Dear ACH Members:

Happy Spring! For better or worse, 2024 seems to be flying by. It was so wonderful to see many of you at our Annual Member Meeting earlier this month! Take a look at our blog outlining highlights from the event, view photos from the event, and/or watch our video recap.

We rely on your feedback to continually improve and provide high-quality content, so please fill out this member survey to let us know your thoughts on what went well, suggestions for improvements, and what you'd like to see in future meetings.

We'd like to remind you about a couple of new ACH member benefits:

- ACH has launched a new Members-Only Portal dedicated to accessing ACH materials and information. To access it, please use the password: ACHMember
- Members-only resources include:
 - Government grant opportunities to help our members access additional funding from across the federal government
 - Event recordings and resources
 - Newsletter archives and policy updates,
 - ACH's finalized 2024 Policy Agenda (Many thanks to everyone who provided input!)
- ACH has created a Grassroots Advocacy Resources webpage dedicated to grassroots activities and resources to continue building on the momentum from our Congressional Fly-In.

Finally, we'd like to make you aware of two upcoming ACH members-only events:

- March 22nd: Earmarks Webinar, an informal session on the FY2025 Congressionally
 Directed Spending (Earmarks) process and how your health center can apply for
 earmarked funds. Register here.
- April 3rd: Helping FQHCs Prepare for an Aging Population ACH and United Health Care
 are hosting a new webinar in our emerging issues series. Speakers from Cherokee
 Health Systems, San Ysidro Health, and UnitedHealthcare will discuss their initiatives
 targeting their elderly community members and other long-term services and support
 programs. Register here.

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

ICYMI

- Update on the Medicare Value-Based Care Strategy: Alignment, Growth, Equity, Health Affairs
- The Role of Telehealth in Improving Care Connections and Outcomes for FQHC Patients with Diabetes, Journal of the American Board of Family Medicine
- Federally Qualified Health Centers Can Make the Switch to Value-Based Payment But Need Assistance, The Commonwealth Fund
- Medicaid Managed Care: Additional Federal Action Needed to Fully Leverage New Appeals and Grievances Data, US Government Accountability Office (GAO)

 Are We Ready? Report 2: Preparing for the Public Health Challenges of Climate Change, NACCHO

The Latest News from DC

The election is less than 230 days away, and the campaigns are in full swing. But with a razorthin margin in both the House and Senate, Congress still has to figure out how to finish major legislative initiatives – namely wrapping up the Fiscal Year 2024 appropriations bills and addressing aid for Israel and Ukraine.

Early this morning, Congressional leaders released the long-awaited bill text that provides discretionary funding for about 70% of the government, including CHCs/ Section 330 and HHS operations. This is the final group of funding bills for Fiscal Year 2024, representing a deal between the House and Senate. As expected, discretionary funding for Section 330 is flat (\$1.858 billion) compared to FY2023. The Speaker is waiving the 72-hour Rule and bringing the package to the Floor under suspension of the Rules tomorrow and the Senate is expected to vote shortly thereafter. As a result, we expect this bill to be passed in its current form in time to avoid a shutdown.

Late last week, rumors were swirling about a potential health package that Congressmembers intended to attach to the FY24 appropriations package this week. It was agreed to on a bipartisan basis by many key lawmakers, but unfortunately the decision was made to not include it. It would have contained \$5 billion for 1 year for the Community Health Center Fund, among other health care policies waiting for a vote. We anticipate these policies will be considered for inclusion in a package at the end of the year, but how it works out remains to be seen. More information on this below.

In other news, Leader Mitch McConnell (R-KY) announced he's stepping down from his leadership position in November, and Sen. John Thune (D-SD) and Sen. John Cornyn (R-TX) have both entered the race to be the next Republican leader of the U.S. Senate. Also, Rep. Ken Buck (R-CO) announced his resignation, further endangering the Republican House majority, and nobody seems to know what's going on with Kate Middleton.

Updates on ACH Priorities and Legislation

CHC Invest

On March 4th, as part of a continuing resolution to fund parts of the government through the end of the year, Congress reauthorized the Community Health Center Fund with a 10% increase through December 31, 2024 with wide bipartisan support. The National Health Service Corps (NHSC) and Teaching Health Center Graduate Medical Education Program (THCGME) also received funding increases through the end of the year. ACH commends Congressional leaders for coming together to pass this crucial legislation but continues to advocate for long-term, increased, and sustainable funding.

On March 11th, President Biden released his FY2025 budget proposal, which included increased funding for the Health Center Program (Section 330), THCGME, NHSC, and Medicare mental health benefits (additional information is detailed below). In particular, the budget included "a plan to create a pathway to **double the federal investment in the**

community health center program to ensure that it can reach over 37 million people in need of and struggling to access primary care." HHS released further details in its FY2025 Budget in Brief, and ACH provided a detailed breakdown of the proposals of interest to ACH members. As a reminder, the President's Budget is nonbinding, and serves as a statement of President Biden's priorities and values. HHS Secretary Xavier Becerra and other cabinet secretaries will be on Capitol Hill in the coming weeks to testify on behalf of the Administration on the FY25 budget.

This week, as mentioned above, an appropriations package including discretionary community health center funding is expected to be voted on and passed, in order to avert another government shutdown. The appropriated FY24 funding level for CHCs is \$1.858 billion, which is the same as the enacted level from FY23.

Finally, as discussed above, we had been hearing about the possibility that a significant increase in health center funding could be included in the latest bill being discussed for the March 22nd deadline, but we now know it will NOT be included. The additional language would have also included PBM reform and health care transparency measures, as well as the reauthorization of the Pandemic and All Hazards Preparedness Act and other measures. Our understanding is that Chairman Bernie Sanders (I-VT) and Ranking Member Bill Cassidy, M.D. (R-LA) of the Senate HELP Committee and Chairwoman Cathy McMorris Rogers (R-WA) and Ranking Member Frank Pallone (D-NJ) of the House Energy and Commerce Committee had agreed to the following provisions:

- \$5B for Health centers for an additional year through 2025
- \$300M for Teaching Health centers for 5 years
- \$350M for the NHSC for an additional year through 2025

While we are disappointed that this bill did not come together in time, we feel this agreement represents a good step forward and could be a good basis for negotiations later this year. We anticipate the next opportunity to reauthorize the Community Health Center Fund at a higher level and for a longer period will be after the November elections.

We will keep you updated as we learn additional information. If you have any questions about specific funding provisions, please contact Stephanie Krenrich at skrenrich@advocatesforcommunityhealth.org.

340B/C:

340B PATIENTS Act: On March 12^{th,} Rep. Doris Matsui (D-CA) introduced the *340B Pharmaceutical Access To Invest in Essential, Needed Treatments & Support Act of 2024* (340B PATIENTS Act, H.R. 7635). **Advocates for Community Health has endorsed this legislation**. This act would codify covered entities' ability to use contract pharmacy arrangements to dispense covered outpatient drugs. The legislation supported by the AAMC, the American Hospital Association, 340B Health, and others would impose civil monetary penalties on pharmaceutical manufacturers found to violate these statutory protections.

ASAP 340B: We have been hearing that the ASAP 340B legislation could be introduced at any time. We have heard that the NACHC and PhRMA-led coalition has secured a sponsor, Rep. Larry Buschon (R-IN), known for his work on 340B reform, and is working to confirm a lead

Democrat. The legislative text has not yet been made public or available. Still, we have learned some details about the bill, including possible provisions concerning to ACH members that enact restrictions on "high revenue grantees," as well as items related to the 340B patient definition and contract pharmacies. We will continue to update you as we learn more. **340B** "Gang of 6" Discussion Draft: In February, 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 engaging with our members and the Senate working group to ensure the 340B program remains a viable lifeline for health centers and their patients.

ACH plans to provide comments on the discussion draft and Request for Information due to the Senate 340B Working Group by April 1, 2024.

State Contract Pharmacy Protections: A federal appeals court has ruled that an Arkansas law prohibiting drugmakers from refusing to supply discounted drugs to certain pharmacies is constitutional. The U.S. Court of Appeals for the Eighth Circuit held that Arkansas' Act 1103 is not preempted, allowing the state to continue enforcing its law that prohibits drugmakers from cutting off contract pharmacies taking part in a federal discount drug program.

340C: ACH continues to advocate on behalf of our 340C proposal, holding ongoing conversations with members, 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:

The VBC Working Group recently hosted Andrea Harmon from the CMS Innovation Center to discuss and provide 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 during pregnancy. Members focused on data and attribution concerns, maternal quality measures, and brainstormed ways to streamline and integrate FQHC requirements into the upcoming models.

Increasing Investments in Person-Centered Primary Care: On March 19, The CMS Innovation Center announced the new "ACO Primary Care Flex Model," a 5-year voluntary model that aims to improve access to high-quality primary care for underserved Medicare populations. The Innovation Center will test this for new and existing ACOs who jointly

participate in this model and the Medicare Shared Savings Program. ACOs will receive a flexible one-time \$250k Advanced Share payment to invest in infrastructure and other resources. A monthly Prospective Primary Care Payment (PPCP) will replace most primary care FFS reimbursements. FQHCs receive beneficiary-level adjustments to accommodate rural and FQHC payments. CMS hopes to select about 130 ACOs for participation.

Read ACH's statement here in support of this initiative. For additional information about the ACO Primary Care flex model, please see these resources: Press Release, Fact Sheet and Timeline, FAQs

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. Following ACH's Hill Day, we secured a handful of new co-sponsors and will continue working with Rep. Clarke's office to advance the bill.

The 2024 **CMS Health Equity Conference** on May 29 - 30 has reached in-person capacity, but you can register to attend virtually. 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.

Last week, the Center for Health Care Strategies announced the selection of nine states to join its "Medicaid Health-Related Social Needs Implementation Learning Series," a program to assist states in developing, implementing, and/or refining health-related social needs initiatives for Medicaid populations.

An update on Rural Community Investment: Last month, the U.S. Department of Energy (DOE) announced more than \$366 million for 17 projects across 20 states and 30 Tribal Nations and communities to accelerate clean energy deployment in rural and remote areas across the country. This funding—made possible by the President's Bipartisan Infrastructure Law—will support a variety of community-driven energy projects in rural and remote regions, such as building microgrids for community health centers to ensure electricity for critical life-saving equipment or constructing a new hydroelectric facility on Tribal lands to improve access to reliable, affordable energy.

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.

FQHC Workforce:

This week, Rep. Raul Ruiz (D-CA) officially agreed to be the lead sponsor of the *Developing the Community Health Workforce Act*. We are currently working with his office to secure a Republican lead sponsor and hope to have the legislation introduced soon.

Last week, members of the ACH Workforce Working Group met with Associate Administrator of BPHC Jim Macrae to discuss developing a process to collect workforce diversity data. ACH will continue working with HRSA and other interested parties to develop a process that benefits health centers, the workforce, and the communities they serve.

ACH continues to recommend at least \$950 million in FY25 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 at least \$300 million for FY25.

Emergency Preparedness:

ACH continues to work with Rep. Nanette Barragan (D-CA) on the *Emergency Preparedness for Underserved Populations Act* 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

The White House

Women's Research Executive Order: On March 18, President Biden signed an executive order aimed to advance women's health research. This order focuses on identifying existing research gaps and promoting investment in projects that spur further research, with a particular emphasis on menopause. As highlighted in his State of the Union address, the administration aims to allocate \$12 billion towards women's health research. Additionally, it plans to establish a Women's Health Research Fund at NIH. Further details are available in the fact sheet.

2025 Budget Proposal:

Health Proposal: The White House's proposed fiscal 2025 budget puts a spotlight on protecting the future of Medicare, reiterating last year's proposal to raise taxes on the rich to increase the Medicare trust fund. The budget asks for \$130.7 billion for HHS, a \$2.2 billion increase from 2023. The proposal reflects initiatives President Biden highlighted in his State of the Union address. These include increasing the number of drugs subject to Medicare price negotiations from 20 to eventually 50 a year, extending the \$2,000 out-of-pocket prescription drug spending cap, which starts next year for Medicare beneficiaries, to commercial insurance plans, and extending the \$35 insulin cap to the commercial market. **HHS posted a summary of their proposed budget here.**

- **FDA**: The administration wants to allow biosimilar medications to be used interchangeably with their name-brand counterparts without the FDA making a formal determination. Currently, the FDA requires biosimilar manufacturers to submit additional data to support their products being labeled "interchangeable," which allows pharmacies to swap that version for the branded medicine without a doctor's approval.
- Cancer Moonshot: The plan asks Congress to reauthorize Biden's cancer moonshot, which expired in 2023, using \$716 million in discretionary funding from the National Institutes of Health (NIH) in 2024. Biden proposes mandatory reauthorization through 2026, with a total ask of \$3.6 billion for the NIH cancer moonshot over that time period.
- No Surprises Act: The budget proposes to expand a 2020 law that aims to protect patients from unexpected medical bills when they unknowingly are treated by out-of-network providers by covering ground ambulances. Biden's budget also would replenish funding for the law's implementation.
- HRSA: As outlined in their press release, the plan prioritizes youth mental health, opioid services in rural areas, maternity care deserts, and addressing gaps in access to primary care- especially by growing the health care workforce. The budget calls to train 12,000 behavioral health providers, building obstetric capacity for areas in need, and "a plan to create a pathway to double the federal investment in the community health center program to ensure that it can reach over 37 million people in need of and struggling to access primary care." Information is also available in their fact sheet, which also includes organ donation matching system updates.

<u>HHS</u>

<u>UnitedHealth Cyberattack</u>: HHS told health care leaders that the agency is urging UnitedHealth Group to take responsibility for the impact of a massive cyberattack that has delayed provider payments. HHS Secretary Xavier Becerra wrote to the health care industry, defending HHS' actions following the attack and said officials are "asking private sector leaders across the health care industry — especially other payers — to meet the moment." On March 15, CMS released an informational bulletin for Medicaid in response to the ongoing Change Healthcare cybersecurity incident impacting claims payments for Medicaid providers, including guidance on making interim payments.

<u>HHS Response</u>: The Office for Civil Rights has opened an investigation into UnitedHealth Group over the ongoing chaos caused by a cyberattack on its subsidiary Change Healthcare. On Monday, leaders from HHS, the White House, and other government officials met with insurers to discuss concrete actions to mitigate the harm to patients and providers caused by the cyber attack. A readout of the meeting, including additional key actions being taken by HHS, can be found here.

Health Resources and Services Administration

Rural Opioid Treatment and Recovery: On March 6, HRSA announced nearly \$50 million for HRSA's Rural Opioid Treatment and Recovery Initiative and released the initiative's funding application. *Funding Opportunity* Applications will be accepted through May 6, 2024, and the funding opportunity is posted here.

Centers for Medicaid and Medicare Services

Medicaid Unwinding: According to the KFF Tracker, as of March 20, for states with available data, over 18.6 million people have been disenrolled from Medicaid, and 39.7 million have had their coverage renewed. Of those who have been enrolled, 70% were terminated for procedural

reasons. Of those who had coverage renewed, 59% retained Medicaid coverage through exparte processes compared to 41% retaining coverage through renewal forms. Among states reporting age data, children accounted for about 4 in 10 of those disenrolled from the program.

MedPAC Physician Pay: In its most recent report to Congress, the Medicare Payment Advisory Commission recommended that Medicare payments to doctors in 2025 be tied to 50 percent of the Medicare Economic Index, which would adjust payments based on inflation. MedPAC's call comes less than a week after the president signed into law a bipartisan spending deal that narrowed some of the 2024 cuts to physician Medicare pay. **Congress**

Letters of Interest:

- Equitable Access Standards: On March 19, Sen. Bernie Sanders (I-Vt.), Chairman of the Senate Health, Education, Labor, and Pensions (HELP) Committee, Congressman Lloyd Doggett (D-Texas), Ranking Member of the House Ways and Means Committee Subcommittee on Health, and ten other senators sent President Biden a letter advocating for equitable access standards for pandemic tests, treatments, and vaccines. This action comes at a crucial time as the US engages in discussions with the Pandemic Accord at the World Health Organization (WHO) regarding future pandemics. Drawing lessons from the COVID-19 crisis, the senators urge the US to support international efforts aimed at expanding access to healthcare. They emphasize the importance of fair pricing for low- and middle-income countries and advocate for the transparency of publicly funded health information.
- Surprise Billing: Senate Finance Committee Chair Ron Wyden (D-OR) and Senate Health,
 Employment, Labor, and Pension (HELP) Committee Chair Bernie Sanders (I-VT) sent
 a letter to the Secretaries of HHS, Treasury, and Labor requesting they issue guidance
 to insurers to crack down on cost-sharing practices that land patients with surprise
 medical bills after receiving preventative services.

Legislation of Interest:

- Community Health Workers: Sen. Casey (D-PA) introduced S.3892, the Community Health
 Worker Access Act to increase access to CHW in Medicare and Medicaid. The bill would
 improve Medicare reimbursement for CHWs, promotoras, and community health
 representatives and create an optional Medicaid benefit and enhanced FMAP to cover
 preventive and social needs services.
- CBO Scoring: This week, the House advanced H.R. 766, the Dr. Michael C. Burgess
 Preventative Health Savings Act (PHSA), to the Senate. This legislation reforms how the
 Congressional Budget Office (CBO) approaches cost estimates on health care
 legislation by extending the analysis to capture long-term impacts beyond the 10-year
 budget window through the use of preventative health and preventative health services.
 Estimates of saving and spending reductions must then be included in the CBO
 projections.
- Drug Pricing: Sen. Casey (D-PA), Chairman of the U.S. Senate Special Committee on Aging, introduced the Cutting Copays Act. The law would remove cost-sharing for generic medications for all Americans who are enrolled in the Medicare Part D Low Income Subsidy Program (also known as Extra Help) and make less than \$15,060 per year.
- **Dual Eligibility:** A bipartisan group of senators rolled out the Delivering Unified Access to Lifesaving Services (DUALS) Act of 2024 to enhance coordination and coverage for

Americans who qualify for both Medicare and Medicaid, known as dual eligibles. The bill requires states to select and develop at least one integrated health plan and streamline coverage coordination for this population. Key requirements include assigning a care coordinator to each beneficiary, creating ombudsman offices to advocate for older Americans, and expanding the Program of All-Inclusive Care for the Elderly (PACE) coverage and enrollment flexibilities.

- GLP-1 Drugs: On March 8, The Congressional Budget Office (CBO) said that it's examining
 how much weight-loss drugs could cost the federal government if allowed to be covered
 under Medicare. In response to a question from Rep. Buddy Carter (R-GA) for the record
 following a House Budget Committee hearing on Jan. 31, CBO said it expects that if the
 FDA approves GLP-1 drugs for cardiovascular conditions, Medicare would also cover
 those drugs for obesity. Under those circumstances, the CBO would add coverage costs
 to its baseline, meaning the cost of legislation to widen coverage for obesity would fall.
 - Today, CBO noted that if anti-obesity medications stay at their current prices, it anticipates they would cost the federal government more over 10 years than the drugs will save by reducing other health care expenditures. Currently, Medicare Part D cannot cover anti-obesity medications. With ongoing drug price negotiations and new or generic drugs entering the market, CBO believes the price of weight-loss drugs is "highly uncertain". More information can be found here: https://www.cbo.gov/system/files/2024-03/60116-Duchovny.pdf
- PBM Bill Scored: The Congressional Budget Office (CBO) estimates the Protecting Patients Against PBM Abuses Act, a bill the House Energy & Commerce Committee passed in December that aims to delink the compensation pharmacy benefit managers receive from drug makers from prescription drug list prices, would result in a \$226 million decrease in the deficit over 10 years, according to cost estimates for several E&C bills. CBO found that a separate PBM transparency bill advanced by the committee in December would save more. CBO indicated that while a similar House bill might boost plan sponsors' negotiating power for better PBM contracts, such losses could result in PBM actions that would increase federal drug spending in other areas of the pharmaceutical supply chain.
- Inhaler Cap: This week, AstraZeneca announced it will cap out-of-pocket costs for uninsured and privately insured patients who use its inhalers at \$35 a month beginning June 1. This follows Boehringer Ingelheim's (BI) announcement of similar new policies earlier in March. These new inhaler caps are in response to an investigation launched by Senate HELP Committee members, Chairman Bernie Sanders (I-VT), Sen. Tammy Baldwin (D-WI), Sen Ben Ray Lujan (D-NM), and Sen. Ed Markey (D-MA) on the country's top inhaler manufacturers, AstraZeneca, Boehringer Ingelheim, GSK and Teva, efforts to manipulate the price of asthma inhalers.

Congressional Hearings Recap

Energy and Commerce Committee: Last week, E&C held a markup of 19 bipartisan bills to enhance the health and well-being of patients and caregivers nationwide. Proposals included the NAPA Reauthorization Act (H.R. 619), Alzheimer's Accountability and Investment Act (H.R. 620), and the Building Our Largest Dementia (BOLD) Infrastructure for Alzheimer's Act of 2024 (H.R. 7218).

Ways and Means Committee: Last week, the W&M held a hearing about utilization of at-home care to improve health care access for individuals who live in remote or underserved areas. Members discussed how to support and improve telehealth and at-home care programs for residents of rural and underserved communities. A panel of witnesses, including healthcare patients, providers, and entrepreneurs, emphasized the importance of these programs to the

Committee. The full Committee also invited HHS Secretary Becerra to discuss the President's FY2025 Budget.

In the States:

New Hampshire: Sen. Maggie Hassan (D-NH) secured a commitment from UnitedHealth Group CEO to provide cash aid for hospitals in New Hampshire impacted by the outage of Change Healthcare, the company's claims processing subsidiary.

Upcoming Events of Interest:

- March 22: Earmarks Office Hours, 12:00-1:00 pm ET, Virtual, ACH Members Only.
- April 3: Helping FQHCs Prepare for an Aging Population, 12:00 1:00 pm ET, Virtual, ACH Members Only.
- April 24: ACH Members-Only Office Hours, 12:00 p.m. ET, Virtual, ACH Members Only.
- May 29-31: The Healthcare Innovation Congress, thINc360, Washington, DC
- September 9-11: National Academy for State Health Policy: NASHP Annual Conference, Nashville, TN