



NATIONAL ASSOCIATION OF
Community Health Centers



America's Voice for Community Health Care



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The NACHC Mission

To promote the provision of high quality, comprehensive and affordable health care that is coordinated, culturally and linguistically competent, and community directed for all medically underserved people.



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NACHC's Summer Update


Presentation to

2010 MAOFP Annual Summer Conference

Tom Curtin, MD


National Association of Community Health Centers

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Community Health Centers Today

- ***Proud History*** – 45 years of bringing good health to underserved communities, giving people served ownership & control of delivery system
- ***Largest national network*** – 20 million people served, 40% uninsured, 37% Medicaid/SCHIP, 63% people of color, 92% low-income individuals
- ***Record of Achievement*** – cited by IOM, OMB, and GAO for excellence in care, disparities reduction, cost-effectiveness, and community benefit
- ***Bipartisan support*** – Congressional majority and key Presidential candidates praise work, mission of health centers, call for continuation & growth



What Has Happened Most Recently?

- ***SCHIP Reauthorization***: Congress overwhelmingly approved, to cover 11M kids, with health center PPS, ICHIA for immigrants, interstate models for FWs
- ***Economic Recovery Act***: provides \$2 billion for CHCs PLUS \$500M for workforce (\$300M for NHSC), state Medicaid relief, Medicaid payments to FQHCs for EHR
- ***Appropriations***: Congress provided +\$125M for FY2009 – but FY2010 contained only flat funding



What Just Happened?

Comprehensive Health Reform!

The final health reform package touches on every element of the *Access for All America* plan, and NACHC's key objectives for reform:

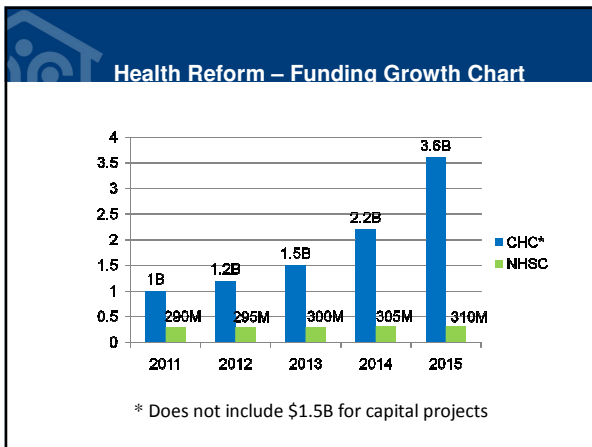
- ***Participation***: ensuring Health Centers and our patients are part of a reformed health system.
- ***Payment***: making sure Health Centers are not underpaid for our services.
- ***Growth***: providing significantly expanded, guaranteed funding for the health centers program.

Key Features of Health Reform

- **Individual Mandate:** purchase coverage or pay penalty, with income-based subsidies up to 400% of poverty (\$41,000/\$88,000) to make coverage affordable
- **Employer Contribution:** offer coverage or pay penalty
- **Medicaid Expansion:** all individuals up to 133% of poverty (major new group: adults)
- **Health Insurance Exchanges:** marketplace for consumers, with competing plans
- **Insurance market reforms,** to end discrimination
- **Workforce Training Reforms,** especially Primary Care
- **Payment System Reforms,** especially Integrated Care

Health Centers - Funding

- **New Funding for Health Centers:** \$11 Billion over 5 years (dedicated funding), over and above the \$2.2 billion in annual CHC funding
 - \$9.5 billion for CHC operations under Sect. 330
 - \$1.5 billion for Capital over 5 years
- **Permanent Authorization:** Original Sanders language with increasing authorization levels



Health Centers – Payment & Participation

- **Guaranteed Contracting:** Exchange insurers must include all 340B eligible providers in networks. This includes all FQHCs!
- **Menendez Amendment:** Guaranteed PPS Payment Level For FQHCs From Exchange Plans! Estimated impact between \$1b and \$2b annually with existing patients load.
- **Medicare:** Modified Medicare PPS for FQHCs. Inclusion of all preventive benefits. Elimination of current caps and screens.

Health Centers - Workforce

- **New Funding for NHSC:** \$1.5 Billion over 5 years (also dedicated funding) over and above the \$142 million in annual NHSC funding
- **New Funding for Community-Based Residency Training:** Provides funding for establishment of freestanding “Teaching Health Centers”

Health Reform – Timeline of Key Events

2010 States allowed to cover adults up to 133% FPL at regular match rates

State loan repayments no longer subject to federal income tax

Insurance reforms (no exclusion for children, no lifetime caps, no rescissions, kids <26 on parents’ coverage, 80% of premiums for care, first \$ coverage for preventive care)

Medicare drug benefit ‘donut hole’ closed by \$250 (donut hole completely closed by 2020)

Health Reform – Timeline of Key Events

2011

- New Medicare wellness visit, no co-pays for preventive care (Medicaid option also)
- Unused Medicare GME slots go to PC
- New Prevention & Public Health Fund begins with \$500M (\$5B over 5 years)
- 10% Medicare bonus for PCMDs
- Small business tax credit (35% of employer share of premiums) begins (24% for nonprofits) for employers of <25 FTEs

Health Reform – Timeline of Key Events

- 2012 Medicare Primary Care Medical Home and Accountable Care Org (ACO) demos begin
- 2013 Medicare physician value-based care begins, Medicaid PCMD rates adjusted to 100% of Medicare
- 2014 Medicaid expansion to cover all non-elderly <133% FPL now required
Individual & employer mandates begin, State Health Insurance Exchanges open, subsidies offered to individuals <400% FPL

Health Reform: What Might It Mean for You?

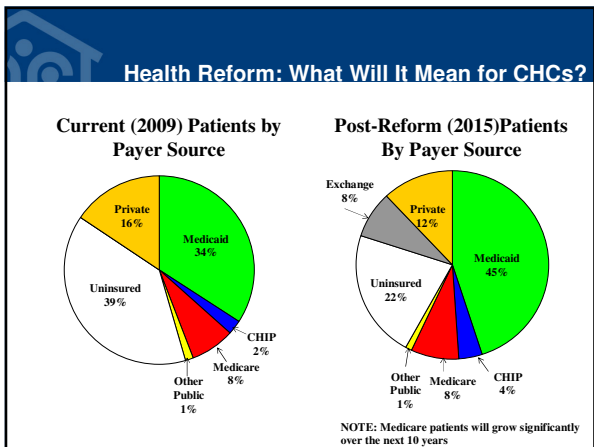
- **You will have access to plenty of funding to grow and expand**
 - Unclear how new funding will be distributed
 - Managing growth will continue to be a challenge
 - Need for organized state-wide planning will be paramount
 - Must agree on policies that avoid “eating our own”
- **Recruiting staff – especially clinical staff – will be perhaps your greatest challenge**
 - NHSC will need to be marketed MUCH more aggressively
 - ALL health centers need to increase involvement in training of ALL levels of needed clinical professionals
- **Facility space and equipment will also be a major challenge**
 - Hopefully, reform bill’s capital funding will help to meet capital needs

Health Reform: Health Center Growth Implications

- What PCAs & HCs need to be doing:
 - 1) Engage in coordinated and strategic process to manage growth at a state level
 - 2) Design a five year growth plan for health care reform (2011-2015) that identifies:
 - 1) The number of new patients to be served
 - 2) The location of new access points
 - 3) The number of primary care staff required for expansion
 - 4) The capital investments needed for facility acquisition and/or improvements

Health Reform: What Might It Mean for You?

- **You will have MORE Patients with Insurance Coverage**
 - Many of these will have Medicaid coverage
 - You will receive the full Medicaid PPS rate for these
- **You will see FEWER employer-insured patients and many MORE Exchange-enrolled patients**
 - With Menendez, you will receive your Medicaid PPS rate for the Exchange-enrolled patients
 - However, they will face high out-of-pocket costs and may need help affording their care (ie, SFS discounts)
- **Your will likely see FEWER uninsured patients, but they will account for a HIGHER PERCENTAGE of all uninsured**
 - The uninsured will have FEWER places to turn for care
 - This is ESPECIALLY true for non-citizens and difficult-to-serve groups (mobile, homeless, HIV+, substance addicts)
- **Your Medicare patient population will grow dramatically over the next decade**
 - Your current 55-65 year-old group will age in to Medicare
 - With MATCH, your Medicare PPS payment will improve



Health Reform: What Might It Mean for You?

- **You will face increasing pressure to integrate with other providers both vertically and horizontally**
 - Vertically: to coordinate patient care through various levels to assure continuity and full sharing of clinical data/information with all members of the health care team
 - Horizontally: to coordinate service delivery across a level of care (eg, primary care) to better match capacity and demand at various sites, share full information, and link patients with needed enabling services
- **These pressures will include financial/payment incentives and penalties (eg, medical homes & accountable care organizations)**
- **The greatest challenges will be how we plan for this expansion and how to achieve integrated care while maintaining your autonomy and mission focus**
 - How to respond to competition from Managed Care Organizations
 - How to work with partners/sister organizations to ensure success

Health Centers – Turning Coverage into Better Health Care Access

PRIMARY CARE

Critical Value:

- First contact
- Care management/coordination
- Continuity of care
- Reduced ER use, hospital admissions, specialty referrals

SAFETY NET

Critical Value:

- Location in underserved areas
- Open to all, even if uninsured/ineligible
- Focus on neediest
- Services related to unmet needs

Health Centers: Family doctors and health care homes for America's poor, minority, uninsured and disenfranchised

What Can YOU Do to Help?

- **Sign up as a Health Center Advocate (go to www.nachc.com for details)**
 - *Receive regular updates from NACHC and be notified when action is needed*
- **Invite your Members of Congress and State legislators to visit your health center**
 - *Tell them that health centers are part of the solution, and ask them to support our efforts to do even more!*
- **Join NACHC and Your State & Regional PCAs**

Where Can You Get More Information?

- Visit our improved, expanded web site...
 - for more information on all issues,
 - for the latest on federal & state policy developments, including health reform,
 - for the schedule of webcasts and trainings on key health center management topics
 - Latest research & data on health centers
- Read the Washington Update each week...

All Are available at www.nachc.org

Thank You!

Any Questions?

