



ADVOCATES FOR
COMMUNITY
HEALTH

October 15, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader Thune, Minority Leader Schumer, Speaker Johnson, and Minority Leader Jeffries,

On behalf of [Advocates for Community Health \(ACH\)](#), a nonpartisan, nonprofit membership organization representing community health centers (CHCs) and the patients they serve, thank you for your leadership in the 119th Congress. We write to ask for your continued support to ensure health centers have the resources needed to keep their doors open and provide consistent, high-quality care in communities nationwide.

Our 55 health center members serve over four million patients across 22 states and the District of Columbia, and our mission is to advance bold, actionable policy that strengthens health centers' ability to deliver comprehensive, integrated primary care and cutting-edge innovation. CHCs have a long track record of providing high-quality primary care that delivers better outcomes at lower cost for patients, taxpayers, and the health care system as a whole. As Congress works to address rising health care costs and long-term fiscal pressures, we urge lawmakers to recognize and utilize health centers as a proven, bipartisan solution.

Delay the 340B Rebate Model Pilot Program

ACH urges Congress to pass the “[340B Rebate Model Delay Act](#),” HR 10770, before the end of the year. This bipartisan legislation is sponsored by Reps. Rob Bresnahan (R-PA), Debbie Dingell (D-

MI), Tracey Mann (R-KS), and Lois Frankel (D-FL) and provides a two-year delay in implementation of the 340B Rebate Model Pilot Program and preserves upfront 340B discounts. Given the significant harm that a rebate model would have for covered entities serving vulnerable populations, we are deeply grateful for the Representatives' action on this important issue.

Health centers already operate on extremely narrow margins and rely on receiving timely 340B savings to support essential services, staffing, equipment, and pharmacy operations. Requiring health centers to purchase drugs at full price and wait for reimbursement would tie up limited resources, create significant cash-flow risk, and impose costly new administrative and technology requirements, ultimately diverting resources away from patient care.

340B was designed to help safety-net providers stretch scarce federal resources to reach more patients and provide more comprehensive services. Restricting health centers' ability to reinvest those savings would undermine that purpose and jeopardize behavioral health, chronic disease management, rural access, transportation, and other services that patients rely on.

Enacting the 340B Rebate Model Delay Act will allow Congress time to consider the bipartisan, comprehensive 340B reform packages that have been introduced in the House and the Senate, both of which address the rebate model. Allowing Congress time to fully debate this issue and clearly signal Congressional intent for the 340B program is critically important as we chart the future of this vital program. Furthermore, a delay will also give covered entities more time to prepare for the change, as they are faced with 340B rebate model-related operational changes at the exact same time as states implement significant new Medicaid rules stemming from HR 1. The financial, operational, and administrative burden of addressing these massive changes concurrently cannot be underestimated.

Protect the 340B Drug Pricing Program

The 340B Drug Pricing Program is foundational to health centers, allowing them to stretch scarce federal resources and reinvest savings into care for medically underserved communities. An [ACH member survey](#) found that every respondent reinvested 340B savings into patient care and community services, including behavioral health, chronic disease management, rural access, telehealth, transportation, and mobile and school-based care. ACH supports strengthening the integrity and long-term sustainability of 340B through clear, consistent, and practical standards that promote transparency and accountability while preserving health centers' ability to reinvest savings in patient care. **We urge Congress to enact comprehensive 340B reform without delay.**

ACH is grateful to Senators Tammy Baldwin (D-WI), John Boozman (R-AR), Shelley Moore Capito (R-WV), John Hickenlooper (D-CO), Tim Kaine (D-VA), and Jerry Moran (R-KS) for their bipartisan leadership in introducing [S. 5244](#), the *SUSTAIN 340B Act*. The legislation includes several provisions ACH supports, including recognition of the essential role contract pharmacies play in patient access; clearer expectations for program participation and oversight; transparency measures that

protect patient care and health center operations; and the preservation of predictable, upfront discounts rather than harmful rebate-based approaches.

ACH also supports provisions included in [H.R. 9599](#), the *SECURE 340B Act*. Introduced by Representatives Scott Peters (D-CA), John Joyce (R-PA), Jake Auchincloss (D-MA), Dan Crenshaw (R-TX), and Nanette Diaz Barragan (D-CA), this comprehensive reform package pauses the Administration's misguided 340B rebate model pilot program that fundamentally changes the structure of the 340B benefit. It also includes a clear statutory definition of a 340B patient, establishes rules for contract pharmacies and data sharing, and requires an independent, conflict-free clearinghouse to prevent duplicate discounts and protect patient information. The bill would also strengthen HRSA oversight and add greater transparency and federal guardrails to the program.

We look forward to continuing to work with members of Congress to advance policies that protect patient access, preserve the original intent of 340B, and ensure reforms strengthen, rather than weaken, the program and the communities it serves.

Invest in Community Health Centers

ACH is extremely grateful for the bipartisan investment Congress made in health centers in [H.R. 7148](#), the *Consolidated Appropriations Act*, which increased funding for the Community Health Center Fund (CHCF) through the end of the calendar year. The funding has already had impact; earlier this month, HRSA announced that they leveraged this funding to make 158 health center awards that will result in 415 new service sites across the country, bringing comprehensive primary care to nearly 1 million more people. This expansion of services comes on top of record-breaking patient numbers in 2025: 32.7 million in 2025, including 1 in 8 children.¹

Unfortunately, at the end of this year, the Community Health Center Fund is due to expire, threatening this critical progress. CHCs are model stewards of federal funds, and research shows that for every \$1 invested in primary care, \$13 is saved in downstream costs through the prevention of expensive complications and emergency room visits.² Further, the Congressional Budget Office has reported that funding CHCs leads to more cost-effective patient care than the care patients would otherwise receive and could save the federal government billions of dollars.³

A long-term investment in the CHCF will provide health centers with much needed certainty and help them to retain their workforce, preserve access to essential services, and invest in their

¹ Health Resources and Services Administration. (2025). Health Center Program Uniform Data System (UDS) data.

² Oregon Health Authority (OHA). (2016). Implementation of Oregon's PCPCH Program: Exemplary Practice and Program Findings. <https://www.oregon.gov/oha/HPA/dsi-pcpch/Documents/PCPCH-Program-Implementation-Report-Final-Sept-2016.pdf>

³ Congressional Budget Office. (2024). Cost Estimate | S. 2840, Bipartisan Primary Care and Health Workforce Act. <https://www.cbo.gov/system/files/2024-02/s2840.pdf>

communities rather than operate from one short-term extension to the next. **ACH urges Congress to increase the CHCF to \$7.87 billion annually for at least three years and provide \$2.88 billion in discretionary funding for the Health Center Program in Fiscal Year 2027**, which would allow further expansion of services and sites where they are needed most.

Strengthen Medicare Payment for Health Centers

Health centers are reimbursed through the Prospective Payment System (PPS) in both Medicare and Medicaid, which was designed to enable comprehensive primary care, but has not kept pace with the current costs of care delivery. A [recent, first of its kind study in Health Affairs](#) found that Medicaid PPS rates were 23 percent higher, on average, than Medicare PPS rates in 2023, and that both payment rates were generally insufficient to offset the average per visit cost of care delivered in CHCs.

As more Medicare beneficiaries go to FQHCs for their care and as these same health centers are facing the myriad workforce, technology, and financial pressures affecting primary care providers nationwide,⁴ Congress must thoughtfully consider FQHCs' unique payment structure and ensure FQHCs are included in efforts to strengthen primary care. Specifically, **ACH urges Congress to enact [H.R. 10398, the Community Health Center Reforms Enabling Better Access for Seniors and Elders \(CHC REBASE\) Act](#)**, led by Representatives Mike Rulli (R-OH) and Debbie Dingell (D-MI). This bipartisan legislation would allow CMS to rebase the Medicare PPS to better reflect the cost of care, update qualifying services, establish payment parity for health center medical visits delivered through telehealth, and streamline Medicare Advantage wraparound payments. These reforms would help health centers sustain comprehensive primary and preventive care for seniors, invest in their workforce, and meet growing patient needs.

Reinvest in the Primary Care Workforce

Health centers depend on a strong, stable workforce to meet growing patient demand. Health centers face particular challenges recruiting and retaining the primary care, behavioral health, dental, and other health care professionals needed to provide comprehensive care. Meeting today's demands and preparing for the future requires federal policies that support workforce development, resilience, retention, and long-term career pathways.

To ensure care remains available where it is needed most, ACH urges Congress to:

- Advance [H.R. 8629, the Developing the Community Health Workforce Act](#), bipartisan legislation to improve recruitment and retention through increased loan repayment, enhanced community health center workforce pipelines, expanded health center-hospital

⁴ See ACH's response to the bipartisan Congressional Doctors Caucus request for information (RFI) on the *Patients First Act*: <https://advocatesforcommunityhealth.org/wp-content/uploads/2026/08/ACH-Response-PATIENTS-First-Act-RFI-Final.pdf>

Graduate Medical Education partnerships, and a bolstered behavioral health workforce.

- Increase funding for the **National Health Service Corps (NHSC)** to \$950 million per year so health centers can recruit, retain, and support the workforce their patients depend on. Today, over 18,000 NHSC clinicians are delivering primary, dental, and mental health care at 8,400 CHCs, reaching 18.9 million patients.⁵ Not only does an investment in NHSC mean greater access to quality care for patients, it also saves the health system money. [According to a 2021 study](#), on average, each additional NHSC behavioral health staff is associated with a reduction of \$3.55 in behavioral health care costs per visit in CHCs; in rural CHCs, the reduction is \$7.95.⁶
- Recognize health centers as essential training sites and support funding for the **Teaching Health Center Graduate Medical Education (THCGME)** program to train healthcare professionals in community-based settings. Current funding for the THCGME program expires in September 2029.

Protect Medicaid Access

For health centers and other safety net providers, stable Medicaid coverage is essential to maintaining access to primary care, preventive care, behavioral health, and chronic disease management services. Nearly half of Health Center Program patients are covered by Medicaid or the Children's Health Insurance Program (CHIP).⁷ Stable coverage is critical to both patients and the health centers that serve them. As states implement new Medicaid community engagement requirements, including those outlined in the Centers for Medicare & Medicaid Services' (CMS) Interim Final Rule (IFR), [Community Engagement Requirement for Certain Individuals](#), health centers and their patients will face new administrative and operational challenges. Coverage disruptions resulting from these changes risk delaying needed care, increasing uncompensated care, and placing additional financial and workforce pressure on health centers that are already working to meet significant demand in underserved communities.

As implementation moves forward, ACH urges Congress to recognize the disproportionate impact that coverage disruptions and new administrative requirements will have on health centers and the patients they serve. **Congress should protect stable Medicaid funding and adequate reimbursement and ensure that federal Medicaid policy preserves coverage and access to care so health centers can continue fulfilling their mission.**

⁵ Health Resources & Services Administration (HRSA) | National Health Service Corps (NHSC). Who We Are. <https://nhsc.hrsa.gov/>

⁶ Han, X., Pittman, P., & Ku, L. (2021). The Effect of National Health Service Corps Clinician Staffing on Medical and Behavioral Health Care Costs in Community Health Centers. <https://pmc.ncbi.nlm.nih.gov/articles/PMC8428858/>

⁷ Pillai, A., Tolbert, J., & Bell, C. (February 2026). Community health center patients, financing, and services. KFF. <https://www.kff.org/medicaid/community-health-center-patients-financing-and-services/>

ACH is deeply grateful for your leadership and continued support of the Health Center Program, which plays a vital role in providing comprehensive and affordable health care to Americans. ACH remains committed to partnering with you to advance health care for the communities we serve.

For more information or to discuss these issues further, please contact me at apearskelly@advocatesforcommunityhealth.org and/or contact Stephanie Krenrich, Senior Vice President of Policy and Government Affairs, at skrenrich@advocatesforcommunityhealth.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amanda Pears Kelly', with a stylized, flowing script.

Amanda Pears Kelly
Chief Executive Officer
Advocates for Community Health