



HEALTH CENTERS AND HEALTH CARE REFORM: HEALTH CENTER FUNDING GROWTH

The Reconciliation Act of 2010 makes changes to Patient Protection and Affordable Care Act (PPACA). Together, the Reconciliation Act and PPACA are considered the final health care reform package.

The health reform package contains provisions that will significantly grow the Health Centers program over the coming years. These provisions include both dedicated, direct funding through a new Trust Fund and a permanent authorization.

THE COMMUNITY HEALTH CENTERS TRUST FUND

Operations

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 to serve nearly 20 million new patients and to enhance their medical, oral, and behavioral health services. The Community Health Centers Trust Fund is in addition to existing discretionary funding, which was \$2.19 billion in FY 2010.

Community Health Center Operations Funding, 2011-2015				
FISCAL YEAR	Trust Fund +	Discretionary Funding (est.)	Total Annual Funding (est.)	Total Annual Increase
FY 2011	\$1 Billion	\$2.19 Billion	\$3.19 Billion	\$1 billion
FY 2012	\$1.2 Billion	\$2.19 Billion	\$3.39 Billion	\$200 million
FY 2013	\$1.5 Billion	\$2.19 Billion	\$3.69 Billion	\$300 million
FY 2014	\$2.2 Billion	\$2.19 Billion	\$4.39 Billion	\$700 million
FY 2015	\$3.6 Billion	\$2.19 Billion	\$5.79 Billion	\$1.4 billion

Capital

In addition to funding for operations, the Community Health Centers Trust Fund also 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 also 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 are fully maximized.

PERMANENT AUTHORIZATION

The law also reauthorizes the Health Centers program at significantly increased levels permanently. For FY2010-2015, the law authorizes specific funding levels (more than \$8 billion in FY2015) and then in the succeeding years it authorizes increased spending based on a formula. The formula is based on cost and patient growth. The authorization levels, which typically serve as a ceiling on funds that can be provided by Congress, will remain well above the actual funding levels needed to sustain and continue to grow the Health Centers program.

For more information contact NACHC's Division of Federal and State Affairs | www.nachc.org.