

Congress Faces Calls to Address Expired Funds for Primary Care

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The Affordable Care Act (ACA, P.L. 111-148, as amended), enacted in March 2010, appropriated billions of dollars of mandatory funds to support two programs that focus on expanding access to primary care services for populations that are typically underserved: the Health Centers program and the National Health Service Corps (NHSC).

The Health Centers and NHSC programs are cornerstones of the federal government's efforts to expand access to primary care. The Health Centers program helps support more than 1,400 community-based health centers operating more than 10,400 delivery sites across the country. Health centers provide care to medically underserved populations regardless of their ability to pay. They provide care for more than 24 million people annually, or an average of 1 in 13 Americans. The NHSC program awards scholarships and loan repayment to certain health professionals who agree to practice in shortage areas, often at health centers. The NHSC estimates that the program's clinicians provide care to 11 million people.

Community Health Center Fund

The ACA established the Community Health Center Fund (CHCF) to help support the Health Centers and NHSC programs, and gave it a total of \$11 billion in annual appropriations over the five-year period of FY2011-FY2015. The CHCF was subsequently extended for two years (i.e., for FY2016 and FY2017) by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA; P.L. 114-10). MACRA provided a total of \$7.2 billion for health centers and \$580 million for the NHSC for two years.

CHCF funding was initially intended to supplement the annual discretionary funds that the two programs receive through the regular appropriations process. However, CHCF funds have replaced a significant portion of the Health Center program's annual discretionary appropriations, which Congress has reduced since FY2010 (see **Table 1**). In FY2017, CHCF funding represented 71.7% of the Health Center program's appropriated funding. In the case of the NHSC program, Congress eliminated its annual

discretionary appropriation entirely. Since FY2012, the program has relied solely on CHCF funding (see **Table 1**).

Table 1. Health Centers and NHSC Funding
(Millions of Dollars, by Fiscal Year)

	2010	2011	2012	2013	2014	2015	2016	2017	2018 (Request)
Health Centers									
Discretionary	2,141	1,481	1,472	1,492	1,397	1,392	1,390	1,387	1,389
CHCF	NA	1,000	1,200	1,465	2,145	3,510	3,600	3,516	3,600 ^a
% CHCF	0%	40.3%	44.9%	49.5%	60.5%	71.6%	72.1%	71.7%	72.1%
NHSC									
Discretionary	141	25	0	0	0	0	0	0	0
CHCF	NA	290	295	285	283	287	310	289	310 ^a
% CHCF	0%	92.1%	100%	100%	100%	100%	100%	100%	100%

Source: Prepared by CRS based on HHS budget documents.

Notes: FY2013 reflects sequestrations of discretionary and CHCF funds; FY2014, FY2015, and FY2017 reflect sequestration of the CHCF. Does not include discretionary funding appropriated for Federal Torts Claims Act for Health Centers, which is approximately \$100 million annually.

a. Proposed mandatory funding.

Funding “Cliff”

Advocates are referring to the expiration of the CHCF funding at the end of FY2017 as a “funding cliff.” They are reporting that health centers intend to implement hiring freezes and reduce operating hours as a result of funding reductions. News reports also indicate that centers in some states are experiencing difficulty recruiting providers and have lost staff because of funding uncertainty.

No FY2018 CHCF Funding

The President’s FY2018 budget proposes new mandatory funding—\$3.6 billion for health centers and \$310 million for the NHSC—for each of FY2018 and FY2019 (see **Table 1**). Legislation (e.g., H.R. 3770, H.R. 3922, H.R. 3862, and S. 1899) has been introduced in both chambers that would extend the program’s mandatory funding; however, as of the date of this Insight’s publication, no CHCF funding has been enacted for FY2018. The FY2018 Continuing Resolution includes discretionary funding for the health center program, at the current discretionary funding level, less a 0.6791% reduction. It does not include funding for the NHSC.

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