

Dear ACH Member,

This week, we have combined the Biweekly Policy Update with the Post-Election email series. This will be the final Biweekly policy update of the year. We hope you all have a happy, restful holiday season!

Register Now! ACH will host a 2025 ACH Policy Priorities Webinar on Wednesday, January 22, 2025, open to all who are interested. The webinar will discuss how ACH plans to advocate for community health centers and the patients they serve in the new year. [Register now](#) to join us!

Our upcoming [2025 Annual Member Meeting](#) will take place in Washington, D.C., from March 25 - March 27, 2025. **Please remember to book your hotel accommodations by Monday, March 3, 2025.** Reserving your room by this date will allow you to use our special discounted rate. You can easily make your reservation by visiting the [hotel's website](#) or calling 202-448-1800 and mentioning "ACH Annual Member Meeting." In the coming weeks, we will send and request information to help book your visits with your members of Congress. In the meantime, please save the date for a [Virtual Hill Lobby Day Prep Session](#) on March 18, 2025 at noon (ET).

Please read on for additional policy updates.

Breaking News - Year End Package Includes Health Center Funding Increase

This week, lawmakers [reached a deal on a stopgap funding measure](#), which includes \$100 billion in supplemental disaster aid and a sweeping, 500-page health package - [the Hill provides a helpful summary of provisions](#).

Importantly, this package includes a two-year authorization and an increase in funding for the Community Health Center Fund. Health centers will receive funding at an annual rate of \$4.5 billion a year for fiscal year 2025 and \$4.6 billion for fiscal year 2026. As you recall, the last long-term authorization for the Community Health Center Fund expired in September 2023, and this funding increase ultimately amounts to a 15% increase from the last long-term authorization. **It is because of your dedicated advocacy that this victory was made possible!** Advocates for Community Health applauds Congress for the inclusion of this important funding, which we will discuss in greater detail below. [ACH's statement can be found here](#).

This legislative package also includes telehealth payment parity for federally qualified health centers and rural health centers, to ensure these providers are reimbursed sufficiently and fairly for the telehealth services they provide. ACH has [joined with the National Association of Rural Health Clinics](#) in urging Congress to make this important reimbursement change and deeply appreciates Congress's responsiveness to this issue.

In addition, ACH strongly supports this legislation's five-year reauthorization and year over year increases for the Teaching Health Centers Graduate Medical Education Program, culminating in \$300 million per year for the program by Fiscal Year 2029, as well as the extension of mandatory funding for the National Health Service Corps through Fiscal Year 2026. Lastly, ACH is deeply gratified to see an extension of telehealth flexibilities for health centers to provide mental health services through January 1, 2027.

Action Alert: While this package has been released to the public and we anticipate a vote, we are not done until the President signs it into law. We are hearing that Republican members, in particular, may be wavering and need to know how important these policies are to community health centers and their patients. Please take a moment to reach out to your Senators and Representatives and tell them that this package is a crucial step forward for community health centers, and it is imperative that they vote "yes." You can find the tools you need in our [Grassroots Advocacy Center](#).

The Latest News from D.C.

We are in the final two weeks of the 118th Congress, one of the least productive in history but full of newsworthy moments. While Democrats in the Senate hope to confirm a handful of [Biden nominations for federal judges](#), the final assignment will be passing a continuing resolution and associated policies before government funding runs out this Friday, December 20th. The details were released last night ([the full text can be found here](#)).

Speaker Johnson may bypass the self-imposed GOP 72-hour rule and expedite passage by moving the bill under suspension of the rules, but so far details are murky on when votes may happen. Johnson will need to rely on Democratic support to pass the bill, as many in his party [are furious with the negotiation process, the final package, and relying on another down-to-the-wire continuing resolution to fund the government](#).

[The stopgap funds the government through March 14, 2025](#), allowing the Republican trifecta another opportunity in fiscal year 2025 to enact high-priority agenda items, but also sets up a shutdown deadline early in the Administration. Beyond the community health center-focused provisions, this legislation includes:

- [PBM Reform](#) - Currently, pharmacy benefit managers (PBMs) frequently retain a percentage of rebates paid to them by pharmaceutical companies in return for placing their drugs on the PBM's formulary. The higher the list price of a drug, the more generous the rebate. If this bill passes, PBMs will no longer be allowed to link their payments to the prices of drugs in Medicare. PBMs overseeing Medicare's prescription drug benefit won't be allowed to collect revenue other than "bona fide service fees," according to the legislation. Any rebates or fees collected by a PBM won't be in violation, even if they're calculated as a percentage of a drug's price, if that revenue is passed through to a plan sponsor. PBMs would be required to pass through 100% of rebates to group health plans, or commercial coverage offered by employers or other associations.
- [Telehealth Extension and Parity](#) - This legislation extends Medicare telehealth flexibilities through December 31, 2026, establishes payment parity for FQHCs and rural health clinics, imposes certain modifiers on telehealth services furnished incident to other services and telehealth visits furnished via contracts with certain virtual platforms.
- **Other Provisions** - The legislation also includes reauthorizations of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act, the Pandemic and All-Hazards Preparedness and Response Act (PAHPA), and FDA's pediatric priority review voucher (PRV) program, and delays the scheduled January cut to Medicare payments to physicians and clinicians with a 2.5% pay bump for 2025. It would also require off-campus outpatient departments to use a separate unique health identifier when billing Medicare. This aims to increase transparency in billing practices and discourage facility fees, which are often higher at off-campus hospital outpatient departments than in independent physician offices for the same services.

Looking Ahead to the 119th Congress

The difficulty it took to agree to a three-month bill may signify a bad sign for next year's biggest legislative fights, including President-Elect Trump's tax reform agenda and funding the government (through the appropriations process) again when funding runs out in March. Republicans will have an even smaller margin in January than they do now, as [Rep. Victoria Spartz, R-IN, announced this week](#) that she would "no longer sit on committees or participate in the Republican caucus," instead planning to dedicate her time to the newly created Department of Government Efficiency (DOGE). Speaker Johnson will need near unanimous consent from House Republicans to pass any legislation, not to mention to keep his gavel as Speaker.

Congress: Committee Roster Changes

Republican and Democratic House Steering Committees have selected [Committee Chairs](#) and [Ranking Members](#) for the 119th Congress, as well as some new Republican Committee member assignments. Democrats will be making Committee assignments in the next couple of weeks.

- **House Energy and Commerce:** Rep. Brett Guthrie (R-KY) will hold the gavel for the powerful Energy and Commerce Committee, replacing Rep. Cathy McMorris Rodgers (R-WA), who is retiring at the year's end. New Republican members of the Committee can be found [here](#). As expected, [Rep. Frank Pallone \(D-NJ\)](#) will remain Ranking Member for the Democrats. ACH will be closely watching the race for Health Subcommittee chair when the 119th Congress begins.
- **Ways and Means:** Rep. Jason Smith (R-MO) was re-elected chair of the Ways and Means Committee, welcoming new Republican members. Ritchie Neal (D-MA) remains the ranking Democrat.
- **Appropriations:** Rep. Tom Cole (R-OK) was once again elected as chairman of the powerful House Appropriations Committee and welcomed a handful of [new Republican members](#). [Rep. Rosa DeLauro \(D-CT\)](#) will remain the ranking member for the Democrats.

The Incoming Administration

[President-elect Trump tapped John Brooks](#) to lead his “landing team” at the Department of Health and Human Services this week to ensure a smooth transition for new administration officials. Previously, Brooks was a senior CMS official in Trump’s first term before taking over as one of former HHS Secretary Alex Azar’s top advisors.

Also happening this week, Robert F. Kennedy Jr. has been [meeting with nearly two dozen Republican Senators](#) to shore up support for his bid to lead the Department of Health and Human Services. If Democrats oppose his nomination in unison, it will only take four Republican defectors to sink Kennedy’s nomination. The Washington Post is [tracking Senate support](#), estimating 19 Senators who openly favor his nomination, 18 who are clearly against it, while the remaining members’ positions are unknown. It’s worth noting that Kennedy said he was [“all for the polio vaccine.”](#) reversing his position on a central sticking point with lawmakers in response to reporters’ questions on Capitol Hill Monday.

While changes in the Presidency and Congress may [signal changes to existing health policy](#), including the Affordable Care Act, [restrictions/reductions in Medicaid coverage](#), and overall efforts to decrease federal spending, ACH remains optimistic that we will be able to find ample opportunity to work with the incoming administration due to the care community health centers provide, and the economic benefits and savings they provide to their communities, states, and the federal government.

Updates on ACH Priorities and Legislation

CHC Invest

- On December 5, the CEOs of ACH and the National Association of Community Health Centers [joined together to film a video](#) urging advocates across the nation to reach out to their members of Congress and support an increase in funding through the Community Health Center Fund.
- On December 6, ACH [sent a letter](#) to Congress urging Congressional leadership to include community health center funding and legislation in any end-of-year legislation package. These efforts are in addition to the myriad other ways that ACH has championed increased funding for health centers and led the community in advocating for the resources health centers need to serve their communities.
- We saw these efforts come to fruition last night, when [Congress released its proposed funding package](#), which included a two-year mandatory funding extension for the Community Health Center Fund, funding CHCs at a rate of \$4.5 billion for FY25 and \$4.6 billion for FY26. The legislation also extends mandatory funding for the National Health Service Corps (NHSC) at \$350 million per year for two years and increases Teaching Health Centers Graduate Medical Education (THCGME) funding to \$300 million per year incrementally over five years. Discretionary funding streams for both the CHC Fund and NHSC were extended at current levels through March 14, 2025.
- Today, [ACH released a statement](#) applauding Congressional leaders for including policies in the funding package that will help health centers continue to provide coordinated, innovative primary care to rural and underserved communities. **[Please reach out to your members of Congress and urge them to vote for this important legislation!](#)**

340B/C

- **SUSTAIN:** This week, we learned that the [SUSTAIN 340B Act](#) has been stalled indefinitely. The policies in the SUSTAIN Act draft remain a priority for newly elected Majority Leader John Thune (R-SD), one of the bill’s lead authors. We remain confident that we will be able to work with leadership in the House and Senate to include policies that support health centers in any future 340B reform efforts next Congress.
- **Incoming Senate HELP Committee Chair:** Senator Bill Cassidy, M.D. (R-LA), current Senate HELP Committee Ranking Member, will hold the Chairman’s gavel beginning in January. While Sen. Cassidy, [a 340B critic](#), has had reform in his sights for a long time, his reform priorities differ from those proposed by soon-to-be Majority Leader Thune.
 - Cassidy led several 340B investigations in 2023 and 2024, requesting information about 340B operations from [hospitals](#), [health centers](#), [major contract pharmacies](#), and [drugmakers](#). He still needs to release a report of his findings, but his office has told us there is no planned timing to do so, although we are hearing rumors it could come out any day. DC law firm Nelson Mullins [provides a helpful summary](#) of what we can expect from a Cassidy-led HELP Committee with regards to the 340B program.

- Incidentally, Cassidy, who voted to convict Donald Trump at his second impeachment trial, is one of the few Republican members up for re-election in 2026 already facing a primary opponent. Current state treasurer and former Rep. John Fleming, M.D. (R-LA), one of the founding members of the Freedom Caucus, a former Trump administration official, and a medical doctor himself, has [announced his campaign against Cassidy](#). Louisiana, which used to operate in a 'jungle primary' system with candidates from all parties competing on the same ballot, [will shift to a closed primary system in 2026](#). Typically, closed primaries turn out more extreme partisan candidates, possibly creating an additional hurdle for Cassidy.
- **Rebate Models:** Sanofi has joined several pharmaceutical manufacturers in suing HHS and HRSA over its moves to block the companies' changes in issuing 340B drug discounts from a savings program to a rebate model. On December 13, [HRSA sent a letter to Sanofi's CEO](#) demanding they cease implementation of the proposal immediately, under threat of civil monetary penalties and termination of their Pharmaceutical Pricing Agreement. Earlier this summer, [nearly 200 Members of Congress](#) urged HHS to prevent the burdens on patients and providers caused by these rebate models.
- **340B Learning Collaborative:** ACH launched its [340B Learning Collaborative](#) last month, welcoming 16 members from seven states to Washington, DC for a convening to discuss process and policy related to the 340B program. This week, ACH hosted a virtual convening of the Learning Collaborative, providing the opportunity for LC members to hear from Sanofi about its rebate model and provide the company feedback on the idea. We are grateful to Equiscript, LLC for their support in making this Learning Collaborative possible! Check out [ACH's blog](#) for more information.

Value-Based Care

- Recently, ACH joined the [Primary Care Collaborative \(PCC\)](#) to amplify the role of community health centers and their fundamental role in providing high-quality primary care to tens of millions of Americans. Last month, PCC, in partnership with the Robert H. Graham Center and Simple Healthcare, released a new report, ["Primary Care: The MVP of MSSP."](#) The report found that ACOs with more than 50% of physicians engaged in primary care consistently outperformed those with less than a majority of primary care physicians. Primary care-centric ACOs were also more likely to lower costs and earn back savings through MSSP. [Read the full report.](#)
- Last week, [the Centers for Medicare & Medicaid Services published the Center for Medicare and Medicaid Innovation's \(the CMS Innovation Center\) 2024 Report to Congress](#). During the period of the report, more than 192,000 providers and/or plans participated in CMS Innovation Center models and initiatives, serving more than 57 million beneficiaries. This seventh report features strategic accomplishments, updates on 37 models and initiatives (including 9 newly announced models), 52 evaluations, and more activities from October 1, 2022 through September 30, 2024.
- As a reminder, [ACH compiled an extensive list of VBC materials and resources exclusively for our members](#). We hope you find this helpful, and we look forward to continuing to expand our role and influence in creating value-based care arrangements that benefit health centers and the patients they serve.

Health Equity

- A [new report](#) in the Journal of the American Medical Association (JAMA) found more than half of rural hospitals and more than one-third of urban hospitals did not offer obstetric services in 2022. This summer, ACH hosted a Congressional Briefing titled ["Bump, Baby, and Beyond: How Health Centers Provide Comprehensive Maternal Care"](#) to educate members of Congress and their staff on the pivotal role health centers play in providing access to essential health services in rural and underserved areas - many of which qualify as "maternal health deserts." Maternal health access and solutions to decrease maternal mortality rates, particularly in minority populations, remains a key ACH priority and a cornerstone in advancing health equity.
- Of Note: Former Congressman Patrick J. Kennedy, lead author of the Mental Health Parity and Addiction Equity Act, was interviewed this week about the importance of mental health care access, especially for school-aged children. In the interview, Kennedy said, "We need to have FQHCs in every public school in America...that can help treat kids where they are. A lot of kids, particularly from minority communities, are not going to get mental health care after school." [Read the full interview here.](#)

FQHC Workforce

- The ACH-led [Developing the Community Health Workforce Act](#), soon to be introduced by Congressman Raul Ruiz (D-CA), has been finalized by the House's Legislative Counsel, and we are actively working to find a Republican co-sponsor. We have lots of

leads, but please contact [Molly Grady](#) if you have a Republican office you are close with that you think might be interested in working with us on this bill.

- ACH, in partnership with the Association of Clinicians for the Underserved, is in the early stages of creating a coalition of advocacy groups centered solely around policy solutions to address workforce shortages and other workforce issues in rural and underserved areas. We expect this coalition to be officially launched in early 2025. We will keep you posted as this coalition gets underway.
- A [new law in Massachusetts](#) will create a path for physicians trained outside the United States to practice medicine in the state. These doctors will work with a limited license, under supervision, in a community health center or hospital, and receive mentoring for at least three years rather than repeating a residency or training program. The program aims to ease the shortage of primary care doctors; ACH will follow the program's implementation and effectiveness as we continue advocating for policies to address the workforce shortage.

Emergency Preparedness

- ACH has continued to work with Rep. Nanette Barragan's office (D-CA) to introduce the *Emergency Preparedness for Underserved Populations Act*. We hope to identify a Republican co-sponsor and introduce the bill before the end of the year.
- Last month, [ACH called on the Biden administration](#) to include dedicated funding for community health centers in any disaster supplemental request it sends to Congress. While the end-of-year funding package released last night includes \$100 billion in disaster relief, it does not include the \$260 million for HRSA to support health centers. We will continue working with lawmakers and the administration to address the urgent need of health centers impacted by these recent disasters.

Other News from Across the Federal Government

Health Resources and Services Administration

- **Health Center Program Scope of Project Policy Manual:** Earlier this month, HRSA released a bulletin seeking comments on the [draft Health Center Program Scope of Project Policy Manual](#). The manual consolidates and updates the scope of project-related policies into a single, user-friendly resource for the first time. ACH plans to comment. Feedback must be submitted via the [BPHC contact form](#) by midnight, Monday, February 10, 2025.

Centers for Medicaid and Medicare Services

- **Sickle Cell Disease Treatments:** The Biden administration announced earlier this month that [two drug manufacturers with FDA-approved gene therapies for sickle cell disease](#) have entered into agreements with CMS to participate in the Cell and Gene Therapy Access Model. [The voluntary model](#) ties payments to whether the therapy improves health outcomes for people with Medicaid who receive the drugs. The model aims to improve health outcomes, increase access to gene and cell therapies, and lower health care costs.
- **Optimizing Care Delivery:** CMS recently announced its [“Optimizing Care Delivery: A Framework for Improving the Health Care Experience.”](#) The framework is a five-year strategy for improving health care delivery and experiences by addressing administrative burdens and other stressors in health care systems, CMS' work will be guided by [seven strategic priorities](#).
- **ACA Coverage for DACA Recipients:** Last week, a federal court in North Dakota blocked Affordable Care Act (ACA) coverage for Deferred Action for Childhood Arrivals (DACA) recipients. A U.S. District Court Judge granted the 19 states that filed suit a stay regarding a Biden administration [final rule from CMS allowing DACA recipients access to the ACA marketplace](#).
- **Medicaid HRSN Coverage:** CMS' Center for Medicaid and CHIP Services released an [Informational Bulletin about the coverage of services and supports to address health-related social needs \(HRSN\) in Medicaid and CHIP programs](#). The bulletin includes types of allowable services and the Medicaid and CHIP authorities they are covered by.

Agency for Healthcare Research and Quality (AHRQ)

- **U.S. Preventative Services Task Force (USPSTF):** [AHRQ invites nominations of qualified individuals to serve as members of the USPSTF](#). Qualified candidates must have expertise and national leadership in several areas, including clinical prevention, health promotion, and primary care. [Additional information can be found here](#). **All nominations must be submitted by March 15, 2025.**

Congress

- **Direct Primary Care:** Senators Mark Kelly (D-AZ) and Marsha Blackburn (R-TN) introduced the [Medicaid Primary Care Improvement Act](#) to ensure states have the authority to implement Direct Primary Care (DPC) arrangements for Medicaid beneficiaries. The DPC model allows patients to pay a flat monthly fee for access to primary care services. The goal is to reduce administrative burdens and improve access to care, care coordination, and health outcomes. In March, Reps. Dan Crenshaw (R-TX) and Kim Schrier (D-WA) [passed a similar bill in the House](#). ACH is still analyzing the legislation and welcomes member feedback on whether this payment model would benefit your facilities.
- **PBM Reform:** Last week, Senators Elizabeth Warren (D-MA) and Josh Hawley (R-MO), as well as House Reps. Diana Harshbarger (R-TN) and Jake Auchincloss (D-MA) introduced the [“Patients Before Monopolies \(PBM\) Act.”](#) The [bill prohibits PBMs and health insurers](#) from owning pharmacies, requires those violating the bill to divest their pharmacy business within three years, and incorporates several transparency measures and financial penalties for non-compliance.
- **HHS Avian Flu Efforts:** Last week, Democratic leaders on the House Committee on Oversight and Accountability, Reps. Jamie Raskin (D-MD) and Robert Garcia (D-CA), [sent a letter to HHS Secretary Xavier Becerra](#) requesting information and a staff-level briefing on how HHS is working to curb the spread of the deadly Highly Pathogenic Avian Influenza outbreak among frontline agricultural workers.

ICYMI

- [UnitedHealth is Strategically Limiting Access to Critical Treatment for Kids with Autism](#), ProPublica
- [The Year that Covid Created](#), Politico
- [Maternal Health Advocates Strategize to Get Republican Support](#), NOTUS
- [How Remote Blood Pressure Data Helps Fight Strokes and the Effects of Racism](#), WBUR.org
- [Iowa Agency Picks Statewide Nonprofit to Oversee Behavioral Health over Local Applicants](#), Telegraph Herald

Upcoming Events of Interest

- **January 16 and 23:** [Supporting and Understanding Tobacco Cessation Programs in Public Housing Primary Care Webinar Series](#), presented by National Center for Health in Public Housing and National Health Care for the Homeless Council, 2:00 - 3:00 (ET), *Virtual*.
- **January 22:** [Webinar on ACH 2025 Policy Priorities](#), 12:00 (ET), *Virtual*.
- **March 18, 2025:** [ACH Virtual Hill Prep](#) in advance of Annual Member Meeting Hill Day, 12:00 - 1:00 (ET), *Virtual*.
- **March 25-27, 2025:** [ACH 4th Annual Member Meeting](#), *Washington, D.C.*
- **October 6-7, 2025:** [ACH CHC Best Practices Showcase](#), *Denver, CO*

Please let us know if you have any questions, and have a great rest of your week!

Sincerely,

Your ACH Policy & Government Affairs Team:

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