



## RECOMMENDATIONS FOR HOUSE-SENATE CONFERENCE COMMITTEE

### ON HEALTH REFORM LEGISLATION

*NACHC has expressed strong support for both the House and Senate-passed versions of health care reform legislation. Each Chamber included vital provisions that will strengthen and expand health centers' ability to provide high-quality primary and preventive care to newly insured patients. The recommendations below focus on priority provisions for health centers, **where differences exist between the two versions of the legislation.***

*As the conferees work to reconcile the differences between the two bills, NACHC recommends that the final bill:*

#### 1. Protect Health Centers from Underpayment by Exchange Plans

**The Senate legislation** contains a provision (Section 10104(b)) that would ensure that health centers **would not lose revenue when treating newly insured patients** gaining coverage through the new health insurance exchanges the bill establishes. This would be accomplished by extending the FQHC Prospective Payment System (PPS) rate (currently used by the Medicaid program to determine payments for health centers' services) to private insurance plans participating in the exchanges. The provision ensures that federal grant funding needed to support other vital purposes will not have to be siphoned off to cover inadequate payment rates from private plans offered through an exchange. **We recommend that the Conferees include Section 10104(b) of the Senate bill in the final legislation.**

#### 2. Grow the Federal Investment in Primary Care, Prevention and Public Health

**Both the House and Senate legislation** contain provisions that would ensure that *access* to care grows in health reform, as well as increased insurance coverage. The House contains a Public Health Investment Fund that would provide \$12 billion in new, dedicated funding for the Health Centers program, providing access to care to over 20 million new individuals. It also provides almost \$2 billion in new and dedicated funding for the National Health Service Corps. The Senate bill contains \$10 billion for Health Centers, with \$1.5 billion made available for construction, and \$1.5 billion for the National Health Service Corps. Both bills require that the **discretionary base funding for these programs be protected** in order for the new, dedicated funding to be expended. **We recommend that the Conferees include the highest possible guaranteed funding levels for the Health Centers program, the National Health Service Corps, and other critical public health and prevention programs in the final legislation.**

#### 3. Provide for Appropriate, Predictable Medicare Reimbursement to Health Centers

**The Senate legislation** contains a provision (Section 5502) to update Medicare reimbursement system for health centers. The provision eliminates the current, outdated cap and replaces it with a new funding mechanism based on costs. Unfortunately the Senate provision also moves health centers backward toward a fee-for-service payment methodology. This provision should be modified to ensure

consistent billing and collection methodologies for all public payers for health centers. In addition, both the House and Senate bills contain similar provisions that update the list of eligible preventive services under Medicare for health centers. **We recommend that the Conferees include a modified version of Section 4105(o) of the Senate bill, which includes the service update, in the final legislation.**

#### **4. Ensure Full Participation by Safety-Net Providers in Exchange Plans**

**Although both the House and Senate legislation** include provisions that require plans offered through an exchange to include all 340B eligible entities (including health centers), only the House includes a provision recognizing “generally applicable payment rates” for such providers. This would complement the payment protection in Priority #1, and ensure that as uninsured patients gain coverage, the plans covering them will not exclude those low-income communities and individuals most in need of access to care. **We recommend that the Conferees include Section 304(b)(7) of the House bill in the final legislation.**

#### **5. Fund the Training of Medical Residents in Community-based Settings**

**The House legislation** creates a new grant authority under the Public Health Service Act for the development and operation of community-based residency training programs (Section 2214). This program would increase the number of residents training in primary care, and the number completing that training in community-based settings like health centers. Funded out of the Public Health Investment Fund, this new program would significantly ease the primary care shortage facing communities nationwide. The Senate legislation also creates two separate grant programs for the development and operation of teaching health centers. A priority for funding health center-based residency programs is flexibility, as provided for in the House provision, given the significant variation in the design of individual programs. Health centers also support the role of AHECs in providing assistance to community-based residency programs. **We recommend that the Conferees include Section 2214 of the House bill in the final legislation with the addition of language from the Senate recognizing the role of AHECs.**

#### **6. Outline an Inclusive Process for the Redefining of Medically Underserved Populations (MUPs) and Health Professional Shortage Areas (HPSAs)**

**The Senate legislation** establishes a process of “negotiated rulemaking” (Section 5602) to determine criteria and methodology for defining these important measurements, which in turn effect location of future health centers, priority in National Health Service Corps placements, and a number of other federal policy decisions. While the target implementation dates for the new rule should be pushed back to provide more time for input, the collaborative process is preferable since it would examine the various issues involved in these complex designations. **We recommend that the Conferees include Section 5602 of the Senate bill, with modified dates, in the final legislation.**