

Dear ACH Members:

We hope you all have had a great start to the new year! We are glad to have the opportunity to share with you the following updates in DC, our continued grassroots advocacy efforts, and upcoming member events.

A huge shout out to three of our members - Yakima Valley Farm Workers Clinic, Sun River Health, and Cumberland Family Medical Centers - whose leadership met with their members of Congress last week in DC to urge increased funding for health centers through the Community Health Center Fund. As ACH continues to share the urgent needs of health centers with key members of Congress, we are deeply grateful to these leaders for their hard work and advocacy. More information on the fly-in can be found [here](#).

Thank you to those who were able to join us last week for our **second webinar on the earmarks process**. For those unable to join us, the recording can be found [here](#) and the slides are attached. Please let us know if you have any issues accessing the recording.

Our **2024 Annual Member Meeting**, which will take place March 5-7, 2024, is less than two months away. Please take advantage of our early bird registration fees for our Annual Member Meeting, which ends on January 31st, and [register today](#). You can also book your hotel room at a discounted rate [here](#). All the details, including a draft agenda, can be found [here](#).

For more information on our Learning Collaboratives, webinars, and other programs, please feel free to reach out to Liezl Schewe, Director of Programs & Engagement, at lschewe@advocatesforcommunityhealth.org.

The Latest News from DC

The Senate is in session this week, while House members are at home in their districts for a district work period.

Last week, [Congress passed a short-term continuing resolution](#) to fund the government in two tiers and at current levels, including an extension of the Community Health Center Fund, through March 1 and March 8.

[Initially, Republicans and Democrats both wanted to add extra health policies to the stopgap bill, including an increase for community health centers, but those negotiations fell apart.](#)

While we are grateful that the Community Health Center Fund extension was included in this legislation and that a government shutdown was avoided, ACH remains gravely concerned about the ongoing uncertainty and instability for community health center funds and is urging Congress to enact a long term reauthorization as soon as possible. See below for more information.

In other news, on Friday, the House Ways and Means Committee advanced the *Tax Relief for American Families and Workers Act* by an overwhelming and bipartisan vote of 40-3. The bill would expand the Child Care Tax Credit, the Low-Income Housing Tax Credit, disaster assistance tax incentives, and extend several business tax deductions. A section by section of the bill can be found [here](#). White House Press Secretary Karine Jean-Pierre signaled that the President sees the deal as a step in the right direction and urges Congress to pass it.

This afternoon, the President will meet with his Reproductive Rights Task Force to mark the 51st anniversary of *Roe v. Wade*, and the Vice President is in Milwaukee, Wisconsin to deliver a speech on reproductive rights.

Lastly, today is the [New Hampshire primary](#), where former President Donald Trump and former South Carolina Governor Nikki Haley will compete for the Republican nomination. In [Dixville Notch](#), where the first votes were cast in the primary just after midnight, Nikki Haley won all six of the town's votes. However, the former President is leading Haley by double digits in the polls and is expected to win the state's Republican delegates.

On the Democratic side, President Biden, who is expected to be his party's nominee, won't appear on the New Hampshire primary ballot following an internal party dispute over the primary's date. National Democrats made South Carolina the first official state on its nominating calendar, but New Hampshire's party chose to stick with Tuesday's state-run primary. No delegates will be awarded from the contest. Still, there is a campaign in the state to write in Biden's name.

ICYMI

- [JAMA: Unwinding of Continuous Medicaid Coverage Among Patients at Community Health Centers](#)
- [Commentary: 10 strategies HHS could use to bolster its preparedness for public health emergencies](#)
- [JAMA: Telehealth Expansion, Internet Speed, and Primary Care Access Before and During COVID-19](#)
- [Becker's Hospital Review: How Rural Hospitals are Boosting Access + outcomes with tech and VBC](#)
- [Geiger Gibson: Community Health Centers in Financial Jeopardy Without Sufficient Federal Funding](#)
- [Washington Post: Half of Black D.C. Residents Lack Easy Access to Health Care](#)
- [FQHCs: Medicaid Litigation Year in Review, Adam J. Hepworth and Jarrod S. Brodsky, Foley](#)

Updates on ACH Priorities and Legislation

CHC Invest

Community Health Center Fund Reauthorization

As mentioned above, the Community Health Center Fund has been extended through early March, thanks to a continuing resolution enacted last week. As a reminder, in December, the House passed the [Lower Costs, More Transparency Act](#) with overwhelming bipartisan support (320-71). This bill provides a 10% funding increase - **\$4.4 billion per year through calendar year 2025** - above current levels. [Our statement in support of the bill can be found here](#). In September, the HELP Committee passed the [Bipartisan Primary Care and Health Workforce Act](#), which funds health centers at **\$5.8 billion per year for three years**. Our statement in support of this bill can be found [here](#).

As the *Lower Costs, More Transparency Act* moves to the Senate for consideration and negotiations on a final funding level for the CHC Fund reauthorization continue in earnest, we will continue to work with leaders on both sides of the aisle and push for reauthorization of the CHC fund to include the highest possible level of funding.

This is a critical time for advocacy, as Congress has yet to negotiate a long-term and sustainable funding agreement for health centers. We must continue to communicate health centers' urgent needs to Congress so they understand the true impact of ongoing inflation, 340B savings erosion, workforce shortages, the Medicaid redetermination process, and other factors that are creating historic budget shortfalls and jeopardizing patient care.

Time to pull out all the stops! Your local advocacy and outreach is vital, now more than ever.

Action Alert

Following the passage of the continuing resolution last week and finalization of ACH's [stakeholder letter to Congressional leaders signed by 500+ organizations](#) in October supporting a funding level of \$5.8 billion per year for the CHC Fund reauthorization, there are several things that you can do to help keep the conversation going:

NEW ACTIONS:

1. Call the DC offices of the House members and Senators that represent your health center and tell them that a long-term, meaningful increase for the community health center fund is vital. See attached for a phone script.
2. Share our new [CHC Funding Reauthorization Video](#) on your social media channels and tag your Senators and Members of Congress. (Congressional social media handles can be [found here](#))
3. Engage with ACH's social media posts to widen our reach: [X \(Twitter\)](#) and [LinkedIn Post](#). Retweet, share, and comment on our social media channels. Any engagement counts!
4. Invite your House members and Senators to tour your facilities, if you haven't done so in recent months. This is an election year and members should be at home more than

usual, and this is a great time to invite them for a visit and remind them of the critical services health centers provide their communities. A template email is attached.

340B/C:

340B Investigation - Contract Pharmacies: Last week, ranking member of the Senate HELP Committee, Sen. Bill Cassidy (R-LA), [requested information from two major contract pharmacies, Walgreens and CVS](#), as part of his ongoing investigation into how health care entities use and generate revenue from the 340B program. You may recall that he has also requested information from two hospital systems and two community health centers about how they utilize 340B savings

State-Level Action: 340B experts and lobbyists anticipate 2024 to see increased state-level action on 340B contract pharmacies. [As noted in 340B Report](#), as many as one-third of states are expected to introduce legislation prohibiting drug manufacturer restrictions on contract pharmacy arrangements.

Lower Costs More Transparency Act & 340B: As mentioned above, the *Lower Costs, More Transparency Act* passed the House last month, and if enacted, it will have an impact on the 340B program. Included in this bill is a provision that requires all 340B providers to report annually to HHS on how much savings they retain on 340B drugs dispensed to Medicaid managed care patients. We will continue to monitor this bill's progress and will keep ACH members apprised about its impact on the 340B program.

340C: ACH continues to advocate on behalf of our 340C proposal, holding ongoing conversations with members and staff and external stakeholders. Last year, ACH sent a [stakeholder letter](#) to the leadership of the Senate HELP and House Energy and Commerce Committees outlining the challenges health centers face in the 340B program and recommending [340C as a solution](#). The letter includes signatures from 104 national, state, and local organizations representing 25 states and DC and Puerto Rico.

ACH will continue to advocate urgently for policies to address the actions that are chipping away at the 340B program. [More information can be found here](#).

Value-Based Care:

Growth in Value Based Care Utilization: [McKinsey & Company](#) estimates about 90 million people will be in value-based care models by 2027, up from 43 million in 2022. They also expect growth in specialty VBC, especially in orthopedics and nephrology. Not only that, a recent [report](#) projects VBC to grow to \$174 billion by 2032.

As for ACH's work, as the new year begins the ACH Value Based Care working group is reviewing and revising their charter. Additionally, the group is providing the Duke Margolis Health Policy Center with recommendations around managed care plans and contracts.

In late January, ACH will meet with CMMI regarding the new 10-year [Transforming Maternal Health \(TMaH\) Model](#). The state-based Medicaid model was announced on December 15th and focuses on (1) Access, Infrastructure, and Workforce; (2) Quality Improvement and Safety; and (3) Whole-Person Care Delivery for the prenatal, birth, and postpartum phases for mothers and their infants. The model aims to include CHCs and rural health clinics; however, the funding targets state Medicaid agencies. The working group is submitting feedback for ACH to relay to CMMI. If you have additional feedback on the model, please email Kristen at kconstantine@cha-dc.com.

Health Equity:

ACH continues to promote Rep. Yvette Clarke (D-NY)'s [Health Center Community Transformation Hub Act](#), HR 1072, on the Hill. ACH has reached out to all of the Republican members of the House Energy and Commerce Committee to encourage bipartisan co-sponsorship and build support behind the bill. We will be following up with key offices to discuss potential next steps.

Late last year, [ASPE released a report on Community Care Hubs as models for social and care coordination](#). The report, however, notes that “None of the Hubs included in our case studies specifically discussed partnering with federally qualified health centers (FQHCs). Relationships with FQHCs are likely to exist but might be more informal and in need of more development.” ACH is drafting a Dear Colleague letter in response to the report, emphasizing the importance of CHCs as hyper-local hubs of public health and encouraging support for Rep. Clarke's *Health Center Community Transformation Hub Act*.

Earlier this month, ACH signed on to a letter circulated by the [Alliance to End Hunger](#) urging leading appropriators in the House and Senate to fully invest in federal nutrition programs. The current proposed funding cuts will have a devastating effect on the ability of state agencies, food banks, and providers to serve community members and address high rates of food insecurity. [Without full funding, more than 2 million parents and children could be turned away from WIC.](#)

CMS has [called for proposals for the 2024 CMS Health Equity Conference](#), scheduled for May 29 - 30, 2024. This year's theme is “Sustaining Health Equity Through Action.” Community organizations, academics, researchers, and others are encouraged to submit proposals through February 9. Proposals must focus on this year's theme and align with the priority areas of the [CMS Framework for Health Equity 2022-2032](#) or its companion document, the [CMS Framework for Advancing Health Care in Rural, Tribal, and Geographically Isolated Communities](#). Information and guidelines for submitting proposals can be found [here](#).

FQHC Workforce:

We continue to work toward the bipartisan introduction of the *Developing the Community Health Workforce Act*, to be sponsored by Rep. Raul Ruiz (D-CA). We are currently approaching potential Republican lead sponsors and hope to have the legislation introduced soon. We are

also working to ensure that workforce needs are incorporated into discussions on the Community Health Center Trust Fund reauthorization and are very encouraged to see our language mirrored in the Senate's Primary Care and Health Workforce proposal ([Section 212 - Allied Health Professionals](#)).

ACH continues to recommend \$950 million in FY24 for the National Health Service Corps (NHSC), which was also included in the Primary Care and Health Workforce proposal ([Section 103 National Health Service Corps](#)). We also support the *Restoring America's Health Care Workforce and Readiness Act*, S. 862, a three-year reauthorization introduced by Senators Dick Durbin (D-IL) and Marco Rubio (R-FL) for the NHSC that would double the mandatory funding from \$310 million to \$625 million in FY24 and increase to \$825 million in FY26. For the Teaching Health Centers Program, ACH recommends an investment of \$5 billion over 10 years.

Emergency Preparedness:

ACH continues to work with Rep. Nanette Barragan (D-CA) on the *Emergency Preparedness for Underserved Populations Act* legislation to create a fund that will help health centers prepare for the next pandemic, natural disaster, or other emergency, and is working to identify a Republican lead sponsor.

The Emergency Preparedness Working Group's latest meeting was held on December 12. The group discussed survey results and priorities for 2024, including workforce resilience and training, funding, and housing concerns. The group aims to focus on emergency preparedness beyond pandemics, as governments and other institutions depend on CHCs in natural disasters and emergency situations but do not include them in funding and priority discussions.

Other News from Across the Federal Government:

White House

“Conscience” Rights: [In a final rule](#) released earlier this month, [The Biden administration will largely undo the Trump-era rule allowing medical workers to refuse to perform abortions or other services on religious or moral grounds](#). The rule also rescinds the stripping of federal funding to facilities that require health care workers to provide services they object to.

Advanced Research Projects Agency for Health (ARPA-H)

Investment in Preventive Care: The new ARPA-H agency is launching the [Health Care Rewards to Achieve Improved Outcomes \(HEROES\) program](#) to help spur investment in community-level preventative care resources, especially in communities that have long experienced limited access to breakthroughs in medicine and health care. ARPA-H seeks proposals from "health accelerators," such as community health centers, health provider systems, nonprofits, payers, or combinations of groups working together. More information can be found [here](#).

Department of Health and Human Services (HHS)

Drug Shortages: [On December 27th, President Biden issued a new presidential determination giving HHS more authority to boost manufacturing of essential medical products through the Defense Production Act.](#) The department plans to immediately use this authority to hike domestic production of starting materials for sterile injectable drugs. [The White House announced in November](#) that it would make the determination as one of several actions to increase the resiliency of the domestic drug supply chain.

Health IT: The Office of the National Coordinator for Health Information Technology (ONC) finalized a [rule](#) regarding Health IT certification requirements for interoperability. Notably, the update includes new transparency requirements for certain AI components and predictive algorithms. These provisions are effective February 8, 2024. ONC will hold information sessions about the final rule throughout the month. [Click here to register.](#)

Centers for Medicaid and Medicare Services

Medicaid Unwinding: According to the [KFF Tracker](#), as of January 22, about 15.7 million people have been disenrolled from Medicaid, including about 2.8 million children. Of those who have been enrolled, 71% were terminated for procedural reasons. State-level net Medicaid enrollment declines range from 32.5% in Idaho to 1.2% in Maine.

Prior Authorization: CMS recently finalized the [Interoperability and Prior Authorization Final Rule](#). As part of the agency's commitment to strengthen access to care. Beginning in 2026, Medicare Advantage and Medicaid plans will have 72 hours to answer urgent requests and seven days for a standard request. A Medicare Advantage or Medicaid plan must also provide a specific reason for denying a claim. [See the fact sheet for more information.](#)

Behavioral Health: CMS announced a new model to test approaches for addressing behavioral, physical, and social health needs for people enrolled in Medicare and Medicaid. The goal of the Innovation in Behavioral Health (IBH) Model is to improve the overall quality of care and outcomes for adults with mental health conditions and/or substance use disorders by connecting them with physical, behavioral, and social supports needed to manage their care. For more information, see [CMS' FAQs](#), [Fact Sheet](#), and [Patient Journey Map](#).

Drug Pricing: The U.S. pays more than other rich countries for the vast majority of the drugs CMS selected in August for Medicare price negotiations, [according to a new Commonwealth Fund analysis](#). The analysis, based on data from research firm IQVIA, shows that listed retail prices in the U.S. for the 10 drugs are "on average, three times higher" than they are in other high-income countries such as Germany, Japan, and Switzerland. CMS is slated to send initial price offers to the drug manufacturers by February 1st.

Food and Drug Administration (FDA)

Drug Approvals: The [FDA will offer extra flexibility for approvals of drugs to treat severely debilitating or life-threatening rare diseases, the agency revealed in a final guidance that outlines a streamlined approval pathway for rare disease treatments](#). The agency says it has decided “to exercise the broadest flexibility in applying the statutory standards, while preserving appropriate standards of safety and effectiveness, for products that are being developed to treat severely debilitating or life-threatening (SDLT) rare diseases.” For these products, FDA adds, “clinical investigations can often proceed with modifications to the typical nonclinical development programs described in guidance.”

Congress

House Energy and Commerce Committee:

- **2024 Priorities:** [The House Energy and Commerce Committee has identified several key healthcare priorities for 2024](#). *The primary focus includes enacting the recently passed Lower Costs, More Transparency Act and the Support for Patients and Communities Reauthorization Act.* Republicans are also aiming to reauthorize the Pandemic and All-Hazards Preparedness Act, regulate fentanyl-related substances, and restrict federal agencies from using quality-adjusted life years in evaluations. Addressing drug shortages, altering Medicare payments for doctors and medical products, and extending expiring programs like the Building Our Largest Dementia Infrastructure for Alzheimer’s Act are also on the committee's agenda.
- **FDA Probe:** [House E&C Republicans put the FDA on notice that they are investigating how the agency handles internal scientific disagreements, including alleged retaliatory action against officials expressing differing views](#).

Senate Health, Education, Labor, and Pensions Committee:

- On January 31, the HELP Committee will hold a hearing on an [Authorization for Investigation into the High Costs of Prescription Drugs for Patients in the United States Compared to Other Countries](#). This session will include consideration of subpoenas for the CEOs of drug companies Merck and Johnson & Johnson.
- On January 18, the HELP Committee held a hearing, “[Addressing Long COVID: Advancing Research and Improving Patient Care](#).” A list of witnesses, testimony, and other materials can be [found here](#).

Copay Accumulator Adjustment Programs: A bipartisan group of 19 senators, led by Roger Marshall (R-KS) and Tim Kaine (D-VA), are requesting HHS reconsider its planned appeal of a federal district court decision permitting the use of copay accumulator adjustment programs to help patients pay for their medicines. [The group applauded the court’s decision in a letter to the secretaries of HHS, Treasury the Labor departments](#).

CBO Scoring: [Inside Health Policy](#) recently reported that Rep. Vern Buchanan (R-FL) said he hopes to collaborate with Democrats on legislation to revise the Congressional Budget Office's (CBO) scoring techniques to include long-term savings from preventive health care measures.

In the States

California- [As of January 1, the state is expanding Medi-Cal, the state's Medicaid program, to all low-income adults, regardless of their immigration status.](#) It is estimated to add 700,000 new people to the Medi-Cal program.

Florida- [Florida became the first state to receive FDA approval to import prescription medicines from Canada.](#) Other states have enacted laws permitting importation from different countries, and the FDA signaled that more state approvals could be in the works. Canada has adopted guardrails to ensure drugs can't be exported if it would cause domestic supply issues.

New Hampshire- [Lawmakers have rejected a law that would have permanently extended Medicaid coverage for nearly 57,000 low-income residents.](#) The vote on Senate Bill 253, with a tally of 191-183, maintains the program for the next seven years as outlined in last year's compromise legislation. The decision to make it permanent or not will be revisited by lawmakers at that time.

New York: [On January 9, CMS approved NY's Medicaid 1115\(a\) amendment, "Medicaid Redesign Team," to allow the state to advance health equity.](#) The state is interested in both the Making Care Primary (MCP) model and the States Advancing All-Payer Health Equity Approaches and Development (AHEAD). New York aims to invest in Health Related Social Needs, improve the quality and outcomes of patients, improve the workforce, and provide the state with Substance Use Disorder Authority.

Upcoming Events of Interest:

- **January 31:** [ACH Members-Only Office Hours](#), 12:00 p.m. ET, Virtual.
- **February 27-28:** [AI in Health Care Summit](#), Rise, Virtual
- **March 5-7:** [2024 ACH Annual Member Meeting](#) (Members-Only Event), Washington, D.C.