

Temporary Extension of the Community Health Center Fund

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January 11, 2018

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 about 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. Appropriations for the CHCF were 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 over that two-year period.

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 and the President have 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 and the

President eliminated its annual discretionary appropriation entirely in FY2012; since that time, 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.

Limited FY2018 CHCF Funding

P.L. 115-96, which provided further continuing appropriations through January 19, 2018, also included a six-month funding extension for the CHCF. Specifically, it provided \$550 million for health centers and \$65 million for the NHSC for the first two quarters of FY2018. The full-year funding amount for the CHCF has not been determined; however, should the CHCF funding be extended for the full year at the level included in P.L. 115-96, it would represent a 70% decline in the amount of funding that the CHCF had provided in FY2017 for health centers and a 55% decline in NHSC funds. This annualized amount would also be less than the amount that the President's FY2018 budget had proposed (see **Table 1**) and would be less than the amounts included in proposed legislation (e.g., H.R. 3770, H.R. 3922, H.R. 3862, and S. 1899) to extend the CHCF. These proposals differ on the length and the funding level that would be provided by the funding extension, but all would either maintain or increase the CHCF funding levels relative to the amounts provided under MACRA.

The three FY2018 continuing resolutions (P.L. 115-56, P.L. 115-90, and P.L. 115-96) have also included discretionary funding for the health center program, at the FY2017 discretionary funding level, less a 0.6791% reduction. None of the continuing resolutions included discretionary funding for the NHSC.

Funding "Cliff"

Prior to the funding extension included in P.L. 115-96, advocates for the Health Center program and the NHSC were referring to the expiration of the CHCF funding at the end of FY2017 as a "funding cliff." They had reported that health centers were intending to take a number of steps to account for reduced funding (e.g., that health centers intend to implement hiring freezes and reduce operating hours as a result of funding reductions). News reports claimed that the funding uncertainty had made it difficult to recruit and retain staff. It is not clear whether the current extension of the CHCF will help health centers avert these consequences because of its size relative to the prior year's annualized level and its temporary

nature. Still, the temporary extension may provide some assistance to health centers. Prior to the extension, HRSA had provided some health centers with two months of funding. The agency did so using the program's discretionary appropriation and unexpended funding and it was unclear how long the funding would last before it would be depleted. Because the extension provides HRSA with an additional amount of mandatory funding for health centers, some of that funding may be disbursed to certain health centers while the extension is in effect.

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