

Dear ACH Members:

As we begin this week's biweekly update, Advocates for Community Health is proud to announce the five ACH members who won the **Community Health Entrepreneur Challenge**, which will award each of them \$500,000 to implement innovative solutions to improve overall wellness in their communities. The winners are: [Columbia Basin Health Association](#), [Lowell Community Health Center](#), [Mariposa Community Health Center](#), [Morris Heights Health Center](#), and [Mountain Comprehensive Health Corporation](#).

We thank each and every one of you who submitted a proposal for the Community Health Entrepreneur Challenge. Our Selection Committee had a very difficult time selecting only five winners among the dozens of amazing proposals received. We look forward to sharing more about the grantees in the coming weeks and hope to find ways to elevate all of the innovative ideas submitted through this process.

The fall will be a very busy time on Capitol Hill for policies related to health centers, including expected progress on the Community Health Center Trust Fund Reauthorization, ongoing conversations on Fiscal Year 2024 appropriations and the possibility of a government shutdown, potential movement on policies related to the 340B program, and other critical issues. To learn more about what ACH is doing to ensure health centers are top of mind for Congress at this busy time and how you can get involved, please join our Policy & Government Affairs team for a virtual **ACH Member Policy & Advocacy Update** webinar on **Wednesday, September 27 at 12:00pm (ET)**. [Register here](#). This event will take the place of our monthly Office Hours, which will pick up again in October.

Also, please save the date for our **2024 Annual Member Meeting**, which will take place March 5-7, 2024. We will share more details, including registration and hotel block information, in the next couple of weeks. In the meantime, we encourage you to check out our 2023 Annual Member Meeting [blog post](#) to relive some of the highlights from this year's event!

Please keep reading for additional updates on our activities in Washington and relevant policy news.

Membership Engagement

The two learning collaboratives (LC) – Health Center Operations and Value-based Care – are in place with eight members each from the following community health centers:

Health Center Operations: Cherokee Health Systems, Evara Health, Health Choice Network, Jordan Valley Community Health Center, Lowell Community Health Center, Peninsula Community Health Services, and Tampa Family Health Centers, Inc.

Value-based Care: Cherokee Health Systems, El Rio Health, Evara Health, Jordan Valley Community Health Center, Lowell Community Health Center, Open Door Community Health Centers, Sun River Health, and Tampa Family Health Centers.

The **Health Center Operations Learning Collaborative** will delve into the biggest operational challenges and opportunities health centers face and how health centers can leverage their resources to maximize mission and optimize output. This learning collaborative will harness the wisdom, vision and needs of participants to drive continued education and programming throughout the collaborative, creating an opportunity for content and programming to be driven and designed by the group.

The **Value-based Care (VBC) Learning Collaborative** aims to develop standards of care across payers for Federally Qualified Health Centers (FQHC). The collaborative will formulate tools, such as general standards for FQHCs pursuing VBC, standard operating procedures, standardized quality metrics, template contracts, or others as requested by the Collaborative, to support FQHCs that wish to set up value-based contracts. This learning collaborative will build upon the work of ACH's VBC Working Group.

We look forward to the in-person kick off learning sessions planned for both LCs in Washington, DC in November.

The Latest News from DC

The Senate returns to Washington this week and faces a race to the end of September. Watch for appropriations work to be front and center – both for floor consideration, as well as taking up significant political bandwidth. This includes both the consideration of FY2024 appropriations bills as well as a Continuing Resolution (CR) and expiring authorization extensions. In the interim, expect the Senate to focus on nominations and move other priorities including Federal Aviation Administration reauthorization, rail safety, and significant conversations about artificial intelligence (AI). Expect health priorities in the Senate to remain a bit stuck, and most likely to see major movement if an end of year health package emerges. This includes the ongoing conversation regarding insulin pricing in the Senate, which also looks to slip later into the fall.

We await the return of the House next week. It remains possible that the House will move first on a short-term CR to fund the government at current levels through early November, which may be a partisan effort in its earliest forms.

What We're Watching

The House is soon expected to take up the negotiated Tri-Committee (Energy and Commerce, Ways and Means, and Education and Labor) package on transparency and health reauthorizations (including the Community Health Center Trust Fund Reauthorization) that are set to expire September 30. While the expectation had been to release text to key stakeholders and offices the last week of August, failure to have bipartisan sign off has led to delays. House Leadership is now looking at the week of September 18 to bring the bill to the floor under a rule.

At a high level, in addition to all the Community Health Center, Special Diabetes Program, and other public health reauthorizations and Medicaid DSH relief, the package is not expected to contain the more controversial provisions that had been discussed but will maintain PBM transparency requirements, targeted site neutral policies, and other policies.

- ***Breaking News***: As of this afternoon, we have learned that this legislation will **extend the Community Health Center Fund through calendar year 2025 at \$4.4 billion per year**, a 10% increase over current levels. This is more than was passed by the Energy and Commerce Committee in May (which was \$4.2 Billion per year for two years). This increase in funding is absolutely a step in the right direction at a time when health centers need increased funding more than ever. ACH will continue push our *CHC Invest* campaign to ensure as much of an increase for health center funding levels as possible. We will also continue to review Committee materials as they are released and will stay in close contact with Committee members and staff as consideration of this bill continues. The goal remains for the House to vote on this measure during the week of September 18.

Additionally, the House Energy and Commerce Committee is scheduled to hold two legislative hearings—on drug shortages (Sept. 15) and innovation (Sept. 19) - as well as an oversight hearing on Inflation Reduction Act (IRA) implementation (Sept. 20).

Meanwhile, in the Senate, appropriations bills and nominations will likely crowd out any September action on the long-promised PBM and insulin pricing measures. We hear the Senate will take up a series of minibuses (bills containing 2-3 individual appropriations bills) until the House sends over a CR, to which they'd attach a package of short-term health extenders (likely including the CHC Trust Fund). This could give the Senate Finance Committee more time to legislate on PBM matters and other initiatives.

We are also keeping an eye out for a possible mid-September markup in the Senate HELP Committee of a Sanders-Marshall bipartisan primary care/community health center package. More on that below!

ICYMI

- JAMA: [Estimated Costs of Intervening in Health-Related Social Needs Detected in Primary Care](#)
- Washington Post: [Kids in many states wrongly removed from Medicaid, U.S. officials say](#)
- AMA, AHIP, NAACOS: [Playbook on Data Sharing Best Practices for Value-Based Care](#)
- UDS: [September-November UDS Reporting webinars](#)

Updates on ACH Priorities

CHC Invest:

Community Health Center Reauthorization:

In the Senate, the HELP Committee is still negotiating their reauthorization. HELP Committee Chair Bernie Sanders (I-VT) has been negotiating throughout August with Sen. Roger Marshall (R-KS) on a slimmed-down primary care/CHC bill, and as of this writing, has an agreement to an outline in principle, with some details still being worked out. We expect a markup of that bill in mid-September, with the target of having the bill available for feedback prior.

Meanwhile, HELP Committee Ranking Member Bill Cassidy, M.D. (R-LA) has introduced a reauthorization bill that mirrors the original Energy and Commerce-passed House proposal – a 2-year reauthorization allocating \$4.2 billion per year for health centers, a 5% increase.

ACH remains laser focused on our goal of achieving a significant increase through the trust fund reauthorization, above the House level. ACH is continuing strategic conversations with key staff and members in the House and Senate, and ultimately the House and Senate will have to negotiate a final funding level. We expect to see an extension to give negotiators more time, beyond the September 30 deadline.

Appropriations for FY24

As for the appropriations process for discretionary spending, the community health center program has been flat funded in both the House and the Senate, at \$1.86 billion for fiscal year 2024. The path ahead for these bills is murky, and we fully expect to see Congress either enact a continuing resolution to give them more time to negotiate or, if they cannot agree on terms by September 30, we may see a government shutdown.

[More information on our CHC Invest campaign and all we are doing to urge Congress to increase funding for health centers can be found here.](#)

Potential Government Shutdown Update

Is a government shutdown inevitable? That is the question hanging over Congress as it returns from the August break. The bipartisan law passed in June that raised the debt ceiling set spending caps for the Fiscal Year starting in October. The House responded by passing party-line appropriations bills at levels below those caps, while the Senate is poised to pass bipartisan spending bills at levels higher than the caps (even the meaning of the word “caps” divides politicians these days). Senate Leaders Chuck Schumer (D-NY) and Mitch McConnell (R-KY) made clear that they will not go along with the lower House-passed spending levels, with McConnell taking a shot across the bow at his Republican counterpart in a letter to colleagues: “The speaker and the president reached an agreement...to set the spending levels for next year. The House then turned around and passed spending levels that were below that level.... [T]hat’s not going to be replicated in the Senate.”

In other words, it is House Republicans versus Senate Democrats, Republicans, and the White House. Current thinking has Speaker Kevin McCarthy planning for a CR to fund the government at current levels until mid-November, although that remains to be seen. The Senate will surely go along with a CR, although the leadership there would prefer one that goes into December to give more time for negotiation. But we are left asking: can the House pass a CR at all, given its many warring Republican factions?

While it remains unclear if the House or Senate will move first on a CR, the Senate is drafting one, as well as language for a supplemental.

Given the uncertainty facing the September 30 deadline, we thought it might be helpful to provide the following shutdown resources:

- [HHS Staffing contingency plan](#)
- [General Principles That Govern An Agency's Actions During a Shutdown](#)
- [Agency Operations in the Absence of Appropriations](#)
- A **one-pager on how CHCs and PCAs would be impacted by a government shutdown** (attached). Big thank you to Colleen Meiman, National Policy Advisor for State & Regional Associations of Community Health Centers, for sharing this important resource!
- **Recommended Action Item:** CHCs that have actions that require BPHC approval (e.g., change in scope, re-budgeting) are advised to **submit them as soon as possible**. If a shutdown occurs, HRSA will be operating on a skeleton crew, and it will take much longer than usual for non-emergency requests to be processed.

340B/C:

In July, ACH submitted a letter responding to the bipartisan [Senate 340B Working Group's RFI](#), with significant input from our 340B Working Group. The RFI sought feedback on ways to improve the 340B program, and ACH recommended our [340C proposal](#) as a policy option, among other recommendations.

In addition, on July 24, 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 as well as DC and Puerto Rico, including 10 primary care associations.

ACH continues 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:

The ACH Value Based Care Working Group will meet later this month, and the ACH Value Based Care Learning Collaborative is underway.

Last week, ACH provided an overview of the Making Care Primary (MCP) model for eligible ACH members. We will continue engaging with CMS to ensure our members get the information they need. The MCP [Request for Applications](#) is available, and applications should be open now until November 30. If you have questions or need additional information, please contact Kristen Constantine at kconstantine@cha-dc.com

Updates on ACH-Led Legislation and Related Issues

Health Equity:

ACH continues to promote Rep. Yvette Clarke (D-NY)'s [Health Center Community Transformation Hub Act](#), HR 1072, on the Hill, including continuing conversations with Rep. John Curtis (R-UT) as a potential lead Republican sponsor.

ACH Joins Data Equity Coalition: The National Minority Quality Forum and Blue Cross Blue Shield Association have convened a Data Equity Coalition. The mission of the Data Equity Coalition is to develop and recommend policy solutions that advocate for race, ethnicity, language representation, sexual orientation, and gender identification standards in support of health outcomes. Members include organizations representing patients, consumers, payers, providers, businesses, and social change constituencies including the American Heart Association, National Rural Health Association, the Black Women's Health Imperative, National LGBTQ Task Force, and others. An initial issue brief was released by Coalition leaders in March 2023, which can be found here: ["Standardizing Data to Advance the Health Equity Movement: A Multi-Sectoral Strategy."](#)

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.

As a reminder, ACH recommends \$950 million in FY24 for the National Health Service Corps (NHSC). 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 are working to identify a Republican lead sponsor. The working group will hold its first meeting September 18 and meet quarterly. As a reminder, ACH provided [feedback](#) to the [Health Care Preparedness and Response Capabilities](#) guidance.

Medicaid Unwinding

CMS letter: On August 30, CMS sent a [letter](#) to all states, asking some to restore coverage for people who were recently disenrolled from Medicaid for procedural reasons. CMS unwinding [data](#) shows that at least 5.5 million Medicaid enrollees have lost coverage thus far, many due to procedural reasons. The letter specifies steps states must take to end family-based ex parte renewals, including reinstating people who have already lost coverage. If they don't take these steps, states risk losing this year's enhanced federal Medicaid matching rate or face other corrective actions.

AHRQ

Patient Experience: The Agency for Healthcare Research and Quality (AHRQ) issued a notice requesting that the Office of Management and Budget (OMB) approve the proposed information collection project "Use of Open-Ended Responses to Explore Disparities in Patient Experience." [Comments](#) are due October 5. [More information here.](#)

HRSA

Rural Communities: On August 31, HRSA announced \$80+ million in awards to rural communities in 39 states to support key strategies to respond to the overdose risk from fentanyl and other opioids. The awards will expand access to opioid use disorder prevention and treatment, prevent and address neonatal exposure, and help implement best practices. This [press release](#) provides more information.

CMS

Staffing Minimums: CMS has [issued a new proposed rule that would set staffing requirements for nursing homes](#). Nursing homes would need to provide residents with a minimum of 0.55 hours of care from a registered nurse per resident per day, and 2.45 hours of care from a nurse aide per resident per day, exceeding existing standards in nearly all states. Additionally, an RN

would need to be on site 24/7. CMS estimates approximately three quarters (75%) of nursing homes would have to strengthen staffing in their facilities.

Quality Measures: [CMS Issued a Final Rule for Medicaid, CHIP Quality Measures Reporting](#).

The rule requires reporting of standardized quality measures in Medicaid and the Children's Health Insurance Program (CHIP) and mandates annual state reporting on three different quality measure sets, including child and adult core sets, health home core sets, and behavioral health core sets. The rule goes into effect on October 1, at the beginning of Fiscal Year 2024.

Navigator Funding: [CMS Distributes \\$98.6M In Navigator Funding](#): 57 organizations will receive CMS insurance navigator cooperative agreement awards to help individuals in medically underserved populations access the health insurance that is right for them. Navigators serve an important role in connecting communities to health coverage, including communities that historically have experienced lower access to health coverage and greater disparities in health outcomes.

HHS

Medicare Drug Pricing Negotiations: Last week, [HHS announced the first 10 prescription drugs](#) covered under Medicare Part D subject to price negotiation. The [selected drugs](#) accounted for \$50.5 billion in total Part D gross covered prescription drug costs, or about 20%, of total Part D gross covered prescription drug costs between June 1, 2022 and May 31, 2023, which is the time period used to determine which drugs were eligible for negotiation. [ASPE](#) estimates the out-of-pocket expenditures for these selected drugs in their latest research fact sheet.

Meanwhile, OIG issued a [brief](#) on the impact of Part B price substitutions based on 2021 average sales prices. Since 2013, CMS and beneficiaries have saved \$73.4 million due to the price-substitution policy for Part-B covered drugs.

In the States

North Carolina: North Carolina [announced](#) that its Medicaid Expansion will no longer launch on October 1 as planned, due to continued budget negotiations in the state legislature. A new launch date has not been determined.

Upcoming Events of Interest

- **September 12-13:** [DEA Hosts Public Listening Sessions on Telemedicine Regulations](#), *Livestream available.*
- **September 14:** [Today with Macrae, Health Center Program Updates](#). 2:00 p.m. ET. *Virtual.*
- **September 27:** [ACH Member Policy & Advocacy Update Webinar](#), 12 p.m. ET., *Virtual*

- *This event will take the place of our monthly Office Hours, which will pick up again in October.*
- **September 28:** [Culture-Centered Dietary Interventions to Address Chronic Diseases](#), 12:00 p.m. ET to 5:00 p.m. ET. *Virtual.*

Please let us know if there's any additional information we can provide and have a great rest of your week!

Best,

Stephanie