

Dear ACH Members:

We hope you are well and that you are having an enjoyable February so far. As we begin this newsletter, we are excited to share some updates on ACH member benefits that may be of interest:

- ACH is launching a **new webpage dedicated to government grant opportunities**, to help our members access additional funding from across the federal government. This website will only be accessible to ACH members. More information coming soon!
- We have launched a **new webpage dedicated to grassroots activities and resources**. In an effort to capitalize on the momentum from NACHC's P&I meeting this week and leading up to ACH's Annual Member Meeting and Hill Day March 5-7, we also hope you will join us next week for a **Grassroots Week of Advocacy** (more information on that below).
- As part of our ongoing programming on the Congressionally Directed Spending (Earmarks) process, **ACH has planned Earmarks Office Hours on February 23 and March 22**. Join ACH's policy and government affairs team for an informal session on the FY2025 Congressionally Directed Spending (Earmarks) process and how your health center can apply for earmarked funds. This is your opportunity to get your questions answered by experts and solidify your plan for the FY25 federal appropriations season.

Speaking of the **2024 Annual Member Meeting**, we are less than one month away! We are so grateful for all who have registered so far and are excited to announce that we are on track to reach a record-breaking ACH annual member meeting attendance. For those who have not yet registered, [please do so here](#). You can also book your hotel room at a discounted rate [here](#). All the details, including a draft agenda, can be found [here](#).

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

ICYMI

- [High-Cost Drugs and the Medicaid Program: MACPAC Evidence and Recommendations](#)
- [Promoting More Equitable Access to the U.S. Safety Net for Children of Immigrants](#)
- [Climate-Resilient Health Care Promotes Public Health, Equity, and Climate Justice](#)
- [Medicaid's Prescription for Health Includes Food & Housing in Some States](#)

The Latest News from DC

We are tracking a lot of activity about government spending as we get closer to federal funding expiration deadlines in early March. [Over the weekend, the Senate passed a motion to begin debate on a \\$95B supplemental foreign aid package for Ukraine, Israel, and Taiwan](#), and [the bill passed the Senate early this morning](#) by a vote of 70-to-29. It would provide an additional \$60.1 billion for Ukraine as well as \$14.1 billion for Israel's war against Hamas and almost \$10 billion for humanitarian aid for civilians in conflict zones, including Palestinians in Gaza. However, the Speaker of the House has already suggested that he will not bring this up for a vote, so the bill's future remains to be seen.

Adding to the growing list of congressional retirement announcements was the [news that Congresswoman Cathy McMorris-Rodgers \(R-WA\), Chairwoman of the House Energy and Commerce Committee, would not seek re-election](#). Rep. McMorris-Rodgers is the latest in more than a dozen House Republicans who have announced their retirement, joining [fellow E&C members Reps. Michael Burgess \(R-TX\), Larry Bucshon \(R-IN\), Jeff Duncan \(R-SC\), John Curtis \(R-UT\), Greg Pence \(R-IN\), Kelly Armstrong \(R-ND\), and Bill Johnson \(R-OH\)](#). Rep. Brett Guthrie (R-KY), chairman of the Energy and Commerce Subcommittee on Health, is running to succeed Rep. McMorris Rodgers as E&C chair.

Updates on ACH Priorities and Legislation

CHC Invest

Community Health Center Fund Reauthorization

As you recall, the Community Health Center Fund has been extended and must be reauthorized by March 8. 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 Senate 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 why a sustained, meaningful increase for health centers is so important.

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

ACH's Grassroots Week of Action

As we quickly approach the March 8th funding deadline, we ask that **you join us during ACH's Grassroots Week of Action (February 20-23)**.

Our advocacy activities include:

- **Tuesday, February 20:** Attend our joint [Virtual Press Briefing](#) with the [Association of Clinicians for the Underserved](#) and the [American Association of Teaching Health Centers](#), to communicate why sustained, increased funding for the Community Health Center Fund, the National Health Service Corps, and the Teaching Health Centers Graduate Medical Education program are so important.
- **Wednesday, February 21:** Join our National [Call-in Day](#) with your colleagues and friends, and urge your Senators and Representatives to enact meaningful funding increases for community health centers.
- **Thursday, February 22:** Now's the time to [Schedule Health Center Visits](#) for your Senators and Representatives during upcoming Congressional recesses. Reach out to your lawmakers' local offices and schedule time for them to visit your health center to learn firsthand how critical health center services are to their communities.
- **Friday, February 23:** Engage in [Social Media Advocacy](#) by posting about the need for sustained, increased funding for health centers, tagging your lawmakers, and amplifying ACH's social media.

Please contact Molly Grady, Director of Policy and Government Affairs, at mgrady@advocatesforcommunityhealth.org for more information!

340B/C:

340B Discussion Draft: [Earlier this month, the Senate's bipartisan 340B working group released a legislative discussion draft](#) designed to reform the 340B program. ([Thank you to Colleen Meiman who provided this thorough summary!](#)) This is the first viable federal full-scale reform effort for the 340B program that we have seen in years, and ACH is encouraged by this progress that could benefit the nation's community health centers. In response, [ACH issued a statement](#) applauding the group's efforts and will continue to engage with our members and the Senate working group to ensure the 340B program remains a viable lifeline for health centers and the patients they serve. ACH plans to provide comments on the discussion draft and Request for Information, which are due to the Senate 340B Working Group by April 1, 2024.

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:

ACH continues to work with the CMS Innovation Center on recent value-based care initiatives, including providing feedback for the new Transforming Maternal Health ([TMaH](#)) Model, a 10-year model that will support participating state Medicaid agencies (SMAs) in the development of a whole-person approach to pregnancy, childbirth, and postpartum care that addresses the physical, mental health, and social needs experienced during pregnancy. On January 25, ACH and several of our members met with CMMI to provide feedback on this new model.

Additionally, ACH continues to work with partner organizations on value-based care initiatives that benefit our members, including those spearheaded by the Duke Margolis Institute for Health Policy, Maine and other states' PCAs, and the American Diabetes Association.

ACH is participating today in a half-day Policy Roundtable on Diabetes and Primary Care hosted by the American Diabetes Association, with speakers from the National Association of Chronic Disease Directors, the CMS Innovation Center, the National Association of Community Health Workers, and others, as well as recorded remarks from Senators Susan Collins (R-ME) and Roger Marshall, M.D. (R-KS).

Increased Participation in ACOs: On January 29, the Centers for Medicare & Medicaid Services (CMS) announced increased participation in CMS' accountable care organization (ACO) initiatives in 2024. For 2024, the [ACO Realizing Equity, Access, and Community Health \(ACO REACH\) Model](#) has 122 ACOs with 173,004 health care providers and organizations providing care to an estimated 2.6 million people with Traditional Medicare. This model has 1,042 Federally Qualified Health Centers, Rural Health Clinics, and Critical Access Hospitals participating in 2024 — more than a 25% increase from 2023. [More information can be found here](#).

CMMI Value Based Care Spotlight: On January 30, as part of Health Care Value Week, CMS Innovation Center Director Liz Fowler announced the launch of the [Value-Based Care Spotlight](#). The new site aims to enhance understanding of value-based care (VBC) as a cornerstone of transforming health care with helpful information for both the public and health care providers. In value-based care, doctors and other health care providers work together to manage a person's overall health, while considering an individual's personal health goals. The "value" in value-based care refers to what an individual values most. Value-Based Care Spotlight features Patient & Provider Voices, and real-world stories that show the meaningful impact VBC has had, among other items.

Innovation in Behavioral Health Model: The CMS Innovation Center recently announced the Innovation in Behavioral Health (IBH) Model. This model aims to enhance care quality and outcomes for adults with mental health conditions and/or substance use disorders by integrating physical, behavioral, and social support. Additionally, it will boost health information technology (health IT) capacity through infrastructure payments and other initiatives. It is anticipated to start in Fall 2024 and operate for 8 years in 8 states.

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 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.

CMS's call for proposals for the 2024 CMS Health Equity Conference, scheduled for May 29 - 30, 2024, has closed. Those who submitted a proposal will be notified of their acceptance status by March 8, 2024. This year's theme is "Sustaining Health Equity Through Action," and will align with the priority areas of the [CMS Framework for Health Equity 2022-2032](#).

Funding Opportunity Genentech has opened its application for submissions for its 2024 [Health Equity Innovation Fund](#), awarding \$10M+ in grant funding to 10+ grantee partners working to close racial/ethnic inequities in access to healthcare and promoting a diverse and inclusive healthcare workforce. [RFP submissions are due April 15, 2024](#).

Funding Opportunity [The Blue Cross Blue Shield of Arizona Foundation for Community & Health Advancement](#) announced the first [Impact Grant](#) cycle of the year for organizations addressing critical health challenges: mental health, substance use disorder, chronic health conditions, and health equity. Nonprofits and academic institutions are eligible for Foundation grant funding. Due Feb 29. More information on the types of grants/grant cycles listed [here](#). The list of FAQ 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 pandemics, natural disasters, and other emergencies,, and is working to identify a Republican lead co-sponsor.

Funding Opportunity The [Office of Climate Change and Health Equity](#) (OCCHE) is doing a series of webinars to discuss grant opportunities from the Inflation Reduction Act (IRA) for health centers to address climate change. [Dates and registration links can be found here](#); specifically, health center break-out sessions take place on [February 15, 29, March 14, 28, and April 11](#).

Other News from Across the Federal Government:

White House

Drug Price Negotiations: [The Biden administration sent out its initial price offers for the 10 products chosen for the first round of Medicare negotiations.](#) However, drugmakers and CMS remained tightlipped on what those bids are, citing confidential business information.

2025 Budget Proposal: [President Joe Biden will send lawmakers his fiscal 2025 budget proposal on March 11,](#) days after his State of the Union address on March 7th and the March 8th government shutdown deadline.

Department of Health and Human Services (HHS)

Record ACA Enrollment: When the annual open enrollment period for Affordable Care Act (ACA) marketplace coverage ended in January, a record-breaking [21.3 million people](#) had selected a marketplace health insurance plan for 2024. This is a 30 percent increase over last year and is the fourth consecutive year of record ACA marketplace enrollment. [More information can be found here.](#)

AI Rule: A new federal regulation that requires more transparency in the use of artificial intelligence (AI) in many clinical settings has hit a snag. The rule, published on Jan. 9, is in limbo because the Office of the National Coordinator for Health IT didn't allow enough time after Congress received it before finalizing it. [A 1996 law requires agencies to wait 60 days, but ONC finalized the rule about a month after it went to Congress, according to the GAO. It's unclear whether the snafu will delay implementation.](#) An ONC spokesperson said the agency is "aware of the 60-day requirement and ... working to address the discrepancy."

Health Resources and Services Administration

HRSA Maternal Health Initiative: [HRSA Administrator Carole Johnson announced a year-long "Enhancing Maternal Health Initiative," along with Rep. Lauren Underwood \(D-IL\), co-chair of the Black Maternal Health Caucus](#) in Congress. HRSA says the initiative "will strengthen, expand, and accelerate HRSA's maternal health work to address maternal mortality and maternal health disparities in partnership with mothers, grantees, community organizations, and state and local health officials across the country."

Centers for Medicaid and Medicare Services

Medicaid Unwinding: According to the [KFF Tracker](#), as of February 1, about 16.4 million people have been disenrolled from Medicaid, and 52.5 million have had their coverage renewed. Of those who have been enrolled, 71% were terminated for procedural reasons. However, 60% who retained Medicaid coverage were renewed through ex-parte processes. Children account for about 4 in 10 Medicaid disenrollment in 21 states that report data by age.

CY25 Proposed Payment Updates: [CMS released the Calendar Year \(CY\) 2025 Advance Notice for the Medicare Advantage \(MA\) and Medicare Part D Prescription Drug Programs](#) payment policy updates. CMS projects that Medicare Advantage plans could see a pay bump of 3.7% for 2025, giving plans an extra \$16 billion. This is a slight increase from the 2024 3.32% pay bump, and notably higher than the projected 1.03% increase in the 2024 advance notice.

MA RFI: [CMS issued a sweeping request for information \(RFI\) soliciting input on which Medicare Advantage \(MA\) data it should be collecting, and where it could improve its current data collection methodologies.](#) In the RFI, CMS specifically calls for input on a vast array of topics under the Medicare Advantage umbrella, including: data-related recommendations for beneficiary access to care, prior authorization and utilization management denials, and claims appeal and prior authorization algorithms.

Letters of Interest: Congress

Senior Overdoses: Senators Mike Braun (R-IN), Rick Scott (R-FL), Marco Rubio (R-FL), Pete Ricketts (R-NE), and J.D. Vance (R-OH), all members of the Senate Special Committee on Aging, [sent a letter to the Drug Enforcement Administration \(DEA\) Administrator Anne Milgram raising awareness of senior overdoses and urging that the agency improve its prevention efforts for older Americans](#). This follows a hearing held by the committee in December on substance use trends among older Americans and [a report released by Ranking Member Senator Braun](#).

Medicare Advantage: With the Biden administration weighing its annual update of Medicare Advantage policy, lawmakers are lobbying CMS to strengthen the program. [A bipartisan group of lawmakers, led by Sen. Catherine Cortez Masto \(D-NV\), are calling on CMS Administrator Chiquita Brooks-LaSure to “protect and strengthen” the Medicare Advantage program](#). In the [letter, signed by more than 60 Senators](#), lawmakers encouraged CMS to ensure payment and policy stability for the Medicare Advantage program, promote transparency on coverage options, and tackle “predatory and deceptive marketing practices.”

Congress

SAVE Act: [Provider groups and their legislative allies took to the field to drum up more support for bills designed to protect the healthcare workforce’s physical and mental well-being](#). The American Hospital Association (AHA) and the American College of Emergency Physicians (ACEP) co-hosted a briefing to support the Safety from Violence for Healthcare Employees (SAVE) Act - [S.2768](#). It included a panel of executives from Jefferson Health, WVU Medicine, and other provider organizations. The briefing comes about a week after nine healthcare provider organizations, including AHA, America’s Essential Hospitals, and the Association of American Medical Colleges, penned letters to the SAVE Act’s House and Senate sponsors in support of the legislation.

Digital Health Caucus: Last week, [Rep. Troy Balderson \(R-OH\)](#) and [Rep. Robin Kelly \(D-IL\)](#) announced the establishment of the bipartisan Congressional Digital Health Caucus. The bipartisan caucus will focus on artificial intelligence at its inaugural meeting, and members hope to help lawmakers decide whether to regulate health AI through existing regulatory pathways or through the creation of a new agency dedicated to emerging AI technologies.

IRA CBO Score: [The Congressional Budget Office \(CBO\) plans to share its updated analysis of the Inflation Reduction Act’s cost savings, effects on drug innovation, and other information as part of a broader economic update. CBO Director Phillip Swagel told the House Budget Committee during a Jan. 31 oversight hearing on CBO](#). The update will revamp CBO’s original evaluation of the IRA and the effects price controls like the new drug price negotiation policy in Medicare will have on the federal budget and future drug development.

Quality-Adjusted Life Years (QALY) Bans: [Last week, the House voted 211-208 on a bill \(H.R. 485\) extending the ban on QALY metrics from Medicare to include all government health programs including Medicare Advantage and the VA. QALYs are used to calculate how many years a drug could help prolong a person’s life, but factor in how a patient feels during those extra years to determine a medicine’s price value. The bill is unlikely to advance in the Senate.](#)

Senate Health, Education, Labor, and Pensions Committee:

- [Last week, CEOs from Merck, Johnson & Johnson, and Bristol Myers Squibb were grilled regarding the high cost of medicine compared to other countries](#). The three CEOs acknowledged their high drug prices but put the blame on PBMs and pressure to keep up with innovation and treatment for drugs in the U.S.

In the States

Drug Pricing: [The New York State Senate passed a package of bills aimed at addressing prescription drug costs.](#) The seven pieces of legislation, if signed into law, would make New York the second state after California to manufacture its own generic drugs with the goal of reducing costs and resolving drug shortages. The legislation also takes a number of other steps to bring down drug costs, including eliminating copays for insulin.

Upcoming Events of Interest:

- **February 14**, HRSA-BPHC, [NURTURE: An Innovative Practice-Based Care Model: Addressing the Maternal and Infant Care Crisis](#), 12:00-1:00 pm ET, Virtual (1 CE Available).
- **February 23**, ACH, [Earmarks Office Hours](#), 12:00-1:00 pm ET, Virtual, ACH Members Only.
- **February 27-28**: Rise Health, [AI in Health Care Summit](#), Virtual.
- **February 28**: CMS, [Transforming Maternal Health Model Overview Webinar](#), 1:00 – 2:00 pm, Virtual.
- **February 28**: [ACH Members-Only Office Hours](#), 12:00 p.m. ET, Virtual.
- **March 5-7**: ACH, [2024 ACH Annual Member Meeting](#), ACH Members Only, Washington, D.C.
- **March 22**, ACH, [Earmarks Office Hours](#), 12:00-1:00 pm ET, Virtual, ACH Members Only.
- **May 29-31**: thINc360, [The Healthcare Innovation Congress](#), Washington, D.C.
- **September 9-11**: National Academy for State Health Policy: [NASHP Annual Conference](#), Nashville, TN