

Health Reform FAQs for Health Centers

1. *How much money is available in the Community Health Centers (CHC) Fund, and how is the money distributed annually?*
2. *What will the Community Health Centers Fund dollars be used for?*
3. *When will the new Community Health Centers Fund dollars be available?*
4. *How many new patients will health centers be able to serve due to new funding and insurance expansions in the health reform legislation?*
5. *Is there any money included for capital/construction in the new health reform legislation? If so, will funds for capital be used to support unfunded Facility Improvement Program (FIP) grants?*
6. *Is there any new funding available for the National Health Service Corps (NHSC)?*
7. *What are the programmatic changes to the NHSC under the new health reform legislation?*
8. *What is the “teaching health centers” provision in the health reform law, and how does it benefit health centers?*
9. *Does the health reform law include anything related to the Federal Tort Claims Act (FTCA) for volunteers?*
10. *When do the Medicaid expansions go into effect?*
11. *Can states expand Medicaid coverage earlier and get extra federal support?*
12. *What do the Maintenance of Effort requirements cover in the reform law (and are they different from the MOE requirements in ARRA)?*
13. *When do insurers have to start providing first-dollar coverage for preventive services?*
14. *Which sections of the law contain the payment and participation protections for health centers?*
15. *Where can I find the legislative text of the whole health reform package?*

1. *How much money is available in the Community Health Centers (CHC) Fund, and how is the money distributed annually?*

The health reform package contains a total of \$11 billion in *new, dedicated funding* for the Health Centers program over five years. \$9.5 billion of this funding will allow health centers to expand their operational capacity, and \$1.5 billion is dedicated to capital projects. The Community Health Centers Fund is in addition to annual CHC discretionary funding, which was \$2.19 billion in FY 2010. Annual allocations for the operations dollars in the CHC Fund are as follows:

- FY 2011 - \$1 Billion
- FY 2012 - \$1.2 Billion (\$200 million increase)
- FY 2013 - \$1.5 Billion (\$300 million increase)
- FY 2014 - \$2.2 Billion (\$700 million increase)
- FY 2015 - \$3.6 Billion (\$1.4 billion increase)

2. *What will the Community Health Centers Fund dollars be used for?*

The \$11 billion in the Fund will go towards operations (\$9.5 billion) and capital (\$1.5 billion). Operations funds may be used for base grant adjustments, expanded medical capacity and service expansions (oral, behavioral and pharmacy), new access points including new starts and new sites, and enabling services. NACHC will work closely with HRSA to ensure that the potential of these funds is fully maximized.

3. *When will the new Community Health Centers Fund dollars be available?*

There will be \$1 billion available from the Community Health Centers Fund in FY 2011. The first round of applications to apply for this funding may be out as soon as early summer. The first awards will likely be made sometime after the start of the fiscal year (October 1, 2010), but may not be made until the winter, depending on congressional appropriations activity.

4. *How many new patients will health centers be able to serve due to new funding and insurance expansions in the health reform legislation?*

The new health reform law contains provisions that will expand the Health Centers program's capacity to allow it to serve as many as 20 million new patients, for a total of 40 million patients nationwide at the end of 5 years.

5. *Is there any money included for capital/construction in the new health reform legislation? If so, will funds for capital be used to support unfunded Facility Improvement Program (FIP) grants?*

The Community Health Centers Trust Fund includes \$1.5 billion that will allow health centers to begin to meet their extraordinary capital needs, by expanding and improving existing facilities

and constructing new buildings. While the capital funding is available from FY 2011 to FY 2015, annual allocations for this spending are not outlined in the law. NACHC will continue to work with Congress and HRSA to ensure that the potential of these funds is fully maximized. There are no indications at this point in time regarding how HRSA intends to spend the funding and if FIP projects are a part of the plan.

6. *Is there any new funding available for the National Health Service Corps (NHSC)?*

The health reform package contains a total of \$1.5 billion in *new, dedicated funding* for the National Health Service Corps over five years, which is in addition to existing annual NHSC discretionary funding (\$142 million in FY 2010).

7. *What are the programmatic changes to the NHSC under the new health reform legislation?*

The maximum award amount under the NHSC loan repayment program that a NHSC member can receive annually (subject to a determination by the HRSA Administrator) is increased from \$35,000 to \$50,000, plus beginning in FY2012 the award amount can be increased annually by the HHS Secretary to reflect inflation. NHSC members may also satisfy their service obligation through part-time clinical practice (a minimum of 20 hours per week). Under this arrangement, the NHSC member must enter into a written agreement to either double the period of obligated service or receive 50% of the full-time loan repayment amount.

In addition, the health reform legislation allows NHSC members in teaching health centers (those that are specifically established through the law) to count up to 50% of their time spent teaching towards their full-time service obligation; other NHSC members may count up to 20% of their time spent teaching.

8. *What is the “teaching health centers” provision in the health reform law, and how does it benefit health centers?*

A *teaching health center* is a community-based, ambulatory care center that operates a primary care residency program, and includes, but is not limited to, Federally Qualified Health Centers (FQHCs). The health reform legislation creates two new programs under the teaching health centers provision. The first is a Title VII grant program for development of a teaching health center program, which is *authorized* at \$25 million in 2010, \$50 million in 2011 and \$50 million in 2012. If funded, awards would be up to \$500,000 for each health center for up to 3 years.

The second is a Title III program that funds payments to teaching health centers for their direct and indirect costs. That provision is directly appropriated in the amount of \$230 million for FY2011-FY2015, and is available for FQHCs that “sponsor,” or hold the accreditation certificate of, the residency program.

9. *Does the health reform law include anything related to the Federal Tort Claims Act (FTCA) for volunteers?*

The health reform law as enacted does not include any new provisions related to FTCA for volunteers.

10. *When do the Medicaid expansions go into effect?*

The health reform law requires states to expand Medicaid coverage to all non-elderly individuals with incomes below 133 of the federal poverty level (FPL)- currently \$14,404 for an individual and \$24,353 a year for a family of three- by January 1, 2014. The law establishes a uniform minimum threshold for eligibility across the states and opens enrollment to adults without dependent children. Undocumented immigrants remain ineligible for Medicaid.

11. *Can states expand Medicaid coverage earlier and get extra federal support?*

Starting as early as April 1, 2010, states are allowed to phase in the expansion and cover any uncovered population that would be eligible under reform in 2014 (i.e.: adults above a state's current Medicaid-eligible level but below 133% FPL). States will receive their regular federal match rate (technically called the federal medical assistance percentage or FMAP) for the newly covered populations beginning in 2014. For three years – from 2014 through 2016 – states will receive full federal financing that will cover the costs of expansion populations. Starting in 2017 and going forward states will receive a much higher federal matching rate for their expansion populations.

12. *What do the Maintenance of Effort requirements cover in the reform law (and are they different from the MOE requirements in ARRA)?*

The health reform Maintenance of Effort (MOE) requirements are similar to the MOE requirements in the American Reinvestment and Recovery Act (ARRA), but they extend to CHIP programs and they come with much harsher penalties. States cannot cut eligibility levels, increase premiums or enrollment fees, or otherwise restrict their enrollment policies if those levels or policies would vary from those in effect March 23, 2010. If a state violates either the MOE requirements for Medicaid *OR* CHIP, it will lose all federal matching funding for its entire Medicaid program until the violation is corrected.

13. *When do insurers have to start providing first-dollar coverage for preventive services?*

By 2013, Medicare, Medicaid and private insurers will have to provide first-dollar coverage (as in, no cost-sharing for the patient) for all preventive services that are recommended (rated A or B) by the [U.S. Preventive Services Task Force](#). This task force is housed within the Department of Health and Human Services and has been evaluating and recommending preventive services to improve clinical practices for over two decades. These requirements are phased in as follows over the next four years:

- In 2010, **private insurers** are required to provide, at a minimum, coverage with no cost-sharing for recommended preventive services and immunizations, as well as preventive

care for infants, children, and adolescents, and additional preventive care and screenings for women.

- In 2011, **Medicare** will have to cover (first dollar) recommended preventive services and waive the Medicare deductible for colorectal cancer screening tests.
- In 2013, states that chose to adjust their **Medicaid** program to eliminate cost-sharing for recommended preventive services and immunizations are eligible to receive a one percentage point increase in their FMAP for those services.

14. Which sections of the law contain the payment and participation protections for health centers?

The payment protection provision, which ensures that all plans offered through the new state-based health insurance exchanges pay Federally Qualified Health Centers (FQHCs) no less than their Medicaid PPS rate, is in Section 10102(b)(2). The participation protection provision, which ensures that these exchange health plans are required to contract with “essential community providers” including community health centers as part of their provider networks, is in Section 1311(c)(1)(C). Both of these provisions are in the [Patient Protection and Affordable Care Act](#).

15. Where can I find the legislative text of the whole health reform package?

The health reform package is a combination of two laws: the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act. Both are available [here](#).