



HEALTH CENTERS AND HEALTH CARE REFORM: PUBLIC INSURANCE PROGRAMS

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.

MEDICAID EXPANSION

The health reform package expands Medicaid, beginning in 2014, to all individuals under age 65 with incomes up to 133% of the federal poverty level (FPL, \$24,352 for a family of three in 2010) without categorical restrictions. This expansion is estimated to insure an additional 16 million citizens and legal residents. States are required to maintain their current Medicaid and CHIP eligibility levels for children until 2019, and to maintain their current Medicaid eligibility rules for adults until new health insurance exchanges are fully operational in 2014.

Federal Medical Assistance Percentage (FMAP) is used to determine the amount of Federal matching funds for State expenditures for assistance payments for certain social services, and medical insurance expenditures. In health reform, States will receive federal Medicaid matching payments for the cost of services to expansion populations at the following rates: 100% in 2014, 2015, and 2016; 95% in 2017; 94% in 2018; 93% in 2019; and 90% there after. States that had already expanded eligibility to adults with incomes up to 100% FPL (known as expansion states) will receive a phased-in increase in FMAP for non-pregnant childless adults beginning immediately (in 2010) and lasting until 2019, when their federal matching rate will be the same as other states.

The new legislation also raises the caps on federal Medicaid funding for each of the territories, by providing \$6.3 billion in new Medicaid funding for the territories to almost double their current federal funding. The reconciliation bill gives Puerto Rico and the other territories flexibility to determine how best to use this funding to expand coverage and improve services.

MEDICARE REIMBURSEMENT

The new legislation expands the scope of preventative services provided at Federally-Qualified Health Centers to the Medicare payment rate and eliminates both the outdated Medicare payment cap on FQHC payments and harmful provider productivity screens. Reporting requirements begin in January of 2011, with full implementation of a new payment system scheduled for January of 2014. This provision is based on the NACHC endorsed **Medicare Access to Community Health Centers Act (MATCH Act)**, however the payment methodology has been significantly altered from original legislation. NACHC continues to examine the legislation to ensure it benefits Federally-Qualified Health Centers, and if any changes to the legislation are in needed.

CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP)

The new law requires states to maintain their Children's Health Insurance Program (CHIP) income eligibility levels until 2019, and it extends funding for CHIP through 2015. The CHIP benefit package and cost sharing rules remain unchanged. Beginning in 2015, states will receive a 23% increase in their federal Medicaid matching rate for CHIP expenses up to a cap of 100 percent.