

Dear ACH Members:

With the holidays in full swing and the end of the year quickly approaching, we are glad to have the opportunity to provide you with the following updates in DC and our continued grassroots advocacy opportunities.

Additionally, we are looking forward to our 2024 Annual Member Meeting, which will take place March 5-7, 2024. Please take advantage of our early bird registration fees 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](#).

Finally, please note that this is the **final biweekly update of 2023**, as the House and Senate will both adjourn for the year at the end of this week. We will continue to provide updates as needed, and will send the first biweekly update of 2024 the week of January 8th. If you have any questions in the meantime, please feel free to contact us anytime.

[The Latest News from DC](#)

The House and Senate were both in session this week and it proved to be a busy one for health-related legislation. Earlier this week, the [House passed the Lower Cost, More Transparency Act](#) and [the Support Act](#) (more on those below) with sweeping bipartisan support. In the Senate, the [HELP Committee voted to advance its version of the Support Act](#) and is scheduled to hold a [hearing on the Diabetes epidemic](#) today. While many in the health care community have enjoyed a week filled with bipartisan legislative achievements, the celebration may be short-lived as the government hits its first shutdown deadline of 2024 on January 19th.

Both the House and Senate are scheduled to recess until January 8th, and as of this writing, no top-line spending level has been agreed upon, which is necessary to begin negotiations between the House and Senate. Given Congress' current tenor, top appropriators expect it will take at least a month to tie up negotiations once the topline deal is struck, which skyrockets the possibility of at least a partial shutdown. [For more on government funding negotiations, see this rundown in Politico.](#)

ICYMI

- [Addressing the Direct Care Workforce Shortage: A Bipartisan Call to Action](#); Bipartisan Policy Center
- [Community Partners Come Together to Provide Care for Unhoused Residents](#); LMH Health
- *Member Spotlight!* [Evara Health is Tackling Chronic Conditions and Savings Lives with RPM](#); Healthcare IT News
- [2 Million Parents and Young Children Could be Turned Away From WIC by September Without Full Funding](#); Center on Budget and Policy Priorities

Updates on ACH Priorities and Legislation

CHC Invest

Community Health Center Reauthorization

Big news this week! On Monday, 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. This is a substantial step in the right direction for community health center funding and ACH is thrilled the House of Representatives passed it. ACH has been advocating tirelessly since May 2022 for bold investment in community health centers, and we are proud to see that work come to fruition. [Our statement in support of the bill can be found here.](#)

The Lower Costs, More Transparency Act contains several other program extensions, including the National Health Service Corps through 2025, the Teaching Health Center Graduate Medical Education Program through 2030, and the Special Diabetes Program through 2025. A full summary of the provisions in the bill can be found in the Bloomberg Government article attached.

Attention now turns to January 19, when the authorization of the CHC Fund expires, following extensions on September 30 and November 17. 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 - the funding levels included in the [Bipartisan Primary Care and Health Workforce Act](#), which funds health centers at **\$5.8 billion per year for three years**.

This is a critical time for advocacy, and January 19 will be here before we know it. Time to pull out all the stops!

Action Alert

Following the passage of the Lower Costs, More Transparency Act this 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:

1. Share the attached social media graphics and this link of our letter on your social media channels: [https://bit.ly/ CHCF](https://bit.ly/CHCF). Please tag your Senators and Members of Congress (Congressional social media handles can be [found here](#)).
2. Engage with ACH's social media posts to widen our reach: [X \(Twitter\)](#) and [LinkedIn Post](#).
3. Email your Senators and Representatives to let them know that your organization signed this letter and share the final version. In case helpful, we've drafted a template email (attached) for you to use.
4. Invite your House members and Senators to tour your facilities, if you haven't done so in recent months. The House and Senate will be in recess for the rest of the month, 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:

[Today, CMS posted its final guidance for using 340B modifiers in compliance with the Inflation Reduction Act](#). This guidance is a revision to the 340B Modifier Guidance, titled *Part B Inflation Rebate Guidance: Use of the 340B Modifiers*, initially published on December 20, 2022. This guidance revises the modifiers that should be used to report drugs acquired under the 340B Program to align with the policies finalized in the Calendar Year (CY) 2024 Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System final rule with comment period.

This revised 340B Modifier Guidance further provides that, for claims with dates of service beginning no later than January 1, 2025, CMS is requiring all 340B covered entities, including hospital-based and non-hospital-based entities that submit claims for separately payable Part B drugs and biologicals to report the "TB" modifier on claim lines for drugs acquired through the 340B program.

Also this week, [HRSA has posted a new "patient definition resources" page](#) to further assist covered entities with 340B Program compliance activities. On this page, HRSA has compiled existing resources on how it conducts audits and determines non-compliance to ensure compliance with the 340B statutory prohibition against diversion. This comes after a federal district court's ruling last month in *Genesis Healthcare, Inc. v. Becerra*, which called into question HRSA's ability to enforce its patient definition.

Lower Costs More Transparency Act and 340B: As mentioned above, the Lower Costs, More Transparency Act passed the House this week, 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.

HELP Hearing on Drug Shortages and 340B: On December 5, [the Senate Finance Committee \(SFC\) held a hearing on prescription drug shortages](#). As with the House hearing on drug shortages held in September, some witnesses and members suggested that 340B is a contributor to these shortages, as it causes a "significant erosion of margins."

Sen. Mike Crapo (R-ID), the SFC's ranking member, stated that Medicaid inflationary rebates and 340B penny pricing warranted "serious scrutiny in the context of generic products." These concerns were echoed by Sen. Bill Cassidy (R-LA), who serves as the Ranking Member of the Senate HELP committee (which oversees the 340B program.) Sen. Cassidy suggested that 340B contributes to shortage of generic drugs by lowering their profitability. He specifically focused on generic injectable products, referencing a bill that he introduced in the House in 2012 to exempt these products from 340B discounts. (A similar proposal was discussed during the House hearing in September.) Sen. Cassidy's perspective is particularly relevant, as he is widely expected to become the chair of the HELP committee in 2025. (Many thanks to Colleen Meiman for this read out from the hearing!)

340C: ACH continues to advocate on behalf of our 340C proposal, holding ongoing conversations with members and staff and external stakeholders. Earlier this 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:

Members of the ACH VBC Working Group/VBC Learning Collaborative met on December 12 for a presentation on FQHC collaborations in value-based care arrangements led by [Allen Miller, the CEO of COPE Health Solutions](#). Mr. Miller discussed understanding the various types of

risk-bearing arrangements for FQHCs, especially for groups like ACOs and CINs, and reviewed the key competencies needed for FQHCs to succeed in value-based care. Please contact [Kristen Constatine](#) for a copy of the recording and/or slides.

The VBC working group is also updating its charter for 2024, and reviewing policy questions from the Duke Margolis Center Health Policy Center.

Aledade to Launch Community Health Center-Only MSSP ACO in Virginia: Anthem Blue Cross and Blue Shield in Virginia and Aledade, the nation's largest network of independent primary care practices, are working to bring the benefits of value-based care to patients all across Virginia, especially those in underserved communities and those who receive care through a community health center. [This new collaboration in Medicaid means more than 150,000 Anthem members in Virginia will have easier access to high-quality primary care.](#)

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.

Last week, [ACH submitted comments to HHS's Request for Public Input on Coverage of OTC Preventative Services](#), including contraception, tobacco cessation, and breastfeeding supplies. The comments focused on how addressing issues related to accessibility and education of these products will promote greater health equity in underserved communities.

On Tuesday, the [Data Equity Coalition](#) met to discuss and finalize a letter to HHS regarding recommendations to OMB in the updated Statistical Policy Directive no. 15, due for release in Summer 2024. ACH will make the final letter available on the website.

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.

2023 Health Center Report: Earlier this week, Quest Diagnostics released a report on their [2023 Health Center Survey results](#). More than half of the CHCs said staffing is their current latest challenge, and stabilizing staffing is of the greatest concern. Additional findings include a dramatic increase in the use of behavioral health resources and an increased need for SDOH services. The full report is attached to this email.

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

Promoting Competition and Lowering Health Care and Prescription Drug Costs: [Last week, the Biden administration announced actions to promote competition in health care and support lowering prescription drug costs.](#) The actions include a proposed framework for agencies on the exercise of march-in rights on taxpayer-funded drugs, promoting equitable access to lower-priced taxpayer-funded drugs, investigating corporate greed, reviewing anti-competitive acquisitions and practices, and increasing transparency in ownership and Medicare Advantage plans.

MA at OMB: [CMS' 2025 Medicare Advantage advance notice](#) was under review at the White House Office of Management and Budget (OMB) as of Dec. 1. The advance notice caps off a tumultuous year for the MA program, which included two heated rounds of regulation foisting plans into the spotlight (a risk adjustment data validation rule finalized in January and the controversial rate notice in March), overpayment concerns, administrative burden issues, and ongoing criticism around prior authorization.

Home and Community-Based Services: This week, [Vice President Harris announced that American Rescue Plan investments in home and community-based care services for millions of seniors and Americans with disabilities reach about \\$37 billion across all 50 states.](#) The funding is being used for worker training, higher wages for caregivers, temporary help for those caring for family, and new state registries of qualified caregivers.

Department of Health and Human Services (HHS)

Healthcare Cybersecurity: On December 6, [HHS released a concept paper outlining the Department's cybersecurity strategy for the health care sector.](#) Cyber incidents in health care are on the rise and have led to extended care disruptions, patient diversions to other facilities, and delayed medical procedures, all putting patient safety at risk. The Administration for Strategic Preparedness and Response's (ASPR) website offers [tools and resources for healthcare facilities](#), including small facilities and low-resource hospitals, to protect themselves from cyber-attacks.

Centers for Medicaid and Medicare Services

Medicaid Unwinding: According to the [KFF Tracker](#), as of December 13, more than 12,573,000 people have been disenrolled from Medicaid, including more than 2 million children.

Ownership transparency: CMS released [ownership data](#) on Federally Qualified Health Centers and Rural Health Clinics, the latest step the agency has taken to increase ownership

transparency. The administration's earlier efforts have focused on nursing home, home health, hospital, and hospice ownership data. By making more data publicly available, the administration hopes to identify correlations between ownership patterns and quality of care.

Food and Drug Administration (FDA)

CRISPR: [Last Friday, the FDA approved the country's first gene-editing treatment for use in patients with sickle cell disease.](#) The treatment repairs or replaces genes that have gone awry from the disease, and scientists anticipate the technology may one day be deployed against an array of illnesses.

National Strategy to Reduce Food Waste: EPA, USDA, and FDA proposed a [draft national strategy](#) to drive progress toward reducing food loss and waste in the U.S. by 50% by 2030. This action continues the three agencies' collaborative efforts to build a more sustainable future. [The public comment period](#) is open until February 3, 2024.

Congress

OTC Drugs: Rep. Lisa McClain (R-MI), chair of the House Oversight and Accountability Subcommittee on Health Care and Financial Services, [asked the FDA to provide a briefing on the efficacy of over-the-counter drugs.](#) The request comes after the agency's external advisory committee recently agreed that a commonly used OTC nasal decongestant is ineffective.

Cost-Sharing: [Reps. Buddy Carter \(R-GA\), Nanette Diaz Barragan \(D-CA\), and Mariannette Miller-Meeks \(R-IA\) sent a letter](#) to Department of Health and Human Services (HHS) Secretary Xavier Becerra, Department of the Treasury Secretary Janet Yellen, and Department of Labor Acting Secretary Julie Su urging them to affirm the recent final rule requiring that copay assistance count toward a patient's deductible and annual limitation on cost-sharing. This comes after HHS filed an appeal challenging a US District Court ruling allowing this practice. [An explainer on the issue can be found here.](#)

Private Equity Probe: Senators Sheldon Whitehouse (D-RI) and Chuck Grassley (R-IA) have launched a [bipartisan investigation into private equity firms'](#) involvement in health care. Lawmakers seek information from executives associated with some hospital systems to assess how much profit they have generated through their financial arrangements and whether the deals harmed patients and clinicians.

Extenders Bill Reported: [Senate Finance Committee Chair Ron Wyden \(D-OR\) and Ranking Member Mike Crapo \(R-ID\) announced that the Committee has reported legislation that was marked up in the committee in November.](#) The “Better Mental Health Care, Lower-Cost Drugs, and Extenders Act” addresses several important health care priorities and includes expanding mental health care and substance use disorder services under Medicaid and Medicare, reducing prescription drug costs for seniors at the pharmacy counter, extending essential Medicaid and Medicare provisions that will expire this year, and increasing Medicare payments to support physicians and other providers.

SUPPORT Act: On Tuesday, the Senate HELP Committee held a markup on several health care bills, including the [SUPPORT for Patients and Communities Reauthorization Act](#) – a law that authorizes programs for opioid treatment and prevention. The same day, the House passed the reauthorization of the SUPPORT Act in a vote of 387-37.

In the States

New York: [Congresswoman Stefanik announced](#) that the Northern Border Regional Commission launched its J-1 Visa Program in collaboration with New York, Maine, New Hampshire, and Vermont to make quality healthcare accessible to rural America by easing the visa requirements for nondomestic physicians who trained in the U.S. if they agree to practice in underserved areas.

Minnesota: [Last week, a federal judge ruled that Minnesota must temporarily stop enforcing its law prohibiting certain price increases for generic drugs.](#) The Association for Accessible Medicines, which represents generic and biosimilar manufacturers, is likely to succeed on its claim that the law violates the Commerce Clause of the U.S. Constitution because “it directly regulates transactions that take place wholly outside of Minnesota,” Judge Patrick J. Schiltz wrote in his opinion for the U.S. District Court for the District of Minnesota.

Upcoming Events of Interest:

- **December 18:** [Poverty, Housing and Stigma: The Profound Effects of The Social Determinants of Health on Addiction Management](#), *National Center for Health in Public Housing (NCHPH)*, 1-2 p.m. ET, Virtual.
- **December 19:** [Trauma-Informed Care in School-Based Health Centers](#), *School-Based Health Alliance*, 1-2 p.m. ET, Virtual.

- **January 18:** [What Will 2024 Bring For Telehealth Policy](#), Center for Connected Health Policy (CCHP), 2-3 p.m. ET, Virtual.
- **January 31:** [ACH Members-Only Office Hours](#), 12:00 p.m. ET, Virtual.
- **March 5-7:** [2024 ACH Annual Member Meeting](#) (Members-Only Event), Washington, D.C.

Please let us know if there's any additional information we can provide and have a great weekend!

Best,

Stephanie

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

skrenrich@advocatesforcommunityhealth.org

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

My work day may look different than your work day. Please do not feel obligated to respond out of your normal working hours.