



ADVOCATES FOR
COMMUNITY HEALTH

United for Health and Innovation

2024 POLICY PRIORITIES

PROGRESS REPORT



JULY 17, 2024

CHC FUNDING

CHC Fund Reauthorization: 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 broad 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. 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.

FY 2025 Appropriations Update: The House Appropriations Committee passed the Fiscal Year 2025 Labor, Health and Human Services, Education, and related agencies appropriations bill on July 10. The [Labor-HHS bill](#) would cut or eliminate many critical public health programs. In particular, the bill cuts overall HRSA funding by \$647 million, including a \$62 million cut to Health Workforce training. The Health Center Program is flat funded at \$1.868 billion, the same level as in FY24 and FY23. It also eliminates Title VII Centers of Excellence, the Title VII Health Careers Opportunity Program, and the Title VIII Nursing Workforce Diversity program.

Interestingly, the National Health Service Corps (NHSC) is funded at \$130 million, which is \$1.4 million (1%) above the FY 2024 enacted level. The Committee also includes a set aside of 15 percent within the discretionary total provided for NHSC to support awards to participating individuals that provide health services in Indian Health Service facilities, Tribally operated health programs, and Urban Indian Health programs.

340B/C

340B Coalition Conference: Last week, ACH staff attended the [340B Coalition Summer Conference](#). Two themes that permeated the conference were the impact that the upcoming implementation of the Inflation Reduction Act Medicare Negotiations will have on 340B savings, and how pending 340B legislation will shape the future of the 340B Program.

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340B/C

On the main stage during the conference, Tom O'Donnell, SVP of Government Affairs at 340B Health, discussed the potential behind the bipartisan [Senate 340B Working Group's SUSTAIN 340B Act draft legislation](#) and the [340B PATIENTS Act](#) introduced by Rep. Doris Matsui (D-CA) while warning attendees of the negative impact the [340B ACCESS Act](#) would have on covered entities. He noted provisions that prohibit private non-profit DSH hospitals from accessing 340B discounts for insured patients, enshrine a narrower patient definition, limit the use of contract pharmacies, narrow the types of services allowable for 340B prescription qualification, and establish multiple reporting requirements for hospitals.

PBM Reforms: Given the role PBMs play in the erosion of the 340B program and the potential for PBM reform to “pay for” end of year funding items, we are sharing the news that [Senate Finance Committee Chair Ron Wyden \(D-OR\) vowed to “go to the mat” to get pharmacy benefit manager reform legislation to the president’s desk by December](#) after the Federal Trade Commission reported its two-year staff investigation found PBMs use their market power to drive up costs to consumers. The [FTC’s interim findings](#) also sparked renewed calls from drug makers and pharmacies for Congress to act on stalled PBM reforms, drawing strong criticisms from the PBM lobby and a dissenting FTC commissioner who said the findings lack economic and empirical evidence.

Of note, on July 23 the House Oversight and Accountability Committee will host the third hearing in its ongoing investigation into pharmacy benefit managers’ role in rising health care costs. This hearing entitled “The Role of Pharmacy Benefit Managers in Prescription Drug Markets Part III: Transparency and Accountability” will feature testimony by executives from CVS Caremark, Express Scripts, and OptumRx.

340C: ACH recently released a [white paper on our proposed 340C opt-in legislation](#) and preserving the 340B program for health centers. ACH continues to advocate for 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 chipping away at the 340B program. More information can be found at <https://advocatesforcommunityhealth.org/ach-policy-advocacy/340b/>.

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VALUE-BASED CARE

Making Care Primary Model: On July 1, [over 770 practices in eight states joined CMS' demonstration to improve primary care accessibility and coordination with specialists](#).

This 10-year, three-phased model involves small primary care organizations and federally qualified health centers, beginning with building advanced primary care infrastructure. CMS will gradually shift payment models from fee-for-service to population-based payments, rewarding participants for enhancing patient health outcomes while reducing financial support in later phases. *Three ACH members, including Yakima Valley Farm Workers Clinic, Neighborcare Health, and Peninsula Community Health Services, were selected to participate in the model!*

Transforming Maternal Health (TMaH) Model: CMS is now accepting applications for the Transforming Maternal Health (TMaH) Model. TMaH is the newest CMS model that focuses exclusively on improving maternal health care for people enrolled in Medicaid and the Children's Health Insurance Program (CHIP). The model will support participating state Medicaid agencies (SMAs) in developing a whole-person approach to pregnancy, childbirth, and postpartum care that addresses the physical, mental health, and social needs experienced during pregnancy. Note that only SMAs can apply, but ACH encourages members to discuss with your PCAs and SMAs about this cooperative agreement. Additional guidance for interested applicants can be found in the [Notice of Funding Opportunity \(NOFO\)](#). CMS will host a webinar on July 18, 2024 at 3 PM ET- register [here](#). Applications are due September 20, 2024.

New Dementia Model: CMS released a list of about 400 participating organizations in a voluntary model test for dementia care through the Center for Medicare and Medicaid Innovation. The test evaluates alternative payments for dementia care, allowing patients and caregivers a care navigator that could help with access to clinical and nonclinical needs, including food and transportation.

We will host the next ACH VBC working group call on July 23. This will include an interactive session with FQHC experts from the [Center for Health Care Strategies \(CHCS\)](#) and we encourage participants to ask questions and share comments throughout the presentation. After the session, ACH will send the working group directed questions to help shape ACH's response to the proposed Medicare Physician Fee Schedule rule.

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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 contacted Republican House Energy and Commerce Committee members 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.

ACH continues developing relationships with members of the Tri-Caucus (Congressional Black Caucus, Congressional Hispanic Caucus, and Asian-Pacific American Caucus) to elevate our shared goals of improving health equity and workforce diversity. We look forward to participating in the [2024 CBCF Annual Legislative Conference](#) this fall.

On July 23, ACH is hosting a [Congressional Briefing on Capitol Hill in partnership with the Bipartisan Rural Health Caucus and the Maternity Care Caucus, "Bump, Baby, and Beyond: How Health Centers Provide Comprehensive Maternal Care,"](#) to educate members of Congress and staff about the important role FQHCs play in access to maternal health in rural and underserved populations and why support for CHCs is so important. Reps. Robin Kelly (D-IL) and Young Kim (R-CA) co-chair the Maternity Care Caucus, while Reps. Diana Harshbarger (R-TN) and Jill Takoda (D-HI) co-chair the Bipartisan Rural Health Caucus.

This briefing complements a recent [CMS Maternal Health Infographic](#) that provides a snapshot of demographics, health outcomes, risk factors, access and utilization, and disparities among Medicaid beneficiaries and the release of the HHS Task Force on Maternal Mental Health's [National Strategy to Improve Maternal Mental Health Care \(HHS/SAMHSA\)](#).

FQHC WORKFORCE

Labor and Delivery Units: On June 17, Senator Ron Wyden (D-OR) announced [draft legislation](#), the [Keeping Obstetrics Local Act](#), (summary found [here](#)), aimed at helping hospitals in rural and underserved communities provide obstetrics services in the face of a trend of closures due to financial distress through Medicaid funds. The bill aims to also address workforce shortages and low rates of maternity care reimbursement. ACH is working with Wyden's team to include FQHCs into the bill.

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FQHC WORKFORCE

Rep. Raul Ruiz (D-CA) officially agreed to be the lead sponsor of the Developing the Community Health Workforce Act. Pending a handful of district events and locking down a Republican cosponsor, we are excited to announce that we anticipate this bill being introduced in the coming months! *Thank you to those on the Workforce Working Group who have contributed extremely valuable feedback!*

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 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.

On June 25, ACH attended the HRSA BPHC Emergency Management Process Overview webinar. The [Risk Identification and Site Criticality \(RISC\) Tool](#) was mentioned in "[Today with Macrae](#)", which included tools the working group already reviewed, such as [HRSA's Emergency Information Kit: Key Resources for Health Centers](#).