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**WHITE PAPER**

# **FEDERALLY QUALIFIED HEALTH CENTERS (FQHCs) ARE CENTRAL TO ADDRESSING THE U.S. MATERNAL HEALTH CRISIS**

**March 2025**

An overview of the services FQHCs provide to pregnant and postpartum women, the communities they serve, and the impact of FQHCs on maternal health outcomes. This paper also recommends several policy solutions to improve FQHCs' ability to ensure continuity of care, provide integrated maternal health care, and improve health outcomes for women and infants.

Access to maternity care is a growing concern in the U.S., specifically in rural and underserved areas. The growth of “maternity care deserts,” defined by advocacy organization March of Dimes as “counties where there’s a lack of maternity care resources - no hospitals or birth centers offering obstetric care, and no obstetric providers,”<sup>1</sup> has been exacerbated by recent hospital closures in rural areas.<sup>2</sup> Out-of-hospital births and pre-term births, which are linked with poor maternal and infant outcomes, are more prevalent in rural and non-white populations, and the U.S.<sup>3</sup> has the highest rate of maternal deaths of any high-income nation.<sup>4</sup>

Federally Qualified Health Centers (FQHCs) are critically important to improving maternal health outcomes, especially for underserved and marginalized populations. As the nation’s largest network of primary care providers, FQHCs are an essential part of the U.S. health care safety net and serve millions of women annually. As frontline providers in low-income and rural areas, many FQHCs offer comprehensive maternal health services, including prenatal and postpartum care, and serve as a lifeline to those in maternal health deserts who don’t have regular access to an obstetrician. In fact, in 2022, health centers provided maternity care services for an estimated 17% of women who gave birth.<sup>5</sup>

## Overview of FQHCs

FQHCs are community-based health centers, statutorily required to offer comprehensive primary health care in medically underserved areas regardless of a person’s ability to pay or insurance status.<sup>6</sup> Health centers provide integrated, whole-person, primary care services, including prenatal and perinatal services, preventive care, chronic disease management, and well-child visits. Additionally, health centers often screen for health-related social needs, including food insecurity and transportation access for patients, and often provide non-clinical services, such as case management, health education, and insurance enrollment assistance.

In 2023, FQHCs served more than 32 million patients, representing highly diverse and predominantly low-income populations.<sup>7</sup>

- Income: A significant portion of FQHC patients are from economically disadvantaged backgrounds. Over 90% of patients served by FQHCs are below 200% of the federal poverty level. Approximately 43% live below the federal poverty line.<sup>8</sup>

- Race and Ethnicity: FQHCs serve many people who identify as a racial and ethnic minority. In 2022, approximately 60% of FQHC patients were from racial or ethnic minority groups.<sup>9</sup> Hispanic/Latina and African American women make up a significant portion of pregnant women receiving care at FQHCs.<sup>10</sup>
- Insurance Status: FQHCs are vital in ensuring access to primary care for uninsured and low-income patients, providing free or cost-adjusted, income-based care. Every year, they provide services to nearly 6 million people who are uninsured.<sup>11</sup>
- Geographic Distribution: FQHCs are located in urban, suburban, and rural settings. They are particularly critical in rural areas, where access to hospitals and specialists, such as OB/GYNs, is limited. More than 35% of FQHCs operate in rural areas, serving populations that would otherwise face significant barriers to receiving primary care and crucial maternity care services.<sup>12</sup>

## Key Services in Maternal Health Provided by FQHCs

FQHCs are a cornerstone in ensuring women in low-income and rural communities receive the maternal care they need.

According to data reported to HRSA, health centers provide most services along the maternal health care continuum,<sup>15</sup> including:

- Prenatal Care: Prenatal services include comprehensive health assessments, routine ultrasounds and fetal monitoring, nutrition education, and birthing classes.
- Postpartum Care: Services include lactation support, health assessments, family planning, and contraception counseling.
- Perinatal and Infant Health Services: After delivery, FQHCs continue to monitor infant growth and development, including well-child visits, vaccination services, and education on newborn care.



**In 2023, FQHCs served 585,000 prenatal patients, representing a 6% increase from 2020, and supported 172,000 deliveries.**<sup>13</sup>

Most pregnant women receiving care at FQHCs are either uninsured or covered by Medicaid. Medicaid remains the largest payer for maternity services in the U.S., financing 41% of all births.<sup>14</sup>

- Supportive Services: Supportive services align with social drivers of health and can include case management and care coordination, nutrition counseling, transportation to medical appointments, and social services that address housing instability and food insecurity.
- Behavioral and Mental Health Services: These include screenings for postpartum depression, anxiety, and substance use, referrals to specialized mental health services, and integrated behavioral health treatment.<sup>16</sup>

## Rural Hospitals Closing Maternity Wards

Between 2010 and 2022, more than 500 hospitals have closed their labor and delivery departments, leaving most rural and more than a third of urban hospitals without obstetric care.<sup>17</sup> Hospital obstetric units are rarely profitable, as Medicaid covers more than 40% of all births in the U.S.,<sup>18</sup> and pays far below private insurance rates. Increased closures of rural hospitals and hospital obstetric units more broadly, force many patients to travel farther to receive essential prenatal and postpartum care. These closures also contribute significantly to the creation of new "maternal health deserts" and often have a devastating impact on the communities they leave.

The impact of these closures include:

- Loss of Obstetric Units: Many rural hospitals that close often include obstetric units, which are vital for prenatal, labor and delivery, and postpartum care. When these units shut down, pregnant individuals in rural areas must travel longer distances for care, increasing the risk of complications due to delays in accessing timely services.
- Reduced Access to Emergency Care: Labor and delivery emergencies often require immediate attention. Without nearby hospitals, pregnant individuals face higher risks of maternal and infant mortality or adverse health outcomes.
- Healthcare Provider Shortages: Rural areas already face shortages of specialized healthcare providers, including obstetricians and gynecologists. Hospital closures exacerbate this issue, leaving expectant mothers with fewer or no options for professional care.
- Economic Strain and Access to Care: The additional costs and logistical challenges of traveling for care disproportionately affect low-income families and exacerbate existing health inequities.



## Maternal Mortality Rates in the U.S.

The majority of maternal deaths in the U.S. occur in the postpartum period, from one day after giving birth to a full year later.<sup>19</sup> A recent Centers for Disease Control and Prevention (CDC) report found that more than 8 out of 10 pregnancy-related deaths are preventable.<sup>20</sup> Causes of death vary by race and ethnicity, but the leading causes are infection, cardiovascular conditions, and mental health conditions.<sup>21</sup>

Research reveals a strong relationship between a mother's risk of death and the number of prenatal care visits. Women who receive ten or more prenatal care visits during pregnancy see their risk fall from one in three to almost one in five. Access and proximity to maternal health care is a critical element in a healthy pregnancy.<sup>22</sup>

## How FQHCs Help Alleviate Maternity Risks

FQHCs, particularly those geographically closer to maternity care deserts, play a vital role in improving the health of pregnant women and their children, including through prenatal care, postnatal care, and access to labor and delivery services in rural and underserved areas.<sup>23</sup> While FQHCs typically do not provide labor and delivery services directly, they act as critical partners in ensuring pregnant individuals receive appropriate care and work to mitigate risks throughout patient pregnancies.

### Essential Services Provided

#### Prenatal Care

- FQHCs provide prenatal care, including regular checkups, screenings, and health education to promote healthy pregnancies.



#### Care Coordination

- FQHCs identify high-risk pregnancies early and coordinate referrals to hospitals or specialists equipped to address them, including through telehealth.



#### Affordable Services

- FQHCs offer affordable care to uninsured or underinsured patients, reducing financial barriers to essential services.



#### Postpartum Care

- After delivery, FQHCs provide follow-up care, including monitoring for postpartum complications, mental health screening, and breastfeeding support.





Providing maternal health services through FQHCs has the ability to improve health outcomes for mothers and babies, particularly in underserved communities. Some of the positive outcomes associated with care at FQHCs include:<sup>24</sup>

- Lower Rates of Preterm Birth and Low Birth Weight: Research shows that access to timely prenatal care at FQHCs is associated with a reduction in the incidence of preterm birth and low birth weight, both of which are significant risk factors for infant mortality.<sup>25</sup>
- Reduced Maternal Mortality: FQHCs play an important role in addressing maternal mortality, particularly among women of color who face higher rates of maternal death. By providing comprehensive prenatal care, early detection of complications, and access to mental health services, FQHCs help reduce the risk of fatal complications during pregnancy and childbirth.
- Improved Postpartum Care and Mental Health: The availability of postpartum care, including mental health services, at FQHCs contributes to improved maternal mental health outcomes. Postpartum depression and anxiety are common but often underdiagnosed, particularly in underserved populations. FQHCs' integrated care models ensure that women are screened and treated for these conditions, leading to better overall outcomes.<sup>26</sup>
- High Patient Satisfaction and Continuity of Care: Women receiving care at FQHCs report higher satisfaction, largely due to the personalized and culturally competent services provided and continuity of care. In the most recent Health Center Patient Survey, 97% of patients said they would recommend their health center to friends or family.<sup>27</sup>



## Partnerships with Hospitals

- Collaborative Agreements: Many FQHCs establish formal relationships with nearby hospitals to ensure seamless continuity of care for labor and delivery. Collaborative agreements may include shared protocols for handling emergencies or transport logistics.
- On Call Support: Some health centers secure and provide funding for contract laborists and/or pediatricians to provide 24/7 on-call support at hospitals; this on-call support is often statutorily required to operate a maternity unit but may be cost prohibitive for the hospital to do itself. According to an ACH analysis of national HRSA data, over 400 health centers perform an average of 426 deliveries per year per health center for those that provide this service.
- Access to Midwives: In some cases, FQHCs may employ certified nurse midwives who collaborate with hospitals to support labor and delivery.

## Additional Supportive Services

- Transportation: Many FQHCs assist patients with transportation to hospitals, which is crucial in rural areas where distances to the nearest hospital may be significant.
- Doulas & CHWs: Some FQHCs connect patients with doulas or community health workers (CHWs) who provide emotional and logistical support.

## Policy Recommendations to Improve FQHCs Capacity to Provide Maternal Health Services

1

Invest in Community Health Centers: It is important that health centers have the resources they need to continue supporting pregnant women and their families. Recently, the Biden Administration, through its “Blueprint for Addressing the Maternal Health Crisis,” invested more than \$65 million in community health centers to improve maternal health outcomes.<sup>28</sup> The Administration also gave states the option to extend postpartum Medicaid coverage from 2 to 12 months, and to date, 46 states and D.C. have extended coverage.<sup>29</sup> These actions are extremely helpful in ensuring that health centers have the resources they need to continue their work with prenatal, labor and delivery, and postpartum patients.

It is also important that Congress ensure that health centers have the mandatory and discretionary funding they need to continue providing care. ACH recommends that Congress reauthorize the Community Health Center Trust Fund at \$5.8 billion per year for 3 years and provide \$3.2 billion in discretionary funding for health centers in fiscal year 2026.

2

Medicaid Reimbursement Enhancements: The Federal Government and states can create incentives through the Medicaid program to help ensure that health centers, hospitals, and other critical providers have the resources they need to care for expecting families. FQHCs, rural hospitals, and obstetrics wards often face financial challenges due to underfunding and high demand for services, and Medicaid reimbursement for providers is often much lower than the actual cost of care,<sup>30</sup> which may lead to additional rural health systems and maternity wards closing.

These closures can be avoided with needed investments, such as increasing Medicaid PPS rates for health centers. Additionally, in order to support FQHCs, Congress could take action to adjust the base Medicaid rate for provider fees for labor and delivery services to 150% of the (higher) Medicare rate, applying not just to FQHCs who staff their local hospitals for labor and delivery services but to help all shared staffing models.

Another federal option is to add a supplemental payment for providers in the Medicaid program in order to cover the cost of keeping on-call providers to staff labor and delivery services. Paying for 24/7 on-call is especially challenging in low-volume delivery environments, but is challenging even for hospitals with multiple deliveries per day. These payments could be tiered according to the number of deliveries per year.

3

Address Workforce Shortages: Nationwide health care workforce shortages impact all sectors of health care, including community health centers and maternity care. While there are currently more than 308,000 physicians and nurses considered part of the maternal health workforce, by 2037 there is a projected shortage of primary care and OBGYN physicians and a projected growth of women of childbearing age.<sup>31</sup> Recently, the Biden Administration invested nearly \$40 million in growing and diversifying the perinatal workforce, including non-traditional providers like doulas and lactation counselors.<sup>32</sup> Congress has the opportunity to address these shortages through several avenues, including several provisions in the S.2840 (118th Congress), the Bipartisan Primary Care and Health Workforce Act. These provisions include increased funding for tuition loan repayment, recruitment and training, expanded use of telehealth and other technologies, and grants to support larger classroom sizes for health care professionals.

4

Expand Access to Birth Centers: Free-standing birth centers are a high-value investment that provides increased access to comprehensive, individualized care using a midwifery model during pregnancy, labor and delivery, and postpartum. They are community-focused, provide culturally competent care, resulting in higher satisfaction rates with care and fewer reports of discrimination. Birth centers, compared to similar low-risk hospital-based births, show lower rates of preterm births, low birth weight, and cesarean deliveries, all of which decrease health care costs. While birth centers are ideal partners in offering maternal health care services, 70% of all birth centers in the U.S. are within just ten states due to state policy and licensing challenges.<sup>34</sup>

Community health centers are ideally equipped to partner with, or operate birth centers as part of their offered services. However, reimbursement difficulties and prohibitive state policies create barriers to operating and sustaining freestanding birth centers; nine states don't license birth centers at all. Low rates, administrative burden, and payment delays make the continued operation of birth centers unfeasible for many communities.<sup>35</sup>

To increase access to birth centers, all states should adopt birth center accreditation and licensing standards, exempt these centers from state Certificate of Need requirements, and establish Medicaid reimbursement fees at 100% of the Medicaid fee schedule.



- 5 Prioritize Policies to Increase Access to Midwife Care: Increasing access to midwives can help address shortages in obstetrics care, and nurse-midwifery-led care has overwhelmingly positive health outcomes for births. States should establish licensure protocols for midwives without nursing degrees to participate as Medicaid providers, thus expanding the maternal health workforce and increasing access to care.<sup>36</sup>
- 6 Incentivizing High-Quality Maternal Health Care: As the Centers for Medicare and Medicaid Services has done for hospitals, the government should develop a “birthing friendly” designation for FQHCs that requires certain reporting and standards of excellence that earns the health centers bonus payments to their Medicaid rates for serving pregnant and postpartum women.
- 7 Invest in and Expand Access to Telehealth: Telehealth flexibilities have provided increased specialist access to many who would otherwise forgo care; however, it’s not without its costs. Many patients lack access to the broadband or technology required to use telehealth, and health centers report high costs of maintaining a telehealth platform. Congress should prioritize extending this flexibility for years to come, and should extend payment parity to FQHCs for telehealth services.<sup>37</sup>

Community health centers are optimally suited to address the maternity crisis in the United States by providing support and care to mothers and infants in medically underserved areas. However, urgent action is needed to increase access to maternal health services and improve outcomes and survival rates, making these investments in FQHCs essential. Without more funding and resources to support essential health center services, gaps in reproductive care and unmet needs will grow, and the crisis in maternity care will continue to escalate.

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