HRSA FY26 Budget Listening Session

May 9, 2024

Thank you for this opportunity. My name is Stephanie Krenrich, and I am SVP for Policy and Government Affairs at Advocates for Community Health, a membership organization of community health centers focused on visionary policy and advocacy initiatives.

ACH is grateful that in the FY25 President’s Budget, HRSA set the Health Center Program on a path to doubling its funding. With health center patient populations rising and financial challenges mounting, this funding is critical for serving uninsured and underinsured patients, as well as expanding services and addressing critical public health issues. Now more than ever, the importance of federal funding to support health centers in meeting their mission cannot be overstated.

For Fiscal Year 2026, we ask that you please recommend at least $3 billion in discretionary funding. Discretionary funding in the President’s FY25 budget was held basically flat from the enacted FY23 and FY24 levels, and much more is needed to keep health centers afloat. For mandatory funding in FY26, please provide at least $7 billion. This funding can help FQHCs keep up with growing patient populations, weather the ongoing Medicaid unwinding, help centers with eroding 340B savings, help address workforce gaps, and help address ongoing mental health, maternity care, and substance abuse disorder crises.

I also want to express our support and concern for the 340B Drug Discount Program, which allows community health centers to stretch scarce resources and provide access to care and services that otherwise would be difficult to fund. Health centers’ ability to leverage this program is eroding, due to manufacturer restrictions on the use of contract pharmacies, PBM and insurance company policies that lessen reimbursement, and state government policies that lessen or eliminate health center savings from the 340B program. In the FY26 Budget, please support ongoing reform efforts, including working with Congress to clarify that contract pharmacies are lawful under the program.

I’d also like to call attention to the dire need for additional support for the primary care workforce. Please address the ongoing primary care workforce shortage and provide at least $950 million for the National Health Service Corps and at least $350 million for the Teaching Health Centers Graduate Medical Education program and provide funds sustainably beyond the number of residents.

Lastly, we recommend HRSA request additional funding from Congress to help FQHCs to implement programs proven to close health equity gaps, with the sole goal of achieving more equitable care delivery. As part of this budget request, we ask that HRSA consider including community-based organization partnerships as an allowable expense under 330 grant funding, to help address the social drivers of health that communities experience.

Thank you for your time.