



Patient Protection and Affordable Health Care Act of 2009

*Currently, the U.S. Senate is considering the Patient Protection and Affordable Health Care Act (commonly referred to as the “Reid bill” after Senate Majority Leader Harry Reid (D-NV)), the merged version of the health reform bills previously passed by the Senate HELP and Finance Committees. Below is NACHC’s analysis of the key provisions of interest to health centers, including those key provisions that were **dropped out and/or modified** during the merge of the two Senate bills:*

Expands Insurance Coverage

Reid Bill: The bill expands Medicaid up to 133% of the federal poverty level, extending Medicaid coverage to 15 million new people. The bill also provides subsidies to 25 million Americans to assist them in purchasing insurance through the new Health Insurance Exchanges. These provisions will ensure that 94% of Americans are insured.

NACHC Position: NACHC strongly supports these insurance expansions, in particular the expansion of Medicaid to all individuals below 133% of poverty, which would make the comprehensive Medicaid benefits package available to *millions* of new and current health center patients.

Ensures Full Participation by Safety-Net Providers in Exchange Plans

Reid Bill: The bill includes the “Essential Community Provider” provision from the Senate HELP bill. The provision requires that plans offered through the New Health Insurance Exchanges include within their provider networks those health care providers that serve predominantly low-income, medically-underserved individuals, such as providers participating in the 340B drug discount program.

NACHC Position: NACHC supports the inclusion of this provision, which would 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.

DOES NOT INCLUDE Senate Finance Committee Provision that Would Protect Health Centers from Underpayment by Exchange Plans

Reid Bill: The bill does not include a Senate Finance Committee provision that would have ensured that FQHCs do not lose revenue when treating newly insured patients gaining coverage through the new health insurance exchanges. This would have been accomplished by extending the health centers’ Prospective Payment System (PPS) rate (currently used by the Medicaid program to determine payments for health center services) to private insurance plans participating in the Exchange.

NACHC Position: NACHC is working with the lead sponsor of this provision, Sen. Bob Menendez (D-NJ), along with Senate committee staff and other health center champions to restore this provision to the bill. At this juncture, we have not learned of any opposition to the restoration of this provision and we will continue to work to ensure it is in the final bill passed by the Senate.

DOES NOT INCLUDE Senate Finance Committee Provision that Would Provide for Appropriate, Predictable Medicare Reimbursement to Health Centers

Reid Bill: The bill does not include a Senate Finance Committee provision that would update the Medicare reimbursement system for FQHCs and align current Medicare payments with the FQHC PPS system currently in place in Medicaid and CHIP. Instead, the bill includes a new Medicare payment methodology for FQHCs that does not appear to mitigate the current arbitrary payment cap on FQHC payments. The bill does require Medicare to appropriately reimburse eligible preventive services when such services are provided to Medicare beneficiaries in the FQHC setting.

NACHC Position: NACHC is working with health center champions, including the sponsor of this provision, Senator Jeff Bingaman (D-NM), along with Senate Committee staff and the Administration to improve the Medicare FQHC payment language in the bill.

Grows the Federal Investment in Primary Care, Prevention and Public Health

Reid Bill: The bill includes Senate HELP Committee provisions which call for annual increases in the amount of funding authorized for the Health Centers program and the National Health Service Corps (NHSC). Separately, the bill also includes a HELP bill provision that provides direct spending for a new Prevention and Public Health fund. The fund is reduced from the amount in the HELP legislation, totaling \$15 billion over 10 years versus \$80 billion in the HELP bill.

NACHC Provision: NACHC supports the inclusion of these provisions and will continue to work to ensure the highest level of dedicated funding for health centers, public health, and prevention.

Funds the Training of Medical Residents in Community-based Settings

Reid Bill: The bill includes a provision from the Finance Committee bill designed to encourage and support the training of primary care residents in community-based settings like health centers. The provision would authorize a new grant authority within the Public Health Service Act for the establishment and expansion of community-based residency training programs, as well establish as a new stream of dedicated funding for the ongoing operation of these programs over the next five years.

NACHC Position: This program aims to increase the number of residents training in primary care and the number completing that training in community-based settings like health centers, which NACHC strongly supports. NACHC will continue to work to ensure that this funding is as flexible as possible in order to meet the needs of the diverse health center residency programs.

Outlines an Inclusive Process for the Redefining of Medically Underserved Populations (MUPs) and Health Professional Shortage Areas (HPSAs)

Reid Bill: The bill includes a Senate HELP Committee provision that would establish a process of “negotiated rulemaking” 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.

NACHC Position: While NACHC believes that the target implementation dates for the new process should be pushed back to provide more time for input, we support this provision. We believe a collaborative process is preferable since it would examine the various issues involved in these complex designations.