SENATOR JEFF BINGAMAN

THE IMPACT OF HEALTH REFORM ON COMMUNITY HEALTH CENTERS

The new health reform law enacted makes important improvements for community health centers to ensure they play a central role in health reform. These improvements will allow health centers to receive significant increases in funding and improved access to health professionals. I worked to ensure that these improvements were included in the new law and many are part of my comprehensive workforce reform legislation, the Health Access and Health Professions Supply Act of 2009. Specific reforms include:

- **$11 billion in guaranteed funding for community health centers and the National Health Service Corps over the next five years.** The fund will create an expanded and sustained national investment in community health centers under the Public Health Service Act and the National Health Service Corps. Specifically, $7 billion will be allocated to health center operations, $1.5 billion to health center construction, and $1.5 billion to the National Health Service Corps.

- **Teaching Health Centers (THC) development and operations grants.** Grants of up to $500,000 will be awarded to teaching health centers in order to establish new accredited programs and to expand existing primary care residency programs. Dedicated, long term, operational funding will include $230 million over a period of 5 years to support THCs. Most importantly, these reforms will enable residents to complete an accredited residency program based at a community health center instead of locating at a teaching hospital, allowing primary care residents to spend a majority of their training in the communities most in need of their services.

- **Medicare payment fix.** It is estimated that under current law community health centers lose in excess of $51 million annually due to a Medicare payment cap. In order to place CHC Medicare payments on par with Medicaid payments, I drafted the Medicare Access to Community Health Centers (MATCH) Act, which was successfully included in the health reform legislation.

- **Required Prospective Payment System (PPS) for community health centers in state based health insurance plans (i.e. Exchange).** I worked to ensure that community health centers receive a Medicaid PPS rate from plans operating within new state-based health insurance exchanges, a provision that will greatly increase reimbursement to CHCs.

- **Essential Community Providers.** The PPACA requires private plans within new state-based health insurance exchanges to contract with all 340B-eligible providers, including community health centers.

- **State grants to health care providers who provide services to a high percentage of medically underserved populations.** The PPACA enables states to award grants (amount to be determined by the State) to support health care providers, including community health centers, that treat a high percentage of medically underserved populations or other special populations in the State.

- **Negotiated rule-making for the designation process of a Medically Underserved Area (MUA).** The PPACA calls on the Health Resources and Services Administration (HRSA) to work with stake holders such as CHCs to redesign the MUA and Health Profession Shortage Area (HPSA) designation process.