

America's Affordable Health Choices Act of 2009

Summary of Community Health Center Provisions

The three Committees of jurisdiction in the House of Representatives have introduced health reform legislation designed to expand access to care, improve health care quality, and reduce costs. While the bill is more than 1,000 pages long, the basic construct that it uses to overhaul the health care system is as follows:

- ***A new mandate that all individuals purchase health insurance or pay a penalty, with government subsidies for those who cannot afford it.***
- ***A requirement that employers with payrolls above \$250,000 offer coverage to employees or pay a penalty.***
- ***Expansion of Medicaid to cover all individuals below 133% of poverty without restriction (see below).***
- ***Creation of a new health insurance exchange, a marketplace where individuals and small employers can select from among a number of qualifying plans.***
- ***Investments in Prevention and Wellness and in strengthening the Health Care Workforce***

The remainder of this summary will focus exclusively on those provisions of the bill with direct relevance to health centers and the more than 18 million patients we serve. It also describes those provisions not in the draft legislation that would still be of significant benefit to the health center movement. **These provisions fall into several categories:**

Guaranteed Funding For Community Health Centers & Primary Care Workforce

The House bill contains a new Public Health Investment Fund (PHIF), which would serve as a dedicated source of funding for a range of prevention, public health, workforce development and service delivery programs. Among these programs are Health Centers and the National Health Service Corps.

- ***\$38.8 Billion in New Funding through 2019 for Community Health Centers***
The Bill authorizes a new Section 330(s) of the Public Health Service Act to fund increases – above current funding - in the Health Centers program out of the new PHIF. The increases would be scaled up from \$1 billion in FY2010 to more than \$6 billion in FY2019. Though still subject to annual appropriations, this funding would have a far greater chance of becoming reality because it would be out of a guaranteed fund.
- ***\$4 Billion in New Funding through 2019 for the National Health Service Corps***
The bill would fund substantial increases for the National Health Service Corps program out of the new PHIF, more than tripling the capacity of the NHSC in the first year the bill takes effect, and continuing that growth each year. The bill also allows for NHSC providers to provide service on a half-time basis, would raise the annual cap on loan repayment awards from \$35,000 to \$50,000.
- ***New Program for Residency Training in Health Centers and Other Community Based Settings***
The bill authorizes a new program in Title VII of the Public Health Service Act to provide community based programs with funding to develop or operate primary care residency programs. The bill gives a preference to Federally-Qualified Health Centers seeking grants under this program.

Improvements to Federal Insurance Plans

- ***Ensuring the Participation of Health Centers and Other Safety Net Providers***
The bill would require that health insurance plans operating under the new Exchanges contract with so-called “essential community providers”, defined as those providers who currently participate in the 340B drug discount program. This would ensure that health centers and other providers would not be excluded from insurer networks operating in the low-income and underserved communities they serve.

- **Medicaid Improvements**

The bill would expand Medicaid eligibility for all adults and children below 133⅓ percent FPL (\$14,400 per individual), plus disabled and newborns. The federal government would pay 100% of the cost of coverage. It requires coverage of Medicaid preventive services, and would allow family planning services without a waiver. Of particular interest to health centers, the bill would automatically enroll eligible individuals in Medicaid, and expand out-stationing eligibility screening and enrollment, requiring State Medicaid programs to allow adults to apply for Medicaid coverage at FQHCs, DSH hospitals and other locations.

- **Medicare Improvements**

Senior citizens and people with disabilities will benefit from provisions that fill the donut hole over time in the Part D drug program, eliminate cost-sharing for preventive services, improve the low-income subsidy programs in Medicare, fix physician payments, and make other program improvements. There is indication that the bill will also cover all Medicare-covered preventive services in the Medicare FQHC service package.

Changes Not Included In the House Package

- **Appropriate and Predictable Reimbursement for FQHCs in Exchange Plans.**

NACHC has consistently advocated for the inclusion of a requirement that any insurance plan operating either through the Exchange or with a federal subsidy be required to reimburse health centers at no less than their Medicaid PPS rate, in order to ensure that health centers do not lose money serving newly insured patients. The House bill does not include any payment requirements for plans operating under the Exchange for health centers or any other providers.

- **A New Medicare Prospective Payment System for FQHCs**

The House bill would reportedly update the list of preventive services included as part of the Medicare FQHC rate, but would not restructure the payment system for FQHCs to mitigate the effects of the arbitrary Medicare Cap. This change, which would align the FQHC Medicare reimbursement system with that currently in place under Medicaid, was called for in the Medicare Access to Community Health Centers (MATCH) Act, H.R. 1643/S.648.

- **Improvements in Health Centers' Access to Low-Cost Capital**

In order to build on the success of the American Recovery and Reinvestment Act (ARRA) investments in health centers' capital and facility improvements, NACHC had proposed a series of legislative improvements designed to promote better access to low-cost capital resources in the long term. These included improvements to the HRSA Loan Guarantee Program (LGP), New Markets Tax Credits targeted to health centers, and creation of a Single National Issuer of tax-exempt bonds for health centers. These provisions are not included in the draft legislation.

Therefore, while not a perfect bill, the House legislation, "America's Affordable Health Choices Act", **does meet** NACHC's three principles for successful health reform:

- An expansion of coverage that is **available** and **affordable** for everyone, and especially to low-income individuals and families;
- Coverage that is **comprehensive**, with emphasis on **prevention and primary care**;
- Guaranteed access to a **medical or health care home**, where anyone can receive **high quality, cost effective care** for their health needs.

NACHC supports this legislation and looks forward to working with Members of both House and Senate as the health reform debate moves forward.