LOOKING TO 2017:
The New Landscape and What it Means for CHCs
A NACHC Policy and Advocacy Webinar Briefing
Audio today will be provided via computer.

• Please double check that your speakers on your computer are working and/or plug in a headset to listen.

• You can adjust the volume of the audio on your computer or by using the Audio Broadcast control box.
This webinar is being recorded.

• You will be able to access the webinar recording on www.saveourchcs.org and www.youtube.com/nachcmedia shortly

• The link to the recording will be distributed in the Washington Update
Questions?

• Use the chat box to ask your question at any point in the webinar.

• We want to see all of your questions! We’ll try our best to respond to all of them.
TODAY’S BRIEFING – A LAY OF THE LAND

• The Latest Developments: the election, who’s who, what’s on the table and what’s not, how are we positioned, big picture messaging

• Repeal and Replace: The Frame for 2017

• NACHC Strategy & Priority Issues: Today we’ll cover Medicaid and CHC Funding - Info, Outlook, “Asks,” Strategy

• Making the Argument: Delivering the Health Center Message and Advocacy Action Steps
THE 2016 ELECTION - RECAP

**PRESIDENT**
- Popular Vote went to Sec. Clinton
- 6 States flipped D to R (IA, OH, WI, PA, MI, FL)

**SENATE**
- Dems +2, Rs -2 seats
- Louisiana Runoff means 52-48
- 7 new Senators (LA, CA, IL, IN, MD, NH, NV)

**HOUSE**
- Dems +6, Rs -6 seats
- 13 seats flipped
- 53 new members (27 R, 26 D)
KEY HEALTH CARE PLAYERS IN 2017

Administration:

Rep. Tom Price (R-GA)
HHS Secretary Nominee
Oversees all federal health programs
- Chair, House Budget Cmte.
- Authored ACA Replacement Bill
- Orthopedic Surgeon

Seema Verma
CMS Administrator Nominee
Oversees Medicare, Medicaid, CHIP, Exchanges
- Medicaid Consultant
- Architect of Healthy Indiana Plan 2.0
- Close with VP-Elect Mike Pence

Unknown: HRSA Administrator, Office of Management & Budget, Asst. Secretaries, etc.

House:

House Leadership
Paul Ryan
Speaker
Nancy Pelosi
Dem. Leader

House Energy and Commerce
(Greenald, CHCs, 340B Pub. Health)
Greg Walden
Chair
Frank Pallone
Ranking Mem.

House Ways and Means
(Medicare, Tax, Insurance)
Kevin Brady
Chair
Richard Neal
Ranking Mem.

House Appropriations
(Funding for Key Programs)
Rodney Frelinghuysen
Chair
Nita Lowey
Ranking Mem.

Senate:

Senate Leadership
Mitch McConnell
Majority Leader
Chuck Schumer
Dem. Leader

Senate Finance
(Medicare, Medicaid, Insurance)
Orrin Hatch
Chair
Ron Wyden
Ranking Mem.

Senate HELP
(CHCs, Workforce, 340B, Pub. Health)
Lamar Alexander
Chair
Patty Murray
Ranking Mem.

Senate Appropriations
(Funding for Key Programs)
Thad Cochran
Chair
Pat Leahy
Ranking Mem.
THE FUTURE OF THE AFFORDABLE CARE ACT

The question of how to repeal and replace the ACA will be the frame for the health care debate in 2017 and likely beyond.

Big Questions remain unanswered:
• What’s on and off the table in a potential repeal?
• How long will implementation of repeal be delayed?
• What happens in the meantime?
• What does a replacement plan look like?
• What role is there for Health Centers?
• What has (or doesn’t have) the votes to pass Congress?
“REPEAL AND REPLACE” – WHAT WE KNOW NOW

“Repeal” planned for early ’17: H.R. 3762 is roadmap

Will be done through “Budget Reconciliation” -
• only needs 51 votes but can only do certain things

Would undo big pillars of ACA, but not everything:
• Medicaid Expansion, Subsidies for Exchange
• Individual/Employer Mandates, taxes

Big support for keeping certain items – pre-ex, etc.

CHC Funding mechanism not eliminated in current “repeal,” but we still need to get extension this year.

“Replace” will be much more complicated, certain parts may require 60 votes in Senate, i.e. bipartisan

Several major plans:
• House Republicans’ “Better Way” Plan

All are coverage/insurance focused, and contain:
• Structural Reforms to Medicaid (e.g. block grant)
• High-risk pools for sicker, poorer individuals
• Tax credits to purchase private coverage

None currently speak to the role of Health Centers
EVEN AMIDST CHANGE, HEALTH CENTERS ARE WELL-POSITIONED

Health Centers are one of the few things in health care both Democrats and Republicans agree on.

We can tell a local story about direct impact back home. There are CHCs in 98% of U.S. Congressional Districts.

We have a track record of success and hard data that shows our value – to patients, to communities, to the health care system and to the taxpayer.

We fight harder, because we speak on behalf of our patients and communities.
BIG-PICTURE MESSAGING ABOUT HEALTH CENTERS

• Everyone needs a place to go for care. Health Centers are a local solution to the national challenge of access to primary care.

• Health Centers are innovators – consumer-driven and patient-centered.

• Health Centers deliver value and impact for the health system and taxpayer:
  • Access: 25 million patients, nearly 10,000 locations
  • Integrated Care: Medical, Dental, Behavioral, all under one roof
  • Cost-Savings: 24% lower TOTAL Medicaid costs
  • Economic Impact: 188,852 employees, $39 billion in economic activity

• Health Centers are on the front lines of the most challenging health crises: veterans’ access, the opioid epidemic, public health issues like Zika, etc.

• For more than 50 years, Health Centers have delivered stability for patients in a changing health system. That stability rests on two key pillars: The targeted federal investments and a strong Medicaid program.
NACHC LEGISLATIVE PRIORITY AREAS IN 2017

**MEDICAID**
- 49% of Patients
- Largest Revenue Source for FQHCs
- We serve 1 in 6 of all beneficiaries
- Unique FQHC Payment System

**CHC GRANTS**
- Foundation of CHC model
- Vital to care for un, under-insured
- Mechanism for growth in Sites, Services

**WORKFORCE**
- Vital to achieving mission
- 54% of NHSC in FQHCs
- THCGME Program
- If fully staffed, could serve 2m+

**340B**
- Key for stretching federal dollar
- Key to affordability of prescriptions for our patients
- All FQHCs are Covered Entities
**HIGHEST PRIORITY**
- Foundational to entire system – the two pillars that hold up every community health center
- Unique policy to CHCs
- NACHC is central player
- *We’ll be focusing on these today*

**HIGH PRIORITY**
- Enormously important to CHCs’ viability, sustainability
- Debate will happen *within* or *alongside* other debates
- NACHC leads coalition efforts
- *We’ll discuss in future webinars*
MEDICAID

BACKGROUND & KEY FACTS

OUTLOOK & THREATS IN 2017

OUR “ASK” & ARGUMENTS
• Covers 70+ million, federal and state governments share costs, entitlement
• Expanded under ACA to cover all below 138% FPL. Expansion made optional for states by Supreme Court – 32 states (incl. DC) have expanded
• Each state has a Medicaid plan and can receive exceptions with Waivers
• Currently, waivers need approval from Federal government – CMS
• Levers that can be moved are eligibility, benefits, and payments
• Roughly **12 million** – or 1 in 6 - Medicaid patients get care at a health center.
• Health centers’ unique role in Medicaid is rooted in the **FQHC Prospective Payment System (PPS)**, which allows for adequate payment for our services.
HEALTH CENTERS’ UNIQUE ROLE & THE FQHC PROSPECTIVE PAYMENT SYSTEM

• Federal law specifies:
  • That Medicaid include FQHCs
  • That FQHCs get fair payment under Medicaid

• FQHC Prospective Payment System, or PPS, covers the “bundle” of Medicaid services provided at FQHCs

• Adequate, predictable rates based on cost of providing care and comprehensive services

• States and Health Centers can negotiate alternatives – must use PPS as “floor”

• One pillar (alongside 330 Funding) of Health Centers’ stability and success.

• Subject to state waivers
Big changes to Medicaid are **ON THE TABLE** in 2017. 3 major ones being discussed:

- **Repeal of ACA Medicaid Expansion**
- **Block Grants or “Per-Capita Allotments”**
- **Increased Flexibility for State Programs**

*Let’s look at these one at a time...*
OUTLOOK & THREATS IN 2017

Repeal of ACA Medicaid Expansion

- Medicaid expansion **can be repealed quickly**, with **51 votes** in Senate.

- Key question is will Congress be willing to “repeal” without a “replace” in place? **22 million have gained coverage** through ACA, roughly half through Medicaid expansion.

- NACHC Position: **no repeal without plan** to ensure continuous coverage for low-income populations health centers serve.
OUTLOOK & THREATS IN 2017

Block Grants or Per-Capita Allotments

• 2 general proposals for Medicaid structural change
  • Block Grant: cap on federal dollars to entire state
  • Per-capita allotment would cap per person

• Goal of either is to control/limit federal expenditure on Medicaid, incentivize efficiency

• Without safeguards, very likely states would eliminate benefits, limit eligibility, or cut payments

• Congress has explored several times – ’81, ‘95, ‘03
OUTLOOK & THREATS IN 2017

Increased Flexibility for State Programs

- Regardless of structural reform (e.g. block grant, per-capita allotment), primary goal of new administration will be to give states more control over Medicaid programs.

- *A Better Way*: “states would receive maximum flexibility for the management of eligibility and benefits for non-disabled, non-elderly”

- Constitutes a major threat to FQHC protections where they are not in state law.
ENSURE THAT MEDICAID REMAINS A SOURCE OF AFFORDABLE COVERAGE FOR LOW-INCOME PATIENTS

STRENGTHEN HEALTH CENTERS’ UNIQUE ROLE & PAYMENT SYSTEM WITHIN THE COVERAGE SAFETY NET
OUR ARGUMENTS

1. “BIG PICTURE MESSAGING” – A KEY PART OF THE HEALTH CARE SOLUTION
   • LOCAL, INNOVATIVE, VALUE, ECONOMIC IMPACT, COST SAVINGS, QUALITY

2. MEDICAID IS VITAL TO FQHCs AND THE PATIENTS WE SERVE.
   • IN MANY COMMUNITIES, FQHCs ARE THE ONLY PRIMARY CARE PROVIDER
   • MEDICAID PATIENTS IN FQHCs HAVE LOWER TOTAL COSTS OF CARE

3. SUCCESS SERVING MEDICAID PATIENTS IS DUE TO OUR UNIQUE PAYMENT.
   • BUNDLE OF CLEARLY DEFINED SERVICES, PREDICTABLE, SUSTAINABLE
   • SAVES ON TOTAL COST OF CARE, COMPARED TO OTHER PROVIDERS

4. MEDICAID SHOULD INCENTIVIZE FQHCs IN MOVE TOWARD VALUE.
KEY FACTS & BACKGROUND

OUTLOOK & THREATS IN 2017

OUR “ASK” & ARGUMENTS
KEY FACTS & BACKGROUND

Section 330 Health Center Grant Funds:
Two Sources Combine to Form One Program

**Health Centers Fund, or “Mandatory”**
- Required spending, unless Congress changes the law
- Special 5-year Trust Fund created in ACA to boost Health Center Capacity
- Extended for two years in MACRA, expires September 30, 2017 without extension
- Currently $3.6 billion/year (FY17)

**Annual Appropriations, or “Discretionary”**
- Annual, up to Congress (Appropriations Committees) to determine amount
- Prior to ACA, this was the only source of funding for CHC program
- Cut several times, backfilled with mandatory funds
- Currently $1.5 billion/year (FY17)
KEY FACTS & BACKGROUND

The Health Centers Funding Cliff

Community Health Center Operational Funding: FY 2011 – FY 2018

- No action = 70% cut to 330 funds
- Would affect every CHC, not just newly funded/expanded
- Impact analysis from 2015:
  - 2,200 sites closed
  - 7+ million patients lost
  - 57,000 jobs lost
  - We are working on updated figures for 2017
- Would quickly reverse more than 2 decades of bipartisan investment
KEY FACTS & BACKGROUND

• Even if ACA Repeal passes in early 2017, **cliff is still an issue**. Without Congressional action, the cliff hits on **October 1, 2017**.

• Funding expires for **Health Centers, National Health Service Corps (NHSC)** and **Teaching Health Centers (THCGME)** – last time all 3 went together.

• No one knows how HRSA would implement such a large cut – have to assume **each Health Center would lose 70%** of grant funds.

• We’ll be seeking a fix on **any/every “vehicle”** that’s moving this year. Could see a fix paired with other things we don’t like.
Cliff WILL happen if Congress does not act by September 30th. Limited vehicles, and all will be controversial.

Other Key Programs (CHIP being the largest) have the same expiration date. Must be coordinated.

CHCs are bipartisan. But debate over our funding will happen in tandem with other highly divisive debates.
## ADVANTAGES

- **MACRA Created Bipartisan Vote**
  484/535 have now voted in favor of CHC mandatory funding.

- **Strength in Numbers**
  More than 20 other programs expire at the same time.

- **The Dollars Are Being Used**
  In 2015, not all funds had been spent. Now, *any* cut has impact.

- **ACA Connection is Diminished**
  CHCs are less associated directly with divisive ACA politics.

## DISADVANTAGES

- **Cost of any Extension**
  Minimum needed to stay whole is $3.6 billion/year. Plus NHSC, THC.

- **No Clear Legislative Vehicle**
  In 2015 everything health-related “rode” on the SGR/“Doc Fix.”

- **Changing CHC Insurance Mix**
  Harder to explain need for grant investment with fewer uninsured.

- **Competing Priorities on the Table**
  ACA Repeal and Replace, Medicare/Medicaid Reforms, even 340B?
OUR “ASK”

SUSTAIN HEALTH CENTER FUNDING TO ENSURE STABILITY OF ACCESS THROUGH HEALTH CARE TRANSITION

BUILD IN NEW INVESTMENTS TO ADDRESS INCREASED DEMAND AND DRIVE SYSTEM TRANSFORMATION
OUR ARGUMENTS

1. “BIG PICTURE MESSAGING” – A KEY PART OF THE HEALTH CARE SOLUTION
   • LOCAL, INNOVATIVE, VALUE, ECONOMIC IMPACT, COST SAVINGS, QUALITY

2. CONGRESSIONAL INACTION WOULD LEAD TO 70% CUTS IN FUNDING
   • LOSS OF ACCESS FOR MILLIONS, 50,000+ JOBS, 2,000+ SITE CLOSURES.
   • INVESTMENT UNDER BUSH, OBAMA ADMINISTRATIONS UNDONE

3. THE FEDERAL INVESTMENT IS THE KEY TO THE CARE/BUSINESS MODEL
   • ALLOWS FOR ACCESS IN UNEVERSERVED COMMUNITIES, OPEN TO ALL

4. IN UNCERTAIN COVERAGE ENVIRONMENT, HEALTH CENTERS ARE KEY
   • AS CONGRESS CONSIDERS CHANGES TO HEALTH SYSTEM, INVEST IN CHCs
OK, GOT IT. I’M MEETING MY MEMBER OF CONGRESS TOMORROW – WHAT DO I SAY?

Health Centers are one of the few things in health care both parties agree on. As Congress debates the future of our health system, **we need to be part of the solution.**

Medicaid and federal investment through CHC Grants are **the 2 pillars of Health Centers’ success**, delivering access to care to patients and cost savings to taxpayers.

We are **concerned about repealing the ACA without a clear plan to replace it**. Please work with us to minimize uncertainty and enact solutions that work for **our patients**.
MAKING THE CASE WITH ADVOCACY: 4 STEPS TO TAKE NOW

#1: Commit to staying informed and engaged

#2: Complete a health center data analysis

#3: Schedule in-person meetings at home with Members of Congress

#4: Prioritize building advocacy capacity
#1: COMMIT TO STAYING INFORMED AND ENGAGED

• If you’re not signed up already, make sure you go to [www.saveourchcs.org](http://www.saveourchcs.org) NOW and click “Join the Campaign”

• You can also text HCADVOCATE to 52886

• Mark your calendars for monthly policy and advocacy briefs (recordings will be available on saveourchcs.org):

  3:30 PM Eastern – Jan. 18, Feb. 22, and Mar. 21

Commit to taking action
#2: COMPLETE A HEALTH CENTER DATA ANALYSIS

How would a 70% cut to your grant funding affect your health center operations? Your patients? The services you provide? The community at large?

How much of your health center revenue derives from Medicaid?

How many of your patients are being served in each FPL bracket or eligibility group under Medicaid?

What is the financial impact of Medicaid cuts/changes to your health center in the context of operations, services, and patients?

• Good data leads to stronger advocacy – tell a clear story

• Prepare to show in numbers the importance of grant funding and the Medicaid program to your health center, staff, and patients

• COMING SOON:
  - Updated cliff estimator
  - Template Medicaid impact statement
#3: SCHEDULE IN-PERSON MEETINGS WITH MEMBERS OF CONGRESS AT HOME

• Schedule your meetings as much in advance of their arrival in DC as possible

• Educate your Members on what it is you do best, and why you need their support.

• Prioritize new Members of Congress

• Find tips on effective meetings with elected officials at: [www.saveourchcs.org/working-with-elected-officials.cfm](http://www.saveourchcs.org/working-with-elected-officials.cfm)
#4: PRIORITIZE BUILDING ADVOCACY CAPACITY

- Being prepared to advocate at ALL levels – local, state, and federal – is critically important

- Participate in NACHC’s Advocacy Center of Excellence (ACE) Program
  - Follow clearly outlined steps for building an advocacy program
  - Receive national recognition upon completion
  - Learn more: www.saveourchcs.org/ace.cfm
RESOURCES FOR ADVOCATES

- TALKING POINTS
- ONE PAGERS ON PPS, MEDICAID’S IMPORTANCE
- CLIFF IMPACT CALCULATOR AND TEMPLATE
- TEMPLATES FOR:
  - Letters to the Editor
  - Op-eds
  - Board and Local Resolutions
  - Local Partner Letters
- STATE AND CONGRESSIONAL DISTRICT MAPS
- COMMUNITY PARTNERS ADVOCACY TOOLKIT

Everything can be found at: www.saveourchcs.org/makethecase.cfm
Didn’t find what you need? Email: federalaffairs@nachc.org or grassroots@nachc.org.
ADVOCACY IS THE KEY

• Make sure the health center voice is heard loud and clear!

• Engage your colleagues, partners, and friends in this movement – everyone has a role to play.

• Don’t hesitate to reach out to NACHC’s advocacy team for training and assistance at grassroots@nachc.org.
MARK YOUR CALENDARS:
MONTHLY POLICY AND ADVOCACY WEBINARS

Starting in January 2017, NACHC will be hosting monthly webinar briefings to communicate with Health Center advocates on what’s new on the Hill, advocacy action steps, and strategy.

**Next Webinar:**
Including State strategy, 340B and Workforce
January 18, 2017
3:30- 4:30pm et
bit.ly/Jan18CHCwebinar

February 22, 2017
3:30- 4:30pm et

March 21, 2017
3:30- 4:30pm et

Next time...more on 340B, Workforce, State-level Actions. And updates from the 115th Congress!