

The American Recovery and Reinvestment Act of 2009

A Historic Investment in Community Health Centers

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ARRA and Health Centers

- Economic Stimulus Statement: On February 17th, President Obama signed into law a massive economic stimulus measure entitled the American Recovery and Reinvestment Act, or “ARRA” for short.
- The new law contains more than \$787 billion in spending and tax cuts.
- It also contains several major initiatives related to Health Centers, totaling well over \$2 billion.
- As a result, Health Centers will see the largest one-time investment into the system in the program’s 45 year history!

Two Billion in Health Center Funding

- \$1.5 Billion for Infrastructure
 - Capital, IT, Equipment
- \$500M for Health Center Operations
 - \$155 Million for 126 New Health Centers
 - \$ 344 Million for Operating Across The Board

Why Health Centers?

- 45 Year Working History with Presidents and Congress.
- Congress heeded the call from health centers across the country to address the rising demand for health center services as a result of the economic downturn.
- Funding can be used by HRSA to provide grants for new sites and services, as well as supplemental payments to existing health centers to address spikes in uninsured patients.

\$500M for Health Center Operations

New Health Centers

- \$155 Million to support 126 Health Centers
- \$5,763,749 for 5 Health Centers in Virginia
- Two Existing Health Centers
 - Prince William County
 - Loudoun County
- Three New Health Centers
 - Caroline County – Central Virginia Health Services
 - City of Richmond – Capitol Area Health Network
 - City of Richmond – The Daily Planet

Limitations on Funding

- Funding is for two years only at this time.
- No indications if funding will continue for these health centers at this time, or if funding will be available via Section 330 grants after the two year phase is completed.
- No additional Stimulus funding will be used for New Access Points either for satellites or new stand alone organizations.

Operating Funds Grants

- At State Level
 - Rising Unemployment and Uninsured
 - Average 18% increase in Uninsured being seen at Community Health Centers
 - Some centers seeing 30% to 50% increase in Uninsured
 - Fragile Financial Situation – Can't Absorb Additional Uninsured

Operating Funds Grants

- To help meet this need:
- HRSA is making Operation Funds Grants available to Community Health Centers via Increased Demand for Services (IDS) grants
- Supplemental funding (over and above the standard increase for all grantees) will be available for grantees
- Must demonstrate significant increases in uninsured, low income patients.

Operating Funds Grants

- All section 330 grantees will receive a base allocation of \$100,000.
- An additional \$6.00 per health center patient, as exhibited on the 2008 Uniform Data System (UDS) report, plus
- An additional \$19.00 per health center uninsured patient, as exhibited on the 2008 UDS submission.
- *In the event that calendar year (CY) 2008 UDS data was not available, CY 2007 UDS data was used in determining the funding allocation. For those grantees with neither CY 2007 nor CY 2008 UDS reports, the maximum amount that can be requested is the base allocation of \$100,000.*

Operating Funds Grants

- Grants being submitted at this time for additional operational funding for all community health centers
- The down side - the money is only for a two year period – it is not ongoing
- Applications are due March 16, 2009

Operating Funds Grants

- **Eligible Use of Funds**
- Current section 330 grantees will submit a request for financial assistance to increase and expand comprehensive primary care services to an underserved area or population that is currently in their approved scope of project at the time of application.
- **All activities to be supported under the IDS must be within a grantee's current scope of project.**
- Allowable uses of operational grant funds under section 330 will generally apply to IDS grants, unless specifically excluded in this funding announcement.

- **The following uses of grant funds are not eligible under IDS:**
- Construction costs (including minor alterations and renovation).
- Support of sites or services not included in the grantee's current scope of project.
- Facility or land purchases.
- Equipment items costing \$5,000 or more.

\$1.5 Billion CHC Infrastructure

- **What can the funds be used for?**
- Construction
- Renovation
- Equipment
- Acquisition of HIT
- Details of the size and types of projects that will be eligible for funding will be up to HRSA to determine.

Community Health Center Infrastructure

- This funding will give an immediate job boost in grant-funded centers' communities
- And provide a tremendous foundation for growth in the years to come.
- Time frame for accessing the resources?
 - “Wish List” of Projects Submitted to Feds
 - The timeline for the allocation and spending of the funds is still under discussion

Health Information Technology Grants

- HRSA currently taking grant applications
- Health Information Technology Implementation for Health Center Controlled Networks and Large Multi-Site Health Centers
- Funding opportunity available to Health Center Controlled Networks (HCCNs) and large multi-site health centers

HRSA HIT Grants

- The purpose of this funding opportunity is to support HCCNs or large health centers in one of four types of HIT projects that use HIT as a tool to improve the quality of health care provided in health centers and to improve individual and population health.
- For the innovations and electronic health record (EHR) implementation projects, this funding opportunity supports new implementation of HIT.
- In addition, this funding opportunity seeks projects to strengthen an existing quality improvement (QI) program by funding QI projects to advance the QI strategy of a network or of a large multi-site health center.

Additional Funding that will impact Community Health Centers

- **Primary Care Workforce Funding**
- In addition to direct health center funding, the stimulus package also contains landmark funding totaling **\$500 million** for the primary care workforce. Including funds for the National Health Service Corps and federal Health Professions and Nurse Training programs. This investment will provide a surge of primary care workforce on the ground in health centers across the country.
- **Health IT Payments Through Medicaid**
- The legislation also makes available, through Medicaid, more than \$60,000 per eligible provider over the next five years for the adoption, maintenance and use of Health Information Technology. FQHC providers, which includes Look-alikes, are specifically listed as eligible for these critical payments.
- Details continue to emerge

Appropriations – FY09

- Omnibus spending bill to fund the government for the rest of FY 2009 passed in the House with a \$125 million increase over last year for the health center program.
- Senate voted on the Fiscal Year 2009 Omnibus Appropriations with measure intact, signed by President.
- Includes \$56 million in base grant adjustments - the largest ever increase for base grant adjustments.
- It is our understanding that much of this funding will be used for New Access Points (NAPs) during the current Federal fiscal year.
- If you plan to apply for NAP funding should this scenario become a reality, please start preparing information your grant NOW.
- Although there may be changes in the NAP PIN this year, we do not think they will be significant.

FY10 Budget

- To Be Determined
- The President has only released an outline of his budget with the “big picture” spending and revenue levels with a limited number of specific highlights (i.e. \$330 million for "health professions workforce").
- We won't know his number for health centers until his full, detailed budget comes out in April.

CHIPS Impact on CHCs

- SCHIP (FAMIS) – is Now CHIP at the Federal level
- Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA 2009)
- Contains Provisions Affecting FQHCs
- Today, health centers are the provider of care for 1 of every 9 enrollees in the State Children's Health Insurance Program (SCHIP).
- Currently, many states do not adequately reimburse federally qualified health centers (FQHCs) for providing care to SCHIP beneficiaries, undermining these centers' ability to expand care to children in need.
- This legislation includes several key provisions that will allow for that expanded access to care:

CHIPS Impact on CHCs

- **Creation of a Prospective Payment System for FQHCs in SCHIP.**
- CHIPRA 2009 creates an FQHC prospective payment system in SCHIP similar to the payment system established by the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) for FQHC services provided under Medicaid.
- Under the existing FQHC Medicaid PPS, the state Medicaid agency pays FQHCs on a prospective basis and then the state gets a federal match from the Centers for Medicare and Medicaid Services.
- The creation of a FQHC SCHIP PPS would allow health centers to provide and expand primary care services to more SCHIP beneficiaries, while ensuring adequate SCHIP reimbursement for these centers.

CHIPS Impact on CHCs

- **Expansion of SCHIP coverage to an additional 3.9 million children.**
- CHIPRA 2009 provides \$31.5 billion in additional funding for the SCHIP program over four and a half years.
- All 6.7 million children currently covered by CHIP will keep their coverage, and 3.9 million additional uninsured, low-income children will receive coverage.
- Investment in outreach efforts will help states find and enroll additional children eligible for public health programs but not enrolled in them.
- This expansion will be funded by a 61-cent increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

CHIPS Impact on CHCs

- **Immigrant Children's Health Improvement Act (ICHIA).**
- CHIPRA 2009 would expand eligibility for SCHIP coverage to include an important provision giving states the option to provide timely coverage to legal immigrant children and pregnant women.
- Under current law, children who are in this country legally must wait five years before they can enroll in Medicaid or SCHIP.
- Health Centers are required to treat all who seek services, regardless of their ability to pay;
- Therefore this expansion of coverage will mean health centers can afford to treat more children in need.

CHIPS Impact on CHCs

- **Model Process for Medicaid Interstate Coordination.**
- The bill calls for development of a model process for interstate coordination of Medicaid/CHIP enrollment and coverage of eligible individuals, including farmworkers and disaster evacuees, who move from state to state.
- In 2006, the Department of Health and Human Services released a long awaited study regarding “Barriers to Participation of Farmworkers in Health Programs” which included several NACHC recommendations.
- This provision is a clear response to NACHC and other advocates who have called for such action over the past several years.

CHIPS Impact on CHCs

- **Eliminates Limitations on FQHC Contracting for Provision of Dental Services.**
- Under CHIPRA, dental services would be a required benefit under CHIP and would include services necessary to prevent disease and promote oral health, restore oral structures, and treat emergency conditions.
- Specifically, the bill allows FQHCs to enter into a contractual relationship with private practice dental providers for the provision of FQHC services.

CHIPS Impact on CHCs

- **Childhood Obesity Demonstration Project**
- FQHCs are eligible for this demonstration grant program
- Funding would be used to carry out community-based activities related to:
 - reducing childhood obesity
 - strengthening quality of care
 - and health outcomes

Thanks to Community Health Centers...

**Over 240,000 Virginians
Have Access to Healthcare!**

Questions?

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