

2010

FEDERAL LEGISLATIVE AGENDA



NATIONAL ASSOCIATION OF

Community Health Centers



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AMERICA'S HEALTH CENTERS THANK YOU FOR YOUR CONFIDENCE

Over the past 45 years, America's Community Health Centers have achieved an unparalleled record of stability, effectiveness, quality improvement, and efficiency as they have grown to serve more than 20 million people in more than 8,000 communities across our country. Still, nearly 60 million people are without regular access to primary and preventive health care in thousands of communities back home and across this great land. With your continued support, health centers stand ready to expand their reach to millions more Americans in each and every state.

Proven Results – A Promise Kept

Congress, on a broad bi-partisan basis, has consistently supported the Community Health Center (CHC) program and its national network of care because CHCs deliver clear, verifiable results, providing ready access to care in our highest need areas; bringing doctors, nurses, and dentists to shortage areas; improving health outcomes; significantly reducing health care costs; and lowering unnecessary emergency room use. These results are well-documented. As locally (majority-patient) governed non-profit entities, CHCs are accountable to their local communities, and are required to meet tough quality and performance standards in order to qualify for Federal certification. Most recently, CHCs have been asked to deliver in the Children's Health Insurance Program, the Economic Recovery Act, and included in both House and Senate versions of health care reform (providing a medical home for millions more Americans, better care, and cost-savings). We are prepared to do even more – immediately.

The Situation

As Members of Congress are well aware:

- Even with recent expansions of health insurance coverage, too many Americans lack dependable and affordable health insurance;
- Despite recent expansions of primary care access, too many Americans (60 million) do not have a regular source of primary care or a medical home due to provider shortages; and
- Costs continue to spiral as too many Americans are still forced to rely on unnecessary and costly emergency rooms for routine care.

We know that Congress is truly interested in addressing these problems in a cost-effective manner, and ask for your attention and help on the following recommendations.

HERE'S HOW YOU CAN HELP!

With millions in need today, we urge you to ensure that health centers can serve MORE people in need by:

- **Passing Health Reform, including Health Center Expansions** - Every day Health Centers see millions of uninsured and underinsured individuals who cannot otherwise access the care they need. Ensuring adequate coverage and access to care are essential to the health of the communities we serve, in particular the availability of dedicated Trust Fund dollars to expand health centers and prevention programs in the current reform bills.
- **Stabilizing and Expanding the Availability of Primary Care** - By providing at least \$2.560 billion in funding for the Health Centers program in the FY 2011 Labor-HHS-Education Appropriations bill, Health Centers will be able to continue vital care to 3 million people that ARRA's temporary funding has made possible, as well as expand to serve up to 1 million more people in need.
- **Ensuring that Health Centers Have Key Tools for Growth**, including -
 - Increased support for key clinical training and placement programs, including the NHSC;
 - Aligning the payment mechanism for Medicare with the current structures in Medicaid and CHIP;
 - Providing additional low-cost financing tools to make much-needed capital investments (grants, loans, loan guarantees, bonds, tax credits).

TOGETHER WE CAN ENSURE ACCESS FOR ALL!



NATIONAL ASSOCIATION OF

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2010 Policy Papers

- Health Care Reform
- Appropriations
- Tools for Growth



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– HEALTH REFORM – THE PROMISE OF IMPROVED COVERAGE AND BETTER CARE

When the Congress began its health reform effort last year, health centers laid out three core principles that we believe should guide those efforts:

- Health reform should make coverage available and affordable to everyone;
- Coverage should be comprehensive, and should emphasize prevention and primary care; and,
- Reform should also guarantee that everyone has access to a medical or health care home, where they can receive high quality, cost-effective care for their health needs.

Status Quo is Not an Option

Today, we are nearer than ever to achieving the long-desired goal of affordable, accessible, and available health coverage AND improved access to quality health care. Now is not the time to wait, or to stop the work. The consequences of failure to enact health reform are dire, and they will affect virtually everyone. According to the nonpartisan Congressional Budget Office (CBO), failure to enact comprehensive health care reform will:

- Lead to 10 million more Americans losing coverage over the next decade, bringing the uninsured population to over 57 million;
- Double private health insurance premiums over the next decade (for those fortunate enough to have coverage); and,
- Exhaust the Medicare Trust Fund balance by 2017.

Find A Way Forward

We urge you to find a way forward to address the health care crisis and to expand access to care for those in need across our country. In our view, the bills passed by the House and Senate, while not perfect, take large strides toward meeting each of the three principles above:

- They both build on the current system of public and private insurance, expanding Medicaid to cover the lowest-income Americans, and offering subsidies to other low-income individuals for the purchase of private health insurance;
- They eliminate obstacles that prevent too many from securing coverage, and they ensure that such coverage cannot be taken away in case of illness and limit out-of-pocket expenses;
- They invest significant amounts toward establishing health care homes for up to 45 million people living in underserved communities, through dedicated Trust Funds to expand Community Health Centers and the National Health Service Corps, along with expanded prevention and public health support.

We Stand Ready to Help

And as you work toward the goal of health care reform, please remember that access to health insurance is not the only goal, that access to care is critical to the success of any reform effort, and that Community Health Centers provide affordable, quality care to over 20 million Americans today. With your support, Health Centers stand ready to deliver *immediately* on the promise – outlined in our *ACCESS for All America* plan – to provide a health care home to all 60 million people across the country who today have no regular source of care or health care home due to provider shortages.

TOGETHER WE CAN DELIVER ON HEALTH REFORM'S PROMISE!



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– FEDERAL APPROPRIATIONS – EXPANDING ACCESS TO CARE THROUGH THE HEALTH CENTERS PROGRAM

Health centers have charted a multi-year **ACCESS for All America** plan for growth that will enable centers to target resources and expand care to 60 million Americans that currently have no access. A targeted and balanced approach to expansion is needed, incorporating new sites, expanded capacity, additional services and regular base grant adjustments to meet increased demand and costs. With these goals in the forefront, Health Centers have focused on securing the resources necessary to meet the comprehensive health care needs of 30 million patients by 2015. Recognizing this tremendous need, we are grateful for the actions of the 111th Congress, including:

American Recovery and Reinvestment Act of 2009 (ARRA)

Last year Congress provided an additional \$2 billion for the Health Centers program. Of this amount, \$500 million was for health center operations, including grants for 126 new health centers and supplemental payments to every existing health center to address rising numbers of uninsured patients and strained capacity. Since then, using this funding, **Health Centers have expanded care to 1.8 million new patients, and are on track to exceed their ARRA target growth, reaching nearly 3 million additional patients over the period of ARRA funding.**

Health Care Reform

During consideration of the health care reform bills last year, both the House and Senate included significant, mandatory funding increases for the Health Centers program. The House funding would enable health centers to serve an additional 25 million patients, while the Senate funding would enable an additional 20 million over the next five years. Such funding would establish the needed health care home infrastructure to support the reform effort.

The President's Budget

The President's FY2011 Budget proposes a \$290 million increase for the Health Centers program. This will allow Health Centers to continue to provide care to the 3 million patients added through ARRA funding by making Increased Demand for Services (IDS) and New Access Point (NAP) grants permanent. We strongly support the President's request to continue this funding. However, recognizing the essential role health centers play in ensuring health care access for all Americans, especially low-income, uninsured, publicly-insured and medically underserved individuals and given deep cutbacks in state and local funding, additional growth funding is urgently needed. There is also a need to keep the Federal Tort Claims fund solvent. Funding for health centers' FTCA has not changed for 5 straight years, and should be increased in light of program growth.

Our Position

Ensure the vitality of the Health Centers Program by supporting the new Health Center sites and patients made possible by ARRA funding and continue to grow the Health Centers program to reach more medically disenfranchised Americans. We urge Congress to:

- ◆ **Invest in the Growth of Health Centers.** Health Centers urge an increase of **\$370 million** in FY2011 in order:
 - To stabilize existing centers and new starts funded through ARRA (\$250 million);
 - To adequately fund the Federal Tort Claims Act fund (\$20 million); and,
 - To expand access to new communities, and bring high-quality **medical, dental, and behavioral health** care to **1 million new Health Center patients** (\$100 million).

House Members can cosign the letter led by Rep. Pallone, and Senators can cosign the Stabenow/Bond Letter. Health Centers ask that Appropriations Committee Members add a similar request to their personal request ("wish list") to the Committee Chairman.

- ◆ **Invest in the Growth of the National Health Service Corps.** Health Centers urge funding of **at least \$169 million for the NHSC in FY2011** in order to meet the growing workforce needs in underserved areas.

Through our *ACCESS for All America* Initiative, we are committed to making health insurance *and* a regular source of primary health care a top priority in federal policy and budget decisions. In order to succeed in this Initiative, health centers urge policy-makers to address the following issues, either in comprehensive health care reform, or the first available legislative opportunity:

Workforce

Recent studies indicate an alarming shortage of primary care providers in the United States, with health centers and the communities they serve facing high vacancy rates and recruiting challenges. Growing a robust, sustainable, and diverse primary care workforce is a critically important issue for health centers. Health centers are actively engaged at the national and local levels in seeking solutions to this workforce crisis, both within government programs and in the private sector.

Health Centers believe that solving the nation's primary care workforce challenges is complex and requires interventions on many levels. We support the many steps taken in both the House and Senate health reform bills to begin to tackle this issue on multiple fronts. In addition to the steps taken in the reform bills, we urge Congress to:

- Continue expanding the National Health Service Corps by providing no less than the President's request of at least \$169 million.
- Fund Health Professions programs at the highest possible levels, including at least \$75 million for Area Health Education Centers (AHECs)
- Authorize funding for community-based entities engaged in primary care training.

Ensuring Adequate Reimbursement in Medicare

America's health centers provide care to more than one million medically underserved Medicare beneficiaries. Unfortunately, nearly 75% of existing health centers lose money due to an outdated and arbitrary, administratively-created cap on reimbursements established back in 1992. Current losses exceed \$50 million, money that could be better used expanding care to thousands of additional patients across the country. In order to reduce the health center financial losses, and to align the reimbursement with the existing mechanisms in Medicaid and CHIP, health centers urge Congress to pass the MATCH Act (S. 648/HR1643). This legislation would:

- Establish a Medicare payment mechanism for all FQHCs consistent with their Medicaid and CHIP payment systems
- Update the FQHC Medicare benefit to include all preventive services

Capital Financing

Despite continued success in meeting patient needs, many health centers continue to face serious challenges accessing adequate financing for facility improvements. The existing system makes it either difficult to access private capital financing at affordable rates, or in a timely manner. Right now, health centers' financing needs and project pipeline exceed \$2 billion in submitted and approved, but unfunded, capital improvement project applications. In order to achieve the *ACCESS for All America* goals, health centers will need access to \$10 billion in capital by 2015.

In order to ensure health centers have access to adequate financing tools, modest federal grant funds can be leveraged with minor improvements to existing programs. By streamlining and enhancing the existing HRSA Loan Guarantee Program and establishing a national issuer of tax-exempt bonds on behalf of health centers, centers would have the "financing tools" they need to leverage **a \$1.5 billion investment in "down payment" grants into an additional \$6 billion in private capital at affordable rates.** Taken together, this would allow health centers to move toward their capital goals, and generate economic activity and jobs in economically depressed low-income communities nationwide.