



NATIONAL ASSOCIATION OF

Community Health Centers



America's Voice for Community Health Care



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NACHC's Health Care Reform Update

Presentation to

Hawaii Primary Care Association
- Annual Conference -

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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.



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 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.***



Big Picture - Features of Health Reform

- **Individual Mandate**: purchase coverage or pay penalty, with income-based subsidies up to 400% of poverty to make coverage affordable
- **Employer Contribution**: offer coverage or pay penalty
- **Medicaid Expansion**: *all* individuals up to 133% of poverty, with the Federal gov't bearing the initial costs
- **Health Insurance Exchanges**: state-based marketplaces for consumers, with competing plans
- **Insurance market reforms**: incl. to end discrimination



Health Centers - Funding

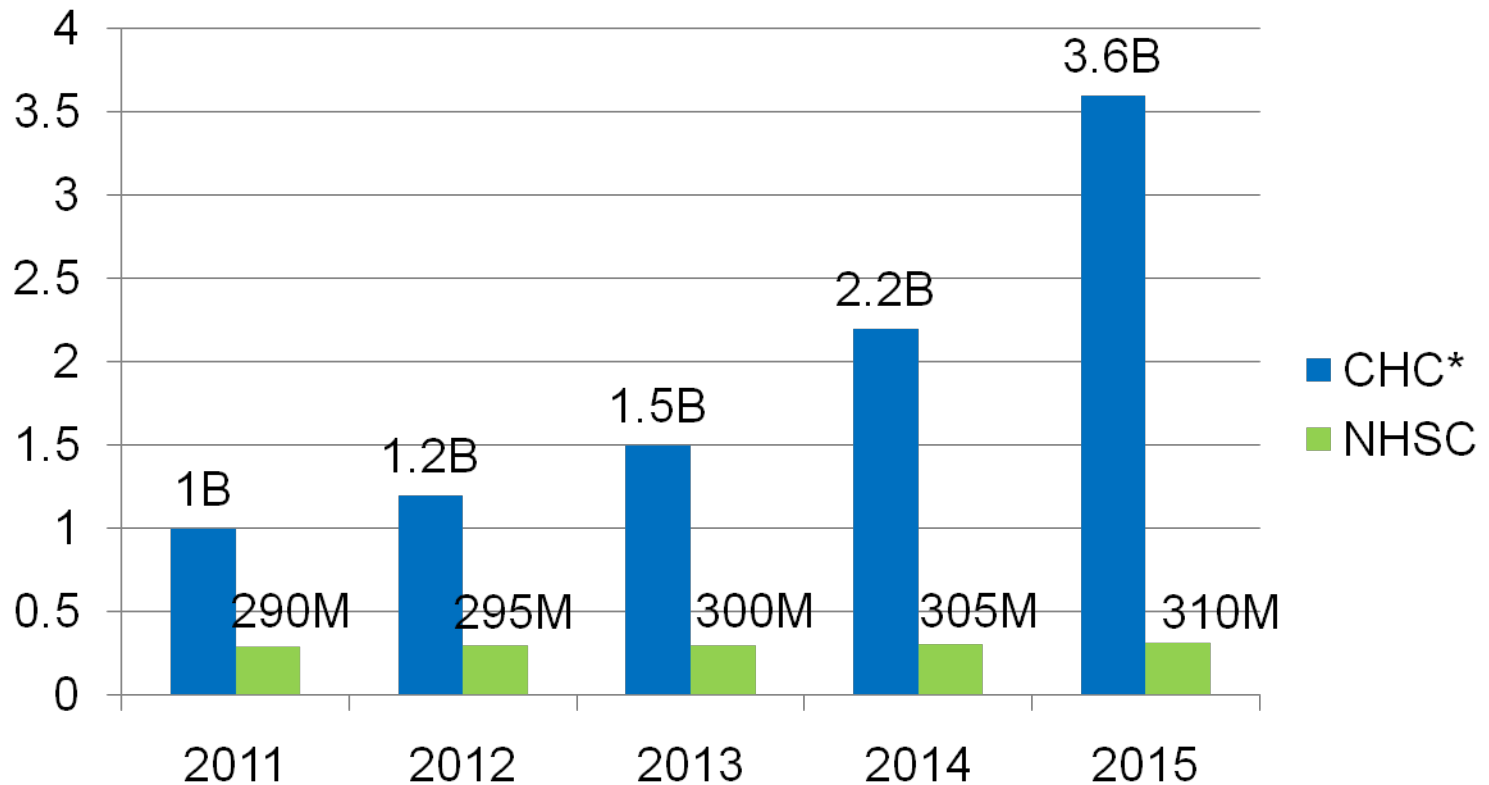
- **New Funding for Health Centers: \$11 Billion over 5 years (dedicated funding), over and above the \$2.2 billion in annual CHC funding**
 - \$9.5 billion for CHC operations under Sect. 330
 - \$1.5 billion for Capital over 5 years
- **Permanent Authorization: Original Sanders language with increasing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



Health Centers - 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”**

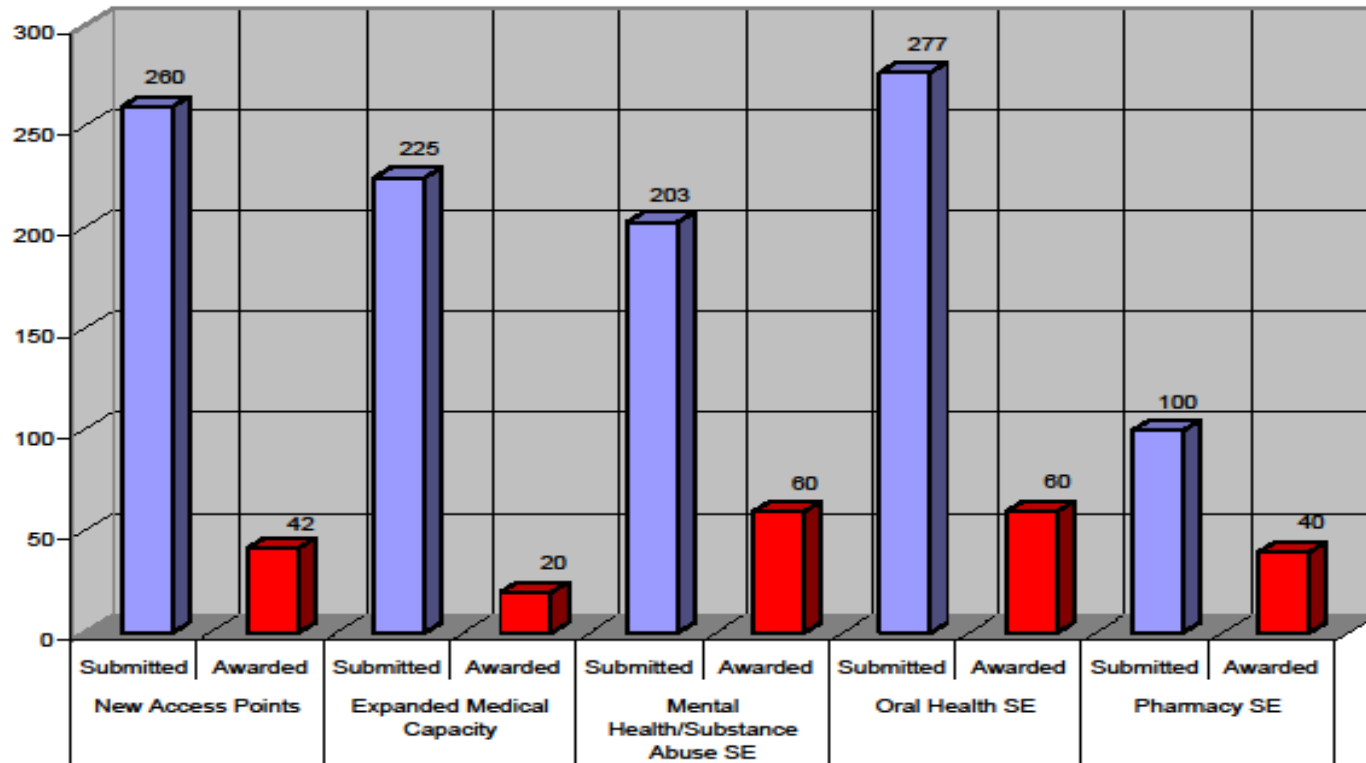
Health Reform – Funding Growth Chart



* Does not include \$1.5B for capital projects

Health Center Applications - 2008

Fiscal Year 2008 Community Health Center Grants



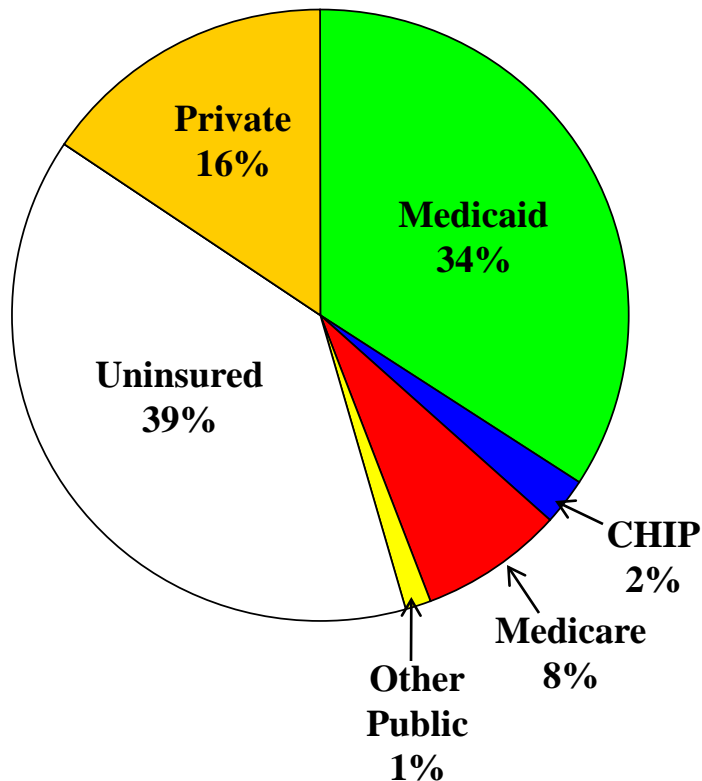


Health Centers – Payment & Participation

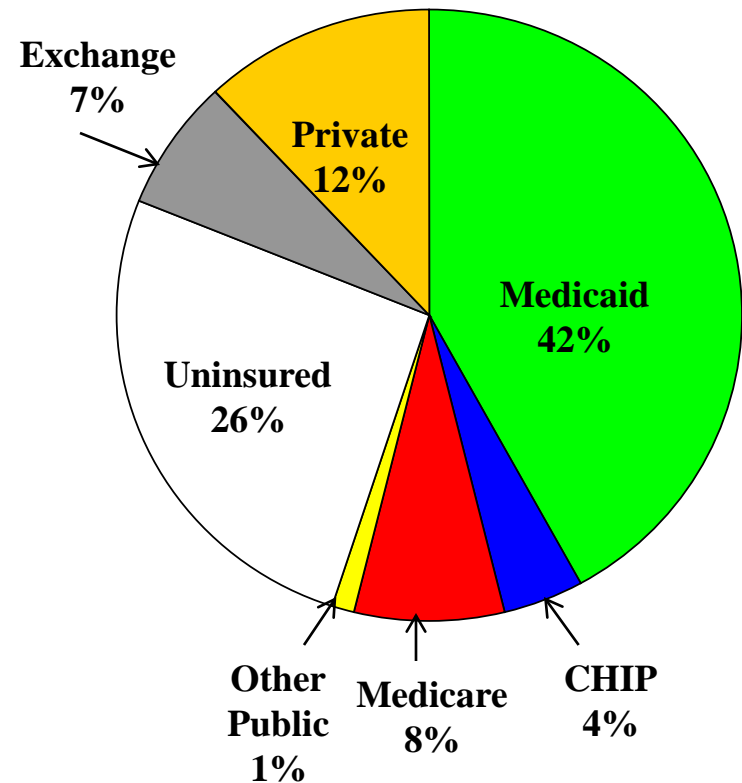
- **Guaranteed Contracting**: Exchange insurers must include all 340B eligible providers in networks. This includes all FQHCs!
- **Menendez Amendment**: Guaranteed PPS Payment Level For FQHCs From Exchange Plans! Estimated impact between \$1b and \$2b annually with existing patients load.
- **Medicare**: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

Health Reform: What Will It Mean for You?

Current (2009) Patients by Payer Source (National Averages)



Post-Reform (2015) Patients By Payer Source (Averages)



NOTE: Medicare patients will grow significantly over the next 10 years



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 \$500 (donut hole completely closed by 2019)



Health Reform – Timeline of Key Events

2011

New Medicare wellness visit, no co-pays for preventive care (Medicaid 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 expands 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?

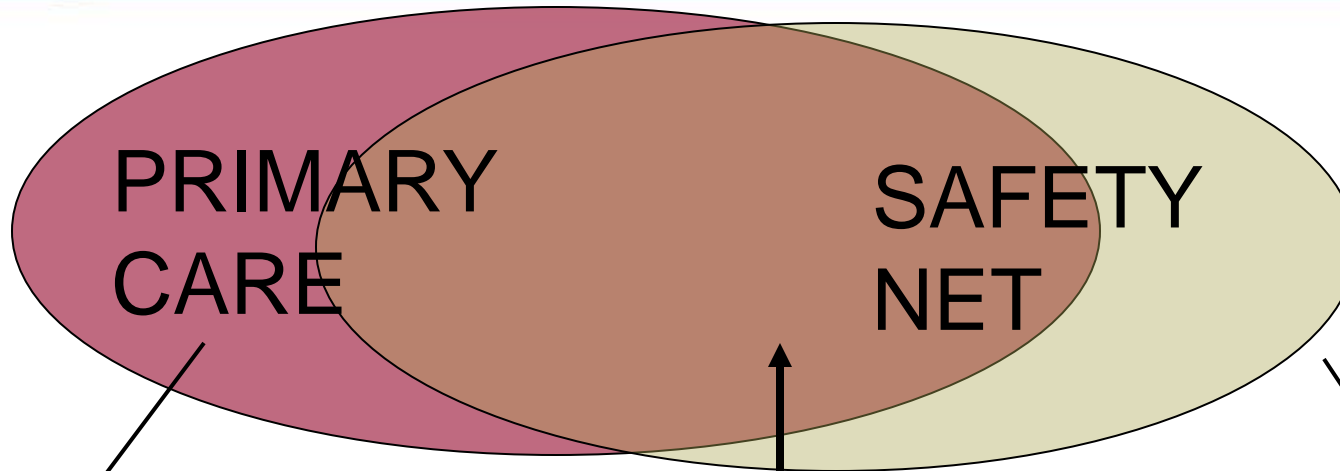
- **You will have access to new funding to grow and expand**
 - Unclear how new funding (\$9.5 billion) will be distributed
 - Managing growth will continue to be a challenge
 - Need for organized state-wide planning will be paramount
 - Must agree on policies that avoid “eating our own”
- **Recruiting 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 (\$1.5 billion) will help to start meeting capital needs



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
- **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

Health Centers – Turning Coverage into Better Health Care Access



PRIMARY
CARE

SAFETY
NET

Critical Value:

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

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

Critical Value:

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



What Can YOU Do to Help?

- **Plan** for your center's growth and expansion NOW.
- **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?**

