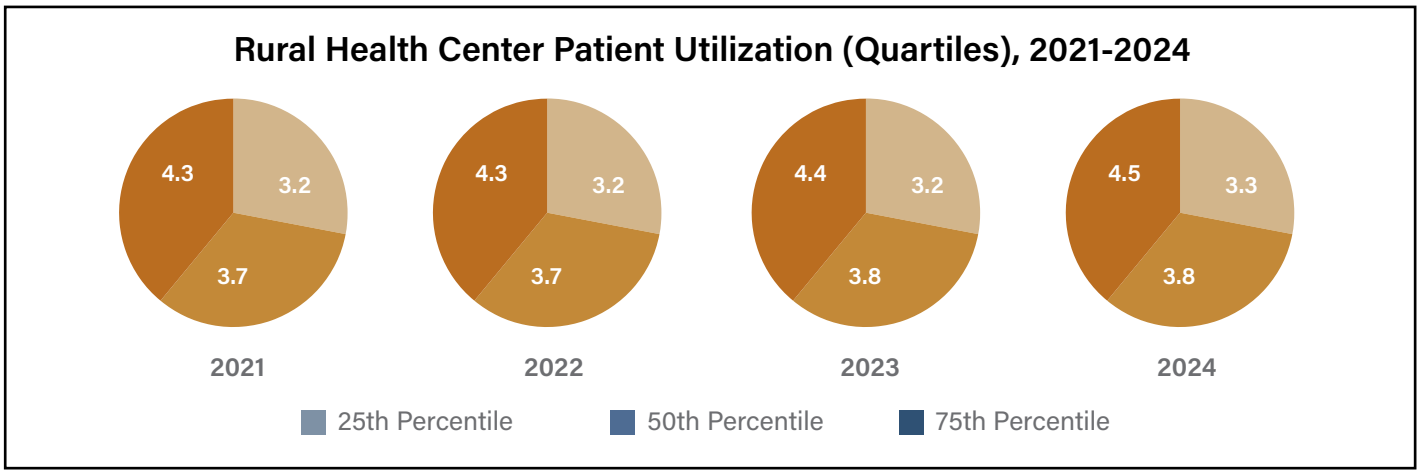


Overall, these trends demonstrate stable patient visit patterns, with slight growth among both higher- and lower-utilizing populations, reflecting consistent access to care across Health Centers nationally.

RURAL PATIENT UTILIZATION (2021–2024)

Between 2021 and 2024, rural Health Centers showed modest growth in patient visit frequency:

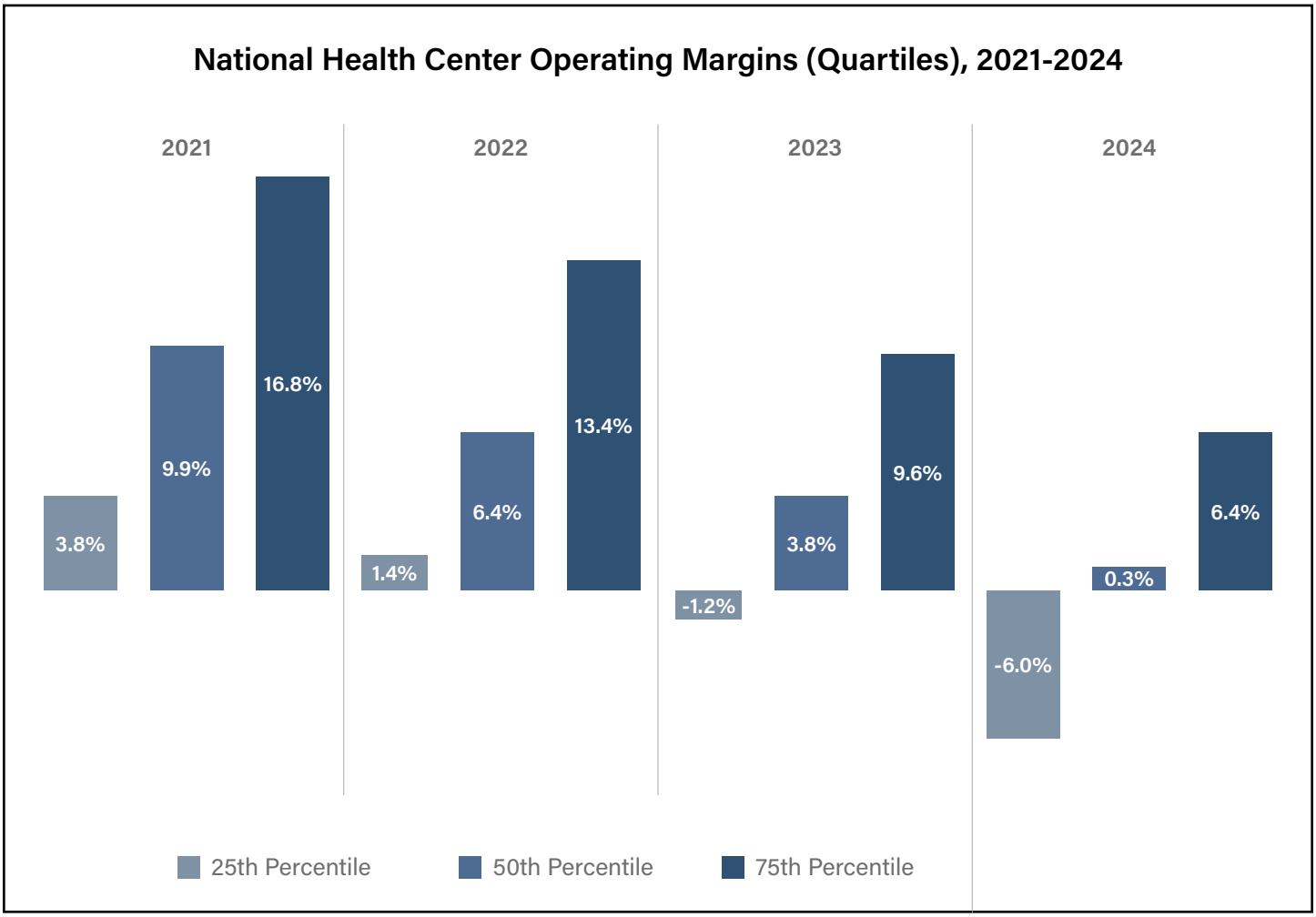
- 75th percentile: Increased from 4.3 visits in 2021 to 4.5 in 2024, reflecting higher utilization among frequent users.
- 50th percentile (median): Remained steady at 3.7–3.8 visits, indicating stable average patient engagement.
- 25th percentile: Slightly increased from 3.2 to 3.3 visits, showing minimal change among lower-utilization patients.



Overall, rural patients maintained consistent access to care, with modest increases concentrated among higher-utilization groups.

FINANCIAL PERFORMANCE

NATIONAL HEALTH CENTER OPERATING MARGINS, (2021-2024)

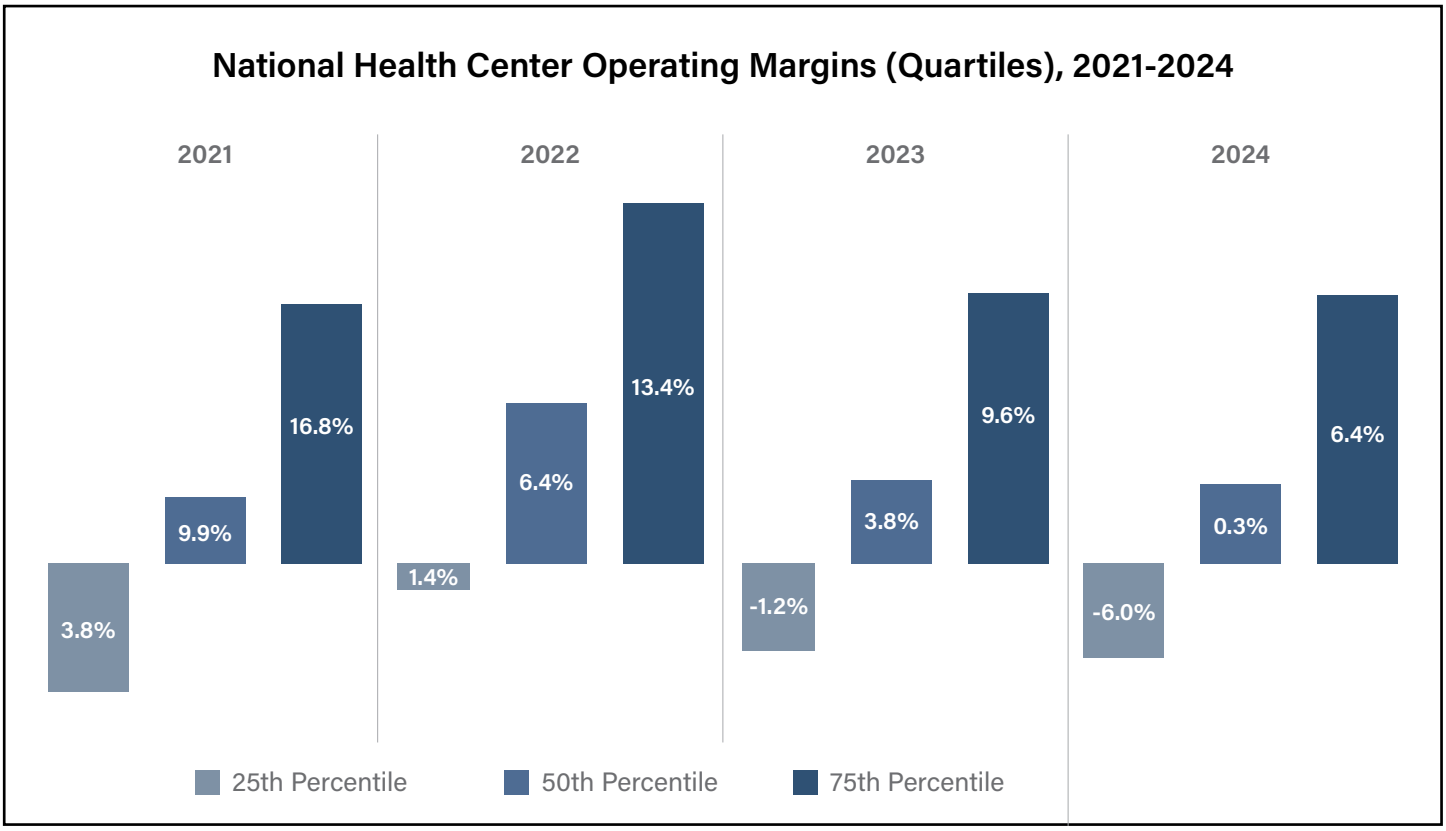


Health Center operating margins provide insight into financial sustainability, dependent upon the interplay of patient revenue, grant support, and operational costs. Between 2021 and 2024, margins declined from pandemic-era highs, highlighting the transition from temporary relief funding to standard operating conditions. By 2024, margins had compressed to near breakeven at the median, with increasing dispersion across performance tiers, indicating that while some centers remained marginally profitable, others were operating at or below break-even levels.

In 2021, operating margins peaked, with the median at 9.9% and the 75th percentile at 16.8%, supported largely by temporary COVID-19 relief funds. These resources helped maintain operations, retain staff, and mitigate the effects of reduced patient volumes. In 2022, margins began to decline as temporary funding phased out, with the median at 6.4%, the 75th percentile at 13.4%, and the 25th percentile at 1.4%, signaling emerging financial pressure for lower-performing centers. In 2023, the median margin fell to 3.8%, the 75th percentile to 9.6%, and the 25th percentile entered negative territory at -1.2%, reflecting inflationary pressures, workforce challenges, and Medicaid redetermination impacts. In 2024, margins compressed further, with the median at 0.3%, the 75th percentile at 6.4%, and the 25th percentile dropping sharply to -6.0%, indicating that a substantial portion of Health Centers operate with narrow or negative margins in the post-relief environment.

Implications:

- The decline from pandemic-era peaks underscores the temporary nature of COVID-19 relief funding and the ongoing need for sustainable revenue and cost management strategies.
- Centers in the 25th percentile are particularly vulnerable, emphasizing the importance of targeted financial support, efficiency initiatives, and diversified funding streams.
- Post-pandemic pressures—including inflation, workforce shortages, low reimbursement rates, and Medicaid eligibility changes—pose continued operational challenges across the sector.



Projected operating margins without supplemental grant and contract funding highlight the financial vulnerability of Health Centers and the importance of temporary funding in sustaining operations. In 2021, the median projected margin stood at 2.5 percent, while the 25th percentile dropped to -4.9 percent, indicating that lower-performing centers would have faced substantial financial stress. High-performing centers remained relatively strong, with the 75th percentile at 10.0 percent.

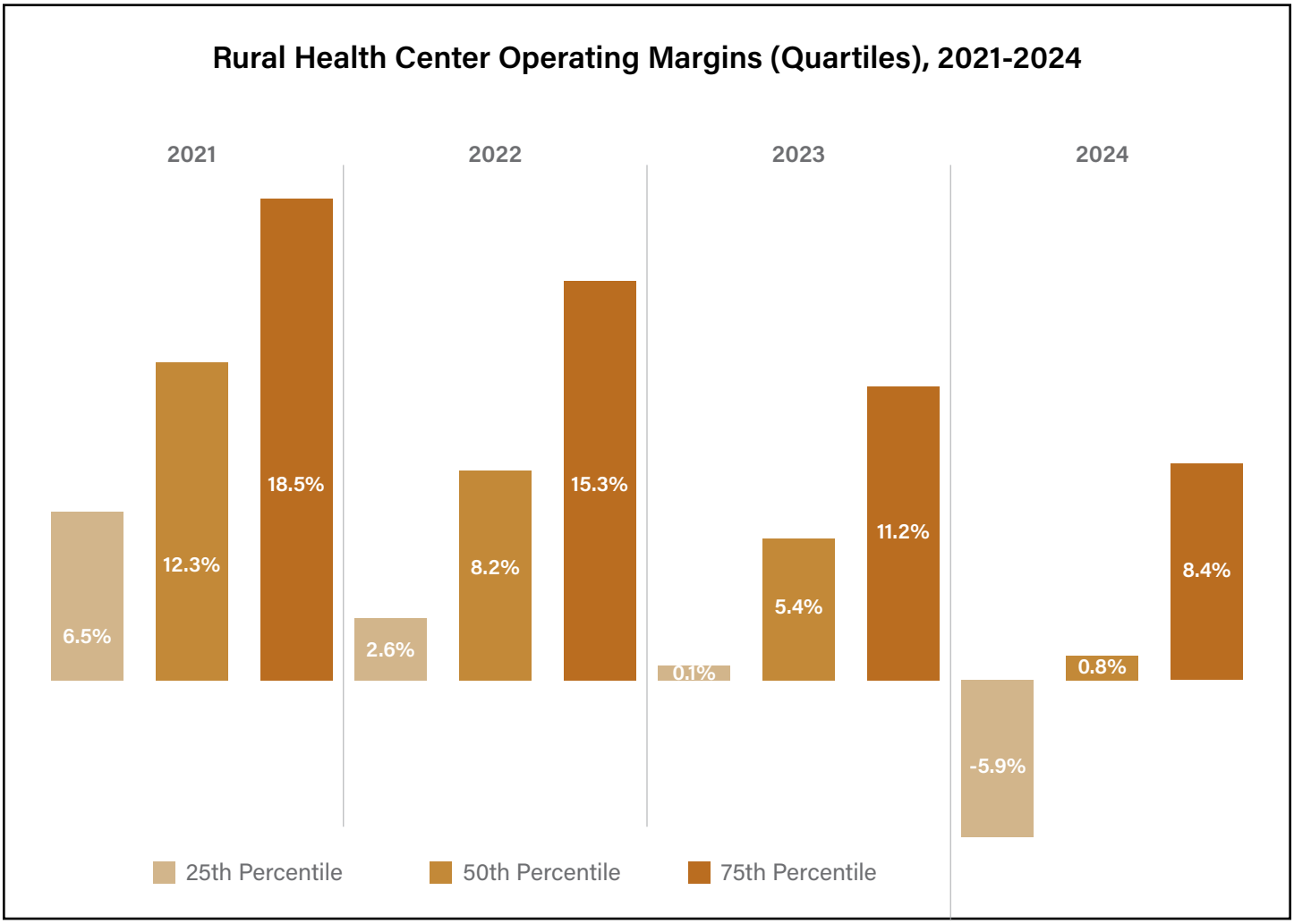
By 2022, margins improved as patient revenue rebounded and operational efficiencies helped offset reductions in grant support. The median rose to 6.2 percent, the 75th percentile reached 13.9 percent, and the 25th percentile increased to -1.0 percent, reflecting some stabilization. In 2023, median margins declined to 3.3 percent, and the 25th percentile fell back to -3.3 percent, showing that lower-quartile centers continued to experience financial pressure amid inflationary costs, workforce challenges, and Medicaid redeterminations. By 2024, the median remained near 3.1 percent, the 75th percentile was 10.4 percent, and the 25th percentile reached -3.6 percent, demonstrating that high-performing centers could maintain modest margins even without supplemental funding, while lower-performing centers remained at risk of operational distress.

These trends underscore the critical role of temporary grant and contract funding during the pandemic. Even as patient revenues recovered, a significant portion of Health Centers continues to operate with narrow or negative margins, highlighting the ongoing need for strategic revenue growth, cost management, and diversification of funding sources to ensure long-term sustainability.

RURAL HEALTH CENTER OPERATING MARGINS (2021–2024)

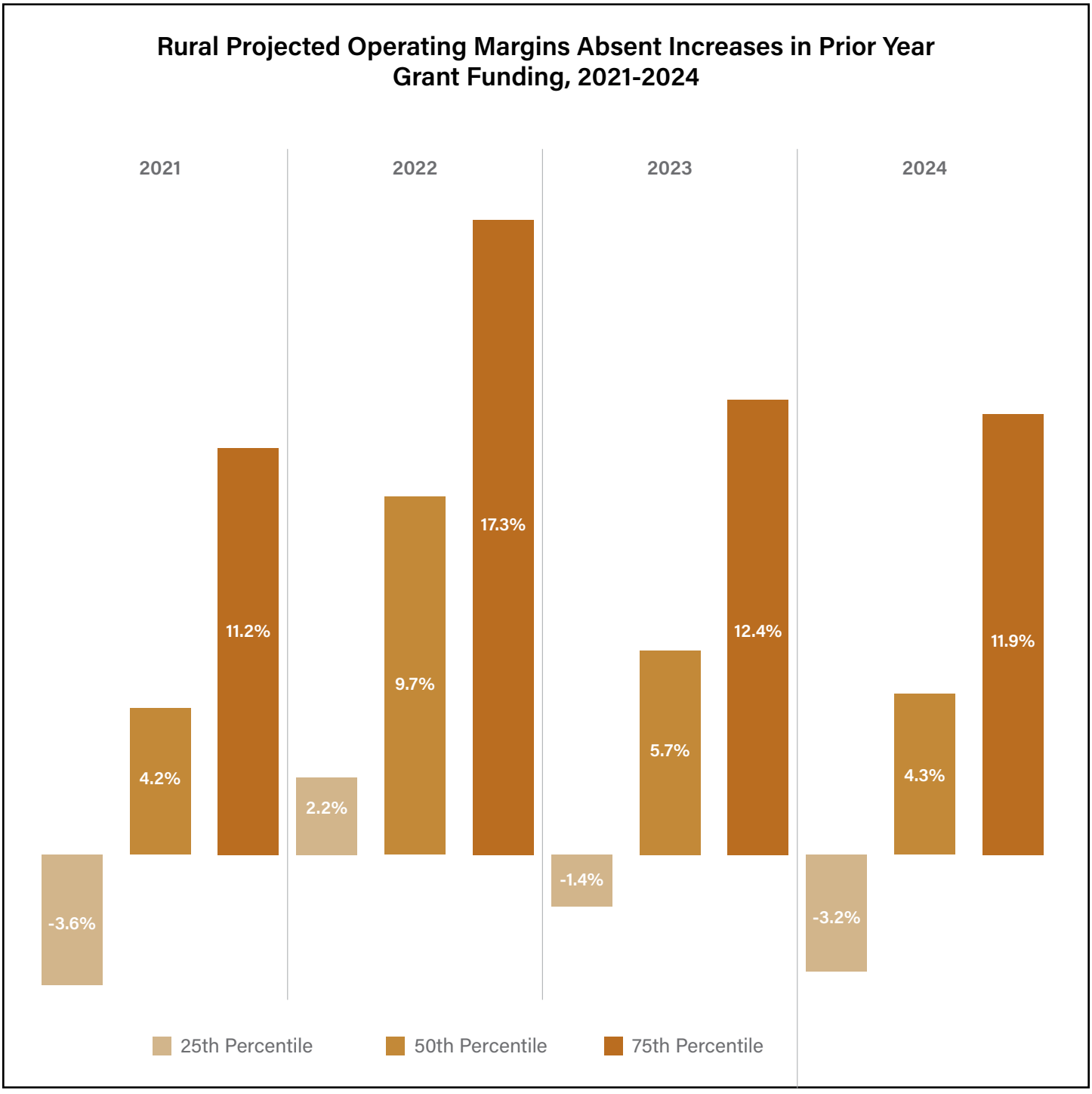
Rural Health Center operating margins peaked in 2021, fueled by pandemic relief funding, with the median reaching 12.3 percent and the 75th percentile at 18.5 percent. The 25th percentile also improved to 6.5 percent, reflecting support for lower-performing centers. By 2022, margins began to decline as temporary funding tapered, with the median falling to 8.2 percent, the 75th percentile to 15.3 percent, and the 25th percentile dropping to 2.6 percent, indicating emerging financial pressure in lower-quartile centers.

In 2023, the median margin decreased further to 5.4 percent, the 75th percentile to 11.2 percent, and the 25th percentile hovered near breakeven at 0.1 percent, showing that even rural centers with historically stronger performance faced substantial challenges. By 2024, margins compressed sharply, with the median at 0.8 percent, the 75th percentile at 8.4 percent, and the 25th percentile falling to -5.9 percent, signaling pronounced vulnerability for lower-performing rural centers.

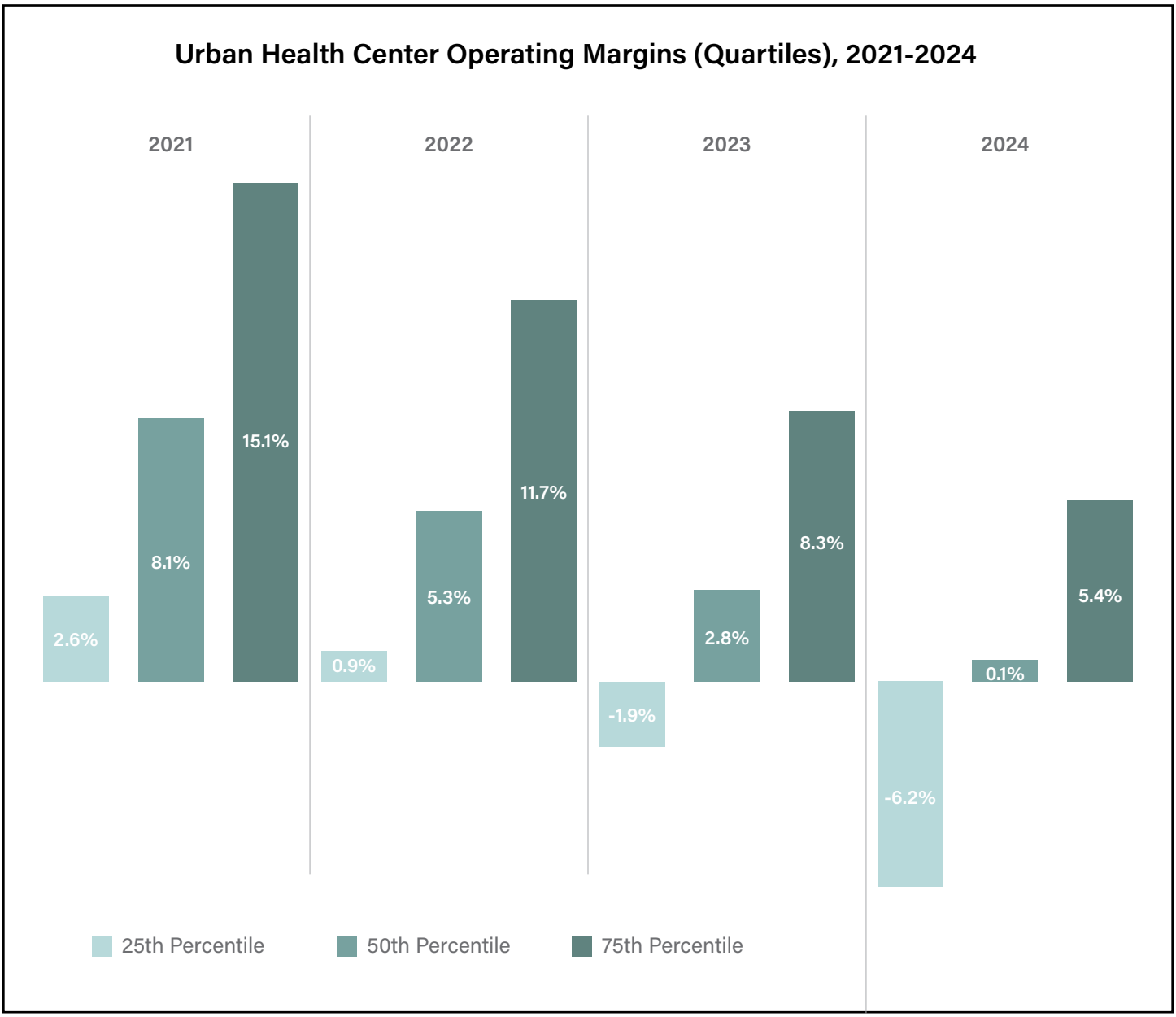


Although rural centers generally maintain higher margins than the national median, these declines reflect their greater reliance on temporary grant funding, the impact of rising operational costs, workforce shortages, and reimbursement pressures. The persistent negative margins among lower-quartile centers highlight ongoing financial instability, emphasizing the need for strategies to strengthen revenue sustainability and operational resilience in rural settings.

Projected operating margins without supplemental grant and contract funding show that rural Health Centers remain financially vulnerable. In 2021, the median margin was 4.2 percent, with the 25th percentile at -3.6 percent and the 75th percentile at 11.2 percent. Margins improved in 2022 as patient revenues rebounded, with the median rising to 9.7 percent and the 75th percentile reaching 17.3 percent, while the 25th percentile increased to 2.2 percent. By 2023, the median fell to 5.7 percent and the 25th percentile dropped to -1.4 percent, reflecting ongoing pressures from inflation, workforce costs, and Medicaid redeterminations. In 2024, margins contracted further, with the median at 4.3 percent, the 75th percentile at 11.9 percent, and the 25th percentile at -3.2 percent, highlighting continued risk for lower-performing rural centers in the absence of supplemental funding.



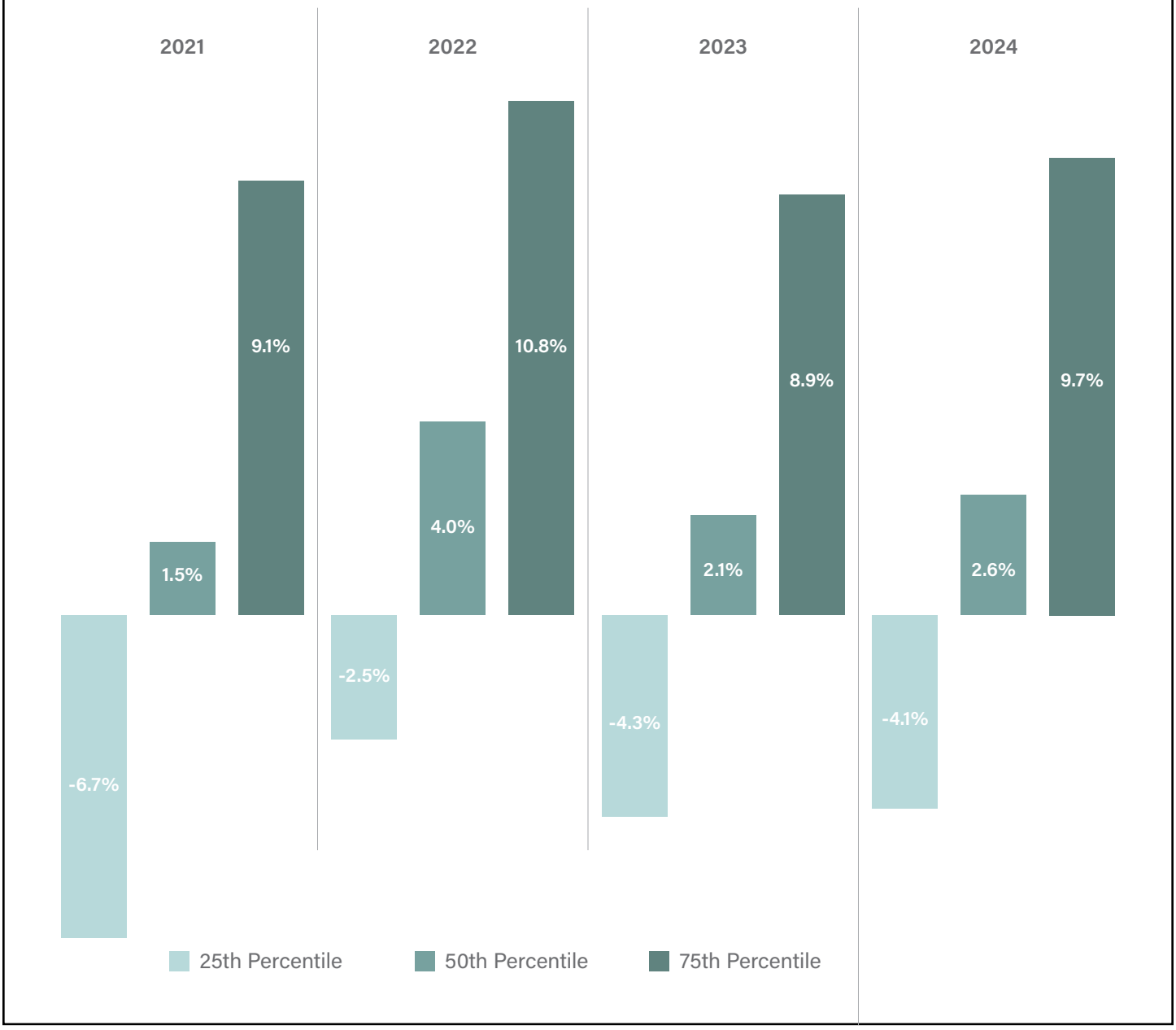
URBAN HEALTH CENTER OPERATING MARGINS (2021–2024)



Urban Health Center operating margins peaked in 2021, with the median at 8.1 percent and the 75th percentile at 15.1 percent, supported by temporary pandemic relief funding. Lower-quartile centers also benefited, with the 25th percentile at 2.6 percent. Margins declined steadily over the following years as one-time funding tapered, with the median falling to 5.3 percent in 2022, 2.8 percent in 2023, and just 0.1 percent by 2024. The 75th percentile dropped to 5.4 percent in 2024, while the 25th percentile declined into negative territory at -6.2 percent, highlighting significant financial stress among lower-performing urban centers.

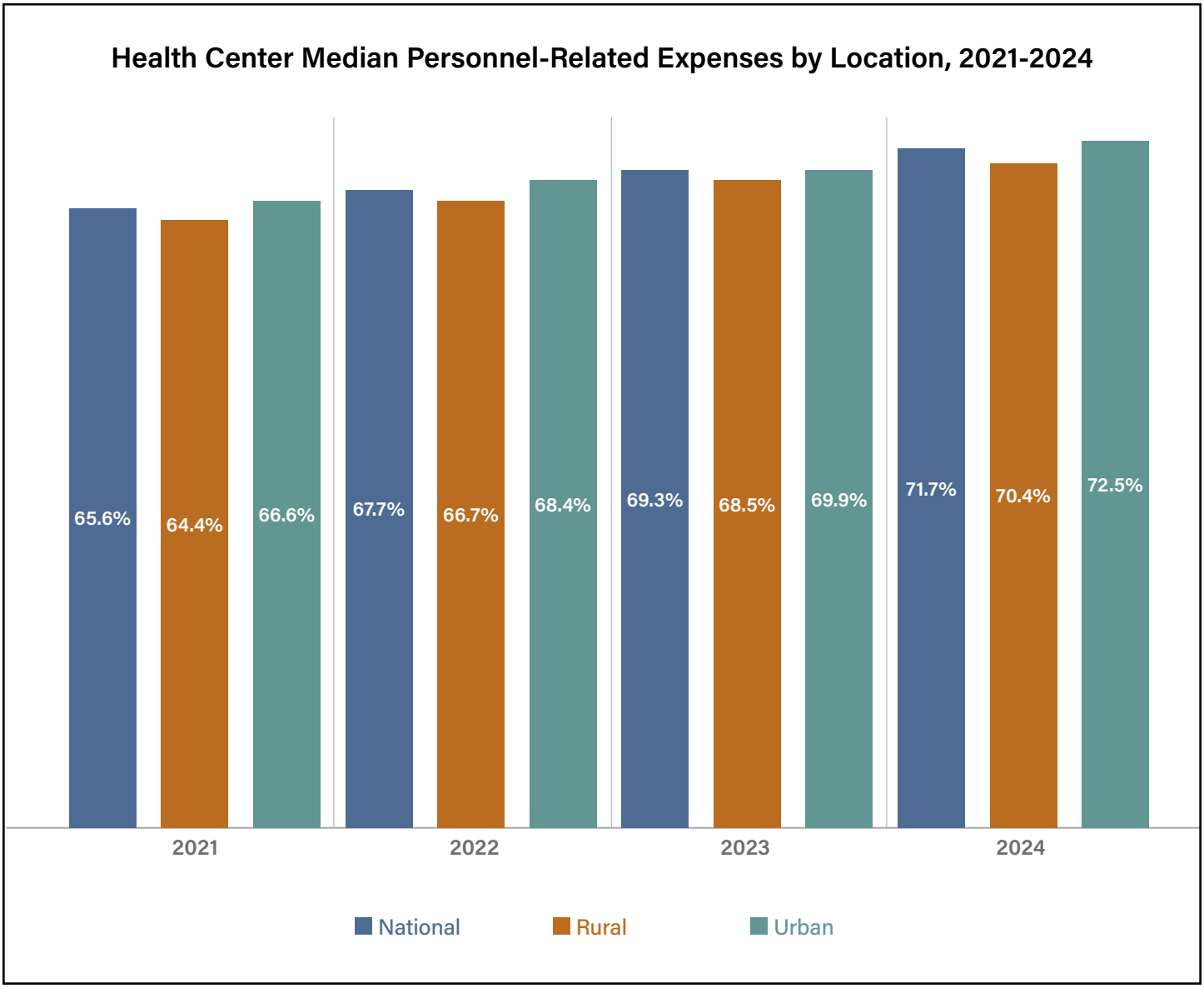
These decreasing performance trends underscore urban centers' reliance on temporary funding and the ongoing challenges of managing rising costs, workforce constraints, and reimbursement pressures, leaving many centers with narrow or negative margins as pandemic-era support ends.

Urban Projected Operating Margins Absent Increases in Prior Year Grant Funding, 2021-2024



Projected operating margins for urban Health Centers without supplemental grant and contract funding illustrate ongoing financial vulnerability, particularly for lower-performing centers. In 2021, the median margin was 1.5 percent, with the 25th percentile at -6.7 percent and the 75th percentile at 9.1 percent. Margins improved in 2022 as patient revenues recovered, with the median rising to 4.0 percent and the 75th percentile to 10.8 percent, while the 25th percentile improved to -2.5 percent. By 2023, the median declined to 2.1 percent and the 25th percentile dropped to -4.3 percent, reflecting continued pressures from rising costs and reimbursement challenges. In 2024, margins stabilized modestly, with the median at 2.6 percent, the 75th percentile at 9.7 percent, and the 25th percentile at -4.1 percent, highlighting persistent risk for lower-quartile urban centers in the absence of supplemental funding.

PERSONNEL-RELATED EXPENSES

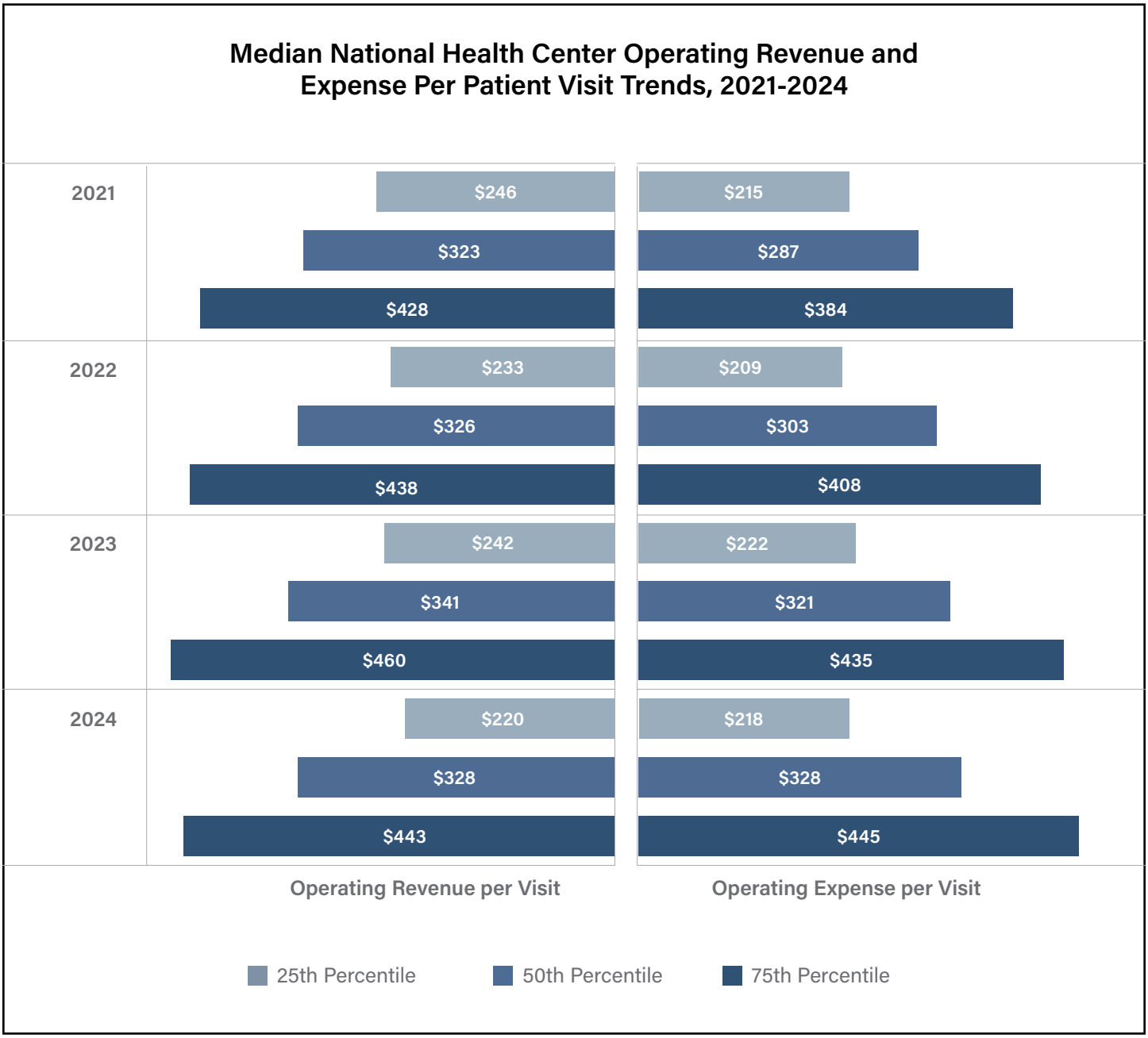


Median personnel-related expenses increased steadily across all geographies from 2021 to 2024, reflecting continued workforce cost pressure in Health Centers.

Nationally, the median share rose from 65.6% in 2021 to 71.7% in 2024, indicating a sustained shift toward higher labor cost burden. Urban centers consistently remained slightly higher than rural centers, increasing from 66.6% to 72.5%, compared to rural centers rising from 64.4% to 70.4% over the same period. While both rural and urban areas show similar upward trends, urban centers maintained a modestly higher personnel expense share each year, suggesting greater staffing intensity or wage pressure in urban settings.

Overall, the data highlights a clear and consistent increase in personnel-related expenses across all locations, with narrowing differences between rural and urban centers over time.

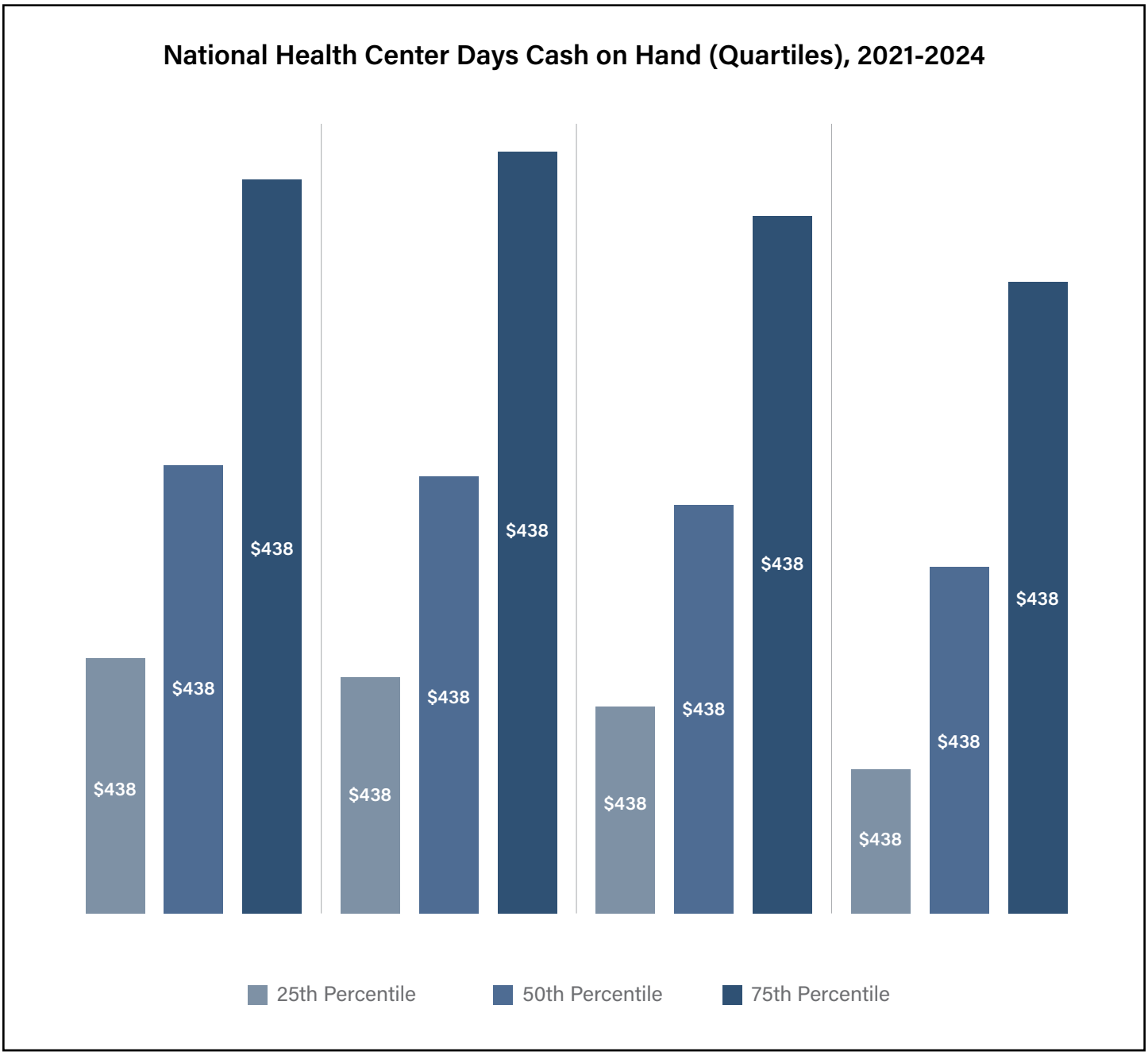
OPERATING REVENUE AND EXPENSE PER PATIENT



From 2021 to 2024, median operating revenue per visit increased modestly from $323 in 2021 to $341 in 2023 before easing to $328 in 2024, indicating a post-peak slowdown in revenue growth. Median expenses rose more steadily from $287 in 2021 to $328 in 2024, reflecting sustained inflationary pressure and resulting in a narrowing revenue–expense gap by 2024.

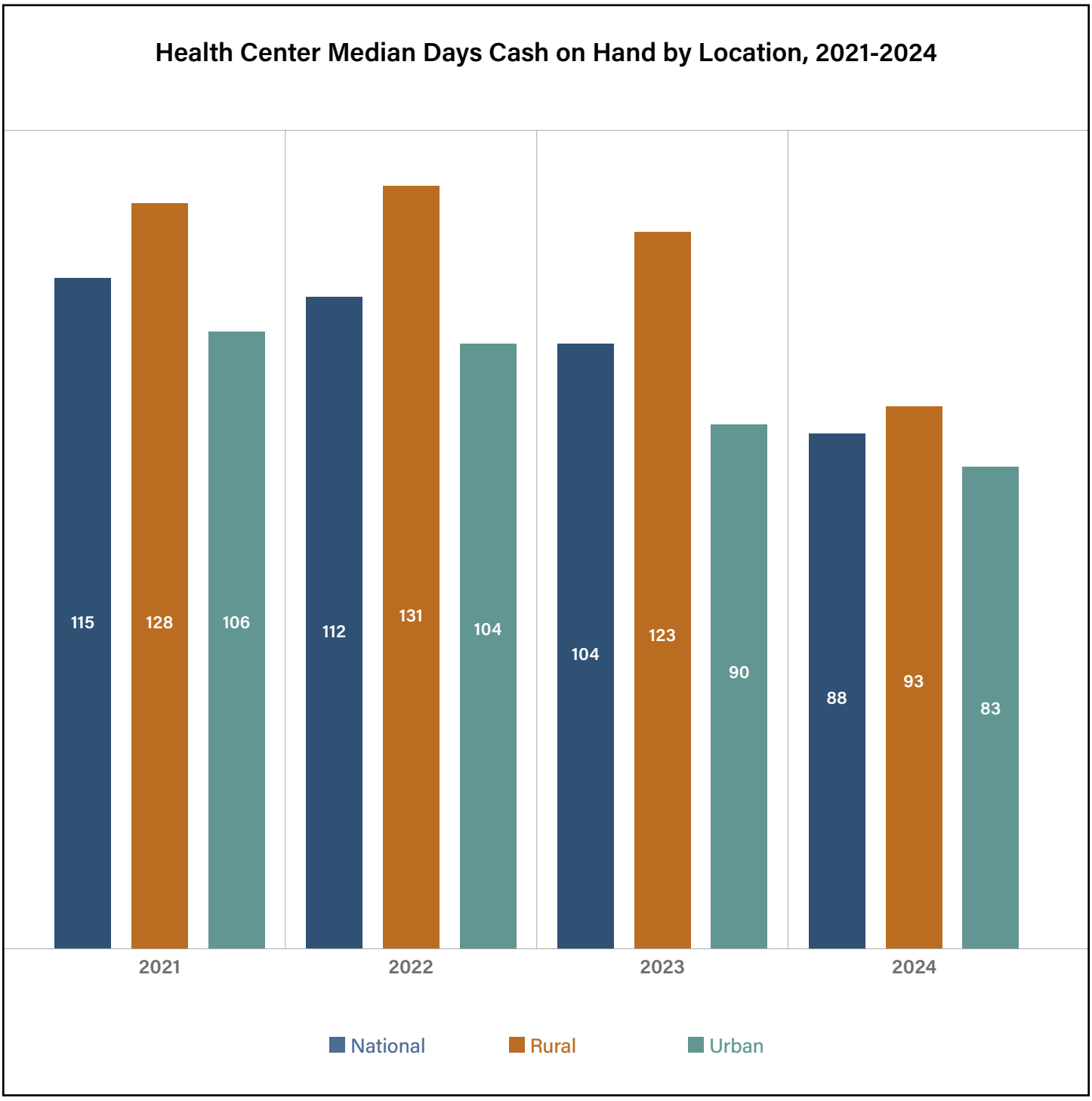
At the 75th percentile, revenue peaked at $460 in 2023 before declining to $443 in 2024, while expenses continued to rise from $384 to $445 over the same period, suggesting margin pressure at the higher end. At the 25th percentile, revenue declined overall from $246 in 2021 to $220 in 2024, while expenses remained relatively stable around $215–$218, indicating persistent financial strain among lower-performing centers despite limited cost variation.

DAYS CASH ON HAND



Median days cash on hand shows a consistent downward trend from 2021 to 2024, indicating weakening liquidity positions across Health Centers. Nationally, the median (50th percentile) declined from 115 days in 2021 to 88 days in 2024, with steady year-over-year decreases after 2021. The 75th percentile also fell from 187 days to 161 days over the same period, while the 25th percentile experienced the sharpest decline, dropping from 65 days in 2021 to 38 days in 2024, signaling increasing financial vulnerability among lower-reserve centers.

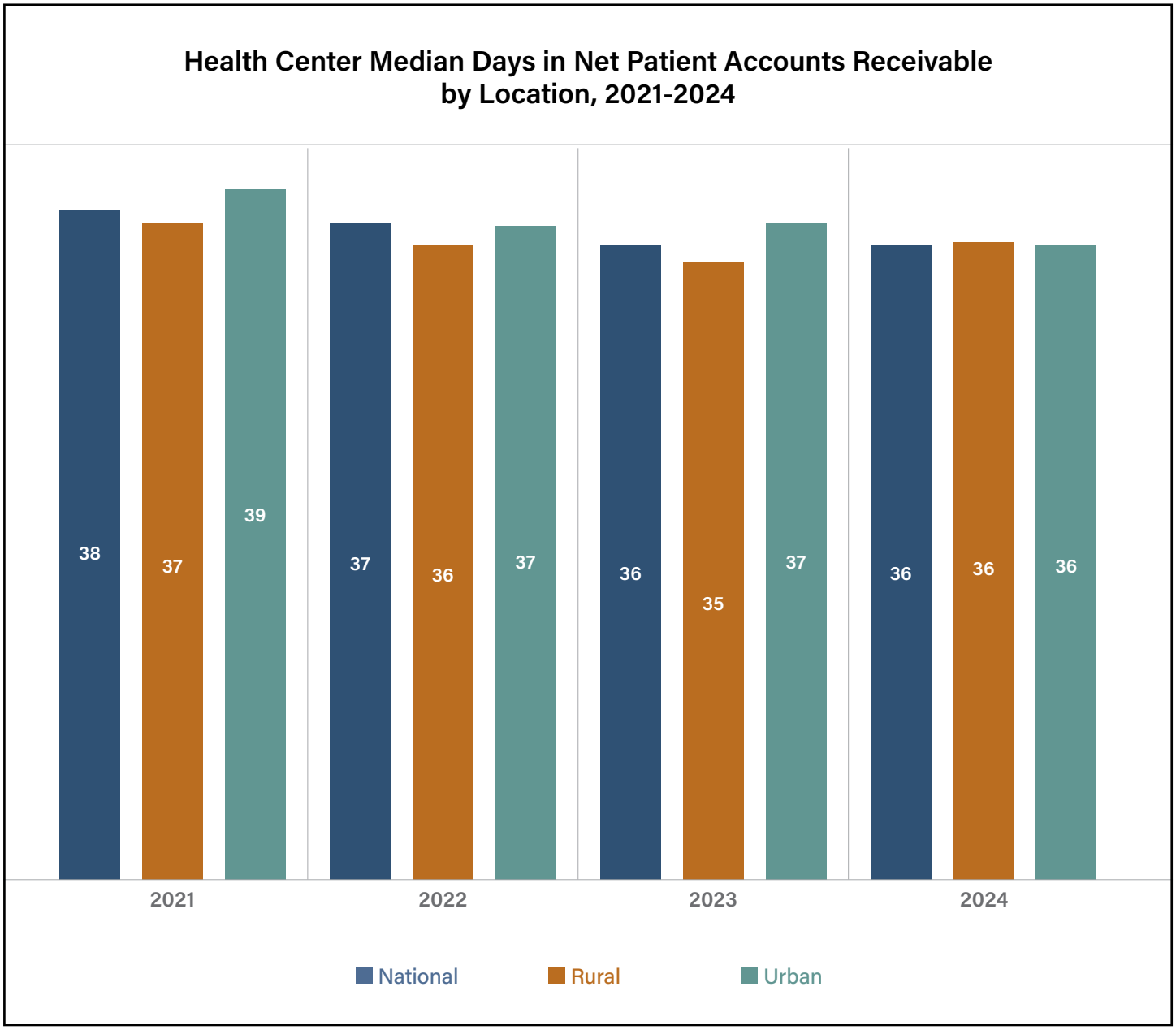
Overall, the data reflects a broad-based reduction in cash reserves across all quartiles, with the most pronounced pressure at the lower end of the distribution, suggesting tightening liquidity conditions nationally.



Median days cash on hand declined steadily from 2021 to 2024 across all locations, indicating weakening liquidity for Health Centers nationally.

National median days cash on hand fell from 115 days in 2021 to 88 days in 2024. Rural centers consistently maintained higher reserves than urban centers, though both experienced declines. Rural centers decreased from 128 days in 2021 to 93 days in 2024, while urban centers declined from 106 to 83 days over the same period. Overall, the trend shows persistent erosion of cash reserves across both rural and urban providers, with rural centers retaining a relative liquidity advantage despite sharper recent declines.

DAYS IN NET PATIENT ACCOUNTS RECEIVABLE



Median days in net patient accounts receivable remained stable from 2021 to 2024 across all locations, indicating consistent revenue cycle performance nationally.

The national median held nearly flat at 38–37 days from 2021–2022, and stabilized at 36 days from 2023–2024. Rural centers showed a slight improvement, declining from 37 days in 2021 to 36 days in 2024, while urban centers decreased marginally from 39 to 36 days over the same period.

Overall, the data reflects stable accounts receivable cycles across both rural and urban Health Centers, with minimal variation and a slight convergence toward a 36-day benchmark by 2024.

QUALITY OF CARE

NATIONAL HEALTH CENTER MEDIAN QUALITY OF CARE MEASURES (2023-2024)

Quality of Care	2023	2024	2023 vs. 2024	2023 vs. 2024
Percentage of Children Receiving Appropriate Vaccinations by Age 2	23%	21%	-2%	2-point Decline
Percentage of Patients 3-17 with BMI, Nutrition & Physical Activity Documented	71%	73%	2%	2-point Improvement
Percentage of Patients 18 and over with BMI & Follow Up Documented (If BMI outside normal)	68%	69%	1%	1-point improvement
Percentage of Patients Screened for Colorectal Cancer	39%	40%	1%	1-point improvement
Percentage of Patients 12 and over Screened for Depression and Follow-up Plan Documented (If Positive)	74%	75%	1%	1-point Improvement
Percentage of Patients 6-9 at Moderate to High Risk of Caries Receiving Sealant on First Permanent Molar	54%	55%	1%	1-point Improvement
Percentage of Patients with Controlled High Blood Pressure	65%	66%	1%	1-point Improvement
Percentage of Patients with Diabetes and Hemoglobin A1c Poor Control	28%	28%	0%	0-point improvement

*For this metric, a lower percentage indicates better performance.

From 2023 to 2024, Health Centers demonstrated continued improvement across several quality of care and preventive health measures, though gains were generally modest. Adult obesity-related care strengthened further, with the Percentage of Patients 18 and over with BMI & Follow-Up Documented increasing one point to 69%. Chronic disease management also improved, as Controlled High Blood Pressure rose one point to 66%, while Depression Screening and Follow-Up increased one point to 75%, reflecting continued progress in behavioral health integration. Preventive care measures showed incremental improvement, including a two-point increase in pediatric BMI, nutrition, and physical activity documentation to 73%, and a one-point increase in Colorectal Cancer Screening to 40%. Oral health prevention improved slightly, with Dental Sealant rates rising one point to 55%.

However, childhood immunization performance declined further, with Children Receiving Appropriate Vaccinations by Age 2 falling two points to 21%, signaling an ongoing gap in early childhood preventive care. Diabetes outcomes remained unchanged, as the Percentage of Patients with Hemoglobin A1c Poor Control held steady at 28%. Overall, 2024 results reflect gradual progress in chronic disease management and preventive screening, while highlighting the continued need for targeted interventions to improve pediatric vaccination rates and strengthen diabetes control outcomes.

HEALTH CENTER RURAL, URBAN, AND NATIONAL MEDIAN QUALITY OF CARE MEASURES (2024)

	Rural	Urban	National	Rural vs Urban	
Quality of Care	**2024**				
Percentage of Children Receiving Appropriate Vaccinations by Age 2	15%	24%	21%	-9%	9 points Lower
Percentage of Patients 3-17 with BMI, Nutrition & Physical Activity Documented	68%	76%	73%	-8%	8 points Lower
Percentage of Patients 18 and over with BMI & Follow Up Documented (If BMI outside normal)	71%	67%	69%	4%	4 points Higher
Percentage of Patients Screened for Colorectal Cancer	43%	38%	40%	5%	5 points Higher
Percentage of Patients 12 and over Screened for Depression and Follow-up Plan Documented (If Positive)	76%	75%	75%	1%	1 points Higher
Percentage of Patients 6-9 at Moderate to High Risk of Caries Receiving Sealant on First Permanent Molar	54%	55%	55%	-1%	1 point Lower
Percentage of Patients with Controlled High Blood Pressure	68%	65%	66%	3%	3 points Higher
Percentage of Patients with Diabetes and Hemoglobin A1c Poor Control*	25%	29%	28%	-4%	4 points Lower

*For this metric, a lower percentage indicates better performance.

Rural Health Centers outperformed urban centers across several key chronic disease and preventive screening measures. Rural centers reported higher rates of colorectal cancer screening (43% vs. 38%) and stronger high blood pressure control (68% vs. 65%), suggesting more effective management of adult preventive care and chronic conditions. Rural centers also performed better on adult obesity-related care, with BMI follow-up documentation among adults reaching 71%, compared to 67% in urban centers. In addition, rural centers showed better diabetes outcomes, with a lower percentage of patients with Hemoglobin A1c poor control (25% vs. 29%), indicating stronger diabetes management since lower rates reflect improved performance.

Urban Health Centers demonstrated stronger performance in pediatric preventive care, particularly in childhood vaccinations by age 2 (24% vs. 15%) and pediatric BMI, nutrition, and physical activity documentation (76% vs. 68%). These gaps suggest rural centers face ongoing challenges in early childhood preventive care delivery. Depression screening and follow-up performance was strong in both settings, with rural centers slightly higher (76% vs. 75%). Dental sealant rates were nearly identical (54% rural vs. 55% urban), reflecting similar performance in oral health prevention.

Overall, the 2024 data highlight a clear divergence in quality outcomes: rural centers demonstrate stronger performance in adult chronic disease management and preventive screening, while urban centers lead in pediatric preventive care, particularly immunizations and documentation of healthy weight-related measures. These differences point to opportunities for targeted interventions, especially to strengthen childhood vaccination rates and pediatric preventive care capacity in rural communities.

SUMMARY

HEALTH CENTER FINANCIAL, OPERATIONAL, AND QUALITY TRENDS (2021–2024)

Health Centers experienced significant volatility between 2021 and 2024, driven by the unwind of pandemic-era relief funding, rising operating costs, and continued growth in patient demand. While federal support temporarily strengthened margins and liquidity, financial performance has stabilized after pandemic-related distortions, revealing increasing structural pressure across the sector.

FINANCIAL TRENDS: MARGIN COMPRESSION AND RISING COST BURDEN

Health Center financial performance peaked in 2021 and has declined consistently through 2024:

- Median Operating margin fell from 9.9% (2021) to 0.3% (2024) nationally, reflecting a return to near break-even conditions.
  - Rural: 12.3% → 0.8%
  - Urban: 8.1% → 0.1%
- Bottom line margin also declined sharply nationally from 13.3% to 2.7%, indicating reduced overall financial cushion.
- Personnel costs increased steadily, rising from 65.5% of revenue (2021) to 71.7% (2024) nationally, exceeding the 70% sustainability threshold for the first time. Both rural and urban centers now exceed or approach this benchmark, underscoring growing workforce cost pressures.
- Liquidity weakened materially, with days cash on hand declining from 116 days (2021) to 88 days (2024) nationally. Rural centers remained relatively more liquid but also experienced declines in cash reserves(128 days cash on hand → 93 days cash on hand), while urban centers fell to 83 days cash on hand.
- Revenue and expense per patient both increased, but expenses rose faster:
  - Revenue per patient: $1,319 → $1,496
  - Expense per patient: $1,171 → $1,474

This narrowing gap signals tightening margins and reduced financial flexibility across all cohorts.

OPERATIONAL TRENDS: GROWTH WITH RISING CAPACITY STRAIN

Despite financial pressure, utilization and access continued to expand:

- Patients served increased steadily, with national growth from 7% (2021) to 3–4% annually in recent years, reaching sustained expansion.
- Total visits grew from 48.4M to 53.2M (2021–2024), driven primarily by clinic-based care.
- In-Clinic visits expanded strongly (+25.7% since 2021), reflecting a sustained return to in-person care.
- Virtual visits declined significantly (-40%+ since 2021), stabilizing at a much smaller share of total visits (~6%).

Rural centers consistently lagged urban centers in growth rates but maintained steady increases in utilization.

PRODUCTIVITY TRENDS: STABLE OUTPUT, RISING WORKFORCE INTENSITY

Workforce growth has largely kept pace with demand, but visit productivity gains remain limited:

- FTE growth slowed to 3–5% annually, reflecting stabilization after pandemic expansion.
- Physician visit productivity remained flat, with visits per physician FTE hovering around 2,400–2,450 nationally.
- Non-physician provider visit productivity remained stable, highlighting continued reliance on mid-level providers.
- Dental visit productivity improved modestly, with visits per dental FTE rising nationally from 1,507 → 1,591.
- Behavioral health visit productivity remained relatively flat, with only marginal gains.
- Administrative and support staffing remained stable (~36–37% of total FTEs), indicating persistent structural staffing needs outside direct clinical care.

Rural centers continued to rely more heavily on non-physician providers and faced slightly lower productivity in some specialty areas, particularly dental and behavioral health.

QUALITY OF CARE TRENDS: MIXED PROGRESS ACROSS DOMAINS

Quality outcomes show incremental improvement overall, but uneven performance across measures:

IMPROVEMENTS (2021–2024 DIRECTIONALLY SUPPORTED)

- Hypertension control improved modestly (63% → 66% nationally).
- Diabetes poor control improved slightly (30% → 28%).
- Depression screening increased to ~75%, reflecting stronger behavioral health integration.
- Preventive screening (colorectal cancer) improved modestly (39% → 40%).

PERSISTENT GAPS

- Pediatric vaccination rates declined (23% → 21%), remaining a major concern.
- Dental sealant rates remained largely flat (~54–55%).
- Preventive pediatric and early-life care continues to lag relative to adult chronic care performance.

RURAL VS. URBAN PATTERNS (2024)

- Rural centers outperform urban in:
  - Hypertension control (68% vs. 65%)
  - Diabetes control (25% vs. 29%)
  - Colorectal cancer screening (43% vs. 38%)
- Urban centers outperform rural in:
  - Childhood vaccinations (24% vs. 15%)
  - Pediatric BMI documentation (76% vs. 68%)

This reflects a consistent pattern: rural strength in adult chronic disease management vs. urban strength in pediatric preventive care.

STRUCTURAL DIVERGENCES: RURAL VS. URBAN SYSTEMS

- Urban centers generate higher revenue per patient but face faster expense growth and weaker margins in lower-performing quartiles.
- Rural centers maintain slightly stronger financial resilience historically, but gap has narrowed sharply by 2024 as margins compress system wide.
- Workforce composition continues to differ, with rural centers relying more heavily on non-physician providers and facing persistent recruitment challenges.
- Preventive care disparities remain split along age and service lines (pediatric vs. chronic adult care).

CONCLUSION

From 2021 to 2024, Health Centers transitioned from pandemic-supported financial stability to sustained margin compression with median margins declining from nearly 10% to near breakeven levels over the review period. While patient demand, visit volume, and service access continue to grow, financial sustainability is increasingly constrained by rising labor costs, reduced liquidity, and the expiration of emergency funding.

At the same time, Health Centers have maintained or modestly improved performance in many chronic care and preventive health measures, even as pediatric vaccination and some preventive services continue to lag. The sector now operates in a phase defined by stable or growing demand, but tightening financial and workforce capacity, underscoring the importance of sustained support to maintain access and quality across underserved populations.

NATIONAL DATA SUMMARY

		TOTALS – HRSA-funded Health Center and Look Alike			
Data		**2021**	**2022**	**2023**	**2024**
Financial Audits		1,330	1,249	1,247	1,204
UDS Data		1,481	1,487	1,496	1,512
Key Financial Metrics	**Target**	**2021**	**2022**	**2023**	**2024**
Operating Margin	> 3%	9.90%	6.50%	3.90%	0.30%
Bottom Line Margin	> 3%	13.30%	7.80%	6.00%	2.70%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	65.50%	67.70%	69.30%	71.70%
Days Cash on Hand	> 60 Days	116	112	104	88
Days in Net Patient Receivables	< 45 Days	38	37	36	36
Key Productivity Metrics		**2021**	**2022**	**2023**	**2024**
Physician Visits per Physician FTE		2,481	2,451	2,427	2,448
Non-Physician Provider Visits per Non-Physician Provider FTE		2,253	2,213	2,219	2,240
Dental Visits per Dental Provider FTE		1,507	1,520	1,582	1,591
Mental Health Visits per Mental Health Provider FTE		1,000	975	997	999
Substance Use Disorder Visits per Substance Use Disorder FTE		640	677	677	715
Medical Patients per Medical Staff FTE		267	265	263	260
Dental Patients per Dental Provider FTE		644	659	685	684
Mental Health Patients per Mental Health Provider FTE		216	210	208	205
Substance Use Disorder Patients per Substance Use Disorder Provider FTE		118	126	124	141
Non-Provider Medical Staff per Medical Provider FTE		1.91	1.9	1.93	1.89
Enabling Services Staff per Total Provider FTE		0.43	0.45	0.47	0.44
Fiscal & Billing Staff per Total Provider FTE		0.3	0.31	0.3	0.3
Patient Support Staff per Total Provider FTE		0.81	0.81	0.82	0.81
Administrative, Facilities, and Patient Support FTEs as Percent of Total FTEs		37%	37%	37%	36%
Key Operations & Utilization Metrics		**2021**	**2022**	**2023**	**2024**
Operating Revenue per Patient		$1,319	$1,397	$1,465	$1,496
Operating Expense per Patient		$1,171	$1,279	$1,395	$1,474
Operating Revenue per Patient Visit		$323	$326	$341	$328
Operating Expense per Patient Visit		$287	$303	$321	$328
Total Clinic Visits		40,284	42,388	46,010	48,610
Total Virtual Visits		5,226	4,200	3,300	3,151
Total Visits		48,445	49,886	52,116	53,200
Growth Rates		**2021**	**2022**	**2023**	**2024**
Patient Growth Rate		7%	2%	3%	3%
Visit Growth Rate		10%	2%	4%	4%
FTE Growth Rate		7%	4%	5%	3%

RURAL DATA SUMMARY

		TOTALS – HRSA-funded Health Center and Look Alike			
Data		**2021**	**2022**	**2023**	**2024**
Financial Audits		541	513	493	480
UDS Data		609	600	595	594
Key Financial Metrics	**Target**	**2021**	**2022**	**2023**	**2024**
Operating Margin	> 3%	12.30%	8.20%	5.40%	0.80%
Bottom Line Margin	> 3%	15.30%	9.80%	7.50%	3.30%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	64.40%	66.70%	68.50%	70.40%
Days Cash on Hand	> 60 Days	128	131	123	93
Days in Net Patient Receivables	< 45 Days	37	36	35	36
Key Productivity Metrics		**2021**	**2022**	**2023**	**2024**
Physician Visits per Physician FTE		2,451	2,439	2,348	2,409
Non-Physician Provider Visits per Non-Physician Provider FTE		2,183	2,165	2,191	2,195
Dental Visits per Dental Provider FTE		1,419	1,402	1,437	1,440
Mental Health Visits per Mental Health Provider FTE		971	971	1,003	999
Substance Use Disorder Visits per Substance Use Disorder FTE		601	650	673	613
Medical Patients per Medical Staff FTE		263	257	253	256
Dental Patients per Dental Provider FTE		602	623	637	634
Mental Health Patients per Mental Health Provider FTE		191	191	193	187
Substance Use Disorder Patients per Substance Use Disorder Provider FTE		116	123	125	130
Non-Provider Medical Staff per Medical Provider FTE		1.91	1.91	1.94	1.87
Enabling Services Staff per Total Provider FTE		0.33	0.36	0.38	0.36
Fiscal & Billing Staff per Total Provider FTE		0.32	0.32	0.32	0.31
Patient Support Staff per Total Provider FTE		0.8	0.81	0.83	0.82
Administrative, Facilities, and Patient Support FTEs as Percent of Total FTEs		37%	37%	37%	37%
Key Operations & Utilization Metrics		**2021**	**2022**	**2023**	**2024**
Operating Revenue per Patient		$1,288	$1,354	$1,442	$1,473
Operating Expense per Patient		$1,099	$1,209	$1,338	$1,426
Operating Revenue per Patient Visit		$332	$339	$346	$334
Operating Expense per Patient Visit		$287	$304	$320	$331
Total Clinic Visits		34,432	35,579	37,357	37,796
Total Virtual Visits		2,667	2,194	1,784	1,733
Total Visits		38,479	39,309	40,027	41,233
Growth Rates		**2021**	**2022**	**2023**	**2024**
Patient Growth Rate		7%	2%	1%	2%
Visit Growth Rate		11%	3%	4%	4%
FTE Growth Rate		6%	4%	5%	3%

URBAN DATA SUMMARY

		TOTALS – HRSA-funded Health Center and Look Alike			
Data		**2021**	**2022**	**2023**	**2024**
Financial Audits		789	736	754	724
UDS Data		872	887	901	918
Key Financial Metrics	**Target**	**2021**	**2022**	**2023**	**2024**
Operating Margin	> 3%	8.10%	5.30%	2.80%	0.10%
Bottom Line Margin	> 3%	11.70%	6.80%	4.70%	2.20%
Personnel-Related Expense as Percentage of Operating Revenue	< 70%	66.60%	68.40%	70.00%	72.50%
Days Cash on Hand	> 60 Days	106	104	90	83
Days in Net Patient Receivables	< 45 Days	39	37	37	36
Key Productivity Metrics		**2021**	**2022**	**2023**	**2024**
Physician Visits per Physician FTE		2,491	2,464	2,472	2,477
Non-Physician Provider Visits per Non-Physician Provider FTE		2,300	2,246	2,235	2,265
Dental Visits per Dental Provider FTE		1,576	1,615	1,693	1,699
Mental Health Visits per Mental Health Provider FTE		1,025	976	995	998
Substance Use Disorder Visits per Substance Use Disorder FTE		662	686	688	748
Medical Patients per Medical Staff FTE		270	271	270	266
Dental Patients per Dental Provider FTE		673	685	731	718
Mental Health Patients per Mental Health Provider FTE		229	225	224	217
Substance Use Disorder Patients per Substance Use Disorder Provider FTE		121	127	123	153
Non-Provider Medical Staff per Medical Provider FTE		1.91	1.9	1.92	1.9
Enabling Services Staff per Total Provider FTE		0.49	0.52	0.54	0.51
Fiscal & Billing Staff per Total Provider FTE		0.29	0.3	0.3	0.29
Patient Support Staff per Total Provider FTE		0.83	0.81	0.82	0.8
Administrative, Facilities, and Patient Support FTEs as Percent of Total FTEs		37%	36%	36%	36%
Key Operations & Utilization Metrics		**2021**	**2022**	**2023**	**2024**
Operating Revenue per Patient		$1,351	$1,431	$1,498	$1,517
Operating Expense per Patient		$1,230	$1,335	$1,441	$1,523
Operating Revenue per Patient Visit		$315	$319	$332	$324
Operating Expense per Patient Visit		$286	$302	$322	$327
Total Clinic Visits		46,088	49,758	51,370	55,027
Total Virtual Visits		9,143	7,275	5,516	5,167
Total Visits		57,091	59,288	60,877	63,788
Growth Rates		**2021**	**2022**	**2023**	**2024**
Patient Growth Rate		6%	2%	3%	4%
Visit Growth Rate		10%	2%	4%	5%
FTE Growth Rate		7%	4%	4%	4%

METHODOLOGY AND DATA SOURCES

The analysis and information contained in this report are based on data from Capital Link's Financial and Operational Database for HRSA-funded Health Centers and Look-Alikes from 2021 to 2024. Except where otherwise indicated, median values are shown for each measure in each year.

Capital Link's proprietary Financial and Operational Database contains:

- Audited financial statements of Health Centers (both HRSA-funded Health Centers and LALs) as reported by fiscal year
- Uniform Data System reports provided by the HRSA

The number of audits included in the data set varies each year and Capital Link continues to add audits to its database as they become available. The database currently includes 68% or more of all national Health Center financial audits in each year measured[i]. The database also reflects a broad geographic range, with all 50 states represented.
The Health Center data set used for the current analysis is summarized as follows:

Number of Audits

	Rural	Urban	National	Rural	Urban	National	Rural	Urban	National	Rural	Urban	National
	2021			2022			2023			2024		
HRSA-funded Health Centers	524	755	1,279	495	697	1,192	479	707	1,186	473	683	1,156
Look Alikes	17	34	51	18	39	57	14	47	61	7	41	48
TOTAL	541	789	1,330	513	736	1,249	493	754	1,247	480	724	1,204

Trends reviewing patient utilization, payer mix, provider productivity, and quality of care were calculated from data reported to the HRSA Uniform Data System (UDS). The number of Health Centers included in the data set is summarized as follows:

Number of UDS Reports

	Rural	Urban	National	Rural	Urban	National	Rural	Urban	National	Rural	Urban	National
	2021			2022			2023			2024		
HRSA-funded Health Centers	577	796	1,373	566	804	1,370	561	802	1,363	557	802	1,359
Look Alikes	32	76	108	34	83	117	34	99	133	37	116	153
TOTAL	609	872	1,481	600	887	1,487	595	901	1,496	594	918	1,512

i Note that not all Health Centers produce separately-audited financial statements. Some are part of public entities and do not have separate audits. Others are part of larger health systems, whose audits Capital Link has determined are not comparable to other Health Centers; they have therefore been excluded from the dataset.

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ABOUT CAPITAL LINK

Capital Link is a national, non-profit organization that has worked with hundreds of community Health Centers and primary care associations for nearly 30 years to plan for sustainability and growth, access capital, improve and optimize operations and financial management, and articulate value. Established through the Health Center movement, Capital Link is dedicated to strengthening Health Centers—financially and operationally—in a rapidly changing marketplace. For more information, visit us at www.caplink.org.