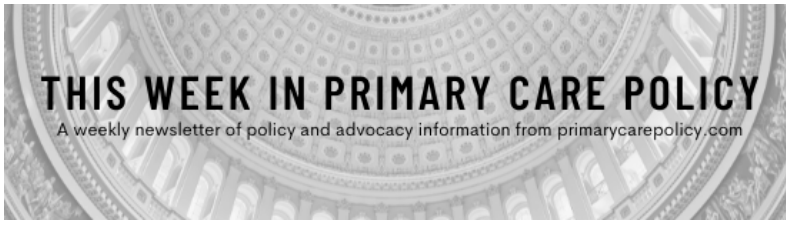

Friday March 22, 2024

Contents

KEY TAKEAWAYS

1. As we write this, the US House just passed the second "minibus" which funds three-quarters of the Federal government for the rest of FY24, and provides flat-line funding for Section 330 appropriations. The bill now goes to the Senate, and is expected to be signed into law in time to avoid a partial government shutdown tomorrow AM. While we are very disappointed that this bill did not include the $5 billion in mandatory 330 funding being considered last week, we are encouraged that all eight "corners" – meaning the Chairs and Ranking members of the four key committees, including Sen. Bill Cassidy (R-LA) – had agreed on the $5 billion funding figure for CHCs at that time. And we will have another chance to push for increased funding later this year. *See pages 3 & 4.*

2. In the Report language accompanying HHS' operating funds, both the House and Senate informed BPHC that it should add a UDS measure around dementia, and have CHCs "redouble" their efforts around screening and vaccination for Hepatitis B. The House also expressed concerns about "materials that encourage health care providers to hide a minor patient's sexual orientation or gender identity from the patient's parents." *See page 4.*

3. CMS has announced a new demonstration project to support primary care providers in "low-revenue" Medicare ACOs. Under the new ACO Primary Care Flex Model, Medicare Shared Savings Plans whose members consist largely of outpatient provides will receive a one-time advanced shared savings payment, and monthly PMPM payments. The Request for Applications (RFA) should be released in the second quarter of 2024. Here are a Fact Sheet and FAQs about the new model. *See page 7.*

RECOMMENDED ACTION ITEMS

1. If you haven't already done so, please co-sign the letter to House leadership expressing support for the Health Care Practitioner Disaster Protection Act, a bipartisan bill that would allow CHC providers who are in good standing under FTCA at their "home" CHC to immediately receive FTCA coverage when volunteering at another CHC in response to an emergency. The bill will reduce administrative burden, should have no cost, and most

importantly, will increase access in emergency situations. Both NACHC and ACH support the bill. *See page 3.*

2. Alert your CHCs that the annual application window for the NHSC Loan Repayment Program is now open. Notably, for the first time in recent memory, HRSA is increasing the maximum amount of loan repayment a recipient can receive to $75,000 (from the long-standing $50K); HRSA is also offering an extra $5,000 for applicants who are proficient in Spanish. Applications are due May 9. *See page 8*

3. Monday April 1 is the deadline to submit comments on the "Group of Six" Senator's draft 340B reform bill and RFI. Here are Colleen's full draft comments, and a suggested template. *See page 6.*

ADVOCACY UPDATES

Thank you for last week's advocacy efforts around CHC/ NHSC/ THC funding.
Many thanks to everyone who reached out to CHC-friendly House GOP members last Friday to push for increased CHC/ NHSC/ THC funding in the FY24 bill being passed today. As reported by *Inside Health Policy:*

> "Eight out of the 10 congressional health care committees… came together last week on a bipartisan and bicameral agreement for another mini health package *[that]* would have included additional funding for community health centers, PBM reforms and price transparency provisions."

But then:

> "Negotiations between House and Senate leadership… collapsed over the weekend."

While this is a major disappointment, the good news is that all eight "corners" – meaning the Chairs and Ranking members of the four key committees, including Sen. Bill Cassidy (R-LA) – agreed on the $5 billion funding figure for CHCs. And we will have another chance to push for increased funding later this year.

For more information on these efforts, please see this article from *Inside Health Policy.*

Please co-sign Letter of Support for FTCA-in-Emergencies bill, and share with your CHCs.
The Kentucky PCA has re-opened the opportunity for PCAs and CHCs to co-sign the letter to House leadership expressing support for H.R. 5829, the Health Care Practitioner Disaster Protection Act. This bipartisan bill would allow CHC providers who are in good standing under FTCA at their "home" CHC to immediately receive FTCA coverage when volunteering at another CHC in response to an emergency. The bill will increase access, reduce administrative burden, and while it has not been officially "scored" by CBO, it should have no budgetary impact (as it would simply re-locate providers already covered under FTCA, rather than increasing their

number.) The bill has been supported by both NACHC and ACH, and we hope to include it in an end-of-year package, along with other emergency response policies. PCAs and CHCs can sign on here.

CAPITOL HILL UPDATES

Bill to fund three-quarter of the Federal Government for the rest of FY24 expected to be signed tonight.
As we write this, the US House just narrowly approved the latest "minibus" that contains discretionary funding (including earmarks) for six Federal Departments. The bill is expected to pass the Senate and be signed by the House in time to avoid a Federal shutdown at midnight. As expected, the bill appropriated roughly $1.86 billion for Section 330 -- the same as in FY23.

Congress indicates that BPHC should add dementia measures to UDS and redouble Hep B vaccination/screening efforts.
Today's bill to fund HHS for the remainder of FY2024 is accompanied by Reports in which the House and Senate indicate their priorities and views to the Administration. For Section 330 funding, both the House and Senate:

- "strongly encourages" HRSA to include ***Alzheimer's' and related dementia measures*** in UDS.
- "encourages HRSA to redouble its efforts" to have CHCs ***screen and vaccinate for Hepatitis B***. BPHC must report to Congress by the end of the fiscal year on progress in this area.

Regarding funding for ***Ending the HIV Epidemic***, the two chambers have very different views. The Senate continues to indicate that BPHC should invest at least $157 million for this purpose. However, the House provides no funding, stating that "This program has demonstrated a lack of performance data based on outcomes, insufficient budget justifications, and vague spend plans."

Regarding ***parental consent re: SOGI data,*** the House:

> "notes with concern health center grantees providing materials that encourage health care providers to hide a minor patient's sexual orientation or gender identity from the patient's parents…. [G]rantees should not be providing any guidance to health care practitioners for ways to bypass parental consent or how to keep medically relevant information from a patient's medical record."

House approves bill allowing Congress to see the long-term savings that result from preventive health care.
On Wednesday, the House approved the Preventive Health Savings Act, which would allow the CBO to estimate the savings that would result from spending on preventive health services over a 20-year period. The term "preventive health care" is defined broadly enough to potentially

encompass many primary care services. However, the savings associated with these services "may not be used to determine compliance with… budgetary enforcement controls", so they would not lower the short-term costs associated with a bill (which generally must be offset by savings elsewhere in the budget.) This bill is now awaiting consideration in the Senate.

For information on this & other Federal bills we are following, see Tab 5 here.

POLICY & REGULATORY UPDATES

Policy and regulatory updates are organized alphabetically by topic area.

340B & Pharmaceuticals

State 340B bills being linked to "Drug Price Hikes on Small Businesses."
This week, on-line readers of the *Richmond Times Dispatch* (the main newspaper in Virginia's capital) encountered a banner urging them to "Take Action: Stop Drug Price Hikes on Small Businesses." This content was clearly sparked by the Virginia legislature's recent passage of a bill to ban contract pharmacy restrictions and PBM "pick-pocketing" for CHCs. Since the bill applies only to CHCs, it would impact only 5% of the 340B program. Nonetheless, the ad takes aim at the entire 340B program, with statement such as:

- "The 340B drug discount program ("340B") is the perfect example of the dysfunction caused by corporate cronyism and backroom DC deal making."
- "Small Businesses Are Paying the Price" for 340B
- "340B is Now Under Investigation"
- Frequently references efforts to "expand" the 340B program.

It is unclear whether the ad was funded by PhRMA or PBMs, as it includes talking points frequently used by both groups.

Four more drugmakers– including Sanofi-- lift contract pharmacy restrictions in Arkansas.
Since the Appeals court upheld Arkansas' law banning 340B contract pharmacy restrictions (CPRs) on March 12, four more manufacturers have lifted their restrictions in the state. Of these four, only Sanofi had CPRs in effect on CHCs. Sanofi was one of the first three drug makers to impose CPRs, effective October 1, 2020.

CHCs in Arkansas now have relief from CPRs imposed by four drug makers – Merck, GSK, Eli Lilly, and Sanofi. (Eli Lilly will lift CPRs only if the CHC provides data to ESP.) Hospitals have received relief from a total of 13 manufacturers.

Meanwhile, the Arkansas Insurance Department (AID), which enforces the CPR law, plans to issue notices of enforcement to drugmakers "early to mid-next week" for alleged violations.

For a list of all contract pharmacy restrictions, including info on which have been lifted in Arkansas or Louisiana, see Tab 2 here.

One more week to submit comments on the Senate 340B RFI and discussion draft bill.
Monday April 1 is the deadline to submit comments on the Senate RFI and draft bill. Here are links to Colleen's full draft comments, and a suggested template that addressed the most critical issues. If preparing your own comments:

- please personalize them with specific examples from your CHC(s) – e.g., why contract pharmacy restrictions reduce access, the importance of using 340B drugs for specialist prescriptions. It is important that the Senate offices hear a range of real-life examples, to help them better understand what is at risk.
- note that Colleen has made some small tweaks to the documents since last week, but they are all editorial/packaging – there are no significant changes to content. Therefore, it is fine to work off the original version shared last week.

Update on state bills around contract pharmacy restrictions.
While there were no major developments this week (e.g., bills being approved by a full chamber or legislature, or signed into law), four states moved forward with their bills:

- Connecticut: A provision to ban contract pharmacy restrictions (CPRs) was added to a bill this week, and was approved by a Committee on Tuesday. It must now undergo further analysis before it can head to the floor.
- Hawaii: Four identical resolutions were introduced calling on the state health department to "ensure continued access to affordable medications" under 340B. These resolutions, if passed, would be non-binding.
- Minnesota: A bill to ban CPRs was introduced in the House on Monday. A bill to expand the state's first-in-the-nation (and very burdensome) 340B reporting requirements on covered entities was approved last week by a Senate committee.
- Rhode Island: A bill was heard in both House & Senate on Tuesday. It was decided to hold the bill for further study, which means it might still be introduced.

For a chart of all state bills and laws around 340B, see Tabs 3A and 3B here.

FTCA

BPHC publishes the FTCA PAL for CY25; applications are due June 24.
BPHC has released Program Assistance Letter (PAL) for CY25 FTCA applications for CHCs. EHB will open to receive CY2025 deeming applications on April 19, 2024. Redeeming applications must be completed by June 24, 2024.

HIT

Resources to assist CHCs impacted by Change Healthcare cyberattack.

- Information on specific State Medicaid managed care plans. This document is updated as new info becomes available.
- FAQs on advanced Medicare payments for CHCs and other providers
- NACHC Noddlepod site specific to Change Healthcare attack: Sign up here.
- Joint advisory to healthcare providers from FBI, HHS, and Cybersecurity and Infrastructure Security Agency (CISA) – as of Feb. 27
- NTTAP Resources on Cybersecurity and Breach Defense – links to Clearinghouse maintained by NACHC.

MEDICARE

CMS announces a new demo to support primary care providers in low-revenue Medicare ACOs.

On Tuesday, the Centers for Medicare and Medicaid Innovation (CMMI) within CMS announced a new five-year demonstration model to support primary care providers who are part of low-revenue Medicare Shared Savings Plans (MSSPs). (MSSPs are the standard Medicare ACOs, as opposed to demo models such as ACO REACH. "Low revenue" ACOs consist largely of outpatient providers – including primary care providers – as opposed to large hospitals.)

The new ACO Primary Care Flex Model aims to "drive better outcomes for underserved populations by increasing access to higher-quality primary care, which can include unique services such as proactive care management, patient navigation, and behavioral health integration." To achieve this goal, participating ACOs will receive:

- A one-time advanced shared savings payment, intended to cover costs associated with forming an ACO (where relevant) and administrative costs for required model activities. This payment will not be risk adjusted or based on the number of beneficiaries assigned to an ACO. CMS states that "All ACOs will receive the same Advanced Shared Savings Payment amount" but does not readily indicate what that amount will be.
- Monthly PMPM payments. CMS states in its FAQs that "For most model participants, CMS expects that the PPCP will increase primary care funding relative to ACOs' historical expenditures." Also note that CMMI is making adjustments to reflect FQHCs' and RHCs' unique payment methodologies. (See FAQs 3 & 4.)

Participation in the ACO Primary Care Flex Model will be voluntary, and CMS plans to select approximately 130 ACOs to participate. The Request for Applications (RFA) should be released in the second quarter of 2024. Here are a Fact Sheet and FAQs about the new model.

WOMEN's HEALTH

Misinformation about birth control is surging.
Clinicians across the US are seeing an explosion of birth control misinformation online targeting a vulnerable demographic: people in their teens and early 20s. Sites like TikTok and Instagram contain a cascade of claims that hormonal birth control leads to weight gain, infertility, depression, anxiety, etc. Clinicians are concerned that teenagers and young adults "are more likely to believe what they see on their phones because of algorithms that feed them a loop of videos reinforcing messages often divorced from scientific evidence."

WORKFORCE

NHSC loan repayment application window just opened; maximum award for primary care providers increased by 50%.
HRSA has just opened the annual application window for its three National Health Service Corps (NHSC) Loan Repayment programs. Notably, the maximum amount available for primary care providers has increased for the first time in recent memory:

- A 50% increase -- to $75,000 -- in the total available over two years for full-time primary care providers.
- A $5,000 enhancement for clinicians who demonstrate Spanish language proficiency.

Here is more information on the NHSC Loan Repayment, including the three distinct programs. Applications are due by May 9.

ARPA-funded THCs whose funding expires on June 30 should expect continued funding – and a lot of paperwork.
Teaching Health Centers (THCs) who received their initial funding under the American Rescue Plan (ARPA) will see their existing funding expire on June 30. While HRSA/ BHW cannot say this officially, Colleen expects that all well-performing ARPA-funded THCs will receive continuation funding to start on July 1, 2024 –but that there will be a lot of paperwork involved. (For example, they will need to close out their existing grant, and reapply for a new one.) Please contact Colleen if you'd like more information.

Article on recent CHC efforts to get more 330 funding

Some CHCs Call For Multiyear Robust Funding As Minibus Expires This Year

By Bridget Early / March 21, 2024 at 6:56 PM/ Inside Health Policy.

A subset of community health centers are calling for Congress to lock down multi-year, stable funding for CHCs after lawmakers announced a hotly anticipated fiscal 2024 spending package that funds CHCs at $1.9 billion in discretionary funding.

CHCs had previously called for maximum funding for the centers and secured $4.27 billion in mandatory funding for fiscal 2024, slightly less than what was included in the House-passed Lower Costs More Transparency Act.

Since then, frenzied efforts to get funding secured have carried through several looming shutdown deadlines and resultant continuing resolutions to kick the deadline down the line. The newest package, which was released at 2:32 a.m. Thursday (March 21) features $117 billion for HHS programs. Lawmakers have one day before their March 22 deadline to pass funding for a fiscal year that's about halfway over.

Amy Simmons, the National Association of Community Health Centers' associate vice president of communications & public relations, praised the package's inclusion of funding for CHCs. "We appreciate the deep bipartisan support for Community Health Centers in this difficult budget environment," Simmons said in an email. "The funding comes at a critical time as health centers face significant challenges that include workforce shortages, changes in Medicaid enrollment, and changing environment for 340B, the low-cost prescription drug program. The federal investment will support access to comprehensive high-quality affordable primary health care for more Americans, save tax dollars and lower overall health care costs."

But Stephanie Krenrich, senior vice president of policy & government affairs at Advocates for Community Health, pointed out that the $1.9 billion in discretionary funding still lacks the long-term stability CHCs need amid ongoing issues with inflation, workforce shortages and other pressures.

ACH is instead urging Congress to reauthorize the Community Health Center Fund at $5.8 billion a year for at least three years, and to fund health centers at $3.2 billion in fiscal 2025 through the appropriations process, Krenrich said.

"While we understand the difficult budget environment on Capitol Hill and are grateful that our funding held steady, this is one more reason that multi-year, stable and increased funding for the mandatory Community Health Center Fund is so necessary," Krenrich said in an email. "The Community Health Center Fund must be reauthorized again by December 31, and we call on Congress to negotiate long-term and robust funding for it."