

Dear ACH Members:

As the September 30 funding deadline approaches, the fall is shaping up to be a 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 during this crucial time, please join our policy team for an [ACH Member Policy & Advocacy Update Webinar](#) on **Wednesday, September 27 at 12:00 p.m. ET**. [Register here](#).

In addition, please save the date for our 2024 Annual Member Meeting, which will take place March 5-7, 2024. We will be sharing more details, including registration and hotel block information soon. In the meantime, read 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.

### **The Latest News from DC:**

#### **\*Important Action Alert\***

Senate HELP Committee Chairman Bernie Sanders (I-VT) and HELP Committee member Senator Roger Marshall (R-KS), following much negotiation, have released a bipartisan Community Health Center Fund Reauthorization/primary care proposal that would fund health centers at **\$5.8 billion per year for three years**. The proposal - the [Bipartisan Primary Care and Health Workforce Act](#) - will be considered in the HELP Committee in Executive Session this Thursday, September 21 at 11 a.m. ET. More information about the Executive Session and [legislative text](#) and the [bill summary](#) can be [found here](#). **We are thrilled to see that this funding level very closely mirrors ACH's [CHC Invest](#) ask** and believe that this deal could not come at a better time, as health centers face historic budgetary challenges. [See here for ACH's letter of support](#).

This news comes on the heels of the introduction on September 8 of bipartisan House legislation, [The Lower Costs, More Transparency Act](#), which funds the CHC Trust Fund at **\$4.4 billion per year through calendar year 2025**. A 10% increase over current levels, this follows strategic and consistent advocacy by ACH to key House members and staff on the critical need for increased funding for health centers. It is a major step in the right direction and will set up health centers for a meaningful increase as the House and Senate head toward final negotiations later this year. ACH's statement in support of this bill can be [found here](#).

**It is critical that you (and your networks, if possible) contact your Senators and Representatives and urge them to support their respective versions of the Community Health Center Fund Reauthorization including the highest possible investment.**

In addition, **please help amplify our messaging about CHC funding by engaging with our latest social media posts** and resharing them on your personal LinkedIn accounts and on your organization's social media accounts.

#### Thursday's Posts:

[LinkedIn](#)

[Twitter \(X\)](#)

[Facebook](#)

#### Friday's Posts:

[LinkedIn](#)

[Twitter \(X\)](#)

[Facebook](#)

#### **What We're Watching**

There is a lot happening in health care policy on Capitol Hill, first and foremost the Community Health Center Fund Reauthorization (more on that below). In addition, we will monitor hearings this week on pharmacy benefit manager reforms, surprise billing regulations, and drug price negotiations as the Lower Costs, More Transparency Act (which contains the CHCF reauthorization and lots of measures related to price transparency in health care) is considered on the House floor tonight.

We also wanted to note a recent letter from over 250 safety net hospitals and health systems asking Congress to prevent \$8 billion in Medicaid cuts that are scheduled to go into effect October 1. The [letter from America's Essential Hospitals](#) said that the reductions in Medicaid Disproportionate Share Hospital Payments (DSH), which the hospitals use to offset uncompensated costs incurred in caring for low-income people, would hurt their ability to help millions of patients. Medicaid DSH funds are set to be cut \$8 billion in each of the Fiscal Years 2024 through 2027, a yearly reduction equal to more than two-thirds of federal DSH spending. The hospitals want Congress to halt at least the \$16 billion in cuts for 2024 and 2025.

#### **Upcoming Hearings**

- 9/19: House Ways and Means Committee will hold a hearing on, "[Reduced Care for Patients: Fallout From Flawed Implementation of Surprise Medical Billing.](#)"
- 9/19: House Committee on Oversight and Accountability will hold a hearing on, "[The Role of Pharmacy Benefit Managers in Prescription Drug Markets Part II: Not What the Doctor Ordered.](#)"
- 9/20: House Energy and Commerce Committee Subcommittee on Oversight and Investigations will hold a hearing on, "[At What Cost: Oversight of How the IRA's Price Setting Scheme Means Fewer Cures for Patients.](#)"

- 9/21: Senate Health, Education, Labor and Pensions (HELP) Committee will hold a markup of five bills including the [Bipartisan Primary Care and Health Workforce Act](#).

### **ICYMI:**

- [KFF: Health and Health Care Experiences of Immigrants](#) - The 2023 KFF/LA Times Survey of Immigrants.
- A new study published on September 16: [Use of and barriers to adopting standardized social risk screening tools in FQHCs during the first year of the COVID-19 pandemic](#)
- New from CMS: [Social Determinants of Health \(SDOH\) Z Codes infographic and list](#)

### **Updates on ACH Priorities**

#### **CHC Invest**

##### *Community Health Center Reauthorization:*

On September 8, the House Energy and Commerce, Ways and Means, and Education and Workforce committees introduced the [Lower Costs, More Transparency Act](#), tying together multiple pieces of legislation focused on health care affordability. **This legislation funds the CHC Trust Fund at \$4.4 billion per year through calendar year 2025 (a 10% increase over current levels).** While the bill was scheduled to be considered by the House last night, the vote has been postponed due to leadership concerns about whether they have the votes to pass it and because of opposition by hospital groups over some of the provisions, and it will be considered at a later date. There are a number of sticking points in the bill for both Democrats and Republicans, independent of the community health center provisions; Democratic provisions omitted during markups in the Ways and Means and Education and Workforce committees have caused tension within the Democratic caucus and conservative Republicans are opposed to some of the spending in the bill, among other issues. ACH's statement in support of the Lower Costs, More Transparency Act can be [found here](#).

In the Senate, following a lengthy negotiation, HELP Committee Chair Bernie Sanders (I-VT) and Sen. Roger Marshall (R-KS) announced the [Bipartisan Primary Care And Health Workforce Act](#). This bipartisan Community health Center Fund Reauthorization and primary care proposal funds health centers at **\$5.8 billion per year for three years**. ACH is thrilled to see funding levels near the levels we've advocated for in our CHC Invest campaign, proving our bold vision, strategy, and persistent advocacy produces results. [Read ACH's letter of support](#) for the Bipartisan Primary Care and Health Workforce Act.

The package would provide resources for a number of community health programs:

- Community health centers would get \$5.8 billion annually for the next three years. They would also receive \$3 billion to build new facilities or renovate existing ones, with projects to expand dental and mental health care prioritized. CHCs would have to provide nutrition services.
- The Teaching Health Center Graduate Medical Education program would be reauthorized through 2028 with an additional 700 primary care residency slots.
- The National Health Service Corps would be reauthorized at \$950 million per year through 2026. That would support about 20,000 loan repayment awards and more than 2,000 scholarships for providers working in underserved areas.

To grow the health workforce, the measure would provide:

- \$1.2 billion for two-year nursing education programs to increase class sizes and train 60,000 more nurses.
- \$300 million for primary care physician education to train 2,000 more doctors by 2032.
- Additional funding for rural residencies, telehealth, and the dental workforce.

The bill is scheduled for markup in an Executive Session of the HELP Committee on Thursday, September 21. While the need for increased health center funding continues to enjoy strong bipartisan support, this particular bill is not supported by HELP Committee Ranking Member Bill Cassidy, M.D. (R-LA), as the Ranking Member has objections to both how the legislation is paid for and the process by which it was developed and considers it “unfinished.” Introduction of this bill without the support of Dr. Cassidy has created tension among HELP Committee members of both parties.

Despite other narratives pushing for flat funding or supporting low investments in health centers and their patients, this movement in the right direction is proof of what strategy, vision, and persistent advocacy can produce. **Unprecedented need calls for bold action, and ACH won't let up.** For well over a year, ACH has clearly and consistently advocated for an ambitious, historic investment in community health centers through the Community Health Center Trust Fund reauthorization. In May 2022, ACH launched the [CHC Invest](#) campaign, calling on members of Congress to make meaningful investments in health centers and help ensure FQHCs can fulfill their mission of providing services to critically underserved populations, serving all who seek care, regardless of ability to pay. We have sustained this strategic campaign for 16 months via earned and social media, grassroots advocacy, in-person and virtual meetings with members of Congress and staff, a well-attended educational event on Capitol Hill, and other methods. In May 2023, ACH spearheaded and sent a letter from 140 national, state, and local stakeholders to the leaders of the Senate HELP and House Energy and Commerce Committees, making the case for a meaningful funding increase through the CHC Trust Fund reauthorization. We are gratified to see real movement toward our audacious goals.

*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:*

The prospect of impending government shutdown continues to loom, following actions (or lack thereof) this week in the House and Senate. Less than two weeks from the end of the fiscal year on September 30, the appropriations process appears to be in disarray.

Last Wednesday, House Republicans failed to move forward on a (typically noncontroversial) procedural vote advancing funding for the Defense Department. The conservative House Freedom Caucus continues to withhold support from any continuing resolution (CR) or short-term extension, and last week Rep. Matt Gaetz (R-FL) said on the House floor that he would move to oust Speaker McCarthy if a vote for a continuing resolution to avoid a government shutdown was held.

House Republicans are insisting on steep spending cuts that are opposed by both Democrats and Republicans in the Senate and are threatening to shut down the government over this issue. Speaker McCarthy's latest plan is to try to pass a CR brokered by the conservative Freedom Caucus and the moderate Main Street Caucus, which would fund the government until October 31 and cut spending across the board except for defense and homeland security (and would also include new immigration restrictions). The Speaker may not be able to pass this bill in the House, and even if he can, it is a non-starter in the Senate - and it feels like a last-ditch effort to show progress before a government shutdown.

The bottom line is that the House is simultaneously 1) unable to move any spending bills; 2) perhaps unable to even pass a short-term CR; and 3) seemingly walking the government into a shutdown in two weeks with no off-ramp. This is all amid an [impeachment investigation](#) of President Biden and upcoming expiration of a number of government programs, including the Community Health Center Trust Fund. We will have to wait and see how it all plays out.

Given the uncertainty, we are again including a few helpful 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 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!

### **340B/C**

Last week, the House Energy and Commerce Committee held a hearing on how to prevent drug shortages and there was substantial discussion of the 340B program. In particular, the subcommittee discussed a bill by Chair Cathy McMorris Rodgers (R-WA), which would exempt certain generic, sterile, injectable drugs from 340B rebates.

In support of this provision, a generic drug maker stated that 340B causes “a significant erosion of margin, which makes it that much harder to deliver products on a sustainable basis,” with Republicans arguing that eliminating 340B rebates would cause manufacturers to increase production. Democrats argued that there is no data linking 340B to drug shortages, and that very low 340B prices are due to manufacturers raising prices much faster than inflation. [Visit this link to watch a recording of this hearing, learn more about the legislation being discussed, or read the witness testimony.](#)

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.

Also in July, 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 met earlier this month, and the ACH Value Based Care Learning Collaborative is currently underway. We are relaying members' feedback on current CMMI models to CMS, including the pain points of voluntary alignment. Our Value Based Care Working Group Chair Brenda Rodriguez, of Lowell Community Health Center, is

also leading work to create a final VBC survey to send to ACH members. Additionally, ACH is meeting with the Duke Margolis Center for Health Policy this week to discuss VBC in Medicaid. We will share any updates and possible working group action items after the meeting.

Reminder: CMMI's Making Care Primary (MCP) model [Request for Applications](#) is available, and applications will be open until November 30. If you have questions or need additional information, please contact Kristen Constantine at [kconstantine@cha-dc.com](mailto:kconstantine@cha-dc.com)

## **Health Equity**

The ACH Health Equity Working Group held its kick-off meeting earlier this month to evaluate [ACH's policy priorities](#) and discuss advancing existing and future legislation.

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. In the coming weeks, we will be reaching out to Republican members on the House Energy and Commerce Committee to encourage bipartisan co-sponsorships and build support behind the bill.

## **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 proposal mirrored in the Senate HELP Committee's Bipartisan Primary Care and Health Workforce bill ([Section 212 - Allied Health Professionals](#)).

As a reminder, ACH recommends \$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 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.

## **Rural Health**

On September 7, Ways and Means Committee Chairman Jason Smith (MO-08) [released an open letter to the health care community](#) requesting comments and input on solutions that can help turn the tide against the disparities in access to care for the millions of Americans in rural and underserved communities.

The areas of interest include payment disparities in geographic areas, the long-term financial health of providers and facilities, payments for identical care provided in varying sites of service, bringing new professionals into the health care workforce, and innovative models and technology to improve patient outcomes.

ACH will submit comments, which are due on October 5th. If you have any feedback you would like us to include in our response to the RFI, including issues relating to financing and the rural health workforce, please email Kristen at [kconstantine@cha-dc.com](mailto:kconstantine@cha-dc.com)

## **Medicaid Unwinding**

**KFF Tracker:** At least 6.6 million people nationwide have lost Medicaid coverage as of September 18. [More information can be found here.](#)

## **White House**

**Cancer Moonshot:** On September 13, President Biden [unveiled a slate of cancer moonshot programs](#) in tandem with a meeting of advisers across agencies who are in his Cancer Cabinet. The initiatives, which are meant to advance the White House's goal of reducing the cancer rate by half over the next 25 years, include more funding for the Advanced Research Projects Agency for Health ([ARPA-H](#)), additional resources to help Americans quit smoking and plans to improve cancer research and care for underrepresented communities and veterans.



Of note, the Health Resources and Services Administration (HRSA) stated as part of this announcement that they will launch a new National Quality Leader (NQL) – Cancer Screening Badge, **to recognize community health centers for exceptional performance and high clinical quality in cancer screenings**. Federally qualified community health centers that meet two or more of the Healthy People 2030 breast, cervical, and colorectal cancer screening targets in their annual Uniform Data System performance report will receive the new [NQL – Cancer Screening Badge](#). This badge highlights the critical role health centers play in providing historically medically underserved, high-need communities with access to lifesaving cancer screenings.

## **HRSA**

**Medical Language Program:** On September 15, [HRSA announced](#) it will invest more than \$8 million through 18 awards to train primary care medical students, physician assistant students, and medical residents in providing culturally and linguistically appropriate care for individuals with limited English proficiency and individuals with physical or intellectual and developmental disabilities.

## **CMS**

**MSP Finalized Rule:** On September 18, [CMS](#) finalized the [rule](#), "Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment." This streamlines enrollment and retention in the Medicare Savings Programs (MSPs), making coverage more affordable for an estimated 860,000 people. One of the key changes is to automatically enroll Medicare-eligible people who get Supplemental Security Income (SSI) from Social Security. This is the most significant action in a decade for older adults and people with disabilities around affordable and accessible health care access.

**AHEAD, the New Total Cost of Care (TCOC) Model:** On September 5, 2023, the Centers for Medicare & Medicaid Services (CMS) announced a new voluntary, state TCOC model: [the States Advancing All-Payer Health Equity Approaches and Development Model \("States Advancing AHEAD" or "AHEAD" Model\)](#). CMS's goal in the AHEAD Model is to collaborate with states to curb health care cost growth; improve population health; and advance health equity by reducing disparities in health outcomes. CMS will support participating states through various AHEAD Model components that aim to increase investment in primary care, provide financial stability for hospitals, and support beneficiary connection to community resources. CMS anticipates releasing a Notice of Funding Opportunity (NOFO) in late Fall 2023, with a subsequent application period in Spring 2024. States interested in participating in AHEAD must apply to the NOFO during these application periods. CMS expects to award cooperative agreements to up to eight states across the two application periods for participation in the model.

**Medicare Prescription Drug Inflation Rebate Program:** Under the Inflation Reduction Act (IRA), people with Medicare may pay a lower coinsurance for some Part B drugs if the drug's price increases faster than the rate of inflation. On September 13, [CMS announced the first list of 34 prescription drugs eligible for lower coinsurance between October 1 - December 31, 2023.](#)

**Medicare Payments:** The hospital industry is [asking CMS to increase a proposed calendar year 2024 Medicare payment bump for outpatient facilities](#) to better offset the challenging economic environment that the industry faces. Numerous industry groups complained about the 2.8% payment hike in public comments to CMS, including the American Hospital Association, which argued that the increase “does not capture either the unprecedented inflationary environment or the other persistent financial headwinds hospitals and health systems are experiencing.” Meanwhile, providers asked CMS to reconsider a proposed Medicare payment cut for physicians next year, arguing that the pay decrease could force providers to cut services and staff.

## **HHS**

**Fair Pricing Agreement:** HHS hammered out a contract agreement with Regeneron that ensures the company's NexGen COVID monoclonal antibody drug will be available in the United States at a price that matches or is lower than its counterparts in comparable international markets, [the department revealed](#). The announcement follows persistent calls from drug pricing advocates for “fair pricing” and equitable access provisions to be included in agreements with Regeneron, Johnson & Johnson and other organizations for the Project NexGen COVID-19 vaccine and therapeutics products.

## **In the States**

- **Missouri:** The Missouri Department of Public Health recently applied to designate its health centers in Berkeley, Sunset Hills, and Jennings as federally qualified health center lookalikes. If approved, this could provide the health department at least \$6 million more annually that could be funneled back into treating the patients who rely on the county's safety-net health system.
- **Tennessee:** Findhelp announced that it will work with the State of Tennessee's Medicaid Agency (TennCare) to help Tennesseans find the non-medical social care assistance they need. Findhelp will provide the technology that allows TennCare to assess non-medical risk factors of individuals in need through a unified approach, and refer them to community-based organizations that can meet their needs — while tracking outcomes.

## **Upcoming Events of Interest:**

- **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 28-29:** NIH/NHLBI Workshop: [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

Stephanie Krenrich (*She/Her/Hers*)  
Senior Vice President  
Policy and Government Affairs  
(202) 738-6634

skrenrich@advocatesforcommunityhealth.org

[Website](#) | [Twitter](#) | [LinkedIn](#)

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